



Learning | Training | Employment

FINANCIAL STATEMENTS

31 JULY 2025

Key Management Personnel, Board of Governors and Professional Advisers

Key management personnel

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



**John
Thornhill**
CEO/Accounting
Officer



**Alison
Close**
Chief Finance Officer
and Deputy CEO



**Peter
Cox**
Managing Director
Novus / Group Lead for
Bids and Tenders,
LTE Group



**Rachel
Curry**
Principal, The
Manchester College &
UCEN Manchester and
Deputy CEO



**Lorna
Lloyd-Williams**
Company Secretary
and General Counsel
(until 24 July 2025)



**Melanie
Nicholson**
Managing Director
Total People Limited
/ MOL and the Group
Quality Lead



**Helen
Ashley-Taylor**
Group Director of
Governance and
Company Secretary
(from 30 October 2025)

Professional Advisers

External Auditor:

Forvis Mazars LLP
One St. Peter's Square
Manchester
M2 3DE

Internal Auditor:

**RSM Risk Assurance
Services LLP**
9th Floor
3 Hardman Street
Manchester
M3 3HF

Solicitors:

Mills & Reeve LLP
No. 1 Circle Square
3 Symphony Park
Manchester
M1 7FS

Addleshaw Goddard
1 St. Peter's Square
Manchester
M2 3DE

Stone King LLP
11 York Street
Manchester
M2 2AW

Banker:

Santander UK PLC
4 St. Paul's Square
Liverpool
L3 9SJ

Board of Governors

A full list of Governors is given on page 53 of these financial statements.

During 2024/25, the Board of Governors was supported by a cohort of Co-optees, who were appointed to enhance the Board's knowledge, expertise and range of skills on key projects. A full list of Co-optees is given on page 55 of these financial statements.

Mrs. Lorna Lloyd-Williams acted as Clerk to the Board of Governors up to 24 July 2025. Mrs. Helen Ashley-Taylor joined as Clerk to the Board of Governors on 30 October 2025.

Registered office:

Openshaw Campus
Ashton Old Road
Manchester
M11 2WH

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Strategic report

Nature, Objectives and Strategies

The members present their annual report together with the financial statements and the auditor's report for LTE Group for the year ended 31 July 2025.

Legal status

LTE Group is a statutory corporation established under the Further and Higher Education Act 1992 (statutory instrument 2008 No. 1418). LTE Group is an exempt charity for the purposes of Part 3 of the Charities Act 2011.

On 29 November 2022, the Office for National Statistics (ONS) reclassified colleges into the central government sector. This decision encompasses providers that operate within the statutory further education sector as defined under section 91(3) of the Further and Higher Education Act 1992 and therefore is applicable to LTE Group. Related subsidiaries of LTE Group are also covered by the requirements and processes.

Following the ONS reclassification of the Group to the government sector, the Group continues to be a self-governing charity regulated by the Secretary of State for Education. However, the Group is now subject to the framework for financial management set out in Managing Public Money (MPM).

The operating divisions of the Group are Novus (delivering learning and skills in custodial settings), The Manchester College (Further Education delivery), UCEN Manchester (Higher Education delivery), Total People (Work Based Learning) including MOL (blended distance learning) and LTE Group Professional Services.

LTE Group includes:

- Total People Holdings Limited ("Total People"), an independent training provider, which was acquired on 31 July 2015, and, following the integration of this business on 1 November 2021, also includes MOL;
- Novus Cambria, a joint venture with Coleg Cambria, which was incorporated on 29 September 2016;
- LTE Professional Services Limited ("LTE Professional Services"), a provider of information and communications technology services and equipment, which was incorporated on 30 July 2019;
- Novus Gower Limited ("Novus Gower"), a joint venture with Gower College, which was incorporated on 6 July 2022; and,
- Novus - Transforming Lives Limited ("Novus Transforming Lives"),

For the purposes of these financial statements, the results of the parent undertaking – i.e. excluding subsidiaries Total People and Novus Cambria, Novus Gower, Novus Transforming Lives and LTE Professional Services – are referred to as the "Corporation". Reference to "the Group" in this document means LTE Group, while the further education (FE) and higher education (HE) businesses will be referred to as The Manchester College (TMC) and UCEN Manchester where appropriate.

