DATGANIADAU ARIANNOL COLEG SIR BENFRO

BLWYDDYN YN GORFFEN 31 GORFFENNAF 2025

PEMBROKESHIRE COLLEGE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2025

Mae’r cyhoeddi hwn ar gael yn Gymraeg | This publication is available in Welsh

PEMBROKESHIRE COLLEGE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

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Introduction and Overview

I am pleased to present this report outlining the performance of Pembrokeshire College for the financial year ended 31 July 2025 (hereinafter referred to as FY25).

By way of context, Pembrokeshire College operates as a Chartered Corporation, governed in accordance with the Instruments and Articles of Government for Further Education Colleges in Wales, which came into effect on 6 April 2006. The College is accountable through its governing body, the Corporation Board, which holds ultimate responsibility for determining the educational character and strategic direction of the institution, as well as overseeing its overall activities.

Pembrokeshire College's vision is:

"To transform lives through learning"

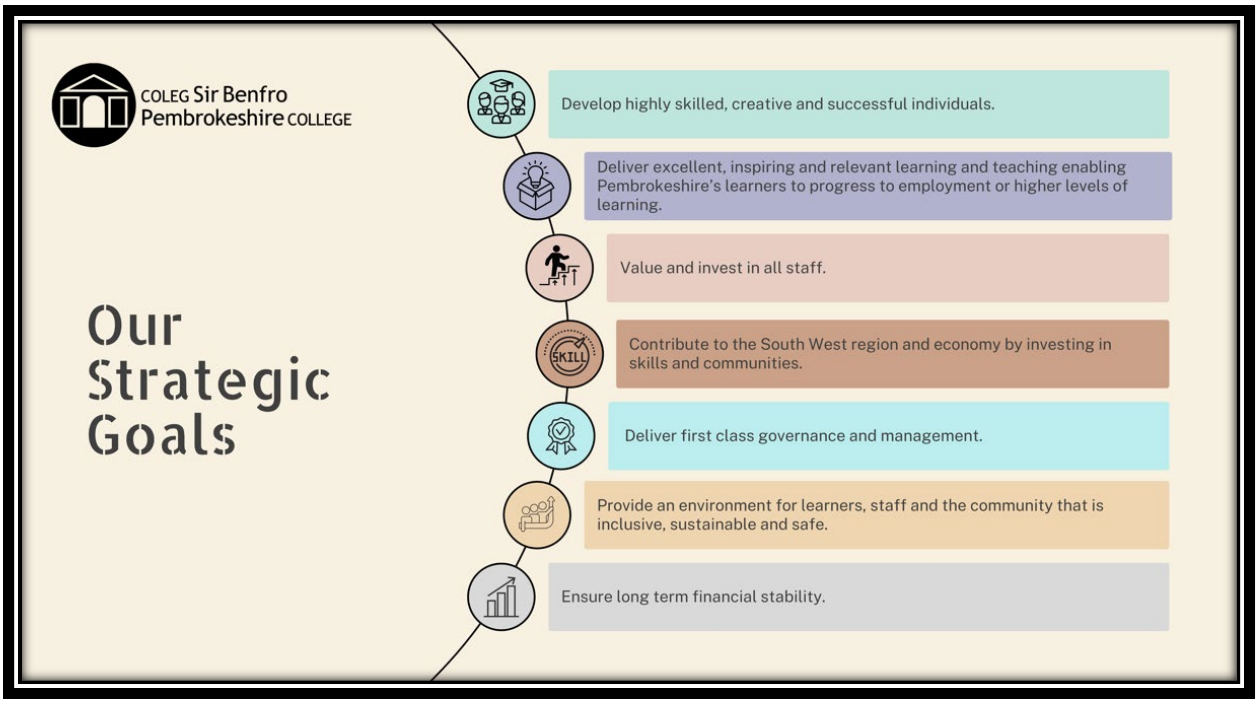
The College is committed to creating opportunities and enriching lives through the provision of excellent learning opportunities and as such the College's mission is:

"To empower individuals, raise aspirations and develop tomorrow's workforce."

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

Strategic Goals 2023-2028

The College has produced a Strategic Plan for the period 2023-2028 during which period the College aims to:



Introduction and Overview *Continued…*

The strategic goals reflect the College's vision, values, and ethos. These goals will be pursued through a series of aims, some short-term and others more long-term.

Pembrokeshire College's Strategic Plan for 2023–2028 sets out a bold and forward-looking vision for the institution's development over the next five years. At the heart of this plan is our continued commitment to delivering high-quality education and training that equips learners for successful entry into the workforce or progression to further academic study.

This strategic period will be shaped by a landscape of change, challenges, and opportunities, driven by both internal developments and external influences, including ongoing financial pressures affecting the College and the wider community. Pembrokeshire faces notable demographic shifts and skills shortages, alongside emerging opportunities linked to the successful Celtic Freeport bid and the growth of Renewable Energy and Carbon Net Zero initiatives in the Haven area. Pembrokeshire College is well-positioned to respond to these challenges and capitalise on these opportunities.

During the previous strategic cycle, the College's reputation has strengthened locally, regionally, and nationally. This is evidenced by growth in full-time enrolments and apprenticeship provision. Notably, the College now leads an Apprenticeship and Jobs Growth Wales Plus (JGW+) Consortium, managing a contract valued at £23.5 million.

We remain committed to working in close partnership with the Welsh Government, Pembrokeshire County Council, and local schools to ensure learners across the county have access to a broad and inclusive range of academic and vocational pathways.

The development of this Strategic Plan has been informed by extensive consultation with a wide range of stakeholders, including employers, staff, learners, the Pembrokeshire College Advisory Forum, and the College Governing Body.

The College recognises the importance of maintaining strong and collaborative relationships with its stakeholders, including:

- Learners
- Staff
- The local community
- Work-based learning consortium members
- Higher Education institutions
- Local employers
- Local authorities
- Government departments and regional bodies
- Other Further Education institutions
- Trade unions
- Professional bodies
- Third sector and voluntary organisations

To fulfil our mission, we are dedicated to delivering outstanding education, training, and support services that empower learners to achieve their full potential.

Introduction and Overview ***Continued…***

Through our provision, the College plays a vital role in supporting the economic and social development of Pembrokeshire, the South West region, and Wales.

We currently serve approximately 13,000 learners, the majority of whom engage in vocational programmes delivered either on campus, in the workplace, or through our B-wbl Consortium.

Our strategic delivery is underpinned by collaboration with stakeholders across a wide spectrum of activity, including basic skills development (literacy, numeracy, and digital skills), vocational training, A-level provision, and higher education qualifications.

The College's continued success is a testament to the dedication and support of our stakeholders and staff. I would like to express my sincere appreciation to all those who contribute to our mission, particularly our exceptional academic and business support teams, whose commitment ensures our learners receive the highest quality experience.

I also wish to extend my heartfelt thanks to the Chair of the Corporation Board and all members of the Governing Body for their steadfast support and guidance throughout the past academic year. The College is privileged to benefit from such a committed team, and I am deeply grateful for their contributions to our ongoing success.

1. Develop Highly Skilled, Creative and Successful Individuals.

The ongoing challenges post pandemic have continued to impact Pembrokeshire College in FY25 as they have done across the entire education sector, both in terms of learner resilience, expectations and performance.

Since the opening of the College's A level Campus6 facility by the Cabinet Secretary for Education in October 2017 a further £25m has been invested in state-of-the art facilities and refurbishment projects which have been jointly funded by Welsh Government and the College. In FY19, the College was awarded a £7.4million capital development funding envelope from Welsh Government's Sustainable Communities for Learning fund. Over the period to summer 2024 this envelope increased to £14.7 million, enabling the completion of Band B plans for the main campus and the new Independent Living Skills (ILS) centre at the Pembrokeshire Agricultural Showground. The courtyard area redevelopment was completed on time and on budget and has created significantly more social space and study areas for learners along with a Hwb area, where all learner support services have been centralised in a single location. The Minister for Education and Welsh Language formally opened this facility in June 2022. All these new areas are now well utilised by the learners.

Work completed at the beginning of FY23 on the new engineering workshops enabled the move of welding and fabrication routes from Milford Haven onto the College campus into a state-of-the-art new facility. The First Minister of Wales, Mark Drakeford, formally opened the Centre of Excellence for Welding and Fabrication in April 2023. At the same time, a further £3million was invested in a phased window replacement scheme significantly improving the College's energy efficiency.

During the summer of 2023, the College completed a comprehensive refurbishment and expansion of its plumbing, electrical, and brickwork facilities. This project provided essential upgrades and modernized workspaces, enabling the College to deliver the latest Construction qualifications. By incorporating state-of-the-art equipment and expanded training areas, the refurbishment allows students to work in industry-standard environments, equipping them with practical skills that meet the demands of today's construction sector.

Over the past three years, the College has also invested in 385kW of solar photovoltaic panels, significantly reducing its reliance on external energy sources. This investment not only supports the College's commitment to sustainability but also contributes to a substantial decrease in its carbon footprint. By harnessing clean, renewable solar energy, the College is taking proactive steps toward a greener future while setting an example of environmental responsibility for learners and the broader community.

The SHELL supported process controls simulation suite became fully operational in June 2024. This unique facility provides a state-of-the-art Control Room training suite which enables training in control systems for a wide range of sectors including: Offshore Floating Wind; Hydrogen; Solar PV; Tidal/Marine and Hydrocarbons. In FY25 the facility enabled 262 learners to achieve a City & Guilds approved qualification.

Following approval by Welsh Government in 2024 of the College's Strategic Outline programme which set out a £52m vision for future estates development over the next 7 years, the College has been developing proposals for the delivery of two objectives within the programme. This will provide investment into the curriculum areas of health, social and child care, computing facilities and an immersive learning environment. This will help improve the learning experience through capital investment into a new extension to the front entrance of 490 sqm (image below) and refurbishment of 1,500 sqm of the College's existing main campus building at a total cost of £5.6 million plus VAT.

Develop Highly Skilled, Creative and Successful Individuals *Continued…*

The College has been successful in obtaining 50% funding from The Crown Estate towards the £1.1m cost of developing the proposed Energy Transition Centre to planning application stage. This project has been identified as a key project for the region for delivering skills and training to the energy sector in future years. The first phase of this project is to undertake a Scoping Study to identify the training and skills needs of the industry until 2050 which is due for completion in March 2026.

The College has also identified during the financial year two land acquisition opportunities which will allow further development of its estate. Offers on the land acquisitions have been made and accepted.

During the year the College developed its Independent Living Skills facilities including new classrooms and an enclosed outdoor learning area using Sustainable Learning Communities funding.

The table below indicates a 1% decline in full time further education learners between FY24 to FY25, however, over the five-year period there has been an overall increase of 3%. Part time numbers have increased by 2.5% however due to the mix of part time provision and changes to how NVQ’s are funded, the College delivered 97% of part time funding in FY25. Whilst 100% of target was not met, the College reached the threshold at which clawback is enacted so no financial reclaim was repaid.

FE Learner Numbers	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**
Full-time	1,828	1,802	1,803	1,900	1,879
Part-time	3,206	3,942	3,666	3,745	3,842
Total Learners	**5,034**	**5,744**	**5,469**	**5,645**	**5,721**

During FY25, the College saw a 1% reduction in its work-based learning numbers. Employability programme numbers reduced slightly to 89 during FY25. The numbers are likely to remain buoyant with numbers already looking strong for FY26.

Develop Highly Skilled, Creative and Successful Individuals *Continued…*

WBL Learner Numbers	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**
Apprentices	779	851	913	1,029	1,015
Employability Programmes	167	64	60	91	89
Total Learners	**946**	**915**	**973**	**1,120**	**1,104**

Part time Higher Education numbers have reduced by 30% year on year, and have reduced by 20% over the five year period shown which is disappointing. Changes in employer demand locally have had a detrimental impact on recruitment however the HNC routes still provide value to those learners who embark on qualifications at Level 4 and above.

HE Learner Numbers	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**
Full-time	**26**	**13**	**-**	**-**	**-**
Part-time	**74**	**96**	**114**	**114**	**80**
Total Learners	**100**	**109**	**114**	**114**	**80**

Further Education

At the heart of the College's provision is further education. We are continuously enhancing our offer to meet the needs of employers and industry, with a particular focus on providing learning opportunities for 16 to 19 year-olds. The majority of the county's 16-year-olds choose to attend the College for further education or training, while some remain in school to pursue A levels.

In FY25, the number of full-time learners reduced marginally from 1,900 to 1,879 which shows a relatively stable position for the College. However, we anticipate an increase in enrolment in the coming years, aligned with demographic trends and early indications of recruitment in September 2025. Level 3 provision, including A levels and vocational equivalent Extended Diplomas, comprised of 51% of our overall delivery compared to 54% in FY24, with a further reduction in FY26 based on enrolments to date. This highlights the increased proportion of learners in the county not achieving their level 2 qualifications which hinders their progression. Pembrokeshire College remains committed to Medr priorities for enhancing higher-level skills but is cognisant of the growing numbers of learners applying to college who have not achieved GCSEs at grade C and above in English (28% of all learners) and Maths (41% of all learners).

FY25 saw the College deliver on its part-time funding allocation, which was pleasing in light of the economic climate and inflationary pressures that both businesses and individuals were subject to. Employer-led delivery remains a priority and Welsh Government discrete funding mechanism through Personal Learning Accounts has been helpful with the College delivering its full allocation in FY25.

Learner Achievements

WorldSkills UK Medal Winners

Gold	*Silver*	*Bronze*	*Highly Commended*
• **Ryan Lambert, Denver Picton, Kirsty Jones** *Foundation Skills: Enterprise* • **Ross Muller** *Foundation Skills: Horticulture*	• **Erin Owens** *Beauty Therapy Practitioner*	• **Brett Piggott, Mason Briskham** *Foundation Skills: Media*	• **Kaya Mujica** *Beauty Therapy Practitioner* • **Luke Roberts** *Welding*

Skills Competition Wales Medal Winners

Gold	*Silver*	*Bronze*
• **Maverick Collins** *Additive Manufacturing* • **Oliver Booth** *Automation* • **Alexia Newton John** *Beauty Therapist* • **Thomas James, Alfie Vincent** *Enterprise* • **Oliver Mathias** *Inclusive Skills: Fitness* • **Ryan Beavis** *Mechanical Engineering CAD* • **Mitchell King** *Restaurant Service* • **Celyn Sollis** *Inclusive Skills: Horticulture* • **Maximus Jones** *Welding*	• **Daniel Coates** *3D Game Art* • **Lily Mathias** *Beauty Therapy Practitioner* • **Kiran Mason** *Electrical Installation* • **Tomos Akash Padel** *Enterprise* • **Junior Rozhon** *Inclusive Skills: Horticulture* • **Mason Aitchison** *Welding* • **Ethan Clancy, Lauren Hart, Carly Hicks, Rebecca Michael, Eliza Peach, Georgie-Lee Rochester, Kaveh Singh** *Performing Arts* • **Madison Clague, Manon James, Gethin Mathias** *Inclusive Skills: Media*	• **Mali Wallwork** *Photography* • **Mia Warlow** *Inclusive Skills: Child Care* • **Kaitie Davies** *Plumbing and Heating* • **Henry Nelson** *Construction Metalwork* • **Dylan Burch** *Enterprise* • **Tyler Thomas** *Joinery* • **Cerys Rogers** *Patisserie & Confectionery* • **Matthew Duncombe** *Inclusive Skills: Horticulture* • **Tom Jenkins, Reuben Swindlehurst, Jak Matera-Byford, Drew John** *Popular Music* • **Emily Arnaudy** *Beauty Therapy Practitioner*

Sports Achievements

Welsh Colleges & Swansea City U19s Football	**Opal Raynor**
Special Olympics Gold in Weightlifting	**Bleddyn Gibbs**
National Schools Equestrian Association Finals	**Polly Lambert, Emily Locke, Jonathan Molloy**
World Para Athletics Silver and European Record in Shotput	**Michael Jenkins**
F1000 Series Motor Racing	**Henri Cynwyl**
Three Nation Boxing Championships Gold YF54kg Category	**Ffion Evans**
Junior European Championships in Kayaking	**Hannah Griffiths**
Pembrey Multi Sport	**Saskia Webb - Gold**
	Etienne Hole - Gold
	Oliver Whatmore-Clubbe - Silver

Eisteddfod

National Finals 2025 Urdd Winners

Gold	*Silver*	*Bronze*
• **Skills for Employment Group** *2D Artwork* • **Isabelle Burdett** *Photography B&W Series* • **Mara Cozens-Miles** *Early Years Welsh Language Development Game* • **Tegan Newell, Jac Dawes** *Creating an App*	• **Chloe John, Chloe Taylor, Gemma Taylor** *Early Years Welsh Language Development Game* • **Imogen Bunney** *Creating an App* • **Jackson Treloar** *Puppet Design* • **Kelci Francis** *Story-and-Picture Book Illustration* • **Skills for Employment Group** *3D Artwork ALN Moderate*	• **Christian Pearce, Xanthe Horsley** *Creating an App*

County Finals 2025 Urdd Winners

Gold	*Silver*	*Bronze*
• **Skills for Employment Group** *2D Artwork & 3D Artwork* • **Kai Thomas** *Computer Graphics* • **Poppy Lowe** *Ceramics* • **Isabelle Burdett** *Photography B&W Series* • **Poppy Lowe** *Photography Colour Series* • **Ruby Foster** *Fashion* • **Jackson Treloar** *Puppet Design*	• **Maddison Russell (U19)** *2D Artwork* • **Mia Phillips** *Computer Graphics* • **Martha Lee** *Adapted Photography* • **Maddie Freemantle** *Photography B&W* • **Mali Wallwork** *Photography B&W Series* • **Maddison Russell** *Photography Colour Series* • **Lacey Deschoolmeester** *Creative Textiles* • **Unity Hume** *Fashion* • **Megan Gibbins** *3D Artwork* • **Callum Parry** *3D Artwork - ALN Moderate*	• **Elin Lloyd** *3D Artwork* • **Bleddyn Gibbs** *3D Artwork - ALN Moderate*

Other Competitions

Finalist at 2024 ECI Training and Development Awards	Luke Roberts
Finalist at Concept Hair Learner of the Year - Colouring	Cheryl Beale
Finalist at Colour World Genius Awards	Cheryl Beale
Welsh Guild of Bricklayers Competition Bronze	Justin Head
Duke of Edinburgh Bronze Award	Harry Armstrong, Nicola Harries, Anwen Evans, Eliza Peach, Keira Edwards

Work Based Learning

Work Based Learning (WBL) at Pembrokeshire College is delivered through the Apprenticeship Commissioning Programme and through the Jobs Growth Wales Plus (JGW+) contract which is an employability programme.

