



# **SPARSHOLT COLLEGE HAMPSHIRE**

**Report and Financial Statements  
for the year ended 31 July 2025**

# Sparsholt College Hampshire

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# **Sparsholt College Hampshire**

## **Key Management Personnel, Board of Governors and Professional Advisors**

### **Key management personnel**

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

Julie Milburn, Principal and Chief Executive  
Suzanne Grant, Chief Operating Officer and Deputy Chief Executive  
Nathan Heslop, Chief Financial Officer  
Darren Mernagh, Vice Principal & Dean of Higher Education  
Mark Treagust, Vice Principal Curriculum (Sparsholt)  
Ben Stokes, Vice Principal Curriculum (Andover)

### **Board of Governors**

A full list of Governors is given on pages 19 and 20 of these financial statements.

Sally Willson, Head of Corporate Governance, was the Clerk to the Corporation throughout the period.

### **Professional advisors**

#### **Financial statements auditor and reporting accountants:**

Buzzacott Audit LLP  
130 Wood Street  
London  
EC2V 6DL

#### **Internal auditor:**

RSM  
One London Square  
Cross Lanes  
Guildford  
Surrey  
GU1 1UN

#### **Bankers:**

NatWest plc  
105 High Street  
Winchester  
SO23 9AH

# Sparsholt College Hampshire

## Report of the Governing Body

### OBJECTIVES AND STRATEGY

The members of the Corporation present their report and the audited financial statements for the year ended 31 July 2025.

#### Legal Status

Sparsholt College Hampshire (the College) is a statutory corporation established under the Further and Higher Education Act 1992 and includes the Sparsholt College and Andover College campuses and University Centre Sparsholt ("UCS"). The College also controls three subsidiary companies, whose activities support the College's mission and objectives. The collective identity for these operations is the 'Sparsholt College Group'.

The College is an exempt charity for the purposes of Part 3 of the Charities Act 2011. The Corporation is also known as the Board of Governors.

#### Mission, vision, strategy and objectives

The Board of Governors is committed to supporting all students, staff, employers and wider stakeholders to be aspirational in their ambitions, to provide support throughout their unique and personalised journey with us and to enable them to make advances in their own careers, their organisations or as a community.

'Raising Aspirations, Unlocking Potential, Advancing Futures' is the underpinning mission which defines the purpose of Sparsholt College Group.

We are committed to ensuring that every learner who studies with us, at whatever level, is inspired to realise their ambitions and we will deliver this vision by:

- Collaborating successfully with our employers and stakeholders, ensuring they are at the heart of our business;
- Delivering an **innovative** and **research** informed high-quality curriculum which responds to the needs of the wider **communities** and **key industries** we serve;
- Being financially **resilient**, enabling ongoing investment in **our people** and **infrastructure**;
- Demonstrating **excellence** in all teaching and learning experiences delivered across Sparsholt College Group, that focus upon **success and progression**; and
- Empowering a **future workforce** capable of competing in the **global jobs market** and delivering a more **sustainable** future.

Our curriculum offer, facilities and resources are structured to serve our communities, employers and learners:

- **Andover campus: the vibrant community college at the heart of the Test Valley**

Delivering a broad range of academic, vocational and technical qualifications and training ranging from entry level through to level 4. With access to modern facilities and specialist equipment, learners and businesses are best prepared for their future endeavours. Working with an extensive range of employers, the Andover campus has a growing portfolio of apprenticeship programmes from level 2 to level 4 alongside a responsive business training programme that is tailored to their individual requirements.

# Sparsholt College Hampshire

## Report of the Governing Body (continued)

- **Sparsholt campus: the specialist land-based college set in rural Hampshire**

Delivering the full spectrum of land-based subjects and technical qualifications from entry level through to level 3. With access to high specification equipment and industry standard facilities to enrich the learning experience, learners are well prepared to serve the land-based industry or progress to higher level studies. An extensive range of apprenticeship programmes serve industry needs alongside a comprehensive full-cost course portfolio to upskill individuals for technical competences and skills required to work within the sector.

- **University Centre Sparsholt: a leading provider of higher education in land-based specialisms**

Dedicated to fostering innovation and research to drive advances within the rural sector and to promote sustainability thereby equipping our graduates to be the future leaders in the sector. We offer a broad range of land-based subjects including animal and zoo management, equine science, sustainable agriculture, fisheries and wildlife and ecology. Courses range from Access to Higher Education and undergraduate degree studies to Masters and PhDs, alongside a growing number of higher apprenticeships to meet the changing needs of industry.

The College's new three-year strategic plan (2024/25 – 2026/27) sets out five key strategic priorities:

- **Excellence**

- o Deliver an outstanding teaching and learning experience which results in outstanding outcomes for all learners;
- o Support for learners and learning which is externally assessed as outstanding; and
- o Develop highly ambitious learners able to progress and excel in their chosen field.

- **Resilience**

- o Maintain sound financial health so we can continue to invest in our future;
- o Achieve targeted growth which enhances the student community and experience; and
- o Invest in and empower our people to develop a resilient workforce with a high-performance culture.

- **Collaboration**

- o Develop effective partnerships which secure our market prominence and add value to the College Group;
- o Design and deliver a curriculum which is informed and endorsed by key stakeholders; and
- o Deliver a responsive curriculum which meets the skills needs of both the region and the industries we serve.

- **Research and Innovation**

- o Deliver industry-standard training in well-equipped learning spaces;
- o Embrace the use of digital and technological advancements to enrich the learning experience; and
- o Establish a culture of research and knowledge exchange.

- **Sustainability**

- o Work in partnership to deliver a sustainable future.

# Sparsholt College Hampshire

## Report of the Governing Body (continued)

### Resources

In support of achieving its mission and objectives, the College harnesses, safeguards and invests in a range of key resources:

*Students:* The College enrolled approximately 4,270 funded and 834 non-funded students and students continue to prosper at the College. The headline Further Education ("FE") achievement rate was 85.1% (2024: 81.0%) and the Apprenticeship achievement rate was 62.4% (2024: 70.5%). The headline outcomes for Higher Education ("HE") students were 63% BSc classification 1st/2:1 (2024: 69%).

*People:* Sparsholt College Group has a significant number of employees which equates to 472 people (expressed as full-time equivalents "FTE"), of whom 179 FTE are teaching staff, and supports their continuous professional development. Our excellent teams of staff are our greatest asset, experts within their fields and demonstrate outstanding commitment to their roles.

*Buildings and facilities:* The College has continued to invest substantially in its estate to develop the curriculum and enhance the student experience, with excellent progress in delivering an ambitious five year property strategy supported by a range of capital funding grants.

On our Andover campus, the major extension of the Future Skills Technology Centre has been completed, supported by £1.0m of T Level Capital Grant funding, expanding the facilities for meeting the local demand for construction skills. To support the effective delivery of the new T Level curriculum, the College has invested in new engineering facilities (to support both the mechanical and electrical pathways), a new music technology suite and TV and media broadcasting spaces.

On the Sparsholt campus, we opened the purpose-built University Centre Sparsholt Research & Science Centre, enabled with grant funding from the Office for Students and Hampshire County Council (through the Hampshire Future Fund) totalling £4.9m. Investment of £750K from the Local Skills Improvement Fund has also enabled the development of new and innovative teaching and research facilities, including a cutting-edge vertical growing facility, installation of tractor simulators and the creation of two immersive learning suites, one on each campus. The College has also continued to invest in upgrades to land-based facilities, including completion of the Livestock AgriTech Centre, Robotic Milking Parlour, and upgrades to animal management and equine facilities and to student halls of residence.

*Financial:* The College has £50.3m of net assets and bank loans of £2.9m.

*Reputation:* In 2024/25, Sparsholt College marked its 125<sup>th</sup> anniversary offering land-based education, having established over the years a reputation as a leading institution for land-based provision and for excellent links with employers both locally and nationally. Alongside this, the Andover College campus marked its 50<sup>th</sup> anniversary delivering vocational education in the Test Valley and is now established as an anchor institution within its community recognised for offering A Levels, T Levels and a range of vocational courses and apprenticeships in response to local need.

Further Education at the College was judged by Ofsted in October 2023 to be 'Good' overall, with 'Leadership and Management', the delivery of 'Personal Development' and 'Behaviours and Attitudes' and 'Provision for learners with High Needs' deemed to be 'Outstanding'. In addition, the College received a 'Strong' judgement for Meeting Skills Needs. The College also achieved a rating of Outstanding in 2022 for the College's residential provision on the Sparsholt campus.

University Centre Sparsholt built on its reputation as a specialist Higher Education provider offering expert teaching, facilities and industry links with the launch in 2024/25 of its new Research & Science Centre. University Centre Sparsholt is registered with the Office for Students ("OfS") and HE programmes continue to be validated by the University of Portsmouth, following the five-year periodic review.

# Sparsholt College Hampshire

## Report of the Governing Body (continued)

The College and its students and staff achieved a host of accolades during the year, with the highlight being named the winner of a Green Gown Award (Tomorrow's Employees category) recognising the pinnacle role that Sparsholt College Group is playing in ensuring our staff and the region's employees are equipped to deliver green skills and adopt more sustainable behaviours. Other highlights include full Matrix re-accreditation, full BIAZA (British and Irish Association of Zoos and Aquarium) re-accreditation, runner-up for the BIAZA Animal Husbandry, Care and Breeding Award and nominee for the BIAZA Great British Wildlife Restoration Award, a Silver-Gilt medal at RHS Chelsea Flower Show, finalist for the Armed Forces Advocate awards, winner of two Land-based and Environment Learner of the Year Awards in aquaculture and sports turf, and greenkeeper apprentice of the year.

### Stakeholders

In 2024/25, the College successfully completed the delivery of the Local Skills Improvement Fund consortia project, partnering with other colleges to invest in cutting-edge new facilities, technology and education resources across the Central/ North Hampshire and Surrey Local Skills Improvement Plan ("LSIP") region.

This year has also seen the College engaged with the new Hampshire Prosperity Partnership Board ("HPPB") and Hampshire Skills Partnership ("HSP"), the Principal representing the FE education sector on the HPPB and Vice Chair of the HSP. The purpose of the HSP is to work collaboratively across Hampshire's skill system to influence and shape provision to meet the current and future needs of employers, individuals and communities within the region. Current workstreams include preparation for the devolution of skills once the Mayoral Combined County Authority ("MCCA") is established (the Adult Skills Fund will devolve from the academic year 2027/28), Get Hampshire/ Solent Working Plans and the development of one LSIP for the Hampshire region.

The College has continued to prioritise engagement with industry and employers, enabling the delivery of student work placements and apprenticeships, involving employers in curriculum development and delivery, and supporting progression into employment.

Other developments during 2024/25 include continuing to strengthen ties with the military service community working in partnership with Test Valley Military Forum and with charities such as Building Heroes, Forces Employment Charity, Seekers Create and High Ground to deliver skills training for veterans and support for service children.

Significant partnership activities continue with local schools. Sparsholt welcomed over 1,000 year 8 and 9 students and teachers for the annual STEM focused Sparsholt Futures event, and have extended the Winchester Sustainability Pyramid, this year focussing upon ecology and conservation projects with primary and secondary schools. The Andover campus has engaged with over 400 Yr 8-11 students, hosting a range of curriculum specific events in engineering, science and health. These have been delivered in partnership with employers aimed at showcasing careers in these sectors. The College continues to lead on the Science Enthuse project, a collaboration between the College and local secondary schools with a specific focus on the promotion of careers in STEM. A 'high achievers' project worked with 40 gifted and talented learners enabling them to undertake an independent project developing higher level skills.

The College's key stakeholder relationships include:

Students and staff	<ul style="list-style-type: none"><li>• Current and prospective students, trainees and learners from the wider local and business community</li><li>• Members of staff of the College and its subsidiaries, and their trade unions</li></ul>
Civic stakeholders	<ul style="list-style-type: none"><li>• Employer Representative Bodies (Hampshire and Surrey Chambers of Commerce)</li><li>• Hampshire County Council as the main Local Authority and the Hampshire Prosperity Partnership</li><li>• Winchester City Council and Test Valley Borough Council as the District/ Borough authorities closest to the College's campuses</li><li>• Defence and Armed Forces organisations</li></ul>

# Sparsholt College Hampshire

## Report of the Governing Body (continued)

Education providers	<ul style="list-style-type: none"><li>• University of Portsmouth as the degree awarding body for University Centre Sparsholt</li><li>• Other universities (including the University of Winchester and the University of Surrey)</li><li>• Further education colleges in the wider region and land-based colleges nationally</li><li>• Primary and secondary schools in and around Winchester and Andover, and the wider Hampshire, Wiltshire and Dorset areas</li><li>• Landex (Land-based Colleges &amp; Universities Aspiring to Excellence) and National Land Based College</li></ul>
Employers	<ul style="list-style-type: none"><li>• Over 3,000 employers from the land-based business community in many parts of the UK and employers from the regional business community</li></ul>
Community partners	<ul style="list-style-type: none"><li>• Local community organisations and projects in the Andover and Winchester areas</li><li>• Land-based forums and rural community organisations</li><li>• Local charities</li></ul>
Other	<ul style="list-style-type: none"><li>• Third sector organisations and accreditation bodies, such as the Royal Horticultural Society, Royal College of Veterinary Surgeons, British Horse Society, British &amp; Irish Association of Zoos and Aquariums, and Matrix</li></ul>

The College sets out our commitments to our external stakeholders in Employer and Community Charters on the College website and publishes a value for money statement for students showing where our money came from in the previous year and how it was spent.

### Public benefit

Sparsholt College Hampshire is an exempt charity under Part 3 of the Charities Act 2011 and is regulated by the Secretary of State for Education. The members of the Board of Governors, who are trustees of the charity for the purposes of charity law, are disclosed on pages 19 and 20. In setting and reviewing the College's strategic objectives, the Board has had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education.

In delivering its mission, the College provides identifiable public benefits through the provision of high quality further and higher education, together with outstanding wellbeing and support mechanisms. In 2024/25, this included 488 learners with an Education, Health and Care Plan ("EHCP") of which 236 identified as high needs. The College ensures clear progression pathways to Further/ Higher education and employment and adjusts its curriculum offer to meet the skills needs of local and national employers and deliver excellent student outcomes. The College is committed to providing information, advice and guidance to its students and to widening access and participation in education. The College collaborates with a group of regional colleges and universities to deliver free online learning to members of the public and students via an online platform, Innovation South Virtual Campus, including green skills to support sustainability goals.