The Key Performance Indicators

A series of key performance indicators have been agreed to monitor the successful implementation of the Group's objectives.

The Group is committed to observing the importance of sector measures and indicators. The Group is required to complete the annual Finance Record for the Education and Skills Funding Agency ("ESFA") that merged into the Department for Education (DfE) on 31 March 2025 (references to ESFA in this document include DfE and vice versa). The Group is assessed by the DfE as having an "Outstanding" financial health grading. The current rating of Outstanding improves on the "Good" rating that was maintained for 12 years with the key funding agency.

Indicators include: Financial health measures/benchmarks; Contract performance; Learner success rates, educational quality indicators and employer/learner feedback.

Financial health score:

Ratio	2023/24	2024/25	2024/25 budget
Adjusted current ratio*	1.60	2.05	2.13
EBITDA as % to income – education specific	7.74%	7.44%	7.18%
Borrowing as % to income	28.98%	26.90%	31.58%
Score	Good	Outstanding	Good

*The adjusted current ratio (as defined by the ESFA) is calculated by dividing current assets (excluding restricted cash from disposal of fixed assets held for future reinvestment and assets held for resale) by current liabilities (excluding deferred capital grants and holiday pay accruals)

Contract performance

The table below shows, for each of the Group's main funding body grants, the actual contract performance (for the ESFA contracts this is the final ILR – R14) compared to the contract allocation:

Funding stream	2024/25	Contract Allocation
	Current Actual – (for the ESFA contracts this is the final ILR - R14)	
ESFA programme funding (16-18 and 19-24 students with an LDA or EHCP) – note 1	£40,182,838	£39,332,394
Adult Education Budget (Incl. ALS, DLSF) – note 2	£20,827,226	£19,287,330
Total People - Non-Levy Apprenticeships – note 3	£3,677,523	£18,426
Total People - Apprenticeships Carry-In	£Nil	£1,000
Total People - 16-19 Education	£781,361	£889,052

1. The full contract for ESFA 16-19 grants is £50m. This comprises the programme funding as above and includes high needs, additional targeted grants (Teachers' Pension Scheme, 16-19 Tuition Fund and Capacity and Delivery) and learner support funding. 16-18 Classroom Learning – There was a 100% achievement of the ESFA learner number target and a 102% achievement of the programme-funding target.
2. The full contract for Adult recurrent grants is £19m. The contract performance includes 'Adult Discretionary Learner Support Funding, Additional Learning Support, Greater Manchester Local Level 3 and Free Courses For Jobs Funding'. The majority is from the Greater Manchester Combined Authority, with a small value from ESFA for learners who are resident outside of a devolved area.

Adult Education Budget (R14) – There was a 108% achievement of the Adult Education Budget (including Discretionary Learner Support) allocation. The GMCA contract achieved 108% of contract value, and there was 107% achievement against the non-devolved AEB allocation from the ESFA.

3. The Apprenticeships contract allocation of £118k is for non-levy apprenticeship starts and non-levy apprenticeship carry in only, whilst the actual performance of £3,662k also includes levy apprenticeships. Levy apprenticeships are contracted with individual employers and not through a direct ESFA contract allocation. In addition to the contracts listed in the table above LTE Group and subsidiaries

In addition to the contracts listed in the table above LTE Group and subsidiaries operated several contracts in relation to the education of offenders in prison across England and Wales, with a market share of c55%. The largest of these contracts is the Prison Education Framework (PEF) which has a contract year of April to March. Following the previous successful contract extension that were negotiated, a further 6 month contract extension was agreed in November 2024 for the period April to October 2025, contract year 7 (CY7). The extension periods operate under a payment mechanism based on delivery and performance. For the contract year ending 31st March 2025, ADP (Annual Delivery Plan) compliance remained strong with 99% achieved against a contractual target of 95%.