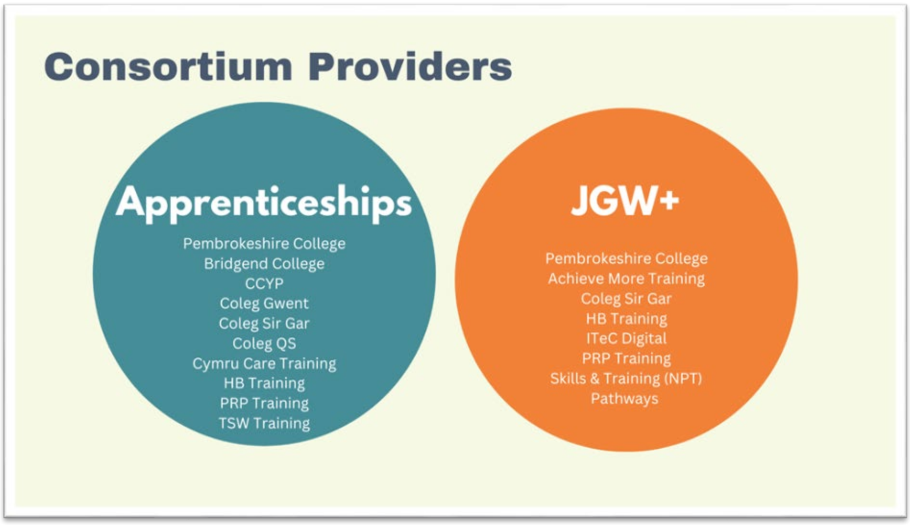
The purpose of the Apprenticeship Programme is to provide employers with the relevant skilled workforce to meet the current and future needs of their businesses and the Welsh economy whilst providing individuals with the skills necessary to embark on successful careers. Apprenticeships focus on employees who are in the workplace, therefore impacting:

- Individuals - by providing the means whereby they can fulfil their potential;
- Employers - by improving the skills of their workforce;
- The local and national economy - by improving the skill base available for driving economic growth.

Jobs Growth Wales Plus Youth Programme (JGW+ Programme) delivers consolidated training, development and employability support to 16–19-year-olds who are assessed as NEET (Not in Education, Employment or Training). It supports delivery of the Welsh Government's strategic priorities to tackle the consequences and risk factors associated with young people being NEET, which are integral to the Employability Plan, the Programme for Government Taking Wales Forward, Prosperity for All the National Strategy and to the Well-being Objectives.

The Welsh Government, through Medr, provides funding to organisations in the public and private sectors to deliver WBL through contracts that are the subject of competitive tender. The latest contract process for Apprenticeships took place in Autumn 2020 and for Jobs Growth Wales Plus (JGW+) in Spring 2021.

Since August 2011, the College has been leading a Work Based Learning consortium – "B-wbl", delivering apprenticeship and employability programmes. The Consortium originally consisted of six partners (comprising further education colleges and independent training providers) and secured a contract for £6.5m. The composition of the Consortium has changed over time and now has fifteen partners spread across South, West and Mid Wales. In April FY21, the College was successful in the retendering for a new WBL apprenticeship contract; at the same time several previous contract holders were unsuccessful in the process, resulting in the number of prime contract holders reducing from eighteen to ten. In the same year, the College was also successful in tendering for the new JGW+ contract and employability programme for young people. As a result of this change, the new contract value for the B-wbl consortium now exceeds £23.5 million.

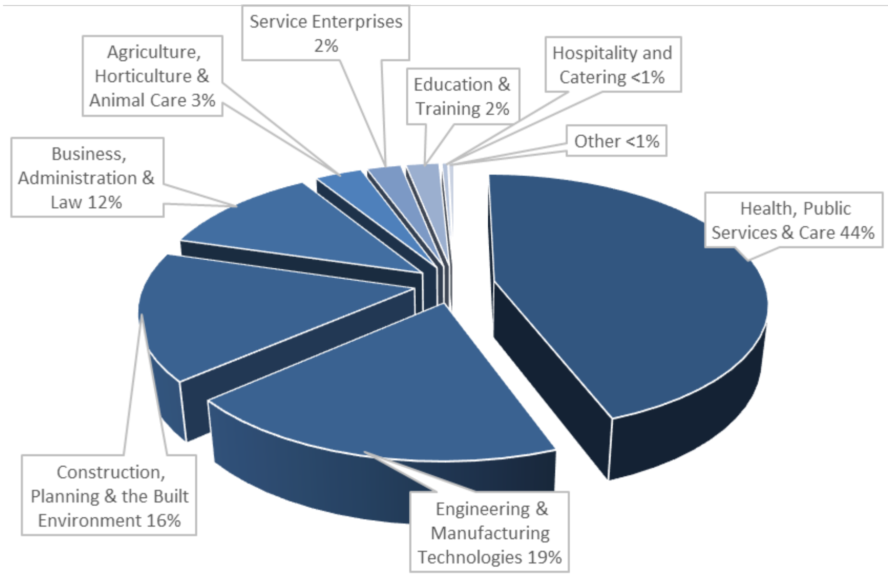


Delivery Volume Compared to the Network FY25

The total apprenticeships contract value across all the contract holders for FY25 was £134m (B-wbl £21m, is the second largest provider) and JGW+ (April 24 to March 25) £29m (B-wbl £2.5m). To enable demand to be managed in line with funding available, Medr adjusted the apprenticeship contracting process so that FY24 and FY25 were treated as a two-year contract and likewise for FY25 and FY26. This approach allowed us and other contract holders to carry forward any underspend from one year to the next. As a result, although our formal contract for FY25 was £21m, the College actually received £23m.

The Consortium delivers across a range of routes with Health, Public Services and Care sector (44%) being the largest, followed by Engineering & Manufacturing Technologies (19%) and Construction, Planning & the Built Environment (16%).

Apprenticeship Starts by Sector FY25



In June 2025, B-wbl held its third awards ceremony to celebrate our JGW+ and Apprenticeship learners. The awards held at Parc Y Scarlets celebrated success across twelve categories.

B-wbl Estyn Inspection

In June 2025, Estyn inspected the college and issued a report which highlighted the consortium's high levels of learner achievement, effective teaching, robust learner support and safeguarding and recognised its effective leadership and partnership working.

"Senior leaders across the consortium have been highly effective in setting a clear strategic direction that supports the work of all partners. The consortium works in a culture of collaboration, transparency, openness and trust. The particularly effective partnership working demonstrated by the consortium has resulted in strong learner outcomes and a clear ambition of achieving excellence. "

Higher Education

The College fulfils an important role in delivering higher education courses in the county. Whilst this income stream represents just under 1% of the College's overall income, the provision of such courses (full time and part time) is important to learners in Pembrokeshire for the following reasons:

- There is no Higher Education Institution (HEI) in Pembrokeshire, offering courses;
- Learners who are in employment, who want to pursue higher education qualifications are able to do so;
- Some people for financial and/or family reasons are unable to go away to study and want to remain at home, but still want to pursue a higher education qualification;
- Employers want to up-skill their employees, by allowing them to take part-time in higher level courses;
- Adult returning learners can find the College environment more appropriate for their learning, and more convenient.

Since 2011, University of Wales, Trinity St. David (UWTSD) has provided the funding, the degree awarding powers and quality oversight for Higher Education provision.

Curriculum changes have been undertaken to align the HNC Mechanical Engineering to the Degree Apprenticeship at the University of Wales Trinity St. David. This model has enabled 6 learners to infill with the existing HNC classes before moving over to the university to complete their level 5 and 6 study. This model Has been taken forward for the Construction Management HNC and Degree Apprenticeship for September 2025 and has resulted in 7 learners enrolling as Degree Apprentices from the UWTSD.

A new Degree in Environmental Energy Engineering programme is currently being designed and validated at the UWTSD and discussions have been had for Pembrokeshire College to join as a delivery partner, enabling Level 4 and possibly level 5 to be delivered in Pembrokeshire.

Curriculum being considered as part of the planned Offshore Floating Wind and Celtic Free Port includes Project Management. Further work is required to establish if the current level 4 provision available through the College and 3rd party providers is sufficient, or if a level 4 Higher Education programme is required.

2. Deliver excellent, inspiring and relevant learning and teaching enabling Pembrokeshire's learners to progress to higher levels of learning or employment

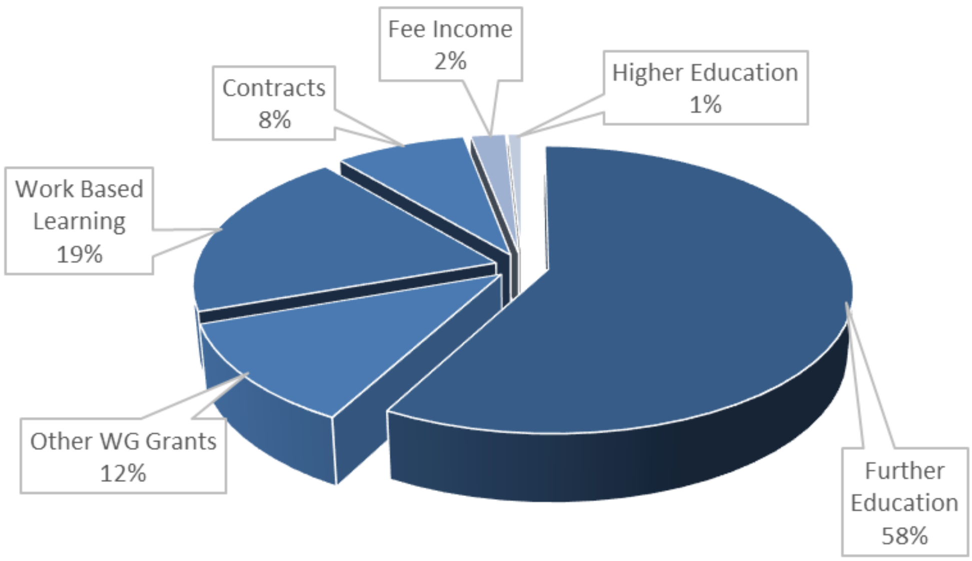
The performance of a college is reflected in the success of its learner outcomes. In this respect whilst FY25 has been a challenging year, there have been a number of significant successes for vocational and academic route learners with 203 learners being accepted to go on and study at University.

A Level results for FY25 are confirmed and the College is pleased to record a 99% overall pass rate, above the Welsh National Comparator (NC). The A*-C success rate is 80% which is also above the NC.

Work Based Learning (WBL) results for both the College and its B-wbl Consortium are yet to be finalised but results are strong. In FY24 apprenticeship outcomes in the College were 81% and will likely be similar for FY25.

The principal areas of the College's activities relate to further education – vocational and academic courses - and work-based learning (together 77% of our activities), as shown in the chart below:

Nature of Provision (by income stream)



Further Education Results

The College provides courses for full-time learners, mainly 16-19 years of age, and part-time learners.

Vocational Outcomes

The table below shows the projected vocational pass rates for FY25 compared to the previous year and the most recent national comparator (NC). The results for FY25 are still unverified* as the College will not receive the Welsh Government Consistent performance measure verified data until February 2026 at which time the FY25 National Comparators will also be published.

Level	FY23	FY24	FY25*	NC FY24
Level 1	71%	72%	78%	81%
Level 2	70%	73%	78%	77%
Level 3	77%	79%	83%	80%

A-level Results

A level results for FY25 are confirmed with A* to A pass rate at 24%, A* to C pass rate at 80% and A* to E at 99%. Although the College's A*-A grade indicator is below the National Comparator, value added outcomes for this measure show that the College is supporting A level learners to achieve better results than indicated by their GCSE grade profile with 24% of learners achieving A*-A grades at A2, compared to the Minimum Expected Grade (MEG) forecast of 5%.

A Level Grades	FY23	FY24	FY25	FY25 NC
A*/A	31%	26%	24%	30%
A*-C	76%	78%	80%	77%
A*-E	97%	98%	99%	98%

Work Based Learning: Apprentices and Trainees

For the Pembrokeshire College led B-wbl Consortium, FY25 success rates are projected to be 81% and for Pembrokeshire College as an individual provider, framework success rates for FY25 are projected to be 81% based on full returns of any outstanding IQA and ESQ re-sits by the end of October 2025. The B-wbl Consortium underwent a highly successful ESTYN inspection in FY25 to which the Pembrokeshire College as an individual provider contributed.

Higher Education and Progression to University

The ability to provide both A level and Extended Diploma qualification routes allows learners to choose the best pathway for them to progress to higher education. In FY25, 203 learners were accepted on a wide range of courses at universities across the UK. Of these learners, 97 were A level learners, and 106 were from vocational areas.

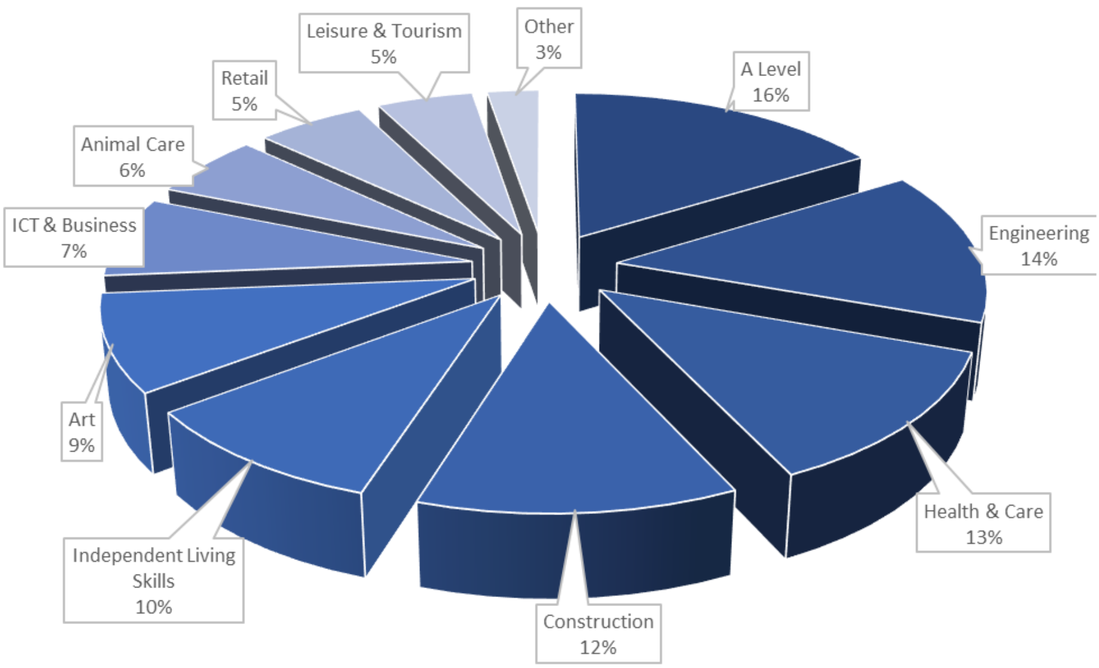
Community Learning

The College's Adult and Community Learning (ACL) provision comprises short courses under the brand of Community provision and includes a selection of accredited and recreational courses.

Effective employer engagement allows enhanced opportunities for local employers and also to those seeking work. Voluntary work is a key part of the Work Experience strategy and it ensures learners engage with relevant course related activity and are work ready for progression into the workplace.

Volume of College Activity by Subject Sector Area (SSA)

The College provides vocational provision in all sector subject areas enabling learners in Pembrokeshire to access the broadest curriculum offer. The sectors for which vocational courses are offered largely reflect the economy of Pembrokeshire and the College has worked to develop strong links with local employers. The College estimates that it works with 4,000 employers and therefore, is uniquely placed to help learners realise their potential for employment.



Skills

Every learner that enrols at the College is supported to develop their basic skill levels. Learners undertake a WEST Initial Assessment in Literacy and Numeracy upon enrolment.

As per the College's Skills Strategy, all learners are supported to improve their literacy and numeracy skills alongside their main programmes. GCSE results and internal Skills progression decisions are analysed on entry, and learners are allocated to the corresponding Skills class for Mathematics and English Language accordingly. If a learner has secured C grades in both GCSE subjects, they upskill via our Upskilling Destinations programme, the Advanced Skills Baccalaureate Wales, or the Extended Project Qualification. If learners have not secured C grades in these subjects, they are required to work towards re-sitting these qualifications.