### Performance

The College has delivered a strong overall performance in 2024/25, the first year of a three-year strategic plan which has seen the College continue to demonstrate ambition, agility, innovation and resilience to function effectively and achieve positive outcomes for our learners. The Board of Governors commends the commitment and professionalism of all those who have contributed to this success.

The College Group achieved an above budget surplus financial outturn (before FRS 102 pension adjustments) through continuing growth in enrolments and associated income, benefitting from favourable interest rates on a short-term uplift in cash reserves and prudent financial management, including mitigation of rising energy costs.

# Sparsholt College Hampshire

## Report of the Governing Body (continued)

Our key strategic objective to deliver an outstanding teaching and learning experience which results in outstanding outcomes for all learners remains front and foremost of the College's activities. The proportion of exceptional teaching continues to improve with learners exposed to innovative teaching methods, outstanding physical resources and emerging technologies to enrich their learning experience. Work-related learning is a key component of all provision with exposure to industry and work placements accessible for all learners, including those identified as disadvantaged.

Our Higher Education students continue to achieve positive outcomes and benefit from the specialist knowledge and industry contacts of the University Centre Sparsholt academic teams.

The College successfully delivered objectives set by the Board in the annual accountability statement 2024/25 for meeting national and local skills priorities. This included the introduction of a new curriculum area, engineering, and the launch of seven new apprenticeship standards aligned to skills priorities.

### Financial results






The Corporation reported total comprehensive income in the year of £0.7m (2024: £0.6m). The underlying operational performance for the year was a surplus of £0.7m (2024: £0.7m), with the reconciling movements relating to the movement on the swaps valuations and FRS 102 pensions adjustments, as shown in the table below.

#### Total comprehensive income summary

	2024/25	2023/24
	£000	£000
<b>Surplus before FRS102 pension adjustments</b>	<b>696</b>	<b>711</b>
FRS102 pension (charge)/credit in staff costs	(10)	89
FRS102 pension interest (charge)/income	(17)	3
<b>Surplus/(Deficit) for the year</b>	<b>669</b>	<b>803</b>
Net movement on swaps agreements	(12)	(33)
Actuarial Gain/(Loss) in respect of pension schemes	16	(179)
<b>Total Comprehensive Income for the year</b>	<b>673</b>	<b>591</b>

#### Financial Key Performance Indicators ("FKPI"):

The College recognises five FKPI's that are monitored via the College's monthly management reporting and annual budgeting processes. These align with the Department for Education ("DfE") FE Commissioner benchmarks as the College targets and are reflected in its strategy. The College has achieved 4 of the 5 FKPIs for 24/25, narrowly missing the Adjusted Current Ratio target, primarily due to timing of DfE National Insurance grant receipts and proactive early procurement of IT assets to ensure timely compliance to Windows 11 migration.

Key financial performance indicators	2024/25	Target benchmark
Adjusted Current Ratio	1.31 	1.4
Adjusted Cash Days in Hand	65 days 	40 days
Debt Service Cover Ratio	3.15 	2.0
Sector EBITDA as a % of income	6.6% 	6.0%
Staff Costs as a % of income	56% 	65% (GFE)

#### Sources of income:

The College has significant reliance on the education sector funding bodies for its principal funding source, largely from recurrent grants. In 2024/25, the funding bodies provided 71% (2023/24: 69%) of the College's total income, primarily from the DfE for 16-19 provision. Other significant areas of income in the year were HE and FE tuition fees.

# Sparsholt College Hampshire

## Report of the Governing Body (continued)

The College received substantial capital grant funding in 2024/25 totalling £6.3m; £3.0m funded by the DfE, £1.9m funded by the OfS, £1.1m by Hampshire County Council and £0.3m from the UK Shared Prosperity Fund. These funds related to the following projects:

- Further instalments on the T level Capital Build funding programme, projects which were all completed by 31<sup>st</sup> July 2025 (£0.9m DfE).
- FE Colleges Condition Allocation grant for which the college has identified suitable capital projects and has until March 2028 to complete these works (£1.8m DfE).
- LSIP capital funding which has been fully spent on green skills capital projects as of 31<sup>st</sup> July 2025 (£0.4m DfE).
- OfS capital grant funding of £1.9m reflects the final instalments of a £3.9m award to provide a dedicated UCS Research & Science Centre which is now complete and was also part-funded by Hampshire County Council via their Future Fund scheme in 2024/25 to the sum of £0.9m.
- UK Shared Prosperity Funds were received via Test Valley Borough Council (£0.2m) to contribute to the Future Skills Technology Centre extension at our Andover campus and via Winchester City Council (£0.04m) towards green skills capital projects at our Sparsholt campus. These projects are fully complete.

### *Reserves:*

The College Group has accumulated reserves as of 31 July 2025 of £50.3m (2024: £49.6m) and cash balances of £6.2m (2024: £9.6m). Cash balances reduced year on year principally due to planned approved expenditure on capital projects.

The cash balances as at 31 July 2025 included £1.7m of capital grants that are ringfenced for capital projects and subject to clawback if unspent. The valuation of the Local Government Pension Scheme has again been valued as a net asset by the actuaries but as in 2023/24, the surplus has not been recognised as the College is not able to recover the surplus either through reduced contributions or refunds from the scheme.

### *Developments:*

Tangible fixed asset additions during the year amounted to £11.2m. This includes equipment purchased of £2.5m and land & buildings improvements of £8.3m. In addition, assets under construction as at 31 July 2024 totalling £5.7m have completed in the year and been brought into operational use. The following key additions were primarily fully, or part grant funded:

- Development of Robotic Milking Parlour and Livestock AgriTech Centre (Sparsholt)
- Extension to the Future Skills Technology Centre (Andover)
- Dedicated purpose built UCS Research & Science Centre (Sparsholt)
- Purpose built centre for learners with special educational needs and disabilities (“SEND”) (Sparsholt)
- Business and Accounting Hub (Andover).

These all achieved practical completion on or before 31 July 2025.

The asset remaining under construction at 31 July 2025 is the development of a Green Tech Arable Laboratory and was completed in Autumn 2025.

### *Cash flows & liquidity:*

At £2.0m (2024: £1.2m), the net cash inflow from operating activities continued to be healthy and bank covenants on our loans have all been met.

# Sparsholt College Hampshire

## Report of the Governing Body (continued)

### Group companies

The College has three subsidiary companies: Andover Town Football Club Limited, Sparsholt College Services Limited and Westley Enterprises Limited.

Andover Town Football Club Limited has the following objectives;

- To enhance the College's sports curriculum and football academy by providing regular access to higher level football;
- To provide an educational pathway for students aged 16-19 and progression opportunities for 19+; and
- To support the development of community links within Andover.

The club had a challenging season in the Wessex League Division One, finishing sixth, but was able to provide playing opportunities for current and former College students. The club also supported a women's team which was successful in winning the Hampshire Division 4 league title and Junior Cup competition. The company made a small surplus and intends that the distributable profits for the current financial year of £1,037 will be donated to Sparsholt College Hampshire under a qualifying charitable donation.

Sparsholt College Services Limited principal activities are:

- To provide support services, activities and functions to the College, including finance, information technology, human resources, marketing, premises and student support.

Sparsholt College Services Limited continued to effectively provide business support staffing services to the College under its cost-plus arrangement. Sparsholt College Services Limited intends that the distributable profits for the current financial year of £822,000 be donated to Sparsholt College Hampshire under a qualifying charitable donation.

Westley Enterprises Limited has the following principal activities:

- Provision of conference and seminar facilities;
- Provision of Equine Centre facilities to external customers;
- Provision of dog boarding facilities; and
- Research and consultancy.

Westley Enterprises Limited's income increased by 12% due to strong conference centre bookings and the impact of the additional dog kennels, with kennels income more than doubling in the period. This more than compensated for a reduction in research income due to the Salmonid Rearing & Trials Centre being out of commission for an extended period of time to effect structural repairs. The company generated a surplus in the year of £30,388 and this has been transferred to the College as a qualifying charitable donation under Gift Aid under a deed of covenant.

### Student achievements

Students continue to make exceptional progress at the College.

Further Education ("FE") achievement rates improved overall by 3.8% on last year.

At the Andover campus, five curriculum areas (30%) were at / above the strategic aim of 90% for achievement. At the Sparsholt campus, four curriculum areas (29%) were above the strategic aim of 90% achievement. Overall, 63% (10/16) of curriculum areas saw an improvement in achievement at Andover campus and 58% (7/12) of curriculum areas saw an improvement in achievement at Sparsholt campus.

A number of T Level qualifications at Andover campus did not see outcomes at expected standards while qualifications within Equine and Motor Vehicle at Sparsholt campus saw declines in achievement. These programmes will therefore be subject to Enhanced Quality Monitoring ("EQM") processes in 2025/26.

Significant improvements were seen in qualifications under internal EQM processes in 2024/25, with 85% of areas reporting an improvement in achievement – with the biggest improvement in outcomes seen in Motor Vehicle (Andover campus) at +22.9% achievement.

# Sparsholt College Hampshire

## Report of the Governing Body (continued)

English and Maths remains a significant strategic priority for the College Group. After significant investment, improvements were seen across some elements of the provision including an increase in the number of learners obtaining a grade 4 or higher in GCSE, particularly those learners studying on the Andover campus. However, not all aspects of the curriculum area, including functional skills, improved at the rate expected and therefore, it remains a central component of the College Improvement Plan (“CIP”) for 2025/26.

Initiatives continued to focus on reinforcing the Professional Learners standard of ‘Ready, Respectful, Safe’, with the aim to improve punctuality levels across both campuses (+0.3%), along with improving the numbers of learners involved in learner feedback and consultation through the rebranded Pulse Survey initiative (+1% engagement to 82% overall). Learner views reported continued satisfaction in relation to teaching, learning and assessment (94% overall) – as well as in relation to the quality of feedback received (also 94% overall) through these Pulse Survey mechanisms.

Strengthening the quality of teaching and learning was also a key focus, with +3% improvement in Teaching And Learning Observations (“TALO”) ‘highly confident’ outcomes to 58% overall indicating a higher proportion of outstanding learning experiences for students across the College Group. In addition, 988 learners (+101) were awarded the Sparsholt Certificate, recognising those who go ‘above and beyond’ during their time with us.

Overall, the results continue to give the Board of Governors confidence that the quality improvement strategies which have been put in place are supporting the College to make progress towards overall ‘outstanding’ or ‘exceptional’. Our focus remains on the quality of teaching in the classroom by ensuring all learners are supported through personalised strategies and robust checks on learning to make exceptional progress.

University Centre Sparsholt students once again achieved positive outcomes in terms of pass rate and in securing employment. Although the number of higher grades has reduced for the BSc, the pass rate is to be commended at 93% of those taking the assessments achieving their degree. Work to further enhance skills continues with the launch of three modules which will encourage skills development alongside the introduction of the employability passport.

### Payment performance

The Late Payment of Commercial Debts (Interest) Act 1998 requires colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received whichever is later. During the period 1 August 2024 to 31 July 2025, the College paid 84% of its invoices within 30 days of invoice date.

### Sustainability

The College is committed to operating in a sustainable manner, through reducing its carbon emissions, minimising the adverse impact of its activities on the environment and in promoting environmentally sustainable principles and practices through the delivery of our curriculum offer.

The College’s annual streamlined energy and carbon report and progress report on delivering its sustainability strategy are published on the College website.

### Trade Union Facility Time

The Trade Union Act 2016 introduced a requirement for public sector employers to publish certain information annually in respect of trade union facility time. The relevant reporting period is 1 April to the following 31 March every year and for the data to be published no later than 31 July. The College is required to publish data regarding trade union facility time each year on the College website, in its annual report and on a Government website.

This report provides the College's statutory disclosure of trade union facility time for the period 1 April 2024 to 31 March 2025.

# Sparsholt College Hampshire

## Report of the Governing Body (continued)

### Trade Union Facility Time Data for the period 1 April 2024 to 31 March 2025

**Table 1 – Relevant trade union officials**

Number of employees who were relevant trade union officials during the relevant period	Full-time equivalent number of employees
2	0.81

**Table 2 - Percentage of time spent on facility time**

Percentage of time	Number of employees
0%	-
1% -50%	2
51% - 99%	-
100%	-

**Table 3 – Percentages of pay bill spent on facility time**

	College Data
The hourly cost for each relevant union official employed during the period (includes basic salary, pension contributions and NI contributions)	£24.99 per hour*
The number of paid facility time hours per official over the 12 month period	3
Total cost of facility time	£149.94
Total pay bill (includes employers National Insurance and Pension contributions)	£12,708,805
Percentage of total pay bill spent on facility time	0.000%
Time spent on paid trade union activities as a % of total paid facility time hours	50%

\*Notional hourly cost

## FUTURE PROSPECTS

### Future developments

The curriculum remains agile and is evolving in order to remain responsive to both local market and skills demands referenced in the LSIP and Labour Market Intelligence, whilst also aligning with the Government's strategic priorities evidenced in recent publications, namely Get Britain Working, Skills England priorities and the Modern Industrial Strategy.

Due to the continued growth in agriculture, the College remains committed to investing in this curriculum area, recognising the importance of food security with current geopolitical uncertainties. In addition to the new Green Tech Arable Laboratory which was completed in Autumn 2025 to complement the Livestock AgriTech Centre, the farm estate will see further investment this coming year in animal housing incorporating advanced technologies. Campus investment will focus upon improving the condition of existing buildings, prioritising projects identified in the College's heat decarbonisation report, addressing legacy infrastructure challenges, and strengthening security measures.

The current LSIP (for the former Enterprise M3 area, including all of Surrey), identifies nine key sectors for the region (Advanced Manufacturing and Engineering, Aerospace, Construction, Creative, Health and Social Care, Hospitality and Tourism, IT, Land-based (including Animal Health and Welfare) and Professional Services). New initiatives linked to these priorities include the planting of a vineyard on the Sparsholt campus responding to the growing tourism sector within Hampshire providing a new hands-on learning environment. A new viticulture curriculum will be launched in 2025/26 to include both an apprenticeship and short course offer.