The Group also achieved strong performance in the delivery of private and public sector non-PEF contracts. Delivery and performance continue to be strong through our joint venture partnerships in north and south Wales and we have seen year on year improvement in KPI performance with Novus Cambria and Novus Gower achieving 90% of their combined KPI targets. During 2024/25 Novus successfully delivered the mobilisation and transition plan at HMP FiveWells with a significant improvement in attendance (222 learners to 1,076) and success rates (65% to 95%).

Success Rates Table

Division / Subsidiary	Age	Level	Education and Training - Overall Achievement (Success) Rate		
			2022/23	2023/24	2024/25
The Manchester College – note 1	16-18	All Levels	87.9%	89.5%	90.4%
The Manchester College – note 1	19+	All Levels	90.9%	91.3%	92.1%
The Manchester College – note 1	All Ages	All Levels	89.5%	90.5%	91.3%
UCEN – note 1	All	All	87.3%	87.4%	90%
Novus (Youth) – note 2	15-18	Prison Education	93%	90%	96%
Novus (Adult) – note 2	18+	Prison Education	96%	95%	95%
MOL - CIPD	All	All	92%	93%	95.5%
MOL - CMI	All	All	100%	97%	98%
Total People - EPA pass rates	All	All	97%	96%	96%
Total People – Apps High	All	All	30%	54%	46%

1. For the TMC and UCEN Manchester data, there are currently a small number of outstanding results due to summer retakes of external examinations. The confirmation of additional results would have a minimal impact on the overall achievement figures, though this could push the achievement rates upwards from the data shown here. The data reported for both business units is comparable with previous years.

2. In 2024/25 Novus has delivered strong success rates for learners while prison regimes continue to manage prison population challenges.

The above table includes all classroom-based provision.

Public Benefit

LTE Group is an exempt charity under Part 3 of the Charities Act 2011 and following the Machinery of Government changes in July 2016, is regulated by the Secretary of State for Education. The members of the Board of Governors, who are trustees of the charity, are disclosed on page 53.

On 29 November 2022, the Office for National Statistics (ONS) reclassified colleges into the central government sector. This decision encompasses providers that operate within the statutory further education sector as defined under section 91(3) of the Further and Higher Education Act 1992 and therefore is applicable to LTE Group. Related subsidiaries of LTE Group are also covered by the requirements and processes.

Following the ONS reclassification of the Group to the government sector, the Group continues to be a self-governing charity regulated by the Secretary of State for Education. However, the Group is now subject to the framework for financial management set out in Managing Public Money (MPM).

In setting and reviewing the Group's strategic objectives, the Board of Governors has had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education. The guidance sets out the requirement that all organisations wishing to be recognised as charities must demonstrate, explicitly, that their aims are for the public benefit.

In delivering its mission, the Group provides the following identifiable public benefits through the advancement of education:

- Delivering strategic impact and outcomes for Government, communities, and employers, widening participation, and tackling social exclusion,
- Delivering good / outstanding student outcomes, teaching and learning, student experience and destinations,
- Working with stakeholders, implementation of the Greater Manchester Local Skills Improvement Plan, to ensure we contribute to the skills and community needs of Manchester, ensuring our provision is relevant and supports learners to gain the skills needed to secure good jobs and progress,
- Strong student support systems,
- Links with employers, industry and commerce with excellent employment record for students,
- Links with Local Enterprise Partnerships (LEPs), especially in Lancashire, Cheshire and Merseyside,
- Reducing re-offending and increasing rehabilitation of offenders, whilst making a positive contribution to secure and stable prison operations during capacity challenges,
- Strong ongoing Gross Value Add (GVA) impact and support for inclusive growth,
- Significant investment in educational facilities for mandatory public education in Manchester,
- Supporting the government economic growth agenda and the five missions by delivering increased numbers of qualified apprentices in key industry sectors,
- Contribute to the retention, attraction and development of senior professionals for major employers in the UK and globally.