Skills *Continued…*

Learners with a D grade are timetabled into a one-year GCSE re-sit programme. Learners with an E grade or below in GCSE English Language are timetabled into a pre-GCSE programme. Learners with an E or F grade in GCSE Mathematics are timetabled into a GCSE Foundation Tier programme and learners with a G grade or below in GCSE Mathematics are timetabled into a pre-GCSE Mathematics programme.

Skills provision in FY25 saw an increase of GCSE resit learners supported to 727 across the year, the highest number of resit learners since pre-Covid in FY20. Overall figures for GCSE outcomes are as follows:

- GCSE English Language A*-C pass rate 33%, National Comparator 34% (264 entries)
- GCSE Mathematics Higher Tier 100%, National Comparator 81% (4 entries)
- GCSE Mathematics Intermediate Tier A*-C pass rate 19%, National Comparator 24% (306 entries)

Other Areas of Focus

Welsh Language and Culture

In line with the Welsh Language Standards, the College published its annual report on 31 January 2025, outlining compliance with the Standards and progress in promoting Welsh. The report demonstrates how the College has fulfilled its statutory duties under the Welsh Language (Wales) Measure 2011, while showcasing ongoing achievements in embedding Welsh across services, the curriculum and culture. Over the year, no complaints were recorded; all recruitment processes and communications were delivered bilingually; and active monitoring was maintained through the Welsh Language Steering Group. Ongoing priorities focus on growing bilingual capacity, strengthening staff development, and contributing to the national Cymraeg 2050 strategy. The report can be accessed here, in Cymraeg or English.

In terms of the curriculum, during FY25, Coleg Sir Benfro made steady progress in delivering its Welsh Language Strategy and Action Plan, aligned with Y Coleg Cymraeg Cenedlaethol's Strategic Plan 2020–25. Continued funding enabled the expansion of the Welsh Language Development Team, with Bilingual Support Tutors appointed across eight priority areas: Health & Social Care, Childcare, Public Services, Sport, Animal Care, Business, Creative Industries, and Construction. Tutors delivered weekly Cymru Fodern sessions to FE learners at Levels 1–3, embedding Welsh language awareness and employability skills within vocational contexts. They also supported fluent speakers with assessments and tutorials in Welsh, developed bilingual resources, and created cultural, social, and work-related opportunities to use the language. The Bilingual Support Tutor model continues to be highly effective in engaging learners with Welsh.

In non-priority areas including Engineering, IT, Hair & Beauty, and Catering, Welsh was integrated into classroom and tutorial activities through the Prentis-Iaith e-module, lesson delivery, and events such as Heritage and Culture Focus Week and the College Eisteddfod. In the Faculty of A-Levels and Skills, 9 learners completed the Advanced Skills Baccalaureate Wales in Welsh, 7 learners studied A-Level Welsh Second Language and 6 learners completed GCSE Maths through the medium of Welsh.

Overall, 1,107 learner tasks or assessments were completed using Welsh, up from 796 last year. Of these, 1,019 involved small amounts of Welsh (B3), while 88 were completed either in Welsh or bilingually (C1, B1, B2).

Welsh Language and Culture *Continued…*

In Work-Based Learning, learners were set Welsh language targets under the B-wbl Consortium's engagement strategy, with Prentis-Iaith as the minimum requirement. Fluent Welsh speaking NHS were supported to complete qualifications in Welsh and deliver the 'Active Offer'. One apprentice, recognised for completing her qualifications in Welsh and using the language in clinical practice, was shortlisted for a B-wbl Welsh Language Award and won Coleg Sir Benfro's Welsh Language Award.

Extra-curricular Welsh language and cultural activity grew significantly in FY25, strengthening the College's bilingual ethos. With support from Y Coleg Cymraeg Cenedlaethol and Menter Iaith Sir Benfro, 15 events were held, from twmpath and folk dancing to contemporary music workshops and national celebration days including Diwrnod Shwmae, Diwrnod Defnyddia Dy Gymraeg, Yr Hen Galan, Diwrnod Santes Dwynwen, and Dydd Miwsig Cymru. The highlight was the Heritage and Culture Focus Week, culminating in the Dydd Gŵyl Dewi Eisteddfod, which boosted participation in the Urdd. Learners achieved 13 gold, silver and bronze medals at the 2025 National Urdd Eisteddfod, with the College also entering national group competitions for the first time. Events were coordinated by Y Pwyllgor Cymraeg with support from the Welsh Language Development Team, guest speakers, and weekly online quizzes, helping to create a vibrant and engaging cultural environment for learners and staff.

The College continued to implement Y Coleg Cymraeg Cenedlaethol's Welsh Language Ambassadors scheme, appointing six learners and one apprentice to promote Welsh across the College and apprenticeships. The Apprentice Ambassador featured on S4C's Newyddion and Prynhawn Da, highlighting the value of bilingual apprenticeships. Two A-Level learners also benefitted from Y Coleg Cymraeg's Cynllun Sbarduno, a mentoring scheme for Black, Asian, and Minority Ethnic Welsh speakers.

Staff development remained a priority, with 28 staff registered on the national Cymraeg Gwaith scheme. Five weekly classes and one-to-one mentoring, led by the College's Cymraeg Gwaith Tutor, built confidence and fluency in using Welsh in teaching. A staff development day at the Pentre Ifan Urdd Centre was held, providing an opportunity for staff to immerse in Welsh language and culture through outdoor wellbeing activities. Cymraeg Gwaith continues to be central in raising staff skills and the visibility of Welsh across the College.

The 14 – 16 collaboration with Ysgol Caer Elen continued, with the College delivering Welsh-medium and bilingual Level 1/2 programmes in Engineering and Food and Nutrition. In FY25, 15 Year 11 pupils completed the WJEC GCSE Engineering qualification, with 18 Year 10 pupils starting the programme. In Food and Nutrition, 9 Year 11 pupils completed the WJEC qualification in Welsh, and 11 Year 10 pupils began Year 1. Pupil and school feedback was very positive.

The College also strengthened partnerships with national and local Welsh-medium organisations, supporting Cymraeg 2050. Y Coleg Cymraeg Cenedlaethol provided funding, guidance, training, and resources to enhance provision, while staff benefitted from bilingual methodology training via Sgiliaith. Work with Menter Iaith Sir Benfro, the Urdd, and Dysgu Cymraeg Sir Benfro enriched extracurricular and community opportunities. Collaboration with Pembrokeshire County Council through its Welsh in Education Strategic Plan expanded post-16 provision and engagement, aligning with local and national strategies to grow the number of Welsh speakers.

Supported largely by Y Coleg Cymraeg Cenedlaethol funding, these developments have expanded Welsh-medium and bilingual provision while promoting equality, inclusion, and language choice. With funding secured for FY26, the College is well placed to build on this progress, extend provision further, and plan for long-term sustainability.

Digital Learning

During FY25, the College made significant progress in advancing digital learning, innovation, and accessibility through the Aspire framework, aligned with its Digital 2030 strategy. Digital learning methods were strategically embedded into curriculum delivery to enhance teaching, learning, and assessment, supported by continued investment in technology and staff development. The FY25 academic year saw the completion of the Promethean whiteboard rollout, funded through the Welsh Government’s D2030 Call to Action initiative, ensuring classrooms and workshops are fully equipped for digital operation.

The dedicated Digital Innovation Team worked with teaching staff to integrate digital tools and technologies, encouraging continual skill development and the use of innovative approaches in lessons. College-wide ARK training led to digital accessibility accreditation, ensuring resources are accessible to all learners and promoting inclusion, equity, and wellbeing. Staff received training in emerging tools such as Thinglink, Khanmigo and AI-driven workload efficiencies, improving teaching practice and reducing administrative demands.

The Aspire Digital page provided a live, self-directed training hub supporting flexible professional development. These FY25 initiatives strengthened the College’s reputation for digital innovation, aligned teaching with employer expectations, and contributed to sustainability by reducing reliance on paper-based systems.

Learner Wellbeing and Safeguarding

During FY25, the College continued to strengthen all aspects of safeguarding, care, wellbeing, resilience and learner support. Significant focus remained on the Safeguarding and Wellbeing agenda, with heightened awareness and protection against emerging risks such as peer-on-peer abuse and Prevent-related concerns. The safeguarding team played a pivotal role in supporting learners identified as at risk, delivering mental health and resilience training and providing 24/7 online counselling funded through targeted initiatives. Strong regional partnerships and multi-agency collaboration remain a defining strength of the College and were recognised as good practice in an Estyn thematic review on learner behaviour.

The College advanced its journey to becoming a trauma-informed institution through the introduction of TRACE training for staff. A Financial Wellbeing Strategic Group was established to shape policy and support for both staff and learners, complemented by hosting the Pembrokeshire Poverty Summit on behalf of Pembrokeshire County Council. These initiatives demonstrate the College’s proactive approach to addressing the challenges of the cost-of-living crisis and promoting community wellbeing.

Safeguarding remains a collective responsibility, underpinned by mandatory certificated training developed with Coleg Sir Gâr and Coleg Ceredigion for the FE sector. This is supported by expert-led sessions and a monthly Safeguarding Panel comprising senior leaders, the link governor, and the Designated Senior Person for Safeguarding and Wellbeing.

Quality Assurance

Quality assurance remains central to ensuring the College delivers high quality learning and support services, aiming to be among the best performing colleges in Wales. Through the quality framework, a robust, data driven system has strengthened quality across our practice, focusing on staff development, accountability, and inclusivity alongside learner engagement and success. The structure of Aspire integrates quality improvement, assurance, learning and teaching, and professional development, ensuring these elements work together to support staff, improve systems, and sustain the College's aspirational culture.

A structured and transparent approach to monitoring and improvement ensures consistent delivery across all faculties. In FY25, a full college observation cycle and thematic follow up learning walks evaluated the impact of teaching and learning developments. Findings informed bespoke and measurable professional development, directly linking review outcomes to improvement. The "6 for September" initiative embedded clear expectations for staff and learners, while data review meetings provided an evidence-based framework for tracking progress, celebrating success, and addressing challenges promptly.

Enhanced data use has strengthened decision making and learner outcomes. New Dashboard reporting tools have given managers real time insight into key indicators such as retention, attendance, and learner success. Regular review meetings with Curriculum Area Managers and Faculty Heads produced targeted interventions for at risk learners, promoting accountability and continuous improvement across departments.

3. Contribute to the South West region and economy by investing in skills and communities

Pembrokeshire College plays a vital role in strengthening the regional economy by raising skill levels, supporting employers, and improving the earning potential of local people.

Supporting Our Locality

The College continues to work closely with schools, employers and the wider business community to meet local needs and drive ongoing development. Examples of this collaborative approach in FY25 include:

- 14–16 Pathways: In FY25, pupils from Ysgol Caer Elen, Ysgol Harri Tudur and Milford Haven School undertook course in Engineering and Construction derived by the college which supporting both employer demand and future employment opportunities.
- Pre Engagement Programme (PEPS): supporting learners unsure of their next steps who are in the last year of secondary schools and identified at risk of being NEET. 94% of the FY25 cohort enrolled on to a college course for FY26.
- SPARC Project: Delivered with seven local secondary schools and supported by regional energy and construction employers, this project inspires and empowers young women to pursue STEM careers. SPARC has already won awards and continues to gain recognition for its impact.
- Celtic Freeport: In alignment with Wales's net zero ambitions, the College secured funding from The Crown Estate's Supply Chain Accelerator Fund. This enables research into skills requirements for Floating Offshore Wind in the Celtic Sea. Findings, to be published in FY26, will inform training provision and ensure local individuals and businesses are well-placed to benefit from the economic opportunities.

The College also contributes actively to regional planning and well-being:

- Membership of the Pembrokeshire Public Services Board supports delivery of the Well-being of Future Generations (Wales) Act 2015.
- Representation on the South West Wales Regional Learning and Skills Partnership Board ensures focus on economic and social development across the region.
- The Pembrokeshire College Advisory Forum (PCAF) strengthens engagement with local businesses and the community, enabling genuine two-way dialogue.

Beyond its core education role, the College remains a valued Community Asset, making facilities available for community groups and supporting charitable initiatives. Adult learning has also been reinvigorated, with popular non-accredited courses such as Sewing, Pottery and Creative Writing offering opportunities for local residents to learn new skills, meet others, and build confidence.

Employer Engagement

The College's Employer Engagement Strategy ensures the curriculum aligns with the skills needed both now and in the future. The employer engagement team maintains strong connections with local businesses through visits, campaigns and social media, providing vital intelligence to shape provision.

This work underpins delivery across key funding areas, including:

- Apprenticeships
- Personal Learning Accounts
- Skills for the Workplace – a project part-funded by the Skills and Talent Programme through the Regional Learning & Skills Partnership and the Swansea Bay City Deal.

By continually seeking funding and adapting provision, the College ensures that individuals and businesses across Pembrokeshire and the wider South West region access the skills required to thrive, supporting sustainable economic growth and community well-being.

The Employment Bureau

Our Employment Bureau comprises Employability Coaches, Work Experience Officers and an Enterprise Champion who work together to equip learners with the tools needed to find part-time employment during their studies and apprenticeships, full-time employment, or self-employment, upon completion of their course. Throughout FY25 the Employment Bureau delivered both generic and bespoke recruitment events benefiting both learners and employers, while the Work Experience team ensured that learners were able to undertake meaningful placements to enhance their programme of study and gain valuable industry experience.

The Employment Bureau also continued to provide a free recruitment service for local employers, advertising their vacancies to over 1,800 full-time students. The team worked directly with learners in classroom visits and 1-2-1 appointments to assist them with communication skills, job searches, CV preparation and interview techniques, to ensure that learners had a clear understanding of the job market and were matched to the opportunities that were most suitable to them.

4. Ensure Long term Financial Stability

The College's financial performance during FY25 is once again strong and, and an upturn on the prior year's performance, it remains a significant factor in the Colleges overall success. Key Performance Indicators have been met and the cash position remains healthy. Our strategy of continued investment in the resources and infrastructure of the College has been maintained. The College's 'net funds' position (cash less borrowings) reduced by £436k after accounting for significant capital investment of £1.7m in the year, £0.7m of which was funded through Capital Grants. This demonstrates further evidence of our ability to invest and provide a high-quality environment to deliver education and training, even during challenging times.

The Welsh Government has shown strong support for the further education sector by allocating multiple additional funding streams, enabling us to effectively respond to the various challenges faced by Colleges in Wales.

The College operates several commercial areas most of which cover their direct cost of operation and where they do not, they have an intrinsic link to learning and provide suitable realistic work experience on campus aligned to vocational career routes.

Financial Performance Indicators

The key performance indicators (KPI) in the table below are the main measures used to evaluate how successful the College has been in its financial performance.

Key Performance Indicators	Actual 31/07/2024	Actual 31/07/2025
Earnings before interest, tax, depreciation and amortisation (EBITDA) (£'000)	**£1,791**	**£2,229**
EBITDA as % total income	3.77%	4.54%
EBITDA as % total income (exc Franchised Provision)	6.48%	7.65%
Surplus after other gains and losses (£'000)	£1,853	£2,251
Surplus after other gains and losses as % total income	3.90%	4.59%
Surplus before non cash pension charge (£'000)	£1,458	£1,825
Unrestricted reserves without defined benefit pension provision (£'000)	£20,642	£22,568
Unrestricted reserves with defined benefit pension provision (£'000)	£20,642	£22,549
Days net liquid assets to total expenditure	45	41
Current ratio	1.87	1.98
Gearing ratio (external borrowing/unrestricted reserves without defined benefit pension)	0.00	0.00
WG grant as % total income (excl. third Franchised Provision)	87.45%	86.07%
Total pay expenditure as % of total income (excl. Franchised Provision)	66.24%	66.07%

Financial Performance Indicators *Continued…*

The results for the FY25 are positive given the rural challenges of the county along with the associated costs of delivering an extensive offer of education in a sparsely populated area, this is a major achievement.

One of the main measures the College uses to assess financial performance is 'adjusted EBITDA' (Earnings Before Interest, Taxes, Depreciation and Amortisation) (as calculated on the Statement of Comprehensive Income page 62). The 'adjusted EBITDA' removes non-cash and one-off costs. It is an important measure and is considered a better indicator of operating performance than the reported Surplus / Deficit. The College generates significant EBITDA each year to ensure future capital investment. This has been achieved by tight financial control and also through innovation and creativity in leveraging the funds from the Welsh Government (which provides the majority of our funding) and other external sources of income.

The College is reporting a surplus of £2,251k for the year, in comparison to the surplus of £1,853k reported in FY24. This is after accounting for £426k (FY24 £395k) of pension adjustments. The College made a surplus of £1,825k (FY24 £1,458k) before accounting for these 'non-cash' pension adjustments. The following table explains the movement between the EBITDA of £2,229k and the surplus position of £2,251k.

	FY24 £'000	**FY25 £'000**
Adjusted EBITDA (see page 62)	1,791	2,229
Net Interest Income	439	458
Staff restructuring costs	(41)	(8)
Depreciation	(1,850)	(2,056)
Release of deferred capital grant	1,181	1,255
Loss on sale of fixed assets	(19)	(20)
Enhanced pension credit	(43)	(33)
Surplus before non-cash pension adjustments	**1,458**	**1,825**
FRS 102 service (charge)/credit to staff costs	170	134
FRS 102 pension interest (charge)/credit to interest and other finance costs	225	292
Surplus for the year	**1,853**	**2,251**

The College's reliance on Welsh Government (WG) funding is highlighted in the KPI tables (page 24) where WG grants account for 86.07% of income (Total Income excluding third party provision) to the College. The College's Financial Strategy highlights the importance of generating income streams other than those that come directly from the Welsh Government. This is particularly important at times of austerity or funding reductions as it lessens the reliance we place upon it.