# Sparsholt College Hampshire

## Report of the Governing Body (continued)

As a consequence of Hampshire County Council having been accepted onto the Government's fast-track Devolution Priority Programme, there will be a new LSIP for the Hampshire region in the near future, bringing together the needs of both north and mid-Hampshire with those of the Solent region in the south.

The UK's Modern Industrial Strategy identifies eight key growth-driving sectors ("the IS-8") with curriculum planning underway to ensure the College is supporting growth within the frontier industries. Examples include the extension of the defence curriculum offer to include maritime and the development of AI curriculum offer.

The Annual Accountability Statement demonstrates our commitment to addressing both local and national skills priorities. On both campuses we have continued our migration to T Level qualifications with 363 T Level learners (in subjects where T Levels exist) ensuring the curriculum is career-focused, with extended work and industry placements as a key component of these study programmes. To address regional skills shortages identified from employer feedback or LSIP/ NSP priority areas, the apprenticeship offer has been extended on both campuses to introduce seven new standards from Level 2 to Level 7 including welding, farm management, professional accounting and support worker.

Supporting SEND learners to access meaningful employment and advance our outcomes-led curriculum remains a key priority with significant investment made on both estates, including a new SEND centre on the Sparsholt campus (part-funded by Hampshire County Council). The Employability Hub and Independence Hubs are now well established on each campus, also offering provision for SEN learners without an EHCP. The introduction of the GROWTH programmes in September 2025 has further extended the offer to meet the niche needs of learners who find it challenging to access the mainstream offer.

Provision for adults continues to be expanded each year, including the extension of transition to work programmes to maximise training and development for residents aligned to local skills need. The delivery of a construction skills programme, in collaboration with Building Heroes, to provide for the retraining of ex-military personnel in the local area has been successful and continues into the forthcoming year. The short course offer 'Pathways into Healthcare Professional Roles' targeting local shortages in the Health and Social Care sector now sees the delivery of a portfolio of eleven courses aligned to employer need. At both campuses, the College also continues to maintain good relationships with local secondary schools and provides access to a specialist curriculum at 14-16, including the introduction of a conservation studies pathway which is proving popular.

### Financial plan

The Board of Governors approved a financial plan in July 2025 which sets objectives for the period to 31 July 2026, including the objective for the College to maintain sound financial health in order to deliver its mission and continue to invest in its future. The College aims to maintain a financial health rating of 'good' or better and achieve a surplus in the year to 31 July 2026 (before FRS102 pension adjustments).

### Treasury policies and objectives

The College has treasury management arrangements in place to manage cash flows, banking arrangements and the risks associated with those activities. The College's Treasury Management Policy is contained within the Financial Regulations approved by the Board. All borrowing requires the authorisation of the Corporation and shall comply with the requirements of the Financial Memorandum.

### Reserves

The College is required to hold reserves in order to:

- Ensure that adequate funds are available to safeguard the College;
- Ensure that the College has sufficient cash to meet its short-term financial liabilities as they fall due;
- Provide the financial resources to enable investment in premises, facilities and equipment to enhance the range of services and education the College can provide to its stakeholders; and
- Retain sufficient funds to enable operational activities to be maintained, taking account of potential financial risks and uncertainties that may arise.

# Sparsholt College Hampshire

## Report of the Governing Body (continued)

The College adopted a Financial Reserves Policy during 2024/25 to guide financial decision-making to protect the continuity of operations from unexpected costs or loss of income and to provide funds for future investment.

The policy sets out a minimum level of cash balance (at least 40 cash days in hand at any point in time) to be retained for the College to meet any short-term obligations and to protect long-term financial sustainability.

As at 31st July 2025 the cash days were 65.

### PRINCIPAL RISKS AND UNCERTAINTIES

The Board of Governors has overall responsibility for risk management and its approach to managing risks and internal controls is explained in the Statement of Corporate Governance and Internal Control. The College's risk management policy, approved annually by the Board of Governors alongside the strategic risk register, details roles, responsibilities and procedures for risk management. The Audit Committee reviews the risk register and controls termly and reports to the Board.

The key strategic risks identified by the College are summarised below together with the range of controls in place to reduce and mitigate the risks. Not all factors are within the College's control and other factors besides those listed may also adversely affect the College.

Key strategic risks	Summary of key controls
<b>Strategic</b>	
<ul style="list-style-type: none"> <li>Failure to develop and deliver appropriate curriculum provision in the context of qualification reforms.</li> </ul>	Engagement with policy and curriculum reform consultations and awarding bodies, curriculum and progression planning, input from employer feedback forums, staff training and sector best practice sharing, dedicated industry work placement team, monitoring by the Curriculum, Skills & Stakeholders Committee.
<ul style="list-style-type: none"> <li>Failure to develop and secure investment for delivering the new property strategy.</li> </ul>	Preparation for availability of DfE capital and conditions funding through engaging specialist consultancy in development of new strategy, undertaking of FE condition surveys, engagement with wider stakeholders and exploration of external funding opportunities within public sector rules, capital expenditure budgeting and financial management to build reserves for future investment with oversight by the Resources Committee.
<ul style="list-style-type: none"> <li>Failure to identify, understand or respond to digital transformation opportunities (including Generative AI).</li> </ul>	AI and DigiEd strategies in place, AI policy and working group, representation on external stakeholder groups, piloting and rollout of digital/AI resources, training for staff and learners, reporting to the Quality & Standards Committee.
<ul style="list-style-type: none"> <li>Failure to foster effective strategic alliances and stakeholder relations in the context of Hampshire and Solent devolution.</li> </ul>	Senior leader engagement and representation with local authorities, employer representative bodies and other stakeholders on devolution and skills funding, integrated employer engagement system, liaison with college regional partners, reporting to the Curriculum, Skills & Stakeholders Committee.
<ul style="list-style-type: none"> <li>Impact of changes in future Government policy, practices and funding.</li> </ul>	Engagement mechanisms with the DfE, Association of Colleges ("AoC"), Landex and GuildHE on education policy, communications with local MPs and local authorities, controls linked to responding to qualification reforms and delivery of financial plans, reporting to the Board of Governors.
<ul style="list-style-type: none"> <li>Failure to identify, understand or respond to climate change threats and opportunities.</li> </ul>	Delivery and monitoring of the sustainability strategy and actions, investment in green skills teaching facilities, external partnerships established, staff and learner engagement, Red Tractor accreditation and Countryside Stewardship Scheme agreement, annual reports on sustainability strategy and carbon emissions to the Board of Governors.

# Sparsholt College Hampshire

## Report of the Governing Body (continued)

<b>Operational</b>	
<ul style="list-style-type: none"> <li>Not achieving English and Maths outcomes targets.</li> </ul>	Operational action plan to innovate and deliver teaching and support, use of 'at risk' tracker, exam preparation strategies, recruitment and development of high-quality teaching staff, mechanisms for review of learner performance, monitoring by the Quality and Standards Committee.
<ul style="list-style-type: none"> <li>Impact of severe business disruption.</li> </ul>	Crisis management plan and digital notification system, risk assessments, investment in estate infrastructure and utilities contingency planning, stakeholder communications, animal quarantine procedures, remote data access systems.
<ul style="list-style-type: none"> <li>Not meeting learner recruitment targets.</li> </ul>	Comprehensive curriculum offer and careers education planning to meet skills needs and support learner progression, marketing strategy and external communication activities, HE access and participation plan objectives to reach targeted groups, schools and community engagement, regular review and development of the employer offer.
<ul style="list-style-type: none"> <li>Failure to protect against or respond effectively to cybersecurity breaches and IT systems failures.</li> </ul>	IT policy and cybersecurity security systems, Cyber Essentials accreditation, staff cybersecurity and penetration testing and training, external specialist evaluation and internal audit, regular oversight by the Audit Committee.
<b>Financial</b>	
<ul style="list-style-type: none"> <li>Operational activities fail to generate key financial plan outputs &amp; maintain financial health.</li> </ul>	Scrutiny of budget assumptions, forecasting, management accounts and key performance indicators, contribution analysis by curriculum area, monitoring of commodity prices, procurement and value for money processes, internal audit of financial controls and funding data, counter fraud strategy and risk assessment, oversight by the Resources and Audit Committees.
<ul style="list-style-type: none"> <li>Not achieving commercial activity financial targets.</li> </ul>	Robust budgeting and forecasting processes, management of facilities and staffing to support the commercial offer, marketing activity, commercial contracts terms.
<b>Compliance</b>	
<ul style="list-style-type: none"> <li>Failure to comply with regulatory education frameworks and/or to maintain external quality accreditations.</li> </ul>	Teaching, learning, curriculum delivery and quality improvement strategy, external quality reviews, targeted staff development, tracking system for students at risk of retention or achievement, promotion of learning skills, attitudes and behaviours, quality improvement plans, careers education strategy, monitoring of FE/HE regulatory conditions and accreditation requirements, additional learning support mechanisms, monitoring by the Quality and Standards Committee.
<ul style="list-style-type: none"> <li>Serious breach of legislative, regulatory or contractual obligations.</li> </ul>	Monitoring and reporting of key legal and compliance duties, internal controls and risk management processes, whistleblowing policy and procedures, staff and management training, employment legal advice service, student and staff policies, internal audit programme, review of risks by the Audit Committee, reporting on key statutory duties to the Board of Governors.
<ul style="list-style-type: none"> <li>Failure to meet safeguarding and/or wellbeing needs due to increasing prevalence in the student community.</li> </ul>	Provision of wellbeing hubs, Study+ programme, learner workshops and counselling, use of CPOMS safeguarding system and Promonitor, reporting mechanisms and surveys, targeted intervention and support, experienced Designated Safeguarding Lead and deputies, wellbeing strategy and action plan, staff training and engagement with local agencies, embedding of trauma-informed practices, safeguarding lead governor, reporting to the Board of Governors.

# Sparsholt College Hampshire

## Report of the Governing Body (continued)

### EQUALITY, DIVERSITY AND INCLUSION

#### Equality and Diversity

The College is committed to advancing equality of opportunity and to avoiding discrimination, harassment and victimisation in all its activities and to complying with the requirements of the Equality Act 2010.

Our Equality, Diversity and Inclusion Policy sets out the College's overarching approach to eliminating discrimination, advancing equality of opportunity and fostering good relations across our diverse community, as well as specific three yearly equality objectives. Information about statistics on the representation of people with different protected characteristics among our staff and student communities is published annually.

The College analyses Gender Pay Gap data each year, including in relation to benchmark data, to identify any issues and actions in relation to gender pay equality. Gender Pay Gap reports for Sparsholt College Hampshire and Sparsholt College Services Limited for the previous two years are published on the College website.

The College will continue with its efforts to break down barriers and challenge unfairness and to enable opportunities and experiences which help people and communities reach their full potential.

#### Disability Statement

During the year, the College operated a Staff Recruitment Policy which ensures full and fair consideration is given to applications for employment by disabled persons, including a selection process which is objective and evidence-based. Adjustments are made at all stages of the recruitment process and, as required, in order for a successful disabled candidate to undertake the post.

From November 2025, the College has joined the Department of Work and Pensions' Disability Confident Committed employer scheme and, as a Disability Committed Employer, is committed to a continuous journey of improvement as an inclusive employer. The key elements are:

- Making recruitment process inclusive and accessible;
- Communicating and promote vacancies;
- Offering interviews to disabled people if they meet the role's minimum criteria;
- Anticipating and providing reasonable adjustments as required; and
- Supporting any existing employee who acquires a disability or long-term health condition to stay in work

The College's policy is for staff and student facilities to be as accessible as possible and this informs prioritisation of investment in the College's estate. Reviews are undertaken with individual members of staff with disabilities to make all reasonable adjustments, including provision of specialist equipment if relevant. The College's new capital builds comply with Disability Discrimination Act (DDA) requirements. In 2024/25, accessibility of outdoor pathways on part of the Sparsholt campus was significantly enhanced with the installation of a fully accessible ramp connecting pathways to the new UCS Science & Research Centre.

#### Widening Participation

The College views bursary awards as important in helping to ensure access to education for families who would otherwise be unable to access the College's services. Our bursary awards are available to all who meet its general entry requirements and are made solely on the basis of means or to relieve hardship where a student's education and future prospects would otherwise be at risk. Further details of our policies on bursaries and fees are available on our website.

The College is regulated and funded for Higher Education by the OfS. University Centre Sparsholt's access and participation plan details the amount of additional student fee income to be spent on access measures and how the College will improve equality of opportunity for under-represented groups to access, succeed in and progress from Higher Education. Our new OfS approved access and participation plan 2025/26-2028/29 is published on our website.

# Sparsholt College Hampshire

## Report of the Governing Body (continued)

### Safeguarding

The College is committed to safeguarding and promoting the wellbeing of our students and expects all staff to share this commitment. The Safeguarding Learners Policy and Procedures are updated annually to incorporate changes to statutory guidance on child protection and safeguarding procedures, including the Prevent duty.

New staff are trained as part of their induction on safeguarding and Prevent matters, and a rolling CPD programme ensures all staff are up to date with current and emerging issues. The Board annually appoints a nominated governor who undertakes a lead role for safeguarding, meeting termly with the designated safeguarding team and reporting to the Board, providing assurance on the effectiveness of safeguarding in addition to management reports to the Board.

### GOING CONCERN

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

The College early repaid one of its smaller loans in June 2025 and as at 31 July 2025, the College had £2.9m of bank loans outstanding with commercial lenders negotiated between 2010 and 2013. All of these are on an unsecured basis.

As at 31 July 2025, the College had cash balances of £6.2m. This includes £1.7m of grants that are ringfenced for capital projects and will be clawed back by the DfE if they are unspent. There is no match funding required for these capital projects. The College has prepared prudent budgets for 2025/26 and 2026/27 which both present a surplus position. The College continues to work to reduce energy usage and is liaising regularly with energy brokers to achieve the most appropriate energy solutions for the College. In addition, the College is working to achieve cost savings in other areas wherever possible and practicable. The College has no requirement for any additional borrowings to service its ongoing operations given the built up reserves and so no cash flow support is likely to be needed and staff and suppliers can continue to be paid for the foreseeable future.