Stakeholder Relationships

In line with other large education and skills groups, LTE Group has many stakeholders. These include:

- Employers, SME, UK Corporates and Global,
- Students, apprentices, and working professionals,
- Customers – including government departments (e.g. MoJ), national employers, SMEs, and fee-paying individuals,
- Education sector funding bodies and standards agencies e.g. DfE, Ofsted, Office for Students (OfS), Quality Assurance Agency (QAA), Institute for Apprenticeships and Technical Education (IFATE),
- Colleagues and trade unions,
- Local authorities, devolved government, metro mayors and elected members of parliament,
- Local Enterprise Partnerships (LEPs) and Chambers of Commerce,
- The local communities and community groups,
- Collaborative partnerships; FE working groups; national bodies e.g. Association of Colleges (AoC), Association of Employers and Learning Providers (AELP),
- External funding partners,
- Strategic partnerships including joint venture arrangements, Local councils and Devolved Government.

LTE Group recognises the importance of these relationships and engages in regular communication with them through the Group's digital channels, meetings and regular collaboration on projects and initiatives. The Group, as part of a commitment to wider good governance, regularly submits itself and its operations to external scrutiny and review by elected members.

Mission

The Strategic Vision for the Group:

“To improve lives and economic success through learning and skills”



Strategic Plan

The strategy for 2024-2028 was approved by the Group Board in July 2023 and established a set of key strategic themes informed by both regional and national policy e.g. FE White Paper and Prison Education reform with all our organisation at that time predicting a significant level of change in the near term 1-2 years and 3 years+, not least as reform would disrupt the sectors we operate within.

LTE Group is now at an advanced stage in developing its strategy to 2030 (Destination 2030). This is not a refresh of the existing strategy, but a reset given several of the previously moving external parts are now known, post general election, including the outcome of the comprehensive spending review, more detail around skills and devolution policies with plans for the justice sector including prisons and probation. The outcome of the PES tender is in the main known (1 lot subject to re-procurement), albeit we await the outcome of one or two significant components including HE reform and the sustainability of the Adult Funding model.

Following the Group Board in July 2025 we will be consulting with colleagues and stakeholders on the strategic framework and new strategic objectives. Post consultation and feedback from colleagues and stakeholders, and final iteration of the strategy, we will move to a roll out and communications plan later in Winter 2025/26.

At the Group level we see three key strategic themes for our strategy to 2030:

1. 'Our core' - protecting and developing the great foundations we have built over the last five years.
2. 'Our evolution' - Evolving our offer, our ways of working and developing new approaches.
3. 'Our impact' - The impact we want to make for people & places, the economy and our environment.

Every area of the group contributes to these and subject to board approval, the framework will flow into objectives, delivery plans etc.

Under its existing strategy, there are 8 core themes, sectors, customers, economic impact, environmental impact, quality & product, talent, target operating model, finance, and investment.

The plan is seeking to deliver the following outcomes:

- Strengthened market share and reputation for each part of the Group,
- Diversification of income and contract / customer base to reduce income risk,
- Logical extensions to the reach of our propositions at product, sector, and cohort level,
- A position of national and regional influence in a reformed sector,
- Capacity and capability for ongoing investment and growth (given sustained multiyear population growth in 16-18 and school leavers),
- Consistently good / outstanding quality and upper quartile learner satisfaction,
- More digitisation and automation to reduce central overhead and improve organisational effectiveness, and
- A reputation as employer of choice, in each of the sectors we serve.