The final KPI in the table (Pay to Income ratio) shows that 66.07% of the College's income is spent directly on pay costs, therefore maintaining control of these is critical. Factors affecting this include the rurality of the College which has a negative impact on class sizes when compared to urban colleges. The College also does not benefit from the economies of scales the larger colleges do.

Welsh Government Funding

The majority of the College's funding is received from the Welsh Government (WG) in the form of recurrent Further Education funding, which is allocated based on the volume of education delivered. As shown in the table below, the Further Education funding for FY25 has increased by £1.54 million, representing a 10.2% uplift compared to FY24. This increase reflects a 7.5% price adjustment, which includes a 5.5% pay award, full-year funding for the Teachers' Pension Scheme (TPA) employer contribution rate, and four months of National Insurance support. There has been a slight reduction in delivery volume of 0.7%. The remaining variance is attributable to the mainstreaming of PLA (Personal Learning Account) funding, which is now incorporated within the recurrent funding allocation.

Although there was no price increase in FY25, Work Based Learning income grew by 1.5% as a result of increased volume. Franchised WBL provision remained static year on year.

Welsh Government Grant Income	**FY21 £'000**	**FY22 £'000**	**FY23 £'000**	**FY24 £'000**	**FY25 £'000**
Further Education Recurrent Funding	11,942	12,906	14,467	14,985	16,525
Work Based Learning Income	3,216	4,443	4,494	5,435	5,519
PC Total FE & WBL WG Grant	**15,158**	**17,349**	**18,961**	**20,420**	**22,044**
Franchised WBL Provision Income	12,193	18,432	17,005	19,798	19,792
Total FE & WBL WG Grant	**27,351**	**35,781**	**35,966**	**40,218**	**41,836**

Other Income Streams

In addition to the WG grants listed above, the College has received specific funds for purpose of £2.1m during FY25. These grants are designated to address various issues, including Additional Learning Needs, Mental Health, Employer Skills Delivery, and professional development for staff. Typically short-term in nature, these funds require the College to spend them as intended and in accordance with specific guidance to access them. As they cannot be guaranteed from year to year, their amounts can vary significantly.

The College is committed to its income generation strategy and aims to reduce reliance on Welsh Government funding. To achieve this, it will actively seek and utilise alternative funding sources to support innovative developments that align with the needs of learners.

Shared Prosperity Funding was the UK Government's replacement of EU funding. The College submitted two successful bids for Shared Prosperity funding to the Local Authority in FY24 and continued to deliver these up to the end of the project in February 2025. One project provided additional funding to support learners remain on their programme of study and successfully achieve their qualification outcome. The second, utilised the funding to train those to obtain work ready qualifications in engineering. The total value of two successful bids was £910k over the project lifetime (2 academic years). The Shared Prosperity Funding was due to end in March 2025 although the UK Government introduced a transition year of funding ahead of a new three year programme due in April 2026. The funding pot was reduced but the College submitted two bids as extensions to the two projects. One project was successful in this round (work ready engineering skills). The project was approved in May to the value of £140k and delivery commenced in June 25. The project will end in January 26.

Cash flow

The generation of cash surpluses allows the College to invest in its buildings and infrastructure. The College has used the cash it has generated over the last five years as follows:

	FY21 £'000	FY22 £'000	FY23 £'000	FY24 £'000	FY25 £'000
Cash flows from operating activities	4,034	3,965	1,391	2,772	2,346
Cash flows from Capital (net of grants)	(1,092)	(1,297)	(3,206)	(1,811)	(740)
Cash flows from investments	3	(2,973)	227	(561)	(2,042)
Cash flows from financing	(626)	(103)	-	-	-
Increase/(Decrease) in cash & cash equivalents	**2,319**	**(408)**	**(1,588)**	**400**	**(436)**
Cash balance					
- Opening balance	4,917	7,236	6,828	5,240	5,640
- Closing balance	7,236	6,828	5,240	5,640	5,204

Over the last 5 years the College has invested £18.5m on capital expenditure. After accounting for the £740k net cash outlay on capital expenditure in FY25, the College's cash balance has decreased by £436k over the period.

Capital Expenditure

Following the completion of the £14.7 million capital programme funded under the Welsh Government's Band B initiative in summer 2024, capital expenditure has decreased compared to previous years. Key projects delivered during the year include the development of the Independent Living Skills garden and the College-wide replacement of projectors with Promethean interactive screens.

Preparatory work has commenced on the next phase of capital investment, which will be supported through the 'Sustainable Communities for Learning' programme. A Strategic Outline Programme has identified a portfolio of potential projects with an estimated total cost of approximately £52m. Among these, two priority schemes—the enhancement of the main entrance and refurbishment of the G7 corridor—are scheduled to begin in January 2026, following approval of the Outline Business Case in December. Other notable proposals within the plan include the establishment of an offshore windfarm training centre.

Although lower in FY25, capital investment levels totalling £18.5m over the past 5 years continues to provide an environment conducive to learning.

Capital Expenditure	**FY21 £'000**	**FY22 £'000**	**FY23 £'000**	**FY24 £'000**	**FY25 £'000**
Land & buildings	2,340	5,724	3,843	1,615	1,056
IT equipment	642	455	887	837	372
Other equipment	72	177	183	98	222
Total	**3,054**	**6,356**	**4,913**	**2,550**	**1,650**

Balance Sheet

The Balance Sheet is set out on page 64 showing a healthy position with strong cash reserves. The Defined Benefit Pension Asset has been removed as a result of the adoption of the FRS102 pension reporting guidance with regards Asset Ceiling, which states that an asset can only be recognised in the event of the College receiving an economic benefit. The volatility in the pension fund valuation, coupled with the differing treatment of the financial reporting standard can impact the overall Balance Sheet position significantly. This reporting requirement is the same for all organisations included in the Local Government scheme, including local authorities and other public bodies. Actuarial assumptions that are used to calculate the valuation, such as the discount factor and CPI, are not within the College's control or a reflection of its performance.

Net current assets have increased from £6.5m to £8.1m. Cash at Bank stands at £5.2m, down £0.4m from £5.6m at open. In addition, an extra £2.5m has been placed on longer term investment, taking the total cash and investments to £11.7m from £9.6m at the start of the year.

5. Provide an environment for learners, staff and the community that is inclusive, sustainable and safe

Health and Safety

In FY25 the following proactive interventions were undertaken:

- Leadership Tours are used as an opportunity to discuss health and safety with learners, and to ensure senior managers understand which hazards are present;
- 42 CAM Health, Safety and Sustainability inspections completed within the academic year. Inspections were led by the CAMs, reviewed by the HSSR team and provided valuable actions;
- 6 audits were carried out looking at different parts of the environmental and health and safety management systems;
- The focus of staff training was educational visits training for managers, educational visits for staff, first aid, fire marshal and manual handling;
- The College submitted its incident data as part of an Association of Colleges (AoC) benchmarking exercise, and a final report received back. Reassuringly, the College's incident reporting profile is in line with other colleges with similar numbers of staff and learners.

The overall incident trend for minor incidents remains low when taken in context of the volume of learners, members of public, contractors and staff on the premises at any one time.

No. of Incident reports	FY21	FY22	FY23	FY24	FY25
Total	64	154	143	154	84

There was one incident which was reportable to the Health and Safety Executive under RIDDOR by the College.

Sustainability

The College has committed to Carbon Net Zero by 2030 for scopes 1 and 2. This is a highly ambitious target which will take time, effort and funding to achieve but the College is committed to doing the right thing, especially now at this critical time in climate change. A sustainability strategy has been developed, which is a framework for working towards the target. Further work is required to identify all opportunities for carbon reduction and movement towards carbon net zero technology which will require the services of a specialist consultant.

Pembrokeshire College is continually improving the recording, monitoring and reporting of its carbon emissions. The College takes part in the Welsh Government's Public Sector Carbon Net Zero Reporting and was the first college to do so.

Sustainability *Continued…*

Below is a brief summary of carbon emissions for FY24 and FY25;

Energy Consumption	**FY24**	**FY25**
Gas (kWh)	1,140,140	1,106,210
Electricity (kWh)	911,910	843,548
Transport – Owned Vehicles (Litres)	6,153	6,650
Transport - Employee vehicles (Miles)	212,643	175,727

	FY24	**FY25**
Scope 1 emissions in metric tonnes CO2e		
Gas consumption	243	236
Owned transport	18	20
Total Scope 1	**261**	**256**
Scope 2 emissions in metric Tonnes CO2e		
Purchased electricity	**251**	**229**
Scope 3 emissions in metric tonnes CO2e		
Business travel in employee-owned vehicles	72	63
Business travel - flights	29	56
Total Scope 3	**101**	**119**
Total gross emissions in metric tonnes	**613**	**604**
Intensity ratio		
No. Staff (FTE)	**398**	**392**
Tonnes CO2 per member of staff	**1.5**	**1.5**

Scope 1 emissions – direct emissions from sources owned or controlled by a company.
Scope 2 emissions – indirect emissions from purchased electricity, steam, heat, and cooling.
Scope 3 emissions – all other emissions associated with a company's activities

Please note that insignificant emissions are not included in the table above including; water, waste, and public transport (approximately 8 tonnes for FY24 and 7 tonnes for FY25). The above table also does not include any carbon sequestered from the College's woodland. Commuting, homeworking and supply chain are considered significant emissions excluded from this table however the data that the College holds on these is based on best guestimates and cannot be wholly relied upon.

Sustainability *Continued…*

The College has made a good start towards the carbon net zero ambition and has been actively working to reduce carbon emissions since 2002, through energy saving initiatives. The College also considers the wider impact of climate change, including biodiversity. Examples of carbon saving and biodiversity initiatives are below (but not limited to):

- Installing more efficient gas boilers;
- Building Management Control systems;
- Operational changes to how the College runs;
- Installing onsite renewables in new builds and existing buildings including air source heat pumps and solar panels;
- Significant investment to replace lighting across the estate;
- Improving the percentage of waste recycled.

Further information on progression towards carbon net zero and action taken can be found in the College's sustainability documents, Environmental Management System and annual reports.

The College has been certified to Level 5 (the highest) of the Green Dragon Environmental Standard for around 14 years after developing the College's environmental management system and moving up through the levels of the standard. Certification is granted through an annual audit.

Estyn Report on Management of Resources

The College's Learning Environment was classed as Excellent in the most recent Estyn inspection. The report identified:

"All College buildings and facilities provide learners with learning facilities and classrooms that are of a high standard, with good access to ICT and resources. There is good internet connectivity that enables learners to use their own devices, and the College provides all learners with software. Learners have a broad range of learning options that help them to develop digital competence. Nearly all workshops and specialist classrooms contain modern, industry standard equipment that meets the needs of learners well. A classroom based at a local riding centre is well equipped with ICT and 3D learning resources. The College has developed an exceptional virtual control room that enables learners to simulate a wide range of industrial process control operations in a realistic environment."

In terms of Resource management, this was classed as Good. The report identified the following areas:

- It routinely reinvests savings, such as £750k from reduced energy costs, into improving College services and provision further;
- During a period of reduced funding, the College has grown its reserves, enabling it to invest in building new provision through matching WG Sustainable Communities Fund to meet its strategic aims of supporting local learners;
- The College takes very good account of sustainability and energy efficiency in the management of its estate. For example, it has reduced its carbon footprint by about a third in the past year;
- Overall, outcomes for learners are good and the College offers good value for money.

Additionally, Solar Photovoltaic Cells have been installed, which have partially been funded by Welsh Government, which will reduce the College's use of purchased electricity by approximately 25-30%. The College is currently in the processing of setting up a contract to export excess electricity that it generates at off peak College opening times.

Sustainability *Continued…*

The College completed their 2018 Estate Strategy delivery during FY24 which saw an investment of £12m over this period in improving the learner environment. The College delivered a number of key strategic projects during period, on time and to budget. This has included the creation of more flexible accommodation for learning and teaching, delivery of additional refectory and social space, enhancements to the Learning Resource Centre and HWB, installing 385kw of solar photovoltaic panels, replacing over 500 external windows on the main College building, constructing a new Engineering building, developing a new training centre at Folly Farm and a new Independent Living Skills Centre at Withybush, alongside the College's animal care centre. The College successfully obtained 65% funding towards this from Welsh Government through their Sustainable Communities for Learning Programme.

During FY24 the College prepared a new Estate Strategy and a new Strategic Outline Programme for a £52m Capital Investment over the next seven years. These strategically important developments will incorporate sustainability concepts wherever possible and enhance the ecological environment outside of the College.

6. Deliver First Class Governance and Management

Other Stakeholders

The Board introduced a membership body back in FY14 – the Pembrokeshire College Advisory Forum. This Forum has representatives from our stakeholders in Pembrokeshire and beyond, including representatives from industry, Local Authority, voluntary and third sector organisations and business partners. This Forum has proved to be of significant advantage to the College over the past 11 years, in both an advisory and consultative role, and in securing community ownership and involvement in the College's future. A new President of the Forum will be appointed during the FY26.

Iwan Thomas has continued as Chair of the Corporation Board since August 2021. There continues to be strong Board membership from a variety of sectors. Board members bring a wealth of knowledge and experience to the Board. Succession planning for Board members is ongoing.

The Board had two Student Governors in FY25, Bradley Cole (A Level learner) and Tomos Padel (A Level learner) were appointed to the Board, for a second term, following their election by fellow learners. Two new Student Governors have been elected as the Student Governors for FY26. A new Learner Executive was created in FY24, which is headed up by the two Student Governors and through their leadership has improved learner voice on the Board and throughout the College and wider community over the last two years

Staff voice on the Board has also improved through the continued development of the Staff Governor role. This has included the successful development of a Staff Forum which is chaired by the Staff Governors. The Staff Forum provides an additional stakeholder group for consultations and generation of new ideas. Feedback from the Forum has been valuable in developing strategic initiatives and improvements across the College.

7. Be a College that Values and Invests in all Staff

The College is committed to recruiting and retaining highly skilled and qualified individuals to deliver its strategic objectives. The contribution of staff is the most important resource required to deliver education and training; therefore, the College recognises the need to value and invest in all staff.

Staff are highly qualified often with extensive industry experience, dedicated to ensuring that our learners receive a quality educational experience.

Learner success is dependent upon our skilled workforce, and we offer excellent employment opportunities which attracts individuals who are committed to helping our learners reach their full potential.

Further Education is an aspirational sector, and the College takes pride in being a provider which cares about the quality of teaching and learning, as well as in the wellbeing support provided to all staff members. Our shared goal is to enhance the experience of our learners and improve their outcomes.

The College is always keen to celebrate success and increase the visibility of all College achievements and create an environment where knowledge is shared openly and transparently. Our priorities include:

- recruiting and retaining the best talent;
- ensuring fair remuneration for staff;
- cultivating positive employee engagement and morale;
- developing a high-performance, aspirational culture;
- promoting a safe, healthy and equitable environment that encourages proactive wellbeing.

A set of core values identified by staff guides the College throughout this strategic plan. These values, which define the ethos, culture, and behaviours of the College, its staff, and learners, are encapsulated by the acronym PEOPLE, representing the following:

P E O P L E

Positivity:	We promote a positive and responsive approach, encouraging everyone to adopt this mindset in all their actions.
Equality:	We are dedicated to creating an inclusive and safe environment that respects the diversity of our staff and learners. We actively support and implement anti-discrimination strategies across all protected characteristics.
Opportunity:	We strive to create every possible opportunity for education within our College community.
Potential:	We aim not to just fulfil potential but to go beyond expectations;
Listening:	We prioritise listening to our learners, staff, employers, and community members to build an open and inclusive culture.
Excellence:	We aspire to excellence and aim to be a Centre of Learning and Teaching Excellence.

Pay Equality

The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017, requires organisations employing more than 250 employees to provide an annual report showing the pay gap between its male and female employees. There is no statutory duty for Colleges in Wales to publish that data but Pembrokeshire College has chosen to do so.