The College continues to maintain good relationships with both of its banking lenders with regular meetings throughout the year and has met all loan covenants for 2024/25 and is forecast to do so for 2025/26.

Accordingly, after making appropriate enquiries, the Board of Governors considers that the College has adequate resources to continue in operational existence for a period of least 12 months from the date of approval of these financial statements. For this reason the College will continue to adopt the going concern basis in preparing the financial statements.

### DISCLOSURE OF INFORMATION TO AUDITOR

The members who held office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the College's auditors are unaware; and each member has taken all the steps that they ought reasonably 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 Board of Governors on 11 December 2025 and signed on behalf of Sparsholt College Hampshire by:**



**N Hopkins**  
Chair of Governors

# Sparsholt College Hampshire

## 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 period from 1 August 2024 to 31 July 2025 and up to the date of approval of the annual report and financial statements.

### GOVERNANCE CODE

The College endeavours to conduct its business:

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

The 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. In carrying out its responsibilities, it takes full account of the Code and has adopted the latest version of the Code from 1 January 2024. In the opinion of the Board of Governors, the College complies with or exceeds all the provisions of the Code. This opinion is supported by an internal review of compliance by the Governance and Search Committee and an internal audit by RSM in 2025.

### THE CORPORATION

#### Members of the Board of Governors

The members who served on the Board of Governors during the year and up to the date of signature of this report are listed in the table below.

Member	Date of appointment	Term of office	Date of end of term	Status of appointment	Committees served	Attendance 2024/25
J Brant	01.02.24	Until end enrolment	15.10.24	FE Student	CSS	0%*
G Davies	01.09.21 Reappointed 01.09.25	4 years 4 years	–	External	Audit (Chair)	100%
S Duckering	01.02.24	4 years	–	External	CSS	88%
J Emm	01.01.20 Reappointed 01.01.24	4 years 4 years	–	SCS Staff	Resources	100%
X Fierra-Pike	20.11.24	Until end enrolment	26.06.25	HE Student	Q&S	80%
T Floyd	07.07.17 Reappointed 08.07.21	4 years 4 years	08.07.25	External	CSS (Chair to 08.07.25) Resources	100%
N Hopkins Chair of Governors	11.07.13 Reappointed 11.07.17 11.07.21 11.07.25	4 years 4 years 4 years 1 year	–	External	G&S (Chair) Remuneration Resources (Chair)	100%
P Jordan	03.04.22	4 years	–	External	G&S Remuneration (Chair) Resources	93%
J Loretto	11.07.24	4 years	–	External	Q&S	63%

# Sparsholt College Hampshire

## Statement of Corporate Governance and Internal Control (continued)

Member	Date of appointment	Term of office	Date of end of term	Status of appointment	Committees served	Attendance 2024/25
C McCormack	01.09.22	4 years	–	External	Audit	75%
J Milburn	01.08.20	Duration as Principal	–	Principal	CSS G&S Q&S Resources	94%
N Moody	01.05.20 Reappointed 01.05.24	4 years	–	External	G&S Q&S	92%
A Neal	14.12.17 Reappointed 14.12.21	4 years 4 years	–	External	Remuneration Resources	90%
F Obiero	01.05.24	4 years	–	External	CSS	75%
H Perry	22.03.18 Reappointed 19.05.22	4 years 4 years	–	College Staff	Q&S	100%
A Rowley Co-Vice Chair	01.09.23	4 years	–	External	Q&S (Chair)	100%
N Shorter Co-Vice Chair from 20.11.24	01.05.24	4 years	–	External	CSS (Chair from 09.07.25) Resources	100%
M Wall	01.02.24	Until end enrolment	26.06.25	FE Student	Q&S	67%
N Wall	01.05.24	4 years	–	External	Audit	88%

\* applicable to one meeting only

### Notes:

Attendance figures are for all Board and committee meetings convened during 2024/25 (during the period of membership).

CSS = Curriculum, Skills & Stakeholders Committee

G&S = Governance & Search Committee

Q&S = Quality & Standards Committee

SCS = Sparsholt College Services Limited

S Willson, Head of Corporate Governance, acted as Clerk to the Corporation.

### The governance framework

It is the Board's responsibility to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct. The Board and its committees are provided with regular and timely information on the overall financial performance of the College, together with other information such as performance against targets, quality matters and resources matters, including capital expenditure, human resources, health and safety, safeguarding, equality and sustainability.

The Board of Governors meets at least once each term and facilitates its business through a number of committees: Audit; Curriculum, Skills & Stakeholders; Governance & Search; Quality & Standards; Remuneration; and Resources. Each committee has terms of reference which have been approved by the Board. Full minutes of meetings, except those deemed to be confidential by the Board, are available on the College website or from the Head of Corporate Governance at Sparsholt College Hampshire, Sparsholt, Winchester, Hampshire, SO21 2NF.

# Sparsholt College Hampshire

## Statement of Corporate Governance and Internal Control (continued)

The Head of Corporate Governance maintains a register of financial and personal interests of members of the Board of Governors, co-opted committee members, cost centre managers, and directors of the subsidiary companies. The register is available for inspection at the above address.

All Board members are able to take independent professional advice in the furtherance of their duties at the College's expense and have access to the Head of Corporate Governance who is responsible to the Board for ensuring compliance with all applicable procedures and regulations. The appointment, performance evaluation and removal of the Head of Corporate Governance are matters for the Board of Governors as a whole.

Formal agendas, papers and reports are supplied to Board members in a timely manner prior to meetings. Briefings and training are provided via a range of formats throughout the year. Board members also undertake Link visits to deepen their understanding of areas of College Group activity.

The Board of Governors has a strong and independent non-executive element and no individual or group dominates its decision-making process. The 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 of Governors and the Principal, who is the Accounting Officer, are separate.

### Appointments to the Board of Governors

Any new appointments to the Board of Governors are a matter for the consideration of the Board as a whole. The Governance and Search Committee, consisting of four members of the Board, is responsible for the selection and nomination of any new external member or co-opted committee member for the Board's consideration. Members of the Board are appointed for a term of office not exceeding four years and, other than in exceptional circumstances which are assessed by the committee, not for more than two terms.

The committee oversees the onboarding, training and development of members, performance review, and governance policies and procedures. The committee also provides advice on the constitution of the Board and recommends representation of the College on the boards of directors of subsidiary companies, taking into account parameters set by legislation and guidance on good governance.

### Board of Governors performance

The Board of Governors undertakes a self-assessment of its own performance annually, encompassing a range of evaluation activities such as feedback surveys, committee effectiveness reviews, internal audits, review of subsidiary company governance arrangements, and the outcomes of external scrutiny of the College during the year.

The Board's 2024/25 performance review recognised that the Board had continued to adapt its operations in response to FE and HE sector developments and confirmed that the Board is operating effectively overall and is committed to its continuing development. Key tasks set out in the Board effectiveness action plan, which incorporated actions from the external governance review undertaken during 2023/24, had been implemented:

- Responding to regulatory/governance developments: Implemented and complied with new AoC FE Code of Good Governance
- Being strategic, performance, risk and impact: Tasks completed to support the Board's effective engagement with strategy development and performance monitoring, including approval of a new HE strategic plan and associated governance mechanisms
- Composition, skills and behaviours: Formal succession planning introduced and supported appointments of Co-Vice Chairs, Committee Chairs and Lead Governors
- Structures and systems: Further embedding of student engagement in the Governor Link Visits programme.

# Sparsholt College Hampshire

## Statement of Corporate Governance and Internal Control (continued)

In addition to a continued focus on succession planning and governor recruitment, the Board's performance effectiveness action plan 2025/26 prioritises:

- Responding to regulatory/governance developments: Changes to the Governor Link visits programme and committee business plans to align with the expectations of the new Ofsted inspection toolkit.
- Being strategic, performance, risk and impact: Enabling an agile response to opportunities and threats from national and regional policy and economic developments through planned strategy discussions and implementation of a new risk appetite framework.
- Composition, skills & behaviours: Actions to ensure effective hybrid meeting attendance (where relevant) and support for co-opted committee members.
- Structures & systems: Development and testing of a new digital board portal.

Board members have engaged positively with training, development, onboarding and Link visit activities, including annual safeguarding refresher training and participating in two Governors' Seminars (with sessions on sustainability strategy, English & maths performance, property strategy and the new Ofsted Education Inspection Framework) and a programme of 'Brief Bite' training sessions (including SEND and curriculum contribution analysis). Reports of Link visits and briefings from the Head of Corporate Governance on FE and HE sector developments have been circulated regularly to keep Board members' knowledge up-to-date. Additionally, Board members have undertaken targeted external development through the AoC induction and masterclass offers, ETF governance development programme, and opportunities for information, and good practice sharing provided by the AoC committee networks and chairs and vice chairs forum.

The Board is also committed to the continual professional development of the Head of Corporate Governance who kept informed about policy/ regulatory changes and governance practices in 2024/25 through participation in the AoCSE governance network and a range of specialist webinars and briefings from the AoC, AdvanceHE, GuildHE, Good Governance Institute, legal firms, and auditors.

### Remuneration Committee

The Remuneration Committee's responsibilities are to oversee policies and make recommendations to the Board on the remuneration and benefits of the Principal, other designated senior post-holders and the Head of Corporate Governance and to monitor performance of the individuals. The Board has adopted the AoC's Senior Staff Remuneration Code and publishes an annual remuneration statement on the College's website. Throughout 2024/25, the committee comprised three members of the Board and the College senior post holders within the remit of the Committee were the Principal and Deputy Chief Operating Officer. The committee also advised the Sparsholt College Services Limited board of directors in relation to the Chief Financial Officer. Details of remuneration for the year ended 31 July 2025 are set out in note 7 of the financial statements.

### Audit Committee

The Audit Committee comprises three members of the Board (excluding the Principal and Chair of Governors) and two co-opted members. The committee operates in accordance with written terms of reference approved by the Board. The committee meets on a termly basis and provides a forum for reporting by the College's internal, regularity and financial statements auditors, who have access to the committee for independent discussion, without the presence of College management. The committee also receives and considers reports from the main FE funding bodies as they affect the College's business.

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

# Sparsholt College Hampshire

## Statement of Corporate Governance and Internal Control (continued)

The committee also advises the Board of Governors on the appointment of internal, regularity and financial statements auditors and their remuneration for both audit and non-audit work as well as reporting annually to the Board of Governors.

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

<b>Committee member</b>	<b>Category</b>	<b>Meetings attended</b>
G Davies (Chair)	Board member	3
A Fagg (to 03.10.24)	Co-opted member	N/A*
C McCormack	Board member	2
R Sharpe	Co-opted member	3
N Wall	Board member	3

\*There were no meetings held during the completion of A Fagg's term of office in 2024/25. A vacancy existed for a co-opted member for the remainder of 2024/25. A new co-opted member was appointed to the committee from 01.09.25.

### Curriculum, Skills and Stakeholders Committee

The Curriculum, Skills & Stakeholders Committee oversees the strategic direction, intent and impact of the College's curriculum and stakeholder engagement. The committee advises the Board on how the College's education and training offers meet the skills needs of learners and employers, and monitors student progression and destinations, and the provision of careers education. The committee also oversees delivery of the University Centre Sparsholt Access and Participation Plan.

### Quality and Standards Committee

The Quality and Standards Committee monitors the effectiveness of the College's quality assurance systems in delivering measurable gains in educational performance and student experience and outcomes. The committee oversees the College's Further and Higher Education quality processes, considering feedback from students and external reviews and contributing to the setting of educational performance indicators and targets which inform strategic planning and lead to continued improvement and consistency.

### Resources Committee

The Resources Committee advises the Board of Governors on financial matters, property strategy and the delivery of capital projects, human resources, and sustainability. The committee recommends the annual income and expenditure budget for approval by the Board and considers reporting on matters likely to impact on the College's financial plans and objectives.

## INTERNAL CONTROL

### Scope of responsibility

The Board of Governors 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 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 the Accounting Officer is personally responsible, in accordance with the responsibilities assigned to the Accounting Officer in the Funding Agreement between Sparsholt College Hampshire and the funding bodies. The Accounting Officer is also responsible for reporting to the Board of Governors any material weaknesses or breakdowns in internal control.

# Sparsholt College Hampshire

## Statement of Corporate Governance and Internal Control (continued)

### The purpose of the system of internal control

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of College policies, aims and objectives, to evaluate the likelihood of those risks being realised, the impact should they be realised and to manage them efficiently, effectively and economically. The risk management policy describes the system of internal control and has been in place 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 Board of Governors 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 Board is of the view that the risk management policy defines an appropriate process for identifying, evaluating and managing the College's significant risks and that this has been in place for the period ending 31 July 2025 and up to the date of approval of the annual report and financial statements. This risk management policy is reviewed and approved annually by the Board of Governors.

### The risk and control framework

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

- comprehensive budgeting systems with an annual budget, which is reviewed and agreed by the Board of Governors;
- approval of an annual capital expenditure budget and review of capital expenditure;
- regular reviews by the Board of Governors of periodic and annual financial reports which indicate financial performance against forecasts;
- setting targets to measure financial and other performance; and
- clearly defined internal financial regulations.

The College has an internal audit service which operates in accordance with the requirements of DfE's College Financial Handbook. The work of the internal audit service is informed by an analysis of the risks to which the College is exposed, and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the Board of Governors on the recommendation of the Audit Committee. As a minimum, annually the Head of Internal Audit ("HIA") provides the Board of Governors with a report on internal audit activity in the College, including the HIA's independent opinion on the adequacy and effectiveness of the College's system of risk management, controls and governance processes.

### Risks faced by the College

Risk management is a central part of the College's corporate governance arrangements. The College's risk management policy sets out how the College methodically identifies and addresses risks that might impact on the College's ability to achieve its strategic objectives and defines the associated controls and assurance mechanisms in the strategic risk register.

Risks set out in the risk register are identified and evaluated by the SLT and are reviewed by the Audit Committee termly, reporting to the Board of Governors. The severity of each risk is evaluated through a risk scoring model based on materiality multiplied by the likelihood of the risk occurring. The risk management policy defines the scoring criteria for each assessment and the range of scores which define very high/ high/ medium/ low risks. High risks are judged to have a high impact and a high probability of occurring and require the immediate consideration of controls to manage them. Risks are evaluated and reported both with and without controls applied and it is the responsibility of the SLT to carry out the actions required to mitigate the risks and for the Audit Committee to monitor that risks are being addressed appropriately. The Audit Committee also advises the Board on areas of risk identified as a result of the work of the College's auditors.