LTE Group is a unique organisation in the UK skills sector with established strong foundations and market leading units in each of the key segments we operate in. The Group has developed strong quality, good colleague engagement levels, and delivered over a decade of on target financial performance with a Good Financial Health Grading maintained for 12 years and Outstanding Financial Health Grade for the 2024/25 year.

Each of the Group's Business Units has developed a strategic plan to support and inform the development of the Group's strategic plan.

Overall, our strategic aim is to harness the power of the group to be a national leader in Education and Skills and continue to deliver on our mission to improve lives and economic success through learning and skills. We will focus on delivering our group-wide KPIs and a range of key strategic projects and initiatives to our learners, students, customers, employers and stakeholders.

The Group's strategic objectives to 2028 are to:

Key Strategy Priorities

- Delivering strategic impact and outcomes for Government, communities, and employers, widening participation and tackling social exclusion,
- Deliver good / outstanding student outcomes, teaching and learning, student experience and destinations, upper quartile performance against all key educational measures,
- Working with stakeholders, implementing the Greater Manchester Local Skills Improvement Plan, to ensure we contribute to the skills and community needs of Manchester, ensuring our provision is relevant and supports learners to gain the skills needed to secure good jobs and progress,
- Maintaining and growing our offer and the quality of it including logical extensions to the reach of our propositions at product, sector, and cohort level, including clear pathways to continuous learning,
- Meeting income and growth targets and allied opportunities, strengthening and growing our market share, diversifying our income and contract / customer base, and becoming a partner of choice,
- Significant investment in educational facilities for mandatory public education in Manchester and completing our investment strategy.

Underpinned by enabling strategies:

- Strategic curriculum review
- TMC to UCEN progression strategy
- Completion of the Estate's strategy (Phase 2) and delivery of the associated benefits
- Risks of apprenticeship model mitigated, along with securing the opportunity to offer higher level apprenticeships elsewhere in the group linked to capacity review
- Investing in our people, through pay and flexible rewards
- The development of an end-to-end teacher recruitment, retention and training academy
- More digitisation and automation to reduce central overhead and improve organisational effectiveness, more deployment of AI technology in teaching, learning and assessment as well as Professional support areas
- The development of a more holistic approach to Equality, Diversity and Inclusion. People to procurement, systems to suppliers, communications to contracts

Specific Objectives

- To successfully deliver our national prison education contracts, to remain the MoJ partner of choice for this activity in the UK
- To support Devolved authorities in England and Wales to develop place-based solutions for employability and reduce economic inactivity
- To grow and develop our partnerships, joint ventures and collaborations in the Justice Sector to support rehabilitation and reduced reoffending
- To become a Market Leader in Blended Learning Delivery Models across the Justice Sector
- To deliver an Industry Excellence Curriculum Strategy – Deliver the 16-19 and Adult IEA strategies, developing clear pathways to occupations, aligned to policy, regional and national skills priorities and learner need
- To ensure that TMC provision is delivered in the highest quality facilities for Technical and Professional Education
- To position TMC as the regional and national lead for Technical and Professional Education through stakeholder partnerships
- To position UCEN Manchester as the regional lead for Level 4 & 5 Technical Education Strategy within GM
- To deliver Degree Awarding Powers and TEF GOLD for UCEN Manchester
- To embed new products in TP/MOL aligned to employer demand and local/regional/national skills plans, with a focus on level 3 and higher, national levy and a smaller defined SME sector offer
- To further extend our offer in MOL to new industry sectors and geography and to grow our proportion of digital only delivery
- To deliver outstanding student outcomes, teaching and learning, student experience and destinations
- To deliver an industry excellence people strategy including a competitive and attractive total reward package, whilst embedding a culture of engagement and support for well-being
- To maintain good to outstanding quality in all units across the Group with strong and sustainable financial performance
- To adequately balance risks and opportunities through periods of political and structural change driven by external factors e.g. evolving pension landscape

The Group remains on track for delivering these objectives despite the current macro-economic headwinds and some funding challenges.