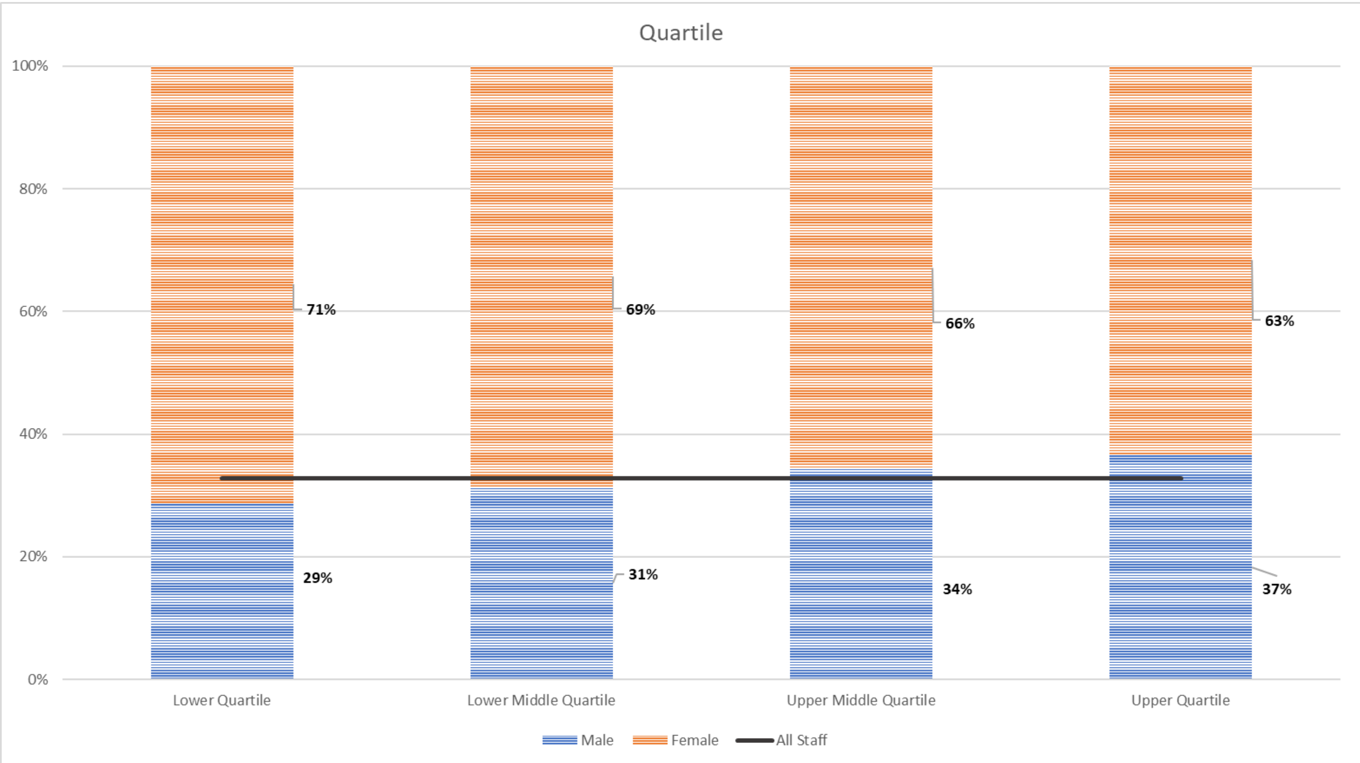
The gender pay gap is the difference between the average earnings of men and women. Any gap is expressed as a percentage of male earnings.

A positive percentage shows that on average, women have lower pay than men. A negative percentage would show that, on average, men have lower pay than women.

The College is required to provide:

- The difference in mean pay between genders;
- The difference in median pay between genders;
- The number of men and women in each quartile of the range.

Calculated Pay Gap	Median	Mean
Pembrokeshire College	6.6%	3.1%



Pay Equality *Continued…*

The pay quartiles are prepared by ordering all employees by their hourly pay and then dividing them into quartiles from the lowest paid in the 'Lower Quartile' to the highest paid in the 'Upper Quartile'. The black line represents the actual overall split of males and females working in the College – Female 67% Male 33%. The quartiles are also sorted to show the distribution between males and females. A comparison of the quartile split with the Overall College split will determine if either male or female employees are over represented within that quartile. The graph shows that in the College, Females are over represented in the lower quartiles whilst Males are over represented in the upper quartiles.

Pembrokeshire College has a fair and transparent pay system using the nationally agreed 'Starting Salaries Matrix', with structured pay spines (in the case of the Lecturing pay spine, agreed nationally with the recognised Trade Unions). Appointment to any role is based objectively on qualifications, skills and experience regardless of gender.

Equality, Diversity & Inclusion

Pembrokeshire College is committed to creating and sustaining a fully inclusive working and learning environment for all its staff and learners which is fair, positive and, supportive.

The College encourages a positive, inclusive ethos with a shared commitment to challenging and preventing stereotyping, prejudice and discrimination; celebrating and respecting diversity and difference across all aspects of College life; and ensuring equal access to College facilities and benefits.

The talent, skills and knowledge of every individual is recognised as a key contributing factor in achieving excellent standards.

The College is committed to the equality of treatment for all employees and learners on the grounds of one or more of the following protected characteristics:

- Age;
- Disability;
- Being married or in a civil partnership;
- Pregnancy, Adoption, Maternity and Paternity;
- Religion, Belief or lack of Religion or Belief;
- Race;
- Sex;
- Sexual orientation;
- Transsexualism.

As a provider of employment, training and education, we value the diversity of our staff and learners. This is reflected in the core values of the College's Strategic Plan 2023 – 2028 and the College's Strategic Equality Plan 2024 - 2028.

The College has taken its legal duty seriously and takes all reasonable steps to prevent sexual harassment and create a safe working environment.

8. Future Prospects

Changing Landscape

Pembrokeshire College is well positioned to offer a promising future for the upcoming generations in the county and the South West region. With recent growth, both in terms of physical infrastructure and financial resources, we are exceptionally positioned to provide high-quality education to the people of Pembrokeshire and South Wales.

The landscape of our further education provision has evolved, and we are now successfully transitioning post-16 learners from Ysgol Bro Gwaun, Ysgol Penrhyn Dewi and Milford Haven School. All students transitioning to college receive impartial advice and guidance and by offering a diverse range of A level subjects and Vocational routes in a single location, along with focused support and collaborative arrangements between the College and the schools, we ensure that these learners have the best opportunities to advance in their chosen careers. The recent atrium development has been crucial in creating a modern environment for learners to socialise and study.

The College has established a Strategic Alliance with Coleg Sir Gar to collaborate closely and maximize benefits for learners across Pembrokeshire, Carmarthenshire and Ceredigion. Staff from both colleges hold regular meetings to strengthen practice in teaching and learning, digitalisation and curriculum development with positive outcomes already evident across these areas.

Higher Education remains a vital component of our provision, enabling learners to access level 4 and higher qualifications locally, thus enhancing their employment prospects and earning potential. Our partnership with the University of Wales Trinity St David, as part of a confederation with other colleges in the FE sector, positions us to collaborate on potential inward investment opportunities, such as offshore renewable energy projects and the proposed new hospital on the Pembrokeshire/Carmarthenshire border.

Welsh Government Policies

Following the WG consultation in 2017 entitled 'Public Good and a Prosperous Wales' – an overarching body for all post-16 education and training has been established effective 1 August 2024, at 'arms-length' from Government. The body known as the Commission for Tertiary Education and Research called Medr has responsibility for planning, funding and regulatory functions previously undertaken by Welsh Government.

The Tertiary Education and Research Bill (Wales) 2021 has now received Royal Assent. The Act establishes the Commission and dissolved the Higher Education Funding Council for Wales (HEFCW). The Commission has oversight of:

- Further education, including colleges and school sixth-forms;
- Higher education, including research and innovation;
- Adult education and adult community learning;
- Apprenticeships and training.

Medr have published their Strategic Plan and the College provided extensive feedback during the consultation phase. The Plan is set in the context of balancing the establishment of the new organisation and implementation of new legislative requirements in the short term, and setting the ambition and aspirations for the longer term.

Welsh Government Policies *Continued…*

The Welsh Government's programme of educational reform aims to narrow educational inequalities and raise standards across the sector. Bringing all aspects of tertiary education and research under a single body is viewed by the Welsh Government as a vital step towards achieving this goal. In July 2025, James Owen was appointed as Medr's new Chief Executive Officer, succeeding Simon Pirotte, who led the organisation through its operational launch.

Funding

Further Education Colleges in Wales continue to face challenging funding settlements. For FY25, the increase to the unit rate for recurrent further education funding was limited to cover the pay award settlement only. Continued pressure is therefore felt on the underlying core activity and cost base of the College, and the ongoing need to identify and implement efficiencies year on year. The Welsh Government continues to be committed to the concept of pay parity between lecturers pay and that of school teachers, having made funding available in FY25 to support cost of living increases.

Part-time further education and work-based funding are largely used to up-skill learners and are therefore critical to the economic prosperity of Pembrokeshire. Maintaining these income levels is important not only to the College but to the wider region also.

Pay cost pressures remain a significant concern for the College. The national contract for all lecturing and management staff, along with annual incremental salary increases and rising employer pension contributions, places considerable strain on financial resources.

Tighter financial settlements necessitate a review of course offerings, increasing group sizes, being cost-conscious and seeking alternative income streams from commercial operations. These strategies will be essential as we move past FY25. Early indications from the Welsh Government Budget are that national cuts will be necessary to address a deficit budget which will inevitably impact public services, including further education at a time when enrolment across the sector is increasing, though the extent of that impact remains uncertain.

Efforts to control costs have allowed us to reduce our cost base in real terms, but this becomes increasingly challenging in the current high-inflation environment. We have continued to subsidise activities we consider "mission critical," including the operation of smaller groups within our A Level and Higher Education offerings.

On a global scale, the ramifications of Brexit and the ongoing conflict in Ukraine continue to have negative effects. In September 2023, the College received shared prosperity funding through the "Cefnogi" project, which is a positive development. This funding offers pastoral support to learners, helping them stay in education and successfully achieve their qualifications. However, this project was relatively short-term, running from September 2023 to February 2025, and securing follow-on funding in order to maintain the support services we currently provide is not forthcoming. Additionally, the loss of ESF funding impacted our Welsh Government apprenticeship contract funding which we had to manage across our consortium. We work closely with relevant agencies to influence the outcomes of these important funding streams and their impact on our offerings.

Our Approach

The College remains committed to delivering against its key objectives of: "developing highly skilled, creative and successful individuals".

Over the next five-year period, Pembrokeshire College plans to develop its curriculum portfolio, guided by the seven key strategic goals.

Our direction aligns with the Minister for Education and Welsh Language's "A Vision for Further Education" paper, the Wellbeing of Future Generations Act and Welsh Government strategy and policy. Our goals also take into consideration those of the City Deal for the Swansea Bay Region, the Celtic Freeport announcement and the Regional Learning Partnership's Employment and Skills Plan.

The strategic goals align with the Pembrokeshire Public Services Board's wellbeing objectives, which include reducing inequalities, supporting decarbonisation, fostering safe and resourceful communities, and promoting growth, jobs, and a transition to a more sustainable economy. These aims are supported by the College's operational plan, with each faculty and department identifying actions to achieve the objectives of the Strategic Plan.

To this end, the College intends to:

- Collaborate with Pembrokeshire County Council to deliver the 14-19 agenda;
- Achieve 5% growth in learner volume (100 learners) and increase the percentage of level 3 learners;
- Maintain its WBL contract of £23.5 million for the consortium sustaining the B-wbl consortium infrastructure;
- Achieve Further Education and Work-Based Learning success rates of 82% and 85% respectively;
- Ensure learner satisfaction levels are above sector benchmarks of 90%;
- Increase work placement opportunities and the number of learners securing jobs through the Employment Bureau;
- Boost academic staff upskilling via industry workplace CPD from the current 10% to 30%;
- Develop the Digital Skills 2030 Strategy ensuring learners and all staff are engaged with technology;
- Deliver an updated Estates Master Plan that provides outstanding facilities for the future, securing the funding needed to bring it to fruition;
- Review the curriculum offer, ensuring that it is adaptable and meets economic needs;
- Actively promote the region to external investors, taking a leading role in promoting the Celtic Freeport and Renewable initiatives and benefits;
- Collaborate with Welsh Government and Medr to strategically position the College and the sector for the successful implementation of the new apprenticeship contract in 2027

Dr Barry Walters

Principal

Introduction

The Corporation Board of Pembrokeshire College has pleasure in presenting the report and audited financial statements for Pembrokeshire College for the FY25.

The Corporation Board

The members who served on the Corporation Board of the College during the year and subsequent to the year-end, up to the date of signing the financial statements, are listed on page 54 and 55.

The Corporation Board is provided with regular and timely information on the overall financial performance of the College together with other information such as performance against funding targets, proposed capital expenditure, quality and personnel-related matters. The Corporation Board meets each term as a minimum.

The Corporation Board conducts its business through a number of committees. Each committee has terms of reference, which have been approved by the Corporation Board - Audit, Search and Remuneration, Quality and Standards and A Level.

Full minutes of all meetings, except those deemed to be confidential by the Corporation Board, are available from the Governance Officer at Pembrokeshire College, Haverfordwest, Pembrokeshire, SA61 1SZ.

Professional Advisers

The professional advisers of the Corporation Board who provided advice to the members and management of the College during the year were:

Independent External Auditors:	Azets Audit Services Ltd The Refinery Atlantic Close Swansea Enterprise Park Swansea SA7 9FJ
Internal Auditors:	Wbg Services LLP 168 Bath Street Glasgow G2 4TP
Bankers:	Barclays Bank plc 32 High Street Haverfordwest Pembrokeshire SA61 2DG

Legal Status

The Corporation was established under the Further and Higher Education Act 1992 for the purpose of conducting education and training. The College is an exempt charity for the purposes of the Charities Act 2011. The College is subject to the additional requirements of the Accounting and Reporting by Charities' Statement of Recommended Practice (revised 2019) and the Charities Act 2011.

Charitable and Taxation Status

The College is an exempt charity for the purposes of the Charities Act 2011 and is not liable for corporation tax.

Governance

The College benefits from a dedicated and effective Board of Governors, who play a vital role in its operations. Meetings of the Corporation Board and its committees are generally well-attended, as are training sessions and other events.

Governors receive clear and concise information from the College's senior management, which is rigorously scrutinised as necessary. They demonstrate a solid understanding of their roles, with specific curriculum and resource areas assigned to Link Governors.

The Link Governor scheme encourages each Governor to participate more fully in the activities of the particular directorate or functional area of the College to which he or she is linked. This scheme has generally worked very well.

The Audit Committee monitors the audit reports and any other matters referred to it by the Corporation Board or other Committees. The Committee meets four times a year. This Committee also looks at risk management and complex issues affecting the College in order to provide assurance to the Board.

Governors are encouraged to participate in training alongside their attendance at Board meetings and committees. Their diverse expertise—ranging from estates and health and safety to finance and local authority operations—significantly contributes to the growth of College activities. They also engage in strategic planning and attend various award and learner events.

In addition to chairing Board meetings, the Chair of Governors is responsible for the line management of the Principal and the Governance Officer. They also participate in meetings with strategic partners, inspectors, and other external bodies, representing the College and regularly consulting with the Principal.

Furthermore, the Corporation Board established its current governance structure in September 2013, following the Review of Governance in the Further Education Sector. This structure emphasises community consultation and involvement, enhancing the College's connection with its stakeholders.

Principal Risks and Uncertainties

The College has identified twelve Corporate Risks which are aligned to the Strategic Plan. The Risk Management Group meets to review whether risks are being controlled appropriately and this group is chaired by the Assistant Principal for Finance and Resources. There are a number of delegated members of staff who sit on this group and the invitation has also been extended to any interested member of staff. At each meeting, one corporate risk is challenged with a 'deep dive' approach to ensure there are adequate controls in place and to provide assurance that risks are being managed.

The Audit Committee review the full risk management register annually and review any relevant new and emerging risks on a termly basis. The corporate risk register identifies the risks, key assurances, the cause, the potential impact, the inherent risk rating, three lines of defence control measures and a residual risk rating. Management also considers the College's risk appetite for each risk; this determines if the controls in place are adequate to minimise the risks.

Human Resources (HR)

The College is dedicated to recruiting and retaining highly skilled and qualified individuals to achieve its strategic objectives. We recognise that our staff are our most valuable resource in delivering quality education and training, and we are committed to valuing and investing in all employees.

To support this commitment, we prioritise the development of policies and best practices that ensure effective recruitment and ongoing professional development of staff. This focus is essential for maintaining the highest standards of education, training, and support services.

The College's work is supported by approximately 522 (349 Female: 193 Male) full time and part time staff as at 31 July 2025 which translates into 392 FTE for FY25. Staff perform a number of Academic and Support roles and functions.

Effective human resource management practices are in place and are continually updated with consultation with the Joint Trade Unions to ensure they are current and fit for purpose. The College is committed to the health and well-being of staff and learners and has comprehensive support arrangements in place to promote this ethos. The College is very proud to have maintained its Disability Confident Leader status.

Staff Communication

College management prioritises effective communication across the organisation and emphasises consultation with staff and trade unions to ensure robust communication channels. The Local Joint Consultative Committee meetings with trade unions are held termly, alongside various opportunities for feedback through surveys and informal meetings. These interactions were particularly frequent in recent years to promptly address the impacts on staff and learners.

Additional communication methods include "Latest College News" bulletins, all-staff briefings, and discussion forums on specific topics. The Principal issues weekly blogs (Issue No. 199 at time of writing), which are well-received and appreciated by staff based on the College campus and working remotely.

Staff Communication *Continued…*

The Staff Forum, chaired by two Staff Governors without senior management present continues to enhance staff representation on the Corporation Board and includes representatives from curriculum areas and business support teams, meeting on a half-termly basis. The Forum's reporting procedures ensure regular updates to the Senior Management Team, and Staff Governors present an update report to each meeting of the Quality & Standards Committee, along with an annual report to the Corporation Board. The Forum provides a platform for staff to discuss College matters, share best practices, and consult on key documents, such as the Strategic Plan.

Learner Involvement

The College places a high value on communication with learners and actively involves them in shaping all aspects of College life. This engagement is guided by the Learner Voice Strategy, which has two primary objectives: to ensure learners are actively involved in both the management of the College and their own learning, and to prompt College managers to respond swiftly to learner feedback, guiding an environment informed by the views of key stakeholders.

To facilitate and encourage learner involvement, the College employs several mechanisms, including the management of Learner Voice engagement, a Learner Executive, course representatives, learner governors, and learner participation in formal committees and the Corporation Board. The Aspire Team oversees the quality assurance aspect of learner involvement, facilitating Learner Voice surveys and analysing the responses to inform improvement planning.

Continual Professional Development (CPD)

Aspire plays a crucial role in supporting College management teams by identifying, planning, and evaluating the learning and development needs of all staff to ensure the effective delivery of high-quality learning and support services. The team facilitates a comprehensive range of professional learning activities that respond to local and national initiatives, align with statutory requirements, and directly support the College's strategic priorities.