# Sparsholt College Hampshire

## Statement of Corporate Governance and Internal Control (continued)

The principal operational, financial, compliance and other risks faced by the College are set out in the Report of the Governing Body.

### Control weaknesses identified

No significant internal control weaknesses or failures have been identified by the internal auditors or by the College during the year and up to the date of approval of the annual report and financial statements.

### Responsibilities under accountability agreements

The Board of Governors has taken reasonable steps to ensure that funds from the DfE are used only for the purposes for which they have been given and any other conditions that may be prescribed from time to time and that there are appropriate financial management controls in place to ensure compliance with contractual requirements.

The College has reviewed its policies, procedures and approval processes in line with the 2024/25 College Financial Handbook and its accountability agreement with DfE to ensure there are systems in place to identify and handle any transactions for which DfE approval is required.

### Statement from the Audit Committee

The Audit Committee has advised the Board of Governors that the College has an effective framework for governance and risk management in place. The Audit Committee believes the College has effective internal controls in place.

The committee was informed by the 2024/25 annual internal audit opinion of RSM, which confirmed that the Corporation has an adequate and effective framework for risk management, governance, internal control and economy, efficiency and effectiveness, and by specific areas of work undertaken by the committee during 2024/25 and up to the date of the approval of the financial statements, including:

- **Assurance:** internal audit reports on FE student work placements and key financial controls (fixed assets) provided substantial assurance that systems and controls were designed and operated effectively. The outcome of the advisory internal audits of FE funding rule compliance (learner number systems) and HE individualised learner data (ILR) were also satisfactory. Management agreed to address action points arising from these audits.
- **Financial statements and regularity audit:** review of the external audit strategy and external audit reports on the Annual Report and Financial Statements and Regularity Audit. No issues were identified in relation to external audit or regularity.
- **Governance framework:** monitoring of the adequacy and effectiveness of the governance framework through the committee's annual work plan and internal audit opinion. The internal audit of governance provided substantial assurance of meeting the DfE's requirement for compliance with the AoC FE Code of Good Governance. No issues of control were raised.
- **Risk management:** monitoring of the risk register assurance report, review of deep dives into strategic risks, and review of the risk management policy.
- **Fraud and irregularity:** receiving assurance from the annual monitoring report of the College's counter fraud strategy, fraud risk register, whistleblowing report and reports from management.
- **Resources and assets:** review of the annual report on procurement and value for money and on insurance cover and activities; confirmation of the DfE financial health rating; and confirmation of external grant funding audits.
- **Data quality:** receiving assurance about key areas of data quality through the internal audit programme and external audit.
- **Auditors' performance:** reviewing the performance of the internal and external auditors.

# Sparsholt College Hampshire

## Statement of Corporate Governance and Internal Control (continued)

### Review of effectiveness

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

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

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 other sources of assurance, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The SLT receives reports setting out key performance and risk indicators and considers possible control issues brought to its attention by early warning mechanisms which are embedded in management processes. The SLT and the Audit Committee also receive regular reports from internal audit and other sources of assurance, which include recommendations for improvement. The Audit Committee's role in this area is confined to a high level review of the arrangements for internal control.

The Board of Governors receives the minutes of Audit Committee meetings and updated risk register heat map termly and considers any recommendations made by the committee and SLT on risk management and control. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception.

At its December 2025 meeting, the Board of Governors carried out the annual assessment for the year ended 31 July 2025 and taking account of events since 31 July 2025, by considering the report of the Principal on progress with the strategic operating plan, the annual report of the Audit Committee, and the annual report of the internal audit service.

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

**Approved by order of the members of the Board of Governors on 11 December 2025 and signed on behalf of Sparsholt College Hampshire by:**



**N Hopkins**  
Chair of Governors



**J Milburn**  
Principal and Accounting Officer

# Sparsholt College Hampshire

## Statement of Regularity, Propriety and Compliance

As Accounting Officer of Sparsholt College Hampshire, I confirm that I have had due regard to the framework of authorities governing regularity, propriety and compliance, including the College's accountability agreement with the DfE, and the requirements of the College Financial Handbook. I have also considered my responsibility to notify the Corporation's Board of Governors and DfE of material irregularity, impropriety and non-compliance with terms and conditions of all funding.

I confirm that I, and the Board of Governors, are able to identify any material irregular or improper use of funds by the Corporation, or material non-compliance with the framework of authorities.

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



**J Milburn**  
**Principal and Accounting Officer**

**11 December 2025**

# Sparsholt College Hampshire

## Statement of Responsibilities of the Members of the Corporation

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

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

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

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

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

The Corporation is responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the Group and 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 (as amended), and relevant accounting standards. It is responsible for taking steps that are reasonably open to it to safeguard its assets and to prevent and detect fraud and other irregularities.

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

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

## **Sparsholt College Hampshire**

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

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

**Approved by order of the members of the Corporation on 11 December 2025 and signed on its behalf  
by:**

**N Hopkins  
Chair of Governors**

A handwritten signature in black ink, appearing to be 'N Hopkins', written over a horizontal line.

# Sparsholt College Hampshire

## Independent Auditor's Report to the Corporation of Sparsholt College Hampshire

### Opinion

We have audited the financial statements of Sparsholt College Hampshire (the 'College') and its subsidiaries (together referred to as the 'Group') for the year ended 31 July 2025 which comprise the Group and the College Statement of Comprehensive Income, the Group and the College Statement of Changes in Reserves, the Group and the College Statement of Financial Position, the Group Statement of Cash Flows, the principal accounting policies, and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and the College Accounts Direction 2024 to 2025 issued by the Department for Education ("DfE").

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the College's affairs as at 31 July 2025 and of its financial performance and cash flows for the year then ended;
- have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice, the Statement of Recommended Practice: Accounting for Further and Higher Education and the Accounts Direction 2024 to 202 issued by the DfE;
- in all material respects, funds from whatever source administered by the College for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- in all material respects, funds provided by the OfS, the ESFA and the Department for Education have been applied in accordance with the relevant terms and conditions; and
- the requirements of OfS's accounts direction have been met.

### Basis for opinion

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

### Conclusions relating to going concern

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

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

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

### Other information

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

# Sparsholt College Hampshire

## Independent Auditor's Report to the Corporation of Sparsholt College Hampshire (continued)

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

We have nothing to report in this regard.

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

In the light of the knowledge and understanding of the Group and the College and its environment obtained in the course of the audit, we have not identified material misstatements in the annual report.

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

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

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

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

### **Responsibilities of the Corporation**

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

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

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

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

# Sparsholt College Hampshire

## Independent Auditor's Report to the Corporation of Sparsholt College Hampshire (continued)

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

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

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

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

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

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- tested the authorisation of expenditure, ensuring expenditure was approved in line with the Corporation's financial procedures; and
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias.

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of Corporation meetings;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing any available correspondence with HMRC and the College's legal advisors.

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

# Sparsholt College Hampshire

## Independent Auditor's Report to the Corporation of Sparsholt College Hampshire (continued)

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

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

### Use of our report

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



18 December 2025

**Buzzacott Audit LLP**  
**Statutory Auditor**  
**130 Wood Street**  
**London**  
**EC2V 6DL**

# Sparsholt College Hampshire

## Reporting Accountant's Assurance Report on Regularity

### To: The Corporation of Sparsholt College Hampshire and the Secretary of State for Education

In accordance with the terms of our engagement letter dated 6 June 2025 and further to the requirements of Department for Education ("DfE") as included in the extant Framework and Guide for External Auditors and Reporting Accountants of Colleges, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by Sparsholt College Hampshire during the period 1 August 2024 to 31 July 2025 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

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

### Respective responsibilities of the Accounting Officer of Sparsholt College Hampshire and the reporting accountant

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

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

### Approach

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

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

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

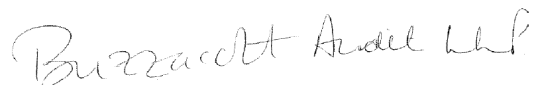
## Reporting Accountant's Assurance Report on Regularity (continued)

The work undertaken to draw to our conclusion includes:

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

### Conclusion

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



18 December 2025

**Buzzacott Audit LLP**  
**130 Wood Street**  
**London**  
**EC2V 6DL**

# Sparsholt College Hampshire

## Statement of Comprehensive Income and Expenditure

Sparsholt College	Note	Year ended 31 July		Year ended 31 July	
		2025	2025	2024	2024
		Group	College	Group	College
		£'000	£'000	£'000	£'000
<b>INCOME</b>					
Funding body grants	2	28,746	28,746	24,980	24,980
Tuition fees and education contracts	3	3,952	3,952	3,943	3,943
Other grants and contracts	4	2,065	2,065	1,686	1,686
Other income	5	5,502	5,865	5,020	5,367
Investment income	6	236	225	443	433
<b>Total income</b>		<b>40,501</b>	<b>40,853</b>	<b>36,072</b>	<b>36,409</b>
<b>EXPENDITURE</b>					
Staff costs	7	21,476	13,358	18,467	11,598
Restructuring costs	7	26	-	-	-
Other operating expenses	8	14,264	22,879	13,647	20,905
Depreciation	13	3,900	3,900	2,975	2,975
Interest and other finance costs	11	190	190	196	196
<b>Total expenditure</b>		<b>39,856</b>	<b>40,327</b>	<b>35,285</b>	<b>35,674</b>
<b>Surplus before other gains and losses</b>		<b>645</b>	<b>526</b>	<b>787</b>	<b>735</b>
Profit on disposal of assets		17	17	25	25
Gain/(Loss) on investments	14	9	9	(8)	(8)
<b>Surplus before tax</b>		<b>671</b>	<b>552</b>	<b>804</b>	<b>752</b>
Taxation	12	(2)	(2)	(1)	(1)
<b>Surplus for the year</b>		<b>669</b>	<b>550</b>	<b>803</b>	<b>751</b>
Net movement in swaps agreements		(12)	(12)	(33)	(33)
Actuarial movement in respect of pension schemes	20	16	16	(179)	(179)
<b>Total Comprehensive Income for the year</b>		<b>673</b>	<b>554</b>	<b>591</b>	<b>539</b>

The Statement of Comprehensive Income is in respect of continuing activities.  
The accompanying notes form part of these financial statements.

# Sparsholt College Hampshire

## Statement of Changes in Reserves

	Income and Expenditure account - Unrestricted £'000	Revaluation reserve £'000	Total £'000
<b>Group</b>			
<b>Balance at 1st August 2023</b>	20,570	28,418	48,988
Surplus from the income and expenditure account	803	-	803
Other comprehensive expenditure	(212)	-	(212)
Transfers between revaluation and income and expenditure account	334	(334)	-
<b>Total comprehensive income/ (expenditure) for the year</b>	925	(334)	591
<b>Balance as 31st July 2024</b>	<b>21,495</b>	<b>28,084</b>	<b>49,579</b>
Surplus from the income and expenditure account	669	-	669
Other comprehensive income	4	-	4
Transfers between revaluation and income and expenditure reserves	377	(377)	-
<b>Total comprehensive income/ (expenditure) for the year</b>	1,050	(377)	673
<b>Balance at 31st July 2025</b>	<b>22,545</b>	<b>27,707</b>	<b>50,252</b>
<b>College</b>			
<b>Balance at 1st August 2023</b>	19,901	28,418	48,319
Surplus from the income and expenditure account	751	-	751
Other comprehensive expenditure	(212)	-	(212)
Transfers between revaluation and income and expenditure account	334	(334)	-
<b>Total comprehensive income/ (expenditure) for the year</b>	873	(334)	539
<b>Balance as 31st July 2024</b>	<b>20,774</b>	<b>28,084</b>	<b>48,858</b>
Surplus from the income and expenditure account	550	-	550
Other comprehensive income	4	-	4
Transfers between revaluation and income and expenditure reserves	377	(377)	-
<b>Total comprehensive income/ (expenditure) for the year</b>	931	(377)	554
<b>Balance at 31st July 2025</b>	<b>21,705</b>	<b>27,707</b>	<b>49,412</b>

# Sparsholt College Hampshire

## Statement of Financial Position as at 31 July

	Notes	Group 2025 £'000	College 2025 £'000	Group 2024 £'000	College 2024 £'000
<b>Fixed assets</b>					
Tangible fixed assets	13	72,926	72,926	65,659	65,659
Investments	14	33	34	25	26
		<b>72,959</b>	<b>72,960</b>	<b>65,684</b>	<b>65,685</b>
<b>Current assets</b>					
Stocks	15	703	703	612	612
Trade and other receivables	16	1,518	1,468	1,352	1,329
Cash and cash equivalents	21	6,161	5,176	9,617	8,889
		<b>8,382</b>	<b>7,347</b>	<b>11,581</b>	<b>10,830</b>
<b>Less: Creditors – amounts falling due within one year</b>	17	<b>(7,244)</b>	<b>(7,050)</b>	<b>(7,021)</b>	<b>(6,992)</b>
<b>Net current assets</b>		<b>1,138</b>	<b>297</b>	<b>4,560</b>	<b>3,838</b>
<b>Total assets less current liabilities</b>		<b>74,097</b>	<b>73,257</b>	<b>70,244</b>	<b>69,523</b>
Less: Creditors – amounts falling due after more than one year	18	(23,528)	(23,528)	(20,324)	(20,324)
<b>Provisions</b>					
Defined benefit obligations	20,24	-	-	-	-
Other provisions	20	(317)	(317)	(341)	(341)
<b>Total net assets</b>		<b>50,252</b>	<b>49,412</b>	<b>49,579</b>	<b>48,858</b>
<b>Unrestricted reserves</b>					
Income and expenditure account		22,545	21,705	21,495	20,774
Revaluation reserve		27,707	27,707	28,084	28,084
<b>Total unrestricted reserves</b>		<b>50,252</b>	<b>49,412</b>	<b>49,579</b>	<b>48,858</b>

The accompanying notes form part of these financial statements.