Current and future development and performance

Financial health

Whilst the 2024/25 financial year has continued to bring significant challenges for the education and skills sector, the Group reports a surplus in the year (excluding the minority interest shares in Novus Cambria and Novus Gower) of £7.4m, which is £1.0m higher than the prior year results (2024: £6.4m surplus) and is £2.1m better than the budgeted surplus of £5.3m. This variance is mainly driven by the £1.1m favourable EBITDA, £0.8m favourable deferred capital grant release, £0.8m favourable interest income and is offset by £0.5m higher depreciation & amortisation and, £0.1m unfavourable gain on disposal of assets.

LTE Group financial health grading with the DfE is Outstanding, which improves on the "Good" rating that was maintained for 12 years with the key funding agency. Group banking facilities in support of this grading show a positive cash balance of £37.8m (2024: £30.5m), the cash balance at year end includes £3.2m of restricted cash in respect of unspent capital grants. Total debt (including finance leases) owing is £51.3m (2024: £52.5m). There have been no significant events that have adversely affected financial health, for example notices of concern.



In 2024/25 Novus continued the implementation of its five-year strategic plan with the successful achievement of several key objectives to deliver ongoing quality improvement, diversification of delivery with new customers and geographies and development of our workforce.

In November 2023 Novus submitted bids for the next generation of 7-year prison education contracts (PES – Prison Education Service) and in spring 2025 was notified that it was the successful bidder in 4 Lots, these multi-year contracts will commence on the 1st of October 2025.

Furthermore, Novus has continued its diversification strategy through collaboration with partners in private sector prisons resulting in a successful bid to deliver education in HMP Forest Bank, the contract will commence in January 2026 for 10-years.

As a result, Novus has continued to build on its position as the largest and most successful provider of offender learning in the UK and is now the Education provider across all public and private prisons across the North-West of England.

In 2024/25 Novus worked with our Trade Union partners to successfully implement Project Connect which delivered enhanced terms and conditions to colleagues across the workforce. Project Connect supports Novus in becoming competitive in the market when attracting and retaining talent which strengthens the quality and delivery of teaching to improve learner outcomes while improving the progress of colleagues in their personal career development.

This, alongside a range of Consumer Price Index (CPI) based contracts has ensured that Novus has maintained strong employee engagement, positive industrial relations and enabled the award of better than average pay rises in-year. The result of this is a significant reduction in number of vacancies and a 14.2% reduction in staff turnover.

Following the change in legislation in September 2022, Novus has been at the vanguard of apprenticeship development in custody with learners commencing programmes in October 2022. We have continued to build and develop this pathway for learners in 2024/25 with a former learner who began their apprenticeship with Hydes in custody and has since completed it in the community, achieving a distinction and continues to work with Hydes.

Novus Works, our dedicated team continues to deliver outstanding outcomes for learners, with key employer partnerships playing a vital role in transforming lives through sustainable employment after release.

In 2024/25, Novus Works successfully supported 893 of our learners to progress into employment, education, and training opportunities upon release from custody. We continue working with leading employers, including Greene King, Marston's, Kier Construction, The Right Course, Balfour Beatty, and Mott MacDonald. The success of these partnerships can be seen in the following stories.

A former learner at HMP Styal successfully found employment upon release with Greene King, thanks to the education and employment support received from Novus and Novus Works whilst in prison.

Two former learners from HMP Hewell and HMP Stoke Heath were successful in finding employment upon release thanks to the support they received from the Novus Works team as well as completing vocational courses in construction whilst in prison.

A former learner who originally served their sentence at HMP Isis and later transferred to HMP Brixton, has successfully found employment opportunities in radio upon release, thanks to the support he received from Novus and National Prison Radio whilst in prison.