Staff training and development are recognised as essential to achieving the College's strategic goals. The Professional Learning and Quality Manager oversees the Continuing Professional Development (CPD) and staff development budget, alongside designated grant funding, ensuring resources are used effectively throughout the financial year.

Aspire fosters a culture of continuous improvement, ensuring that teaching and learning strategies are consistently applied across the institution. During FY25, staff completed over 2,000 hours of professional development, including Aspire Days, safeguarding training, and CPD linked to observation feedback. Staff also pursued accredited qualifications such as TAQA, ILM, and Masters programmes, enhancing expertise and leadership capability. The refreshed Aspire Digital page now supports flexible, self-directed professional learning. Through active participation in the South West Wales Professional Learning Network, the College continues to collaborate, share best practice, and lead regional innovation.

Equality, Diversity & Inclusion

Pembrokeshire College is committed to creating and sustaining a fully inclusive working and learning environment for staff and learners which is fair, positive, supportive and free from any form of discrimination, victimisation or harassment.

The College's Strategic Equality Plan 2024 – 2028, outlines how the College creates and sustains an inclusive environment for all members of the College Community. The Plan outlines the College specific equality objectives and progress towards these objectives are reported on in an annual Equality Report which is presented to SMT and the Board.

The College fully complies with its duties under the ALNET Act 2018 and ALN Code 2021, to provide learners with significant ALN, learning difficulties or disabilities Additional Learning Provision (ALP). Examples included 1:1 LSA support, shared LSA support, differentiated bespoke curriculum, supervision or specialist equipment, software, or resources.

The College has a zero-tolerance approach to anyone who has committed, authorised, or condoned (i.e. witnessed but not challenged) any act of discrimination, harassment, victimisation on the grounds of age, disability, race, religion or belief, sex, gender reassignment, marriage, civil partnership, pregnancy, adoption, paternity or maternity

Integrated impact assessments are undertaken for all College Policies and strategic decisions. The College's progress towards meeting its legislative equality responsibilities is recorded in an Annual Equality Report and Action Plan, which is published on the College website.

In relation to all aspects of procurement, the College is committed to the Welsh Government's Code of Practice on ethical employment in supply chains. The College expects its suppliers to sign up to the Code of Practice to help ensure that ethical employment practices are carried out throughout the supply chain.

The College is Disability Confident Leader. This status recognises the equal and fair opportunities for staff with a disability during the recruitment stage and during employment at the College. Having this status means as an organisation, we contribute to changing attitudes, behaviour, and culture across the organisation. Being an inclusive organisation helps us retain staff and benefit their health and wellbeing, as well as being seen by our college community as a supportive organisation.

Employees with a Protected Characteristic

The College is accredited as a Disability Confident Leader and provides guaranteed access to recruitment and selection processes for applicants with a stated disability who meet the essential criteria for a role. Where an existing employee becomes disabled, every effort is made to ensure that employment with the College continues, with reasonable adjustments made wherever possible and support services offered through Occupational Health.

The College is working closely with the Black Leadership Group and, with their support is working towards being an 'Anti-racist' College. Racism of any form is not tolerated. Applicants from a UK minority ethnicity are given guaranteed access to recruitment and selection processes where they meet the essential criteria for a role.

Every effort is made to ensure that College processes for staff are free from bias and applied on an equal basis.

Health and Safety

The College continues to embed a positive health and safety culture, this is carried out through a number of initiatives such as Leadership Tours and CAM inspections. Last year, over 321 HSSR actions and improvements were made through the HSSR action tracking system. Thorough audits are conducted on a risk basis and there is good cooperation from managers, staff and learners.

Environment

The College is committed to sustainability and ensuring resources are used effectively. The adverse impact on the environment arises from the consumption of energy, transport, generation of waste and supply chain. The Sustainability Strategy has recently been approved which will act as a framework to achieve the College's carbon net zero ambitions. The College signed the Sustainable Development Goal Accord in 2025, demonstrating its commitment to embedding the goals into practice. The College has an Environment and Sustainability Committee to drive forward action to improve sustainability and environmental performance.

Financial Statements

Financial objectives and review of out-turn for the year

The financial statements are set out from page 62. The College out-turned a surplus of £2,251,000 (4.6% of gross income) for the year compared with a surplus of £1,853,000 (3.9% of gross income) for the previous year. The balance on the general reserve at 31 July 2025 stood at a surplus of £22,549,000 (2024 £20,642,000) including pension reserve.

Review of performance

The financial performance and financial position of the Corporation is regarded as satisfactory. A review of performance and key performance indicators is set out in the Principal's Report on pages 3-39.

Payment performance

The late payment of Commercial Debts (Interest) Act 1998, which came in to force on 1 November 1988, requires colleges, in the absence of agreement to the contrary, to make payments to suppliers within thirty days of either the provision of goods or services or the date on which the invoice was received. At the year end, creditors represented 25 days of trade purchases. The College incurred no interest charges in respect of late payment for this financial year.

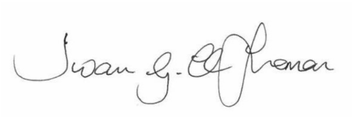
The target set by the Treasury for payment to suppliers within thirty days is 95% and Pembrokeshire College made 95.9% of payments to suppliers within thirty days. As at 31 July 2025 the College had 24 creditor days.

Creditors balance at 31 July 2025	**£468,431**
Amounts invoiced during the year by suppliers	**£7,164,484**
Number of days in the financial year	**365 days**
Trade creditor days at 31 July 2025	**24 days**

Disclosure of information to auditors

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

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



Iwan Thomas
Chair

PEMBROKESHIRE COLLEGE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

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

The College endeavours to conduct its business:

I. in accordance with Pembrokeshire College Instrument & Articles of Government and the Standing Orders & Terms of Reference;
II. in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership);
III. in accordance with The Governance Code for Further Education published by Colegau Cymru in January 2016 ("the Code");
IV. having due regard to the UK Corporate Governance Code 2018 insofar as it is applicable to the further education sector.

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

In the opinion of the Board Members, the College complies with all the provisions of the Code, and it has complied throughout the year ended 31 July 2025. The Corporation Board 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.

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

<u>The Corporation Board</u>

The composition of the Corporation Board is set out on pages 54 and 55. It is the Corporation Board's responsibility to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct.

The Corporation Board is provided with regular and timely information on the overall financial performance of the College together with other information, such as performance against funding targets, proposed capital expenditure, quality matters and personnel related matters. The Corporation Board usually meets five times per year.

The Corporation Board conducts its business through a number of committees. Each committee has terms of reference, which have been approved by the Corporation Board. These committees are Audit, Search and Remuneration, Quality and Standards and A Level Centre.

The Corporation Board *Continued…*

In furtherance of their duties, all Board Members are able to take independent professional advice, at the College's expense, and have access to the Clerk to the Corporation Board, who is responsible to the Board for ensuring compliance with all applicable procedures and regulations. The appointment, evaluation and removal of the Clerk are matters for the Corporation Board as a whole.

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

The Corporation Board has a strong and independent non-executive element and no individual or group dominates its decision-making process. The Corporation Board 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 Principal are separate.

The Corporation Board has adopted a governance structure that includes the "Membership Body" to further develop relationships with businesses, schools, voluntary organisations and the wider public and encourage greater community participation and integration with the College. This Body is known as the Pembrokeshire College Advisory Forum.

A report on activities undertaken during the year to develop Governors and the Clerk to the Corporation Board

Newly appointed Board Members received induction training and are sign posted to key documents, such as the Instrument & Articles of Government, Standing Orders, Memorandum of Financial Understanding and the Code of Good Governance. Additionally, new members of the Audit Committee receive a Finance Induction.

There is a training programme in place for Corporation Board Members which includes both mandatory and optional training. During FY24, Colegau Cymru introduced sector wide training for Board Members that was accessible to all Pembrokeshire College Board Members. The Corporation Board also received briefings on safeguarding, equality, cyber security and quality matters. Board Members are invited to and attend College events, such as Graduation, award evenings, Aspire Days and conferences.

The College has a Link Governor Scheme in place. These roles help develop the effectiveness of the Corporation Board and in raising College standards. The scheme assists Board Members with developing their understanding of different areas of the College and the College benefits from their expertise, skills and knowledge in an advisory and support capacity.

The Governance Officer completed all mandatory staff training sessions as well as additional internal CPD opportunities. In addition, they attended the Colegau Cymru Board Member training sessions and continues to attend meetings of the FE Governance Network. The Governance Officer also completed the UK GDPR Practitioner Certificate.

A report on whether the College has conducted/commissioned an internal or external review of Governance

The Corporation Board reviews and approves its Standing Orders and Terms of Reference on an annual basis. All committees of the Board produce annual reports and the Governance Officer also completes an Annual Report as required by Medr.

The Chair undertakes a self-assessment review of the Corporation Board on a regular basis. All Board Members are invited to express their views and feedback around a number of key areas. The review focusses on an initial survey followed by one-to-one conversations where requested. The outcomes and recommendations of the review are considered by the Corporation Board and an action plan is developed. Progress against the action plan is considered by the Board on bi-annual basis.

The College's internal auditors undertook a Corporate Governance review in February 2024 with an overall conclusion of a strong level of assurance. The two low grade recommendations resulting from the audit have been addressed.

No external review of Governance was commissioned during FY25.

Appointments to the Corporation Board

Any new appointments to the Corporation Board are a matter for the consideration of the Corporation Board as a whole. The Corporation Board has a Search and Remuneration Committee comprising of up to five members who are responsible for the selection and nomination of any new member for the Corporation Board's consideration. The Corporation Board is responsible for ensuring that appropriate training is provided as required.

Members of the Corporation Board are appointed for a term of office not exceeding four years and are eligible for reappointment for a second term.

Search and Remuneration Committee

The Corporation Board merged the duties of the Search Committee and Remuneration Committee to form a single committee. The Committee has up to five members. In addition to duties outlined above, the Committee's responsibilities include making recommendations to the Board on the remuneration and benefits of Senior Post Holders including the Principal and the Clerk to the Corporation Board.

Details of remuneration for the year ended 31 July 2025 are set out in note 7 to the financial statements.

Audit Committee

The Audit Committee comprises a minimum of three members (excluding the Principal and Chair). The Committee operates in accordance with written terms of reference approved by the Corporation Board.

The Audit Committee meets on a termly basis and provides a forum for the College's internal and external financial statement auditors to report, they have access to the Committee for independent discussion without the presence of College management. The Committee also receives and considers reports from Medr and Welsh Government that affect the business of the College.

Audit Committee *Continued…*

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

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

The Audit Committee advises the Corporation Board on the appointment of internal and financial statement auditors and their remuneration for both audit and non-audit work.

Quality and Standards Committee

The Board established a Quality and Standard Committee to determine and advise on such matters relating to the improvement of quality of performance. The remit of the Committee is to analyse the College's current performance, including the performance information for further education, work based learning and higher education.

The constitution of the Committee is: the Chair (a governor nominated by the Board), the Principal, Assistant Principal for Vocational Studies, Director of Learner Journey, two Independent Governors, two Student Governors, two Staff Governors and a co-opted representative from higher education along with Faculty Heads and Professional Learning and Quality Manager.

The Committee's remit includes Learner and Staff Voice and monitoring compliments and complaints.

A Level Centre Committee

The Board established an A Level Centre (ALC) Committee following the increase of A Level provision into Campus6. The remit of the Committee is to oversee the operation of the A Level Centre.

The constitution of the Committee is: three College representatives, a Corporation Board Member, the Principal, the Head of A Levels and (CAM), up to 10 members nominated by Pembrokeshire County Council, including the Director of Education, up to two members of the Council, three Headteachers and three governors from schools with no sixth forms whose learners transition into the College.

The Committee provides strategic advice and direction to the ALC Faculty Management Team and oversees the operations of the A Level Centre.

During FY25, agreement was reached to redesign the Committee into the Transition and Schools Partnership Committee. The ALC Committee has evolved over time and the changes to post 16 education are now embedded and it was felt that it was the appropriate time for this development. The new Committee has been established for the FY26 academic year.

Internal Control

Scope of Responsibility

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

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

The Purpose of the System of Internal Control

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

Capacity to Handle Risk

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

The Risk and Control Framework

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

- Comprehensive budgeting systems with an annual budget, which is reviewed and agreed by the Corporation Board;
- Regular reviews by the Corporation Board of periodic and annual financial reports, which indicate the 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.

The College has an internal audit service, which operates in accordance with the requirements of the Welsh Government and Medr. The work of the internal audit service is informed by an analysis of the risks to which the College is exposed and annual internal audit plans are based on this analysis. The Corporation Board, on the recommendation of the Audit Committee, endorses the analysis of risks and the internal audit plans.

The Risk and Control Framework *Continued…*

At a minimum annually, the Head of Internal Audit provides the Corporation Board with a report on internal audit activity in the College. The report includes the Head of Internal Auditor's independent opinion on the adequacy and effectiveness of the College's system of risk management, controls and governance processes.

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

- The work of the Internal Auditors;
- The work of the senior managers within the College who have responsibility for the development and maintenance of the internal control framework;
- The comments made by the College's financial statements auditors and the Welsh Government's auditors in their management letters and other reports.

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

The senior management team receives reports setting out key performance and risk indicators and considers possible control issues brought to members' attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The senior management team and the Audit Committee also receive regular reports from internal audit, which include recommendations for improvement. The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Corporation Board's agenda includes a regular item for consideration of risk and control and receives reports thereon from the senior management team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception.

At its December 2025 meeting, the Corporation Board carried out the annual assessment for the year ended 31 July 2025 by considering documentation from the senior management team, the internal audit and taking account of events since 31 July 2025.

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

Going Concern

After making appropriate enquiries, the Corporation Board considers that the College has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

Bribery Act 2010

The Bribery Act 2010 came into effect on 1 July 2011 and applies to any organisation which is incorporated in the UK irrespective of where it carries out its business. The College is covered by the Act as it engages in commercial activities.

The Act contains two general offences:

- Active Bribery – offering or giving a bribe; and
- Passive Bribery – requesting or accepting a bribe.

Training has been provided to staff that have been identified as being most at risk. Any staff member who has suspects that bribery is being carried out must report it immediately to the Assistant Principal Finance & Resources.

Date:
Iwan Thomas
Chair

Date:
Dr Barry Walters
Principal

MEMBERS OF THE CORPORATION BOARD

Name	Date of Appointment / Re-Appointment	Term of Office	Committees	Attendance			Notes
				Board	Other Cmttees	Audit	
Iwan Thomas (Chair - Corporation Board)	August 2023 (Second term)	4 yrs	Search & Remuneration	5/5	5/5	N/A	Re-appointed Chair 1st August 2021
Marc Blockwell	January 2024 (Second term)	4 yrs	Audit	3/5	N/A	4/4	End of Term January 2028
Edna Davies	July 2022 (First term)	4 yrs	Co-opted – Quality & Standards	3/5	2/2	N/A	End of term July 2026
John Gammon	December 2023 (Second Term)	4 yrs	A Level Centre	2/5	0/3	N/A	Finished of Term July 2025
Lisa Gostling	October 2021 (First term)	4 yrs	Search & Remuneration	3/5	3/5	N/A	End of Term October 2025
Judith Hardisty	October 2024 (First term)	4 yrs	Audit	4/5	N/A	4/4	End of Term July 2028
Dylan Harries	January 2024 (Second term)	4 yrs	Audit (Chair) Search & Remuneration	4/5	5/5	4/4	End of Term January 2028
Jo Hendy	June 2025 (First term) Co-optee - Audit Committee from December 2024	4 yrs	Audit	1/1	N/A	2/4	End of Term June 2029
Graham Morgan	May 2021 (Second term)	4 yrs		2/4	N/A	N/A	End of Term May 25
Andrew Phillips	December 2021 (Second term)	4 yrs		5/5	N/A	N/A	End of Term December 2025
Sarah Rowland-Jones	December 2021 (First term)	4 yrs		1/4	N/A	N/A	Completed Term May 2025
Tom Sawyer	October 2024 (First term)	4 yrs	Search & Remuneration	3/5	4/5	N/A	End of term October 2027
Louise Wilkinson	May 2021 (First term)	4 yrs	Quality & Standards	4/4	1/2	N/A	Completed Term May 2025
Local Authority Governors							
Steven Richards-Downes	January 2024 (Second term)	4 yrs	A Level Centre	4/5	3/3	N/A	End of Term January 2028
Guy Woodham	October 2022 (First term)	4 yrs	Quality & Standards (Chair)	2/5	3/6	N/A	End of Term October 2026
Staff Governors							
Will Bateman	July 2022 (First term)	4 yrs	Quality & Standards	3/5	3/3	N/A	End of Term July 2026

Charlie Royal	September 2020 (Second term)	4 yrs	Quality & Standards	2/4	2/2	N/A	End of Term September 2024 (Extended until May 2025)
Bethany Heneghan	May 2025 (First Term)	4 yrs	Quality & Standards	0/1	1/1	N/A	End of Term May 2029
Dr Barry Walters	July 2018		Search & Remuneration Quality & Standards A Level Centre	5/5	11/11	N/A	Principal
Student Governors							
Bradley Cole	August 2024	1 yr	Quality & Standards	5/5	3/3	N/A	Annual Election
Tomos Padel	August 2024	1 yr	Quality & Standards	5/5	3/3	N/A	Annual Election
Co-opted Committee Members							
John Bowers	March 2025	4 yrs	Quality & Standards	N/A	1/1	N/A	Appointed a full Board Member from August 2025
Phil Maull	Annually Board approval		Quality & Standards	N/A	3/3	N/A	Annual

The Members of the Corporation Board of the College are responsible for the administration and management of the College's affairs, including ensuring an effective system of internal control, and are required to present audited financial statements for each financial year.