The financial statements on pages 36 to 66 were approved and authorised for issue by the Corporation on 11 December 2025 and were signed on its behalf on that date by:



**N Hopkins**  
Chair of Governors



**J Milburn**  
Principal and Accounting Officer

# Sparsholt College Hampshire

## Consolidated Statement of Cash Flows

	Notes	2025 Group £'000	2024 Group £'000
<b>Cash inflow from operating activities</b>			
Surplus for the year		669	803
<b>Adjustment for non cash items</b>			
Depreciation		3,900	2,975
(Increase)/decrease in value in investments		(9)	8
(Increase) in stocks		(91)	(151)
(Increase) in debtors due within one year		(178)	(343)
(Decrease) in creditors due within one year		(263)	(587)
(Decrease) in provisions		(35)	(33)
Pensions costs less contributions payable		10	(89)
<b>Adjustment for investing or financing activities</b>			
Investment income		(236)	(443)
Interest payable		190	196
Release of deferred capital grants		(1,983)	(1,155)
Profit on sale of fixed assets		(17)	(25)
<b>Net cash flow from operating activities</b>		<b>1,957</b>	<b>1,156</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of fixed assets		28	63
Investment income		236	440
Receipts of deferred capital grants		6,347	4,714
Payments made to acquire fixed assets		(11,393)	(8,856)
<b>Net cash flows from investing activities</b>		<b>(4,782)</b>	<b>(3,639)</b>
<b>Cash flows from financing activities</b>			
Interest paid		(179)	(200)
Repayments of amounts borrowed		(452)	(357)
<b>Net cash flows from financing activities</b>		<b>(631)</b>	<b>(557)</b>
<b>Decrease in cash and cash equivalents in the year</b>		<b>(3,456)</b>	<b>(3,040)</b>
Cash and cash equivalents at beginning of the year	21	9,617	12,657
Cash and cash equivalents at end of the year	21	6,161	9,617

# Sparsholt College Hampshire

## Notes to the Financial Statements

### 1 Accounting Policies

#### Statement of accounting policies

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

#### Basis of preparation

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

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

The financial statements are prepared in sterling, which is the functional currency of the Corporation. Monetary amounts in these financial statements are rounded to the nearest thousand.

#### 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.

#### Basis of consolidation

The consolidated financial statements include the College and its subsidiaries (Andover Town Football Club Limited, Sparsholt College Services Limited and Westley Enterprises Limited) controlled by the Group. Intra-group sales and profits are eliminated fully on consolidation. All financial statements are made up to 31 July 2025.

#### Going concern

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

The College early repaid one of its smaller loans in June 2025 and as at 31 July 2025, the College had £2.9m of bank loans outstanding with commercial lenders negotiated between 2010 and 2013. All of these are on an unsecured basis.

As at 31 July 2025, the College had cash balances of £6.2m. This includes £1.7m of grants that are ringfenced for capital projects and will be clawed back by the DfE if they are unspent. There is no match funding required for these capital projects. The College has prepared prudent budgets for 2025/26 and 2026/27 which both present a surplus position. The College continues to work to reduce energy usage and is liaising regularly with energy brokers to achieve the most appropriate energy solutions for the College. In addition, the College is working to achieve cost savings in other areas wherever possible and practicable. The College has no requirement for any additional borrowings to service its ongoing operations given the built up reserves and so no cash flow support is likely to be needed and staff and suppliers can continue to be paid for the foreseeable future.

# Sparsholt College Hampshire

## Notes to the Financial Statements (continued)

The College continues to maintain good relationships with both of its banking lenders with regular meetings throughout the year and has met all loan covenants for 2024/25 and is forecast to do so for 2025/26.

Accordingly, the College has a reasonable expectation that it has adequate resources to continue in operational existence for a period of least 12 months from the date of approval of these financial statements. For this reason, the College will continue to adopt the going concern basis in the preparation of its financial statements.

### Recognition of income

#### *Revenue grant funding*

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

Any under achievement for the Adult Education Budget is adjusted for and reflected in the level of recurrent grant recognised in the Statement of Comprehensive Income. The final grant income is normally determined with the conclusion of the year end reconciliation process with the funding body at the end of November following the year end and the results of any funding audits. 16-19 learner-responsive funding is not normally subject to reconciliation and is therefore not subject to contract adjustments.

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

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

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

#### *Capital grant funding*

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

#### *Fee income*

Income from tuition fees is recognised in the period for which it is received and includes all fees payable by students or their sponsors.

#### *Investment income*

All income from short term deposits is credited to the Statement of Comprehensive Income in the period in which it is earned.

#### *Other income*

Other income covers a variety of income sources including residence and conference income, non-government grant income and income from farming activities. Gift aid received by the College from its subsidiaries is also included within other income. Income is stated net of value added tax and is recognised in the period in which it is earned.

# Sparsholt College Hampshire

## Notes to the Financial Statements (continued)

### 1 Accounting Policies (continued)

#### *Agency arrangements*

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

#### **Accounting for post-employment benefits**

Post-employment benefits to employees of the College are principally provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit plans, which are externally funded. Post employment benefits for employees commencing employment with Sparsholt College Services Limited after 1 February 2019 are provided by NEST, a government-run defined contribution plan. Contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

#### *Teachers' Pension Scheme*

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

#### *Local Government Pension Scheme*

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 Statement of Financial Position date. The amounts charged to the Statement of Comprehensive Income 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 period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in interest and other finance costs.

Post employment benefits for employees transferred from Sparsholt College Hampshire (the "College") to Sparsholt College Services Limited (the "company") on 1 February 2019 are provided by the LGPS. Hampshire County Council, the provider of the LGPS scheme, has pooled the assets and liabilities of the scheme for employees of the company and the College. This, combined with the legal indemnity provided by the College to the company, has resulted in the LGPS pension liability and assets remaining within the College financial statements and the expense recognised in the company in relation to the LGPS reflecting contributions paid in the period for company employees to the scheme.

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

If the present value of the defined benefit scheme obligations at the balance sheet date is less than the fair value of the scheme assets at that date, the scheme is in surplus. The College will recognise a scheme surplus as a defined benefit pension scheme asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

# Sparsholt College Hampshire

## Notes to the Financial Statements (continued)

### 1 Accounting Policies (continued)

#### 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 Group. Any unused benefits are accrued and measured as the additional amount the Group 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 Statement of Comprehensive Income in the year that the member of staff retires. In subsequent years a charge is made to provisions in the Statement of Financial Position.

#### Non-current Assets - Tangible fixed assets

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

##### *Land and buildings*

Land and buildings acquired since incorporation are stated in the Statement of Financial Position at cost or subsequent valuation. Permanent buildings are depreciated over their expected useful economic life of between 10 and 50 years. Residential buildings are depreciated over 50 years on the difference between cost and estimated residual value.

Freehold land is not depreciated as it is considered to have an infinite useful life. The College has a policy of depreciating major adaptations to buildings over the period of their useful economic life of between 10 and 50 years.

Where land and buildings are acquired with the aid of specific grants, they are capitalised and depreciated as above. The related grants are credited to deferred income within creditors and are released to the Statement of Comprehensive Income over the expected useful economic life of the related asset on a basis consistent with the depreciation policy. The deferred income is allocated between creditors due within one year and those due after more than one year.

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

On adoption of FRS 102, the College followed the transitional provision to retain the book value of land and buildings, which were revalued in 2014, as deemed cost but not to adopt a policy of revaluations of these properties in the future.

##### *Assets under construction*

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

# Sparsholt College Hampshire

## Notes to the Financial Statements (continued)

### 1 Accounting Policies (continued)

#### *Subsequent expenditure on existing fixed assets*

Where significant expenditure is incurred on tangible fixed assets it is charged to the Statement of Comprehensive Income in the period it is incurred, unless it meets one of the following criteria, in which case it is capitalised and depreciated on the relevant basis:

- Market value of the fixed asset has subsequently improved;
- Asset capacity increases;
- Substantial improvement in the quality of output or reduction in operating costs; or
- Significant extension of the asset's life beyond that conferred by repairs and maintenance.

#### *Equipment*

Equipment costing less than £1,000 per individual item is recognised as expenditure in the period of acquisition. Where individual equipment costing less than £1,000 is purchased in bulk quantities, such as computers, this equipment is capitalised at cost. All other equipment is capitalised at cost.

Inherited equipment has been depreciated on a straight-line basis over its remaining useful economic life to the College and is now fully depreciated. All other equipment is depreciated on a straight-line basis over its useful economic life as follows:

- Building improvements – between 2% and 10% per year
- Motor vehicles – 25% per year
- Computer and other equipment – 25% per year
- Server and server infrastructure – 12.5% per year
- Fixtures and fittings – 10% per year

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

#### **Borrowing costs**

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. Any lease premiums or incentives relating to leases signed after 1st August 2014 are spread over the minimum lease term. The College has taken advantage of the transitional exemptions in FRS 102 and has retained the policy of spreading lease premiums and incentives to the date of the first market rent review for leases signed before 1st August 2014.

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

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

# Sparsholt College Hampshire

## Notes to the Financial Statements (continued)

### 1 Accounting Policies (continued)

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

#### Investments

Investments in ordinary shares are stated at the lower of their cost and net realisable value.

#### Stocks

Stocks are stated at the lower of their cost and net realisable value, using accepted conventions to arrive at deemed cost where actual cost is not accurately available in the case of certain farm stocks. All farm stocks are evaluated by independent qualified valuers at the Statement of Financial Position date. 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 assets

Basic financial assets, including trade and other receivables, and cash and bank balances, are initially recognised at transaction price. FRS 102 requires that basic financial instruments are subsequently measured at amortised cost, however the Group has calculated that the difference between the historical cost and amortised cost basis is not material and so these financial instruments are stated on the Statement of Financial Position at historical cost. At the end of each reporting period, financial assets are assessed for objective evidence of impairment.

#### Financial liabilities and equity

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

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

#### Derivative financial instruments

The College uses interest rate swaps to enable the College to have a fixed interest rate on the loan arrangement with NatWest. The swap arrangement is initially recognised at fair value and subsequently re-measured at fair value at each year end date. Changes in the fair value of the swap arrangement are recognised in the Statement of Comprehensive Income as net movement in swaps agreements. The College does not currently apply hedge accounting.

# Sparsholt College Hampshire

## Notes to the Financial Statements (continued)

### 1 Accounting Policies (continued)

#### Foreign currency translation

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

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

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

#### Provisions and contingent liabilities

Provisions are recognised when:

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

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

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

Contingent liabilities are not recognised in the Statement of Financial Position but are disclosed in the notes to the financial statements.

#### Judgements in applying accounting policies and key sources of estimation uncertainty

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

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

# Sparsholt College Hampshire

## Notes to the Financial Statements (continued)

### 1 Accounting Policies (continued)

- Determine whether it is appropriate to prepare the financial statements on a going concern basis. The factors used to assess the appropriateness of this methodology have been detailed under the Going Concern section of this Note 1.

Other key sources of estimation uncertainty

- Tangible fixed assets

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

- Local Government Pension Scheme

The present value of the LGPS defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 July 2025. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

# Sparsholt College Hampshire

## Notes to the Financial Statements (continued)

### 2 Funding body grants

	Year ended 31 July		Year ended 31 July	
	2025	2025	2024	2024
	Group	College	Group	College
	£'000	£'000	£'000	£'000
<b>Recurrent grants</b>				
DfE - Adult	1,617	1,617	1,504	1,504
DfE - 16 -19	23,016	23,016	19,686	19,686
DfE - Apprenticeships	653	653	617	617
Office for Students (note 3a)	707	707	771	771
<b>Specific Grants</b>				
DfE - release of capital grants	1,508	1,508	716	716
DfE - TPS funding	872	872	639	639
DfE - LSIF	-	-	733	733
DfE - Post 16 National Insurance	154	154	-	-
OfS - release of capital grants (note 3a)	150	150	79	79
DfE - Strategic Development Fund	43	43	155	155
DfE - Taking Teaching Further	21	21	-	-
DfE - 16-19 Tuition Fund	5	5	67	67
DfE - T-Level	-	-	13	13
<b>Total</b>	<b>28,746</b>	<b>28,746</b>	<b>24,980</b>	<b>24,980</b>

### 3 Tuition fees and education contracts

	Year ended 31 July		Year ended 31 July	
	2025	2025	2024	2024
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Adult education fees	671	671	646	646
Apprenticeship fees and contracts	12	12	25	25
Fees for FE loan supported courses	128	128	196	196
Fees for HE loan supported courses (note 3a)	3,141	3,141	3,061	3,061
International students fees	-	-	15	15
<b>Total</b>	<b>3,952</b>	<b>3,952</b>	<b>3,943</b>	<b>3,943</b>

### 3a Analysis of total grant and fee income (HE only)

	Year ended 31 July		Year ended 31 July	
	2025	2025	2024	2024
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Grant income from the Office for Students (note 2)	857	857	850	850
Fee income for taught awards (exclusive of VAT) (note 3)	3,141	3,141	3,061	3,061
Fee income for non-qualifying courses	13	13	10	10
<b>Total</b>	<b>4,011</b>	<b>4,011</b>	<b>3,921</b>	<b>3,921</b>

# Sparsholt College Hampshire

## Notes to the Financial Statements (continued)

### 4 Other grants and contracts

	Year ended 31 July		Year ended 31 July	
	2025	2025	2024	2024
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Other grant income	1,630	1,630	1,211	1,211
Non government capital grants	324	324	360	360
Other contract income	111	111	115	115
<b>Total</b>	<b>2,065</b>	<b>2,065</b>	<b>1,686</b>	<b>1,686</b>

### 5 Other income

	Year ended 31 July		Year ended 31 July	
	2025	2025	2024	2024
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Catering and residences	2,629	2,388	2,339	2,135
Other income generating activities	1,453	1,210	1,482	1,249
Gift Aid received	-	735	-	686
Miscellaneous income	1,420	1,532	1,199	1,297
<b>Total</b>	<b>5,502</b>	<b>5,865</b>	<b>5,020</b>	<b>5,367</b>

### 6 Investment income

	Year ended 31 July		Year ended 31 July	
	2025	2025	2024	2024
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Other interest receivable	236	225	440	430
Pension finance income (note 24)	-	-	3	3
<b>Total</b>	<b>236</b>	<b>225</b>	<b>443</b>	<b>433</b>

# Sparsholt College Hampshire

## Notes to the Financial Statements (continued)

### 7 Staff costs - Group

The average number of persons (including key management personnel) employed by the Group during the year, on an average headcount basis, was:

	Year ended 31 July 2025		Year ended 31 July 2024	
	Group No.	College No.	Group No.	College No.
Teaching staff	216	216	203	203
Non teaching staff	324	62	291	58
	<b>540</b>	<b>278</b>	<b>494</b>	<b>261</b>

### Staff costs for the above persons

	Year ended 31 July 2025		Year ended 31 July 2024	
	Group £'000	College £'000	Group £'000	College £'000
Wages and salaries	16,227	9,567	14,270	8,581
Social security costs	1,654	994	1,295	818
Other pension costs (FRS 102 pension charge for year £10,000, 2024: £89,000) (Note 24)	3,263	2,465	2,601	1,899
<b>Payroll sub total</b>	<b>21,144</b>	<b>13,026</b>	<b>18,166</b>	<b>11,298</b>
Contracted out staffing services	332	332	301	300
<b>Staff costs as per Statement of Comprehensive Income and Expenditure</b>	<b>21,476</b>	<b>13,358</b>	<b>18,467</b>	<b>11,598</b>
Restructuring costs - contractual	20	-	-	-
non-contractual	6	-	-	-
<b>Total Staff costs</b>	<b>21,502</b>	<b>13,358</b>	<b>18,467</b>	<b>11,598</b>

### Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group and the College and are represented by the SLT which comprises the Principal and Chief Executive, Chief Operating Officer and Deputy Chief Executive, Chief Financial Officer, Vice Principal & Dean of Higher Education and Vice Principals Curriculum. Staff costs include compensation paid to key management personnel for loss of office.