Novus self-assesses its quality through a variety of internal metrics; the most significant being the Self-Assessment Report (SAR) grade. In 2024/25 Novus has continued to achieve an improvement in its quality profile with 70% of provision rated Good or better, a year-on-year improvement of 3%. Novus' quality is also validated externally, in 12 HMIP/Ofsted inspections Novus achieved a provider paragraph "Good" rating.

Our creative enrichment team worked with a wide range of partners across Novus establishments, bringing education to life across all subject areas. Novus further developed its partnership with the We Roar project, a multi-prison, international project, in collaboration with Faye Claridge and the University of Michigan, hosting the We Roar showcase event at City Campus Manchester in November 2024 to share and celebrate the fantastic outcomes of the We Roar project and share the power of creative enrichment as a rehabilitation tool. Novus colleagues, stakeholders and external partners were invited to celebrate the outstanding artwork produced and hear about the impact creative enrichment has on learners, including from a former Novus learner who took part in the initial We Roar project and who is now a mentor on the We Roar programme.

In June 2025 Novus colleagues visited HOME gallery in Manchester to see learner work displayed within its Inspire Gallery. The exhibition named A Message in a Bottle is a collaborative project from Novus, Manchester College and HOME as part of a Creative Enrichment programme for learners. Displayed at HOME's Inspire Gallery, the exhibition showcases work from three groups of learners, all of whom are aiming to raise awareness about recycling and encourage and inspire others to reuse or recycle.

In 2024/25 the Novus digital team has worked with establishments across Novus to innovate, using digital and AI technology to support colleague development and learners' achievements.

At Novus, CPD is an important tool to make sure that we are supporting colleagues with their professional development ensuring that all colleagues are equipped with the relevant and up-to-date skills and knowledge to educate learners. The Novus education department at HMP Hatfield, for example, ran CPD sessions focusing on AI to improve teaching and learning, using TeacherMatic generators giving teachers the opportunity to develop their skills in AI and AI applications so they can in turn educate learners on AI and digital technologies.

At HMP Stafford, following a recent HMIP Inspection and overall 'Good' rating the Novus education team have been making excellent progress with their digital provision, promoting the use of digital skills throughout their curriculum, in Business Enterprise Britannica Encyclopaedia website has been used to help learners research products and services for their business alongside AI Chat with 'Ask a famous person' on TeacherMatic where learners have been able to ask questions to Entrepreneurs and Enterprising people about the possible products and services that they plan to use/ provide through their business enterprise. Developing these skills is essential to prepare learners for the modern world.

The Novus Digital team continued to innovate across the year. Along with piloting and rolling out AI for lesson planning with TeacherMatic, the digital team also launched online exams and worked with City & Guilds to ensure that learners can now access their qualifications with Digital Badges, both of which are firsts within a prison setting.



In 2024/25, the College delivered activity that has generated £57.9m [Department for Education (DfE) and Greater Manchester Combined Authority (GMCA) Funding Contracts] in funding body main allocation funding (2023/24: £54.1m). The College delivered approximately 42,773 (2023/24: 39,759) funded qualifications and approximately 3,105 (2023/24: 3,517) full cost recovery qualifications.

Students at the College continue to demonstrate strong performance, with overall achievement rates consistently exceeding national averages. The College is ranked among the top five institutions in the Northwest and holds the 11th position nationally. Additionally, student progress remains positive, as evidenced by 68% of students attaining high grades at Level 3.

The College self-assessed itself as 'Good', this was confirmed in the recent Ofsted inspection with a 'Strong contribution to meeting skills needs'.

The College and UCEN Manchester continue to offer a broad further and higher education curriculum, which both supports the local communities and meets the Greater Manchester skills priorities, from Entry Level courses through to Higher Education degrees. Our strategy to focus on technical and professional qualifications aligned to the needs of Place has seen the development of a new suite of Higher Technical Qualifications and the continued recruitment to new and existing T Level occupational routes, including T Level foundation programmes.

Throughout 2024/25, curriculum teams have introduced new courses to