Within the terms and conditions of the Financial Memorandum agreed between WG and the Corporation, the Corporation, through its Chief Accounting Officer, is required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the College, the surplus/deficit and cash flows for that year.

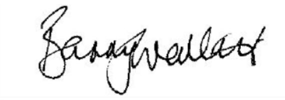
Statement of Regularity, Propriety and Compliance

Statement of the Accounting Officer

As Accounting Officer of Pembrokeshire College, I confirm that the College has had due regard to the requirements of grant funding agreements and contracts with Medr, and has considered its responsibility to notify Medr of material irregularity, impropriety and non-compliance with terms and conditions of funding.

I confirm on behalf of the College that after due enquiry, and to the best of my knowledge, I am able to identify any material irregular or improper use of funds by the College, or material non-compliance with the terms and conditions of funding, under the College's grant funding agreements and contracts with Medr, or any other public funder.

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



Dr Barry Walters
Accounting Officer

Statement of the Chair of Governors

On behalf of the College, I confirm that the Accounting Officer has discussed their statement of regularity, propriety and compliance with the Board and that I am content that it is materially accurate.

Iwan Thomas
Chair

Statement of the Responsibilities of the Members of the Corporation Board

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

Within the terms and conditions of the Financial Memorandum between the Welsh Government / Medr and the governing body of the college, the governing body, through its accounting officer, is required to prepare financial statements and an operating and financial review for each financial year in accordance with the Statement of Recommended Practice – Accounting for Further and Higher Education, the Accounts Direction for Further Education Colleges in Wales (FE and HE SORP) and the UK's Generally Accepted Accounting Principles, and which give a true and fair view of the state of affairs of the college and its surplus of income over expenditure for that period.

In preparing the financial statements, the governing body is required to:

- Select suitable accounting policies and apply them consistently;
- Make judgments 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 College is a going concern, noting the key supporting assumptions, qualifications or mitigating actions, as appropriate (which must be consistent with other disclosures in the financial statements and auditor's report);and
- Prepare financial statements on the going concern basis unless it is inappropriate to assume that the College will continue in operation.

The governing body is also required to prepare a members' report in accordance with paragraphs 3.23 to 3.27 of the FE and HE SORP, which describes what it is trying to do and how it is going about it, including information about the legal and administrative status of the college. The governing body is responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the college and which enable it to ensure that the financial statements are prepared in accordance with relevant legislation including the Further and Higher Education Act 1992 and Charities Act 2011, and relevant accounting standards. It is responsible for taking steps that are reasonably open to it to safeguard its assets and to prevent and detect fraud and other irregularities.

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

Members of the Governing Body are responsible for ensuring that expenditure and income are applied for the purposes intended by Medr and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from Medr, and any other public funds, are used only in accordance with the Financial Memorandum issued by the Welsh Government and any other conditions that may be prescribed from time to time by Medr or any other public funder. On behalf of the governing body, 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.

Statement of the Responsibilities of the Members of the Corporation Board *Continued…*

Members 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 governing body are responsible for securing economical, efficient and effective management of the college’s resources and expenditure so that the benefits that should be derived from the application of public funds from Medr and other public bodies are not put at risk.

Approved by order of the members of the governing body on   December and signed on its behalf by:

Iwan Thomas
Chair

INDEPENDENT AUDITOR'S REPORT
TO THE CORPORTATION OF PEMBROKESHIRE COLLEGE

Opinion
We have audited the financial statements of Pembrokeshire College (the ''College') for the year ended 31 July 2025 which comprise the statement of comprehensive income, the balance sheet, statement of changes in reserves, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:
- give a true and fair view of the state of the College's affairs as at 31 July 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been properly prepared in accordance with the requirements of the Statement of Recommended Practice - Accounting for Further and Higher Education; and
- have been prepared in accordance with the requirements of the Accounts Direction issued by the Welsh Government.

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

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

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

Other information
The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Corporation are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE CORPORTATION OF PEMBROKESHIRE COLLEGE

Opinions on other matters prescribed in the Further Education Audit Code of Practice 2015 issued by the Welsh Government

In our opinion, in all material aspects:

- monies expended out of Welsh Government grants and other funds from whatever source administered by the College for specific purposes have been properly applied to those purposes and, if appropriate, managed incompliance with all relevant legislation; and
- income has been applied in accordance with the financial memorandum with the Welsh Government.

Responsibilities of the Corporation for the financial statements
As explained more fully in the statements of the responsibilities of the members of the Corporation board, the Corporation board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Corporation determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Corporation are responsible for assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Corporation either intend to liquidate the College or to cease operations, or have no realistic alternative but to do so.

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

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE CORPORTATION OF PEMBROKESHIRE COLLEGE

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 and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance.
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Challenging assumptions made by management in the significant accounting estimates, in particular the assumptions in relation to the local government pension scheme;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report
This report, including the opinions, has been prepared for and only for the College's Corporation as a body in accordance with Article 18 of the College's Articles of Government and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Paul Bowden
Senior Statutory Auditor
For and on behalf of Azets Audit Services

Chartered Accountants
Statutory Auditor

Date………………………..

1st Floor The Refinery
Atlantic Close
Swansea Enterprise Park
Swansea
SA7 9FJ

PEMBROKESHIRE COLLEGE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2025

	Note	2025 £'000	2024 £'000
Income			
Funding body grants	2	45,156	44,173
Tuition fees and education contracts	3	1,113	1,037
Other income	4	2,039	1,647
Investment income	5	750	664
Donations		8	-
Total income		**49,066**	**47,521**
Expenditure			
Staff costs	6	19,261	18,305
Other operating expenses	8	25,478	25,494
Depreciation	10	2,056	1,850
Interest and finance costs		-	-
Total expenditure		**46,795**	**45,649**
Adjusted EBITDA before one off costs and non-cash items		**2,229**	**1,791**
Net Interest Receivable		750	664
Staff Restructuring Costs	6	(8)	(41)
Non-Cash Items:			
Depreciation	10	(2,056)	(1,850)
Release of Capital Grants	15	1,255	1,181
FRS 102 Pension & Early Retirement Credit/(Charge)		101	127
Surplus before other losses		**2,271**	**1,872**
Loss on disposal of fixed assets		(20)	(19)
Surplus for the year retained within general reserves		**2,251**	**1,853**
Actuarial Gain		8,668	1,145
Pension Asset Ceiling Adjustment		(9,113)	(5,184)
Total Comprehensive (Expense)/Income for the year		**1,806**	**(2,186)**

The income and expenditure account is in respect of continuing activities of the College.

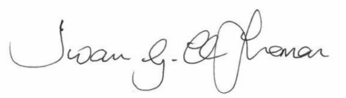
PEMBROKESHIRE COLLEGE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025
STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 JULY 2025

	Income and Expenditure £'000	Capital Reserve £'000	Total unrestricted Reserves £'000
Balance at 1 August 2023	**22,727**	**4,995**	**27,722**
Surplus from the income and expenditure account	1,853	-	1,853
Other comprehensive income	1,145	-	1,145
Transfers between revaluation and income and expenditure reserves	101	(101)	-
Total comprehensive income for the year	(5,184)	-	(5,184)
Balance at 31 July 2024	**20,642**	**4,894**	**25,536**
Surplus from the income and expenditure account	2,251	-	2,251
Other comprehensive income	8,668	-	8,668
Transfers between revaluation and income and expenditure reserves	(9,113)	-	(9,113)
Pension Asset Ceiling Adjustment	101	(101)	-
Total comprehensive expense for the year	1,907	(101)	1,806
Balance at 31 July 2025	**22,549**	**4,793**	**27,342**

BALANCE SHEET
AS AT YEAR ENDED 31 JULY 2025

	Note	2025 £'000	2024 £'000
Non-current assets			
Tangible fixed assets	10	38,494	38,828
Defined benefit pension asset	17	-	-
Total non-current assets		38,494	38,828
Current assets			
Stocks		100	84
Debtors	11	4,624	4,195
Investments	12	6,500	4,000
Cash and cash equivalents		5,204	5,640
Total current assets		16,428	13,919
Creditors - amounts falling due within one year	13	(8,378)	(7,454)
Net current assets		**8,050**	**6,465**
Total assets less current liabilities		**46,544**	**45,293**
Creditors - amounts falling due after more than one year	14	(18,629)	(19,091)
Less: Provisions for liabilities			
Defined benefit pension obligations	17	(19)	-
Other provisions	16	(554)	(666)
Net assets		**27,342**	**25,536**
Unrestricted reserves			
Income and expenditure account		22,549	20,642
Capital reserve		4,793	4,894
Total unrestricted reserves		**27,342**	**25,536**

The financial statements on pages 60 to 87 were approved by the Corporation Board on December 2025 and were signed on its behalf by:



Iwan Thomas
Chair

Dr Barry Walters
Principal

Caroline James
Assistant Principal

PEMBROKESHIRE COLLEGE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025
STATEMENT OF CASH FLOWS

	2025	2024
	£'000	£'000
Cash flow from operating activities		
Surplus for the year	2,251	1,853
Adjustments for non-cash items		
Depreciation	2,056	1,850
Release of capital grants	(1,255)	(1,181)
Decrease/(Increase) in stock	(16)	8
Decrease/(Increase) in debtors	(429)	873
Increase in creditors due within one year	720	238
(Decrease)/Increase in provisions	(113)	(54)
Pension costs less contributions paid	(134)	(170)
Adjustment for investing or financing activities		
Investment income	(750)	(664)
Interest payable	-	-
Loss on sale of fixed assets	20	19
Net cash flows generated from operating activities	**2,350**	**2,772**
Cash flows from investing activities		
Proceeds from sale of fixed assets	8	10
Investment income	458	439
Maturity of Cash Deposits	4,000	3,000
New Deposits	(6,500)	(4,000)
Payments made to acquire fixed assets	(1,448)	(3,049)
Capital grants received	696	1,228
Net cash flows used in investing activities	**(2,786)**	**(2,372)**
Increase/(Decrease) in cash and cash equivalents in the year	**(436)**	**400**
Cash and cash equivalents at beginning of the year	5,640	5,240
Cash and cash equivalents at end of the year	5,204	5,640

1 Statement of Principal Accounting Policies

The following accounting policies have been applied consistently in dealing with items that 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 financial statements conform to guidance published by WG in the Accounts Direction Handbook.

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

Basis of Accounting

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

Going concern

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

Cashflow forecasts show that the College has sufficient cash resources to fund its future investment plans. The College has access to Welsh Government grants for capital investment purposes on an application and eligibility basis.

Accordingly, the College has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future, and for this reason will continue to adopt the going concern basis in the preparation of its financial statements.

Short term investments and Cash holding levels have remained static in FY25. Prudent three-year forecasts have been developed which show the College is financially sustainable and will continue to generate operating cash to invest in the College infrastructure.

Recognition of Income

The recurrent grants from Medr and specific government grants are accounted for under the accrual model as permitted by FRS 102. Recurrent grants are recognised in line with planned activity. Any under-achievement against this planned activity is adjusted in-year and reflected in the level of recurrent grant recognised in the Statement of Comprehensive Income.

Recognition of Income *Continued*…

The Work Based Learning grant from WG is accounted for under the accrual model as permitted by FRS 102. The income is recognised in line with when delivery took place.

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

Government capital grants are capitalised, held as deferred income and recognised in income over the expected useful life of the asset, under the accrual method as permitted by FRS 102.

Income from tuition fees is stated gross of any expenditure which is not a discount and is recognised in the financial year to which it relates.

Income from contracts and other services rendered is included to the extent of the completion of the contract or service concerned. This is generally equivalent to the sum of the relevant expenditure incurred during the year and any related contributions towards overhead costs.

Income from the sale of goods or services is credited to the Statement of Comprehensive Income when the goods or services are supplied to the external customers or the terms of the contract have been satisfied.

All income from short-term deposits is credited to the income and expenditure account in the financial year in which it is received.

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 schemes, 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 the College is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as an expense in the Statement of Comprehensive Income in the year during which services rendered by employees.

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

Net interest on the net defined benefit liability is also recognised in the 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 financial year 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 other recognised gains and losses. Where the value of the pension scheme asset is greater than the pension obligation, the value of the asset that can be recognised within the accounts is determined via the ‘asset ceiling’ test. The asset ceiling is a limit to the amount of the net pension asset that can be recognised to the lower of (1) the amount of the net pension asset or (2) the present value of any economic benefits available in the form of refunds or reductions in future contributions to the plan.

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

Enhanced Pensions
The actual cost of any enhanced ongoing pension to a former member of staff is paid by the College annually. An estimate of the expected future cost of any enhancement to the ongoing pension of a former member of staff is charged in full to the College’s Income in the year that the member of staff retires. In subsequent years a charge is made to the income statement to reflect any required changes to the provision in the balance sheet.

Non-current Assets - Tangible Fixed Assets
Tangible fixed assets are stated at cost less accumulated depreciation. 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.

Land and Buildings
Land and buildings inherited from the Local Education Authority are stated in the balance sheet at valuation on the basis of deemed cost. Land and buildings acquired since incorporation are included in the balance sheet at cost. Freehold land is not depreciated. Freehold buildings are depreciated on a straight-line basis over their expected useful lives as follows:

	Years
Buildings	100
Building and major refurbishment projects	66 - 80
Modular buildings	15 - 25
Minor refurbishment projects	10 - 15

Land and Buildings *Continued…*
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 re-valued in 1998, 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.

Equipment
Equipment costing less than £1,500 per individual item or group of related items is recognised as expenditure in the period of acquisition. All other equipment is capitalised at cost.

Equipment is depreciated on a straight-line basis over its estimated useful economic life at the following rates:
Plant and machinery 10 - 25% per annum
Fixtures, fittings and Equipment 10 - 40% per annum

Capital Reserve
The value of tangible fixed assets inherited from the Local Education Authority on 1 April 1993 was transferred to the College's Capital Reserve. An amount equal to the depreciation charged on the inherited assets is transferred from the Capital Reserve to the Income and Expenditure Account each year.

Borrowing Costs
Borrowing costs which are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised, all other borrowing costs are 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.

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

Cash and Cash Equivalents
Cash includes cash in hand, deposits repayable on demand and overdrafts. 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
Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

All loans are classified as basic financial instruments in accordance with FRS 102. The loan is 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, 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 that are payable or receivable within one year are not discounted.

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 an element of the VAT charged on its inputs. Irrecoverable VAT on inputs is included in expenditure and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

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

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.

Agency Arrangements
The College acts as an agent in the collection and payment of Financial Contingency Funds. Related payments received from WG and subsequent disbursements to learners are excluded from the Statement of Comprehensive Income are shown separately in the notes to the financial statements.

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

The results of Pembrokeshire Apprenticeship Scheme have not been consolidated with those of Pembrokeshire College as the Corporation Board considers that the amounts involved are not material.

Judgements in applying accounting policies and key sources of estimation uncertainty
In preparing these financial statements, management have made the following judgements:

The College acts as the lead provider in the Work Based Learning Contract. The College subcontracts some of the delivery of this contract to other partner institutions and companies; Pembrokeshire College is contracted directly by the Medr and therefore, this is not considered to be a consortia arrangement. Income is recognised on the basis of the College acting as “Principal”. Therefore, and in accordance with the Accounts Direction issued by Medr, the College has recognised income from this contract on a gross basis in these financial statements (see note 2);

Determined 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;

Determined whether there are indicators of impairment of the College’s tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

Other Key Sources of estimation uncertainty:

Useful Economic Life of Fixed Assets
Tangible fixed assets, are depreciated over their useful lives considering 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 considered. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Local Government Pension Scheme
The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. Any changes in these assumptions, which are disclosed in note 18, will impact the carrying amount of the pension liability or asset. The actuary has used a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 to value the pension scheme valuation at 31 July 2025. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability or asset as at the Balance Sheet date.