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

	2025	2024
The number of key management personnel, including the Accounting Officer, was:	6	6

# Sparsholt College Hampshire

## Notes to the Financial Statements (continued)

### 7 Staff costs - Group (continued)

Key management personnel emoluments are made up as follows:	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Salaries	593	560
Benefits in kind	3	3
Pension contributions	155	135
<b>Total emoluments</b>	<b>751</b>	<b>698</b>

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

	<b>Key management personnel</b>		<b>Other staff</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>
£60,001 to £65,000 p.a.	-	-	5	3
£65,001 to £70,000 p.a.	-	-	2	-
£70,001 to £75,000 p.a.	-	-	-	1
£75,001 to £80,000 p.a.	3	3	1	-
£90,001 to £95,000 p.a.	-	1	-	-
£95,001 to £100,000 p.a.	1	1	-	-
£100,001 to £105,000 p.a.	-	-	-	-
£105,001 to £110,000 p.a.	1	-	-	-
£150,001 to £155,000 p.a.	1	1	-	-
	<b>6</b>	<b>6</b>	<b>8</b>	<b>4</b>

The Principal and Chief Executive is provided with rent free accommodation which is a non taxable benefit as it is required wholly, necessarily and exclusively for the better performance of their duties of employment. The annual value was £38,861 (2024: £37,019), inclusive of council tax. Utility costs are paid by the Principal and Chief Executive directly.

The Vice Principal Curriculum who is also the College's Designated Safeguarding Lead, is provided with accommodation at below market rent, which is a non taxable benefit as it is required wholly, necessarily and exclusively for the better performance of their duties of employment. The annual value was £20,663 (2024: £19,442) after deducting the rental contributions made. Council tax and utility costs are paid by the Vice Principal Curriculum directly.

The key management personnel emoluments include amounts paid to the Principal and Chief Executive who is the Accounting Officer and who is also the highest paid member of staff. Their pay and remuneration is as follows:

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Salaries	153	142
Benefits in kind	1	1
Pension contributions	44	36
	<b>198</b>	<b>179</b>

# Sparsholt College Hampshire

## Notes to the Financial Statements (continued)

### 7 Staff costs - Group (continued)

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

	2025	2024
Principal's basic salary as a multiple of the median of all staff	5.1	5.0
Principal's total remuneration as a multiple of the median of all staff	5.5	5.3

The median pay is calculated on a full-time equivalent basis for the salaries paid by the college to all staff members.

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

The remuneration package of key management personnel, including the Principal, is subject to annual review by the Remuneration Committee which uses benchmarking information from the AOC Senior Pay Survey for colleges of a similar size, complexity and location to provide objective guidance.

The Principal reports to the Chair of the Governing Body, who undertakes an annual review of their performance against the College's overall objectives using both qualitative and quantitative measures of performance, and reports this to the Remuneration Committee and the Governing Body.

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

#### Severance payments of all staff

The College group paid one severance payment in the year, disclosed in the following bands:

Severance payment amount	Number of severance payments made
£0 - £25,000	1
£25,001 - £50,000	-
£50,001 - £100,000	-
£100,001 - £150,000	-
£150,000 +	-

Included in staff restructuring costs is one individual special severance payment of £6,000 (2024: £nil).

#### Compensation Payments

Compensation payments are payments made to provide redress for matters such as personal injury, traffic accidents or damage to property.

There was one compensation payment made in the year with a value of £7,000 for a personal injury incurred. Legal advice was sought and the cost fully covered by the College's insurance. In the prior year, there were no compensation payments.

# Sparsholt College Hampshire

## Notes to the Financial Statements (continued)

### 8 Other operating expenses

	Year ended 31 July		Year ended 31 July	
	2025	2025	2024	2024
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Teaching costs	4,425	4,394	3,783	3,899
Non teaching costs	4,798	13,486	5,163	12,339
Premises costs	5,041	4,999	4,701	4,667
<b>Total</b>	<b>14,264</b>	<b>22,879</b>	<b>13,647</b>	<b>20,905</b>

#### Other operating expenses include:

	Group	Group
	2025	2024
	£'000	£'000
Auditors' remuneration:		
Financial statements audit	41	36
Other services provided by the financial statements auditor*	6	17
Internal audit fees	26	25
Hire of assets under operating leases	696	432

\* other services provided by the financial statements auditor were:

£1,875 professional services related to audit services on the Teachers Pension Scheme (2024: £1,650)

£3,105 professional services related to audit services for Regularity (2024: £2,810)

£1,000 taxation advisory services related to assistance and guidance provided on certain College IR35 assessments (2024: £2,150)

£nil professional services related to audit services on the Local Skills Improvement Plan funding (2024: £10,000)

### 9 Access and participation expenditure

Expenditure on the OfS approved HE access and participation plan in the year is shown below.

	Group	Group
	2025	2024
	£'000	£'000
Access Investment	84	118
Financial support to students	86	86
Disability support	66	55
<b>Total</b>	<b>236</b>	<b>259</b>

This expenditure includes £150,000 (2024: £172,000) of staff costs that are intrinsic to the delivery of the plan, and are already included in the Corporation staff costs in Note 7.

The access and participation plan is available at:

[https://www.sparsholt.ac.uk/wp-content/uploads/2022/12/UCS\\_APP\\_2020-21\\_V1\\_10006050.pdf](https://www.sparsholt.ac.uk/wp-content/uploads/2022/12/UCS_APP_2020-21_V1_10006050.pdf)

# Sparsholt College Hampshire

## Notes to the Financial Statements (continued)

### 10 Write offs, losses, guarantee and letters of comfort or compensation

	<b>Group 2025 £'000</b>	<b>Group 2024 £'000</b>
<b>Write offs</b>		
Bad Debts	<u>6</u>	<u>5</u>
<b>Total</b>	<u><u>6</u></u>	<u><u>5</u></u>

There were no other write offs, losses, guarantees, letters of comfort or compensation.

### 11 Interest payable - Group and College

	<b>2025 £'000</b>	<b>2024 £'000</b>
On bank loans, overdrafts and other loans:	<u>173</u>	<u>196</u>
	173	196
Pension finance costs (note 20)	<u>17</u>	<u>-</u>
<b>Total</b>	<u><u>190</u></u>	<u><u>196</u></u>

### 12 Taxation - Group only

	<b>2025 £'000</b>	<b>2024 £'000</b>
UK Corporation Tax		
<b>Current Tax</b>		
Corporation tax	<u>2</u>	<u>1</u>
<b>Current tax charge</b>	<u><u>2</u></u>	<u><u>1</u></u>

United Kingdom corporation tax is chargeable on the College's commercial activities. Taxable profits earned by the subsidiaries that are gift aided to the College are not subject to corporation tax.

# Sparsholt College Hampshire

## Notes to the Financial Statements (continued)

### 13 Tangible fixed assets (Group & College)

	Freehold Land & Buildings	Assets under Construction	Equipment	Total
	£'000	£'000	£'000	£'000
<b>Cost or valuation</b>				
At 1 August 2024	74,613	5,706	12,459	92,778
Additions	8,328	313	2,537	11,178
Transfers	5,706	(5,706)	-	-
Disposals	(851)	-	(724)	(1,575)
<b>At 31 July 2025</b>	<b>87,796</b>	<b>313</b>	<b>14,272</b>	<b>102,381</b>
<b>Depreciation</b>				
At 1 August 2024	18,753	-	8,366	27,119
Charge for the year	2,074	-	1,826	3,900
Elimination in respect of disposals	(851)	-	(713)	(1,564)
<b>At 31 July 2025</b>	<b>19,976</b>	<b>-</b>	<b>9,479</b>	<b>29,455</b>
<b>Net book value at 31 July 2025</b>	<b>67,820</b>	<b>313</b>	<b>4,793</b>	<b>72,926</b>
Net book value at 31 July 2024	55,860	5,706	4,093	65,659

Land and buildings, including Improvements, were valued at 31 July 2014 by Carter Jonas, a firm of independent Chartered Surveyors, and the valuation was on the following basis ;

- Specialised buildings – depreciated replacement cost
- Other buildings – existing use value

If inherited land and buildings had not been revalued they would have been included in the financial statements at nil cost and nil net book value.

On adoption of FRS 102, the College followed the transitional provision to retain the book value of land and buildings, which were revalued in 2014, as deemed cost but not to adopt a policy of revaluations of these properties in the future.

Assets under construction relate primarily to the development of a Green Tech Arable Laboratory. All costs related to the capital works, such as quantity surveying, project management, planning fees as well as physical build costs are reflected in Assets under Construction until such time as the provision has come in to operational use. The Laboratory was completed in Autumn 2025.

# Sparsholt College Hampshire

## Notes to the Financial Statements (continued)

### 14 Non current Investments

	Group 2025 £'000	College 2025 £'000	Group 2024 £'000	College 2024 £'000
Investments in subsidiary companies	-	1	-	1
Other investments	<u>33</u>	<u>33</u>	<u>25</u>	<u>25</u>
<b>Total</b>	<b><u>33</u></b>	<b><u>34</u></b>	<b><u>25</u></b>	<b><u>26</u></b>

#### Investments in subsidiary companies

The College owns 100% of the issued share capital of Sparsholt College Services Limited (£1,000). The company was incorporated on 24 October 2018 and commenced trading on 1 February 2019.

Sparsholt College Services Limited was established to provide support services, activities and functions to Sparsholt College Hampshire including but not limited to finance, information technology, human resources, marketing, premises and student support. The contract for this provision of services to Sparsholt College Hampshire was entered in to for a five year period commencing on 1 February 2019, with automatic yearly renewal thereafter, unless termination is served by either party. Both parties have expressed their desire to continue the contract and so the arrangement will continue on a rolling basis.

The College owns 100% of the issued share capital of Westley Enterprises Limited (£2). The principal business activities of Westley Enterprises Limited are the provision of conference facilities and accommodation to a wide range of customers. The company was incorporated in 1987 and operates within the United Kingdom.

The College owns 100% of the issued share capital of Andover Town Football Club Limited (£1). The principal activities of Andover Town Football Club Limited are:

- a) To enhance the College's sports curriculum and football academy by providing regular access to higher level football;
- b) To provide an educational pathway for students aged 16-19 and progression opportunities for 19+; and
- c) To support the development of community links within Andover.

The company was incorporated in 2013 and operates within the United Kingdom.

Investments in subsidiary companies are eliminated in the consolidated financial statements.

#### Other investments

At 31 July 2025, the College held shares in Genus plc which have been accounted for at market value as at 31 July 2025. The value of these shares as at 31 July 2025 were £33,341 (2024: £24,423). There is no intention to sell these shares in the short term.

# Sparsholt College Hampshire

## Notes to the Financial Statements (continued)

### 15 Stocks

	Group 2025 £'000	College 2025 £'000	Group 2024 £'000	College 2024 £'000
Farm stock	703	703	612	612
<b>Total</b>	<b>703</b>	<b>703</b>	<b>612</b>	<b>612</b>

### 16 Trade and other receivables

	Group 2025 £'000	College 2025 £'000	Group 2024 £'000	College 2024 £'000
Amounts falling due within one year:				
Trade receivables	155	124	138	127
Amounts owed by group undertakings:				
Subsidiary undertakings	-	6	-	-
Prepayments and accrued income	882	857	908	896
Amounts owed by the DfE	471	471	284	284
Other financial assets (note 19b)	10	10	22	22
<b>Total</b>	<b>1,518</b>	<b>1,468</b>	<b>1,352</b>	<b>1,329</b>

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

	Group 2025 £'000	College 2025 £'000	Group 2024 £'000	College 2024 £'000
Bank loans and overdrafts	340	340	377	377
Trade payables	2,249	2,240	1,377	1,377
Amounts owed to group undertakings:				
Subsidiary undertakings	-	117	-	226
Corporation tax	2	2	1	1
Other taxation and social security	761	521	654	462
Accruals and deferred income	1,662	1,600	2,923	2,860
Deferred income - government capital grants	2,154	2,154	1,358	1,358
Amounts owed to the DfE	76	76	331	331
<b>Total</b>	<b>7,244</b>	<b>7,050</b>	<b>7,021</b>	<b>6,992</b>

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

	Group 2025 £'000	College 2025 £'000	Group 2024 £'000	College 2024 £'000
Bank loans	2,593	2,593	3,008	3,008
Deferred income - government capital grants	20,935	20,935	17,316	17,316
<b>Total</b>	<b>23,528</b>	<b>23,528</b>	<b>20,324</b>	<b>20,324</b>

# Sparsholt College Hampshire

## Notes to the Financial Statements (continued)

### 19 Maturity of debt

#### (a) Bank loans and overdrafts - Group and College

Bank loans and overdrafts are repayable as follows:

	2025 £'000	2024 £'000
In one year or less	340	377
Between one and two years	359	400
Between two and five years	894	1,053
In five years or more	1,340	1,555
<b>Total</b>	<b><u>2,933</u></b>	<b><u>3,385</u></b>

A long-term loan of £750,000 with Lloyds TSB was drawn down in August 2006 at a fixed rate of 5.665% and was fully repaid on 20th June 2025.

A long-term loan of £4,000,000 with Barclays Bank was taken out in two equal tranches in August and November 2010 at a fixed rate of 5.44%. This is repayable by quarterly instalments falling due between 1 August 2025 and 3 August 2035.

A long-term loan of £2,000,000 with NatWest Bank was taken out in December 2013 at a fixed rate of 5.69%. This is repayable by quarterly instalments falling due between 1 August 2025 and 19 December 2028.

All loans are advanced on unsecured terms.

#### (b) Other financial instruments - Group and College

	2025 £'000	2024 £'000
Swaps agreement asset	10	22
<b>Total</b>	<b><u>10</u></b>	<b><u>22</u></b>

The NatWest loan agreement taken out in December 2013 incorporates a Swaps Agreement which is valued as an asset of £9,762 at the year end (2024: £22,383).

# Sparsholt College Hampshire

## Notes to the Financial Statements (continued)

### 20 Provisions

	Defined benefit Obligations £'000	Group and College Enhanced pensions £'000	Total £'000
At 1 August 2024	-	341	341
Expenditure in the year	10	(35)	(25)
Interest on net defined benefit asset	17	-	17
Actuarial gain	(9,644)	11	(9,633)
Notional surplus not recognised	9,617	-	9,617
<b>At 31 July 2025</b>	<b>-</b>	<b>317</b>	<b>317</b>

Defined benefit obligations relate to the liabilities under the Group's membership of the Local Government Pension Scheme. Further details are given in Note 24.

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

The principal assumptions for this calculation are:

	2025	2024
Discount rate	5.80%	5.00%
Inflation assumption (CPI)	2.75%	2.75%

### 21 Cash and cash equivalents - Group

	At 1 August 2024 £'000	Cash flows £'000	At 31 July 2025 £'000
Cash and cash equivalents	9,617	(3,456)	6,161
<b>Total</b>	<b>9,617</b>	<b>(3,456)</b>	<b>6,161</b>

### 22 Capital commitments

	Group and College	
	2025 £'000	2024 £'000
Commitments contracted for at 31 July	351	4,045

# Sparsholt College Hampshire

## Notes to the Financial Statements (continued)

### 23 Lease Obligations

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

	Group and College	
	2025	2024
Future minimum lease payments due	£'000	£'000
<b>Land and buildings</b>		
Not later than one year	438	427
Later than one year and not later than five years	1,484	1,471
Later than five years	2,716	2,968
<b>Total</b>	<b>4,638</b>	<b>4,866</b>
<b>Other</b>		
Not later than one year	224	164
Later than one year and not later than five years	264	222
Later than five years	9	17
<b>Total</b>	<b>497</b>	<b>403</b>

### 24 Defined benefit obligations

The College Group's employees belong to three principal post-employment benefit plans:

1. Teachers' Pension Scheme England and Wales for academic and related staff, this is a multi-employer defined benefit plan.
2. Local Government Pension Scheme for non-teaching staff, which is managed by Hampshire County Council, and is a multi-employer defined benefit plan.
3. NEST - post employment benefits for employees commencing employment with Sparsholt College Services Limited after 1 February 2019 are provided by NEST, a government run defined contribution plan. Contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

Total Group pension cost for the year	2025	2024
	£'000	£'000
Teachers Pension Scheme: contributions paid	1,975	1,573
Local Government Pension Scheme:		
Contributions paid	1,100	991
FRS 102 (28) charge/ (credit)	10	(89)
Charge to the Statement of Comprehensive Income	1,110	902
NEST Scheme: contributions paid	178	126
<b>Total Group pension cost for the year (Note 7)</b>	<b>3,263</b>	<b>2,601</b>

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of the TPS was 31 March 2020 (published in October 2023) and of the LGPS 31 March 2022.

Contributions amounting to £366,000 (2024: £337,000) were payable to the schemes and are included in creditors.

# Sparsholt College Hampshire

## Notes to the Financial Statements (continued)

### 24 Defined benefit obligations (continued)

#### Teachers' Pension Scheme

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

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

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

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

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

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

As a result of the valuation, 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 the TPS in the year amounted to £2.0 million (2024: £1.6 million).

#### Local Government Pension Scheme

The LGPS is a funded defined benefit plan, with the assets held in separate funds administered by Hampshire County Council. The total contribution made for the year ended 31 July 2025 was £1.4 million of which group employer's contributions totalled £1.1 million and group employees' contributions totalled £0.3 million. The agreed contribution rates for future years are 21.8% for employers and range from 5.5% to 12.5% for employees, depending on salary.

The next LGPS valuation was due on 31 March 2025 and any rate changes will take effect from 1 April 2026.

# Sparsholt College Hampshire

## Notes to the Financial Statements (continued)

### 24 Defined benefit obligations (continued)

#### Local Government Pension Scheme (continued)

##### 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 qualified independent actuary Hymans Robertson LLP.

	At 31 July 2025	At 31 July 2024
Rate of increase in salaries	3.75%	3.75%
Future pensions increases	2.75%	2.75%
Discount rate for scheme liabilities	5.80%	5.00%
Inflation assumption (CPI)	2.75%	2.75%

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

	At 31 July 2025 years	At 31 July 2024 years
<i>Retiring today</i>		
Males	22.3	22.0
Females	24.8	24.7
<i>Retiring in 20 years</i>		
Males	22.7	22.5
Females	25.7	25.6

The Group's share of the assets in the plan at the year end were:

	Fair Value: At 31 July 2025 £'000	At 31 July 2024 £'000
Equities	26,601	25,354
Bonds	16,749	17,056
Property	4,434	3,227
Cash	1,478	461
<b>Total market value of assets</b>	<b>49,262</b>	<b>46,098</b>
<b>Actual return on plan assets</b>	<b>3,058</b>	<b>3,482</b>

# Sparsholt College Hampshire

## Notes to the Financial Statements (continued)

### 24 Defined benefit obligations (continued)

#### Local Government Pension Scheme (continued)

The College's share of assets and liabilities in respect of the defined benefit pension plan is as follows:

	2025 £'000	2024 £'000
Fair value of plan assets	49,262	46,098
Present value of defined benefit obligation	(39,645)	(43,702)
Notional surplus not recognised	(9,617)	(2,396)
<b>Net defined benefit asset (Note 20)</b>	<u>-</u>	<u>-</u>

As the fair value of the plan assets exceed the present value of the defined benefit obligation at the reporting date, the plan has a notional surplus. There is uncertainty whether the College will be able to recover the surplus either through reduced contributions in the future or through refunds from the plan, and as a result the surplus has not been recognised in these financial statements in line with paragraph 28.22 of FRS102.

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

	2025 £'000	2024 £'000
<b>Amounts included in staff costs</b>		
Current service cost	886	920
Past Service Cost (including curtailments)	224	-
<b>Total</b>	<u>1,110</u>	<u>920</u>

#### Amounts included in interest receivable/payable

Net interest paid/(received)	17	(3)
<b>Total</b>	<u>17</u>	<u>(3)</u>

#### Amounts recognised in Other Comprehensive Income

Return on pension plan assets	752	1,333
Changes in financial assumptions	6,120	1,700
Changes in demographic assumptions	(184)	88
Other experience gains arising on defined benefit obligations	429	(1,408)
Notional surplus not recognised	(7,090)	(1,805)
<b>Amounts recognised in Other Comprehensive Income</b>	<u>27</u>	<u>(92)</u>

#### Movement in net defined benefit liability during the year

	2025 £'000	2024 £'000
Deficit in scheme at 1 August	-	-
Movement in year:		
Current service cost	(886)	(920)
Past Service Cost (including curtailments)	(224)	-
Employer contributions	1,100	1,009
Net interest on the defined liability	(17)	3
Actuarial gain	27	(92)
<b>Net defined benefit liability at 31 July</b>	<u>-</u>	<u>-</u>

# Sparsholt College Hampshire

## Notes to the Financial Statements (continued)

### 24 Defined benefit obligations (continued)

#### Local Government Pension Scheme (continued)

##### Asset and Liability Reconciliation

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
<b>Changes in the present value of defined benefit obligations</b>		
<b>Defined benefit obligations at start of period</b>	43,702	41,915
Current Service cost	886	920
Past service cost (including curtailments)	224	-
Interest cost	2,203	2,131
Contributions by Scheme participants	308	303
Experience losses on defined benefit obligations	(6,376)	(365)
Estimated benefits paid	(1,302)	(1,202)
<b>Defined benefit obligations at end of period</b>	<b><u>39,645</u></b>	<b><u>43,702</u></b>

##### Reconciliation of Assets

<b>Fair value of plan assets at start of period</b>	46,098	42,506
Interest on plan assets	2,306	2,149
Return on plan assets	752	1,333
Employer contributions	1,100	1,009
Contributions by Scheme participants	308	303
Estimated benefits paid	(1,302)	(1,202)
<b>Assets at end of period</b>	<b><u>49,262</u></b>	<b><u>46,098</u></b>

# Sparsholt College Hampshire

## Notes to the Financial Statements (continued)

### 25 Related party transactions

Owing to the nature of the Group's operations and the composition of the Board of Governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board of Governors may have an interest including apprenticeship placements. All transactions involving such organisations are conducted at arm's length and in accordance with the Group's financial regulations and normal procurement procedures and any conflicts are managed appropriately.

During the year, the College received funds of £4,500 from the British Association for Shooting and Conservation ("BASC") for a legacy fund financial assistance award to a College student. BASC's legacy fund is means tested and available to students with a membership link to BASC. David Rees, a co-opted member of the Curriculum, Skills & Stakeholders Committee, is a Trustee of BASC. The £4,500 received in the year was awarded to a residential student to contribute to their accommodation costs.

During the year, the College received £35,000 in grant funding from Winchester City Council's UK Shared Prosperity Fund for a capital project to support Low Carbon Training Programmes. Julie Milburn, Principal, is the Rural Representative on Winchester City Council's UK Shared Prosperity Fund. This capital project was completed in the year.

During the year, the College received £4,000 (2024: £6,000) for course fees from Harrow Way Community School. Ben Stokes, Vice Principal (Andover), is a Governor of Harrow Way Community School.

The total expenses paid to or on behalf of the Governors during the year was £1,056: 6 governors (2024: £1,145: 6 governors). This represents travel and subsistence expenses and other out of pocket expenses incurred in attending Governor meetings and charity events in their official capacity.

No Governor has received any remuneration or waived payments from the College or its subsidiaries during the year in their capacity as governors (2024: None). Those Governors who are also members of staff receive remuneration for their employed duties but none for their duties as governors.

Sparsholt College Services Ltd - a wholly owned subsidiary of Sparsholt College Hampshire

During the year, the College received Gift Aid of £704,070 (2024: £652,470) from Sparsholt College Services Ltd, a wholly owned subsidiary of Sparsholt College Hampshire. The College paid £8.8m (2024: £7.5m) to Sparsholt College Services Ltd for the provision of support services, activities and functions to Sparsholt College Hampshire. There was an outstanding balance of £117,000 (2024: £217,000) payable at the year end to Sparsholt College Services Ltd.

Westley Enterprises Ltd - a wholly owned subsidiary of Sparsholt College Hampshire

During the year, the College received Gift Aid of £30,387 (2024: £32,426) from Westley Enterprises Ltd, a wholly owned subsidiary of Sparsholt College Hampshire. The College charged letting fees of £97,815 (2024: £80,860) to Westley Enterprises Ltd for the licence to use the College facilities, including Equine and Conference Centres and a management fee for the provision of college management and administration of £20,000 (2024: £20,000). The letting fees are percentage based and linked to cost or turnover, as applicable. The management fees are a flat fee per Centre. There was an outstanding balance of £5,554 owed at the year end by Westley Enterprises Ltd (2024: £7,706 owing to Westley Enterprises Ltd).

# Sparsholt College Hampshire

## Notes to the Financial Statements (continued)

### 25 Related party transactions (continued)

*Andover Town Football Club Ltd* - a wholly owned subsidiary of Sparsholt College Hampshire

During the year, the College received Gift Aid of £808 (2024: £366) from Andover Town Football Club Ltd, a wholly owned subsidiary of Sparsholt College Hampshire. The College was charged £7,000 (2024: £8,000) by Andover Town Football Club Ltd as a marketing fee, for the Club's role in attracting sport students to the College. The College charged Andover Town Football Club for pitch hire costs of £2,210 (2024: £2,750). There was an outstanding balance of £204 owed at the year end by Andover Town Football Club (2024: £1,000 owing to Andover Town Football Club).

### 26 Amounts disbursed as agent - Learner support funds

	2025 £'000	2024 £'000
Balance unspent as at 1 August, included in creditors	239	253
Funding body grants – 16-19 discretionary learner support	287	246
Funding body grants – 16-19 residential bursaries	317	317
Other Funding body grants	150	90
	<u>993</u>	<u>906</u>
Disbursed to students	(626)	(603)
Administration costs	(35)	(30)
Area costs	(7)	(6)
Returned to funding bodies	(33)	(28)
	<u>292</u>	<u>239</u>
Balance unspent as at 31 July, included in creditors	<u>292</u>	<u>239</u>

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

In the year ended 31 July 2025, the college received a total of £388k and disbursed £312k from DfE 16-19 discretionary and vulnerable bursaries and FEFM funding after charging £17k for administration costs. As at 31 July 2025, the cumulative unspent 16-19 discretionary and vulnerable bursary funds and FEFM funding is £282k, of which £nil relates to funds that are in scope to be returned to the DfE in March 2026.

Comparatives for the accounting period ended 31 July 2024 are £332k received from the DfE, £352k disbursed to learners after charging £12k for administration costs, and total cumulative unspent funds of £206k, of which £nil was repaid to the DfE.