2 Funding Body Grants

	2025	2024
	£'000	£'000
Recurrent grant	16,401	14,897
Work Based Learning grant (WBL)	5,519	5,435
Franchised provision - WBL	19,792	19,798
- FE	124	87
Release of deferred capital grants		
- Buildings	651	544
- Equipment	580	609
Specific grants	2,089	2,803
	45,156	**44,173**

The College is a lead in the Work Based Learning contract. All income derived through the contract is shown in these financial statements. The breakdown of monies allocated is as below:

	2025	2024
	£'000	£'000
WBL Contract Income	**25,311**	**25,233**
Payments to FE partners	(12,143)	(11,433)
Payments to non FE partners	(7,649)	(8,365)
Total Payments to Partners	**(19,792)**	**(19,798)**
Pembrokeshire College WBL income as provider and contract lead	**5,519**	**5,435**

3 Tuition Fees and Education Contracts

	2025	2024
	£'000	£'000
Further Education		
- Tuition Fees	575	432
- International Students' Fees	37	100
Higher Education (HE) income	122	135
Tuition Fees Total	**734**	**667**
Higher Education (HE) Franchised income	117	138
Other Educational Contracts	262	232
	1,113	**1,037**

4 Other income

	2025	2024
	£'000	£'000
European Funds	-	-
Catering and Residences Operations	93	93
Release of deferred capital grants (non WG)	24	29
College Facilities	76	164
International Discrete Provision	123	122
Salary & Other Grants	1,240	941
Other Income Generating Activity	483	298
	2,039	**1,647**

5 Investment Income

	2025	2024
	£'000	£'000
Other Investment Income	190	150
Other Interest Receivable	268	289
	458	**439**
Net Return on Pension Scheme	292	225
	750	**664**

6 Staff Costs

The average number (No.) of persons (including senior post holders) employed by the College during the year, also expressed as full-time equivalents (FTE) with the associated staff costs was:

	2025			2024		
	No.	FTE.	£'000	No.	FTE.	£'000
Teaching departments - Teaching staff	242	182	10,241	240	183	9,730
- Other staff	124	93	3,922	131	100	3,803
Teaching support services	56	42	1,543	51	39	1,344
	422	**317**	**15,706**	**422**	**322**	**14,877**
Other support services	16	12	486	18	14	560
Administration and central services	63	47	2,500	58	44	2,214
General education expenditure	7	5	210	7	5	212
Premises	13	10	411	12	9	361
Other income generating activities	1	1	41	9	7	167
Total	**522**	**392**	**19,354**	**526**	**401**	**18,391**
FRS 102 non-cash pension adjustment			(134)			(170)
Early retirement charge/(credit)			33			43
Staff restructuring			8			41
			19,261			**18,305**

	2025	2024
	£'000	£'000
Wages and salaries	14,571	14,114
Social security costs	1,586	1,370
Other pension costs (including FRS 102 (28) adjustments)	3,063	2,737
Early retirement credit	33	43
Staff Restructuring	8	41
Total	**19,261**	**18,305**

6 Staff Costs *Continued…*

	2025 £'000	2024 £'000
Employment costs for staff on permanent contracts	18,351	17,468
Employment costs for staff on short-term and temporary contracts	1,003	923
FRS 102 (28) adjustment	(134)	(170)
Early retirement credit	33	43
Staff Restructuring	8	41
Total	**19,261**	**18,305**

All Staff

In line with a nationally agreed award by all Colleges and the joint unions, the College awarded a 5.5% consolidated cost of living settlement with effect from 1 August 2024.

Severance Payments

The College paid three severance payments in the year, disclosed in the following bands;

	2025 No.	2024 No.
£0 - £25,000	3	7
£25,001 - £50,000	-	-
£50,001 - £100,000	-	-
£100,001 - £150,000	-	-
£150,000 +	-	-

Included in staff restructuring costs are special severance payments totalling £0 (2024: £15,365).

7 Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College. The key management personnel comprise of the Principal, Assistant Principal Finance & Resources and Assistant Principal Vocational Studies.

7 Key Management Personnel *Continued…*

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

The number of key management personnel and other staff, stated in Full Time Equivalent (FTE) who received (or would have done, had they been employed by the College for the full year) annual emoluments, excluding pension contributions but including benefits in kind, in the following ranges was:

	Key Management Personnel		Other Staff	
	2025	2024	2025	2024
	No.	No.	No.	No.
£60,001 to £65,000	-	-	3	3
£65,001 to £70,000	-	-	3	3
£70,001 to £75,000	-	-	3	1
£75,001 to £80,000	-	-	2	1
£80,001 to £85,000	-	-	1	-
£90,001 to £95,000	-	1	-	1
£95,001 to £100,000	2	-	-	-
£100,001 to £105,000	-	1	-	-
£140,001 to £145,000	-	1	-	-
£150,001 to £155,000	1	-	-	-

The emoluments of key management personnel and other higher paid staff above was:

	Key Management Personnel		Other Staff	
	2025	2024	2025	2024
	£	£	£	£
Salaries	345,740	332,406	811,992	637,537
Benefits in Kind				
	345,740	332,406	811,992	637,537
Pension Contributions	80,571	72,307	185,495	129,206
	426,311	**404,713**	**997,487**	**766,743**

Key Management Personnel and Other Higher Paid Staff are eligible to participate in the College's salary sacrifice arrangements for the Shared Cost Additional Voluntary Contribution (AVC) Scheme, Electric Vehicle Scheme and Cycle to Work Scheme. One member of staff participated in the Shared Cost AVC Scheme in 2024/25 (2023/24: two).

7 Key Management Personnel *Continued…*

The emoluments paid to the Principal who is the Accounting Officer and who is also the highest paid member of staff are set out below.

	2025	**2024**
	£	**£**
Emoluments of the Principal		
Salary	152,080	144,152
Benefits in Kind		
	152,080	144,152
Pension Contributions	43,617	36,538
	195,697	**180,690**

The Search and Renumeration Committee undertook a benchmarking exercise in order to determine appropriate salaries when they were set. This included comparison with the most recent figures of average salaries of the Accounting Officers within the FE sector in Wales (as reported in financial accounts), taking into account income and Work Based Learning contract holders. Based on the evidence collated, recommendations were made to the Corporation Board that were subsequently approved. Any pay award increase since that point, has been awarded as a cost of living increase and is based on the percentage approved for all staff and has therefore also been applied to Senior Post Holders including the Accounting Officer. Performance of the Accounting Officer and other Senior Post Holders is reviewed annually through appraisals, setting of objectives and final outcomes.

Relationship of the Accounting Officer's emoluments and that of all other employees

	2025	**2024**
Accounting Officer's basic salary divided by the median pay of all other employees	4.6	4.3
Accounting Officer's total emoluments divided by the median pay of all other employees	6.0	5.4

There were no amounts due to key management personnel or higher paid staff that were waived in the year.

The Principal was awarded a Cost of Living increase in line with other Management posts of 5.5% consolidated effective 1 August 2024. This took the salary from £144,152 to £152,080.

The Assistant Principal Finance & Resources and Assistant Principal Vocational Studies were each awarded a Cost of Living increase in line with other Management posts of 5.5% consolidated 1 August 2024.

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

The members of the Corporation, other than the Principal and the two 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.

8 Other Operating Expenses

		2025 £'000	2024 £'000
Teaching departments	- Learner Related Expenditure	919	1,042
	- Projects Expenditure	386	539
Teaching support services		1,395	1,343
Other support services		94	245
Administration and central services		734	699
Unrecoverable VAT		454	430
Transformation		49	
General education expenditure		66	76
Premises costs	- Running costs	398	516
	- Maintenance	491	235
	- External Contracts	294	270
	- Rents and Leases	29	28
Planned maintenance and Condition Survey Work		64	55
Other income generating activities		56	75
Catering and residences		134	56
Subtotal before Franchised provision		**5,563**	**5,609**
Franchised provision	- FE	124	87
	- WBL	19,791	19,798
		25,478	**25,494**

		2025 £'000	2024 £'000
Other operating expenses include:			
Examination Fees (included in Teaching support services)		602	569
Auditors' remuneration	- external audit	27	27
	- internal audit	23	24
	- other services regulatory	7	5
Operating leases	- plant and machinery	11	9
	- land and buildings	28	28

9 Taxation

The College is not liable for any corporation tax arising out of its activities during the year due to its charitable status.

10 Tangible Fixed Assets

	Freehold Land and Buildings £'000	Plant and Machinery £'000	Fixtures Fittings and Equipment £'000	Assets in the Course of Construction £'000	Total £'000
Cost or valuation					
At 1 August 2024	47,441	942	9,531	252	58,166
Additions	113	194	400	1,044	1,751
Disposals	(19)	(92)	(1,739)	-	(1,850)
Transfer	804	-	-	(804)	-
At 31 July 2025	**48,339**	**1,044**	**8,192**	**492**	**58,067**
Accumulated depreciation					
At 1 August 2024	11,541	725	7,071	-	19,337
Charge for year	1,167	44	845	-	2,056
Eliminated in respect of disposals	(15)	(91)	(1,714)	-	(1,820)
At 31 July 2025	**12,693**	**678**	**6,202**	**-**	**19,573**
Net book value at 31 July 2025	**35,646**	**366**	**1,990**	**492**	**38,494**
At 31 July 2024	**35,900**	**217**	**2,459**	**252**	**38,828**
Inherited	4,793	-	-	-	4,793
Financed by capital grant	18,722	110	901	-	19,733
Other	12,131	256	1,089	492	13,968
Net book value at 31 July 2025	**35,646**	**366**	**1,990**	**492**	**38,494**

Land and buildings were valued as at 31 January 1994 at their depreciated replacement cost by Chestertons International PLC, Property Consultants. Other tangible fixed assets inherited from the Local Education Authority at incorporation were valued by the College at their estimated depreciated replacement cost.
Land and buildings with a net book value of £4,793,114 (2024: £4,894,234) have been funded from Local Education Authority sources. Should these assets be sold, the College would either have to surrender the sale proceeds to WG or use them in accordance with the financial memorandum of the WG.

11 Debtors

	2025 £'000	2024 £'000
Amounts falling due within one year		
Trade debtors	3,940	3,731
Prepayments and accrued income	684	464
	4,624	**4,195**

12 Investments

	2025 £'000	2024 £'000
Short term deposits	**6,500**	**4,000**

13 Creditors - Amounts falling due within one year

	Note	2025 £'000	2024 £'000
Payments received in advance		612	641
Creditors - Trade		220	153
- Capital		607	304
Taxation and social security		377	321
Accruals		1,167	1,134
Other Creditors		2,802	2,755
Deferred revenue grants		1,489	944
Deferred capital grants	16	1,104	1,202
		8,378	**7,454**

14 Creditors - Amounts falling due after more than one year

	Note	2025 £'000	2024 £'000
Deferred capital grant	16	18,629	19,091
		18,629	**19,091**

15 Deferred Capital Grants

	WG Grants		Other Grants		
	Land and Buildings	Other	Land and Buildings	Other	Total
	£'000	£'000	£'000	£'000	£'000
Balance at 1 August 2024	17,800	1,461	1,027	4	20,292
Grant received	566	130	-	-	696
Released to Statement of Comprehensive Income	(651)	(580)	(20)	(4)	(1,255)
At 31 July 2025	**17,715**	**1,011**	**1,007**	**-**	**19,733**

	2025	2024
	£'000	£'000
In one year or less	1,104	1,202
In one year or more	18,629	19,091
	19,733	**20,293**

16 Other Provisions

	Enhanced Pension	Other	Total
	£'000	£'000	£'000
At 1 August 2024	542	124	666
Expenditure for year	(53)	-	(53)
Transferred from/(to) Statement of Comprehensive Income	29	(88)	(59)
At 31 July 2025	**518**	**36**	**554**

The enhanced pension provision relates to future payments in respect of early retirees. This provision has been recalculated in accordance with guidance issued by the funding body. The provision includes £137,719 (2024: £146,836) in respect of early retirement pension payable to former key management personnel.

The principal assumptions for this calculation are:

	2025	2024
Interest rate	5.5%	4.8%
Inflation rate	2.7%	2.8%

The “Other” provision totalling £36k is made up of one component which is in relation to Make Good works that the College is obligated to carry out.

17 Pension and Similar Obligations

The employees of the College belong to two principal pension schemes, the unfunded Teachers' Pension Scheme (TPS) and the funded Dyfed Local Government Pension Scheme (LGPS). The total pension contribution was £3,197,424 (2024 £2,907,882).

The principal assumptions for this calculation are:

		2025		2024
		£'000		£'000
TPS contributions Paid		1,662		1,411
LGPS contributions paid	1,535		1,497	
LGPS FRS 102 (28) (credit)/charge	(134)		(170)	
LGPS total		1,401		1,327
Enhanced Pension charge to the Statement of Comprehensive Income				
TPS	29		39	
LGPS	4		4	
Total		33		43
Total Pension Cost for Year within staff costs		**3,096**		**2,781**

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

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

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

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

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

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

17 Pension and Similar Obligations *Continued*…

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 £1,661,573 (2024: £1,410,523)

Local Government Pension Scheme (LGPS)

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by Dyfed Local Authority. The total contributions made for the year ended 31 July 2025 were £2,044,784 of which employer's contributions totalled £1,535,851 and employees' contributions totalled £508,933. The agreed contribution rates for future years are 19.1% for employers and range from 5.5% to 12.5% for employees, depending on salary.

Principal Actuarial Assumptions

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

	2025	**2024**
Rate of CPI inflation	2.6%	2.6%
Rate of increase in salaries	4.1%	4.1%
Rate of increase in pensions	2.7%	2.7%
Discount rate	6.0%	4.9%

The assumed life expectations on retirement age 65 are:

	2025 Years	**2024 Years**
Retiring Today – Males	21.1	21.4
Retiring Today – Females	23.5	23.8
Retiring in 20 years' time – Males	22.3	22.8
Retiring in 20 years' time – Females	25.2	25.6

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

	Value at 31 July 2025 £'000	**Value at 31 July 2024 £'000**
Equities	32,817	31,286
Government Bonds	-	-
Other Bonds	4,184	3,975
Property	4,796	4,616
Other	5,218	2,864
	47,015	**42,741**

17 Pension and Similar Obligations *Continued…*

The amount included in the balance sheet in respect of the defined benefit pension plan

	2025 £'000	2024 £'000
Fair value of plan assets	47,015	42,741
Present value of plan liabilities	(32,737)	(37,557)
Surplus in the scheme	**14,278**	**5,184**
Effect of the Asset Ceiling	(14,297)	(5,184)
Recognised pension (liability)/asset	**(19)**	**-**

The analysis of amounts charged to the Statement of comprehensive income and expenditure is as follows

	2025 £'000	2024 £'000
Charged to staff costs		
Current service costs	(1,374)	(1,300)
Administration expenses	(32)	(31)
Total Charge to staff costs	**(1,406)**	**(1,331)**
Charge for net return on pension scheme		
Interest Income	2,117	1,964
Interest cost	(1,825)	(1,739)
Net interest credit/(cost)	**292**	**225**
Credit to other comprehensive income		
Return on pension plan assets	1,257	1,663
Changes in assumptions underlying the present value of plan liabilities	7,411	(518)
Actuarial Gain	**8,668**	**1,145**
Total credit to the Income Statement	**7,554**	**39**

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

	2025 £'000	2024 £'000
Surplus/(Deficit) at 1 August	5,184	3,644
Movement in year:		
Current service cost	(1,374)	(1,300)
Net finance income/(cost)	292	225
Administration costs	(32)	(31)
Employer contributions	1,540	1,501
Actuarial gain	8,668	1,145
Net defined asset at 31 July	**14,278**	**5,184**
Effect of Asset Ceiling	(14,297)	(5,184)
Recognised pension (liability)/asset	**(19)**	**-**

17 Pension and Similar Obligations *Continued…*

Asset and liability reconciliation

Changes in the present value of defined benefit obligations

	2025 £'000	2024 £'000
Defined benefit obligations at start of financial year	(37,557)	(34,219)
Current service cost	(1,374)	(1,300)
Interest cost	(1,825)	(1,739)
Contribution by scheme participants	(509)	(496)
Changes in financial assumptions	7,411	(518)
Benefits paid	1,117	715
Defined benefit liability at 31 July	**(32,737)**	**(37,557)**

Changes in fair value of plan assets

	2025 £'000	2024 £'000
Fair value of plan assets at start of year	42,741	37,863
Return on plan assets	2,117	1,964
Remeasurements	1,257	1,663
Administration costs	(32)	(31)
Employer contributions	1,540	1,501
Contributions by scheme participants	509	496
Benefits paid	(1,117)	(715)
Fair value of plan assets at 31 July	**47,015**	**42,741**
Effect of the Asset Ceiling	(14,297)	(5,184)
Recognised value of scheme assets	**32,718**	**37,557**

18 Capital Expenditure

	2025 £'000	2024 £'000
Purchase of tangible fixed assets	(1,444)	(3,049)
Proceeds from sale of tangible fixed assets	8	10
Capital grants received	696	1,228
Net cash outflow from capital expenditure	**(740)**	**(1,811)**

19 Analysis of Changes in Net Funds

	At 1 August 2023 £'000	Cash flow £'000	Non-cash Movement £'000	At 31 July 2024 £'000
Cash at bank and in hand	5,640	(436)	-	5,204
Cash deposit investments	4,000	2,500	-	6,500
Net funds	**9,640**	**2,064**	**-**	**11,704**

20 Capital Commitments

	2025 £'000	2024 £'000
Capital expenditure contracted for at 31 July not provided for in the Financial statements.	349	754

In addition to the capital commitments noted above, the College had, prior to the financial year end, made offers to acquire two separate parcels of land with a combined value of £885,000.

21 Financial Commitments

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

	2025 £'000	2024 £'000
Expiring less than one year	39	36
Expiring between two and five years inclusive	147	115
Expiring in more than five years	400	429
	586	**580**

22 Related Party Transactions

The College entered into the following transactions with organisations in which a member of the Board of Governors had an interest:

	Sales to related party		Purchases from related party		Balances (owed to)/ owed by at year end	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Details of related party						
Pembrokeshire County Council	691	648	835	792	(168)	(113)
Milford Haven Port Authority	16	17	15	13	-	-

The total expenses paid to or on behalf of the Governors during the year was £142 and related to two governors (2024: £104; one governor). This represents travel and subsistence expenses and other out of pocket expenses incurred in attending Governor meetings and other events in their official capacity.

23 Financial Contingency Fund

The College acts as agent in the administration of learner support funds which are available solely for learners. The grants and related disbursements are excluded from the Statement of Comprehensive Income.

	2025 £'000	2024 Restated £'000
Brought Forward 1 August	-	23
Received from Medr	278	294
Interest Received	2	3
	280	320
Disbursed to Learners	(272)	(311)
Administration Costs	(8)	(9)
Balance unspent	**-**	**-**
Summary of balance unspent at 31 July		
Retained for following year	-	-
Balance unspent	**-**	**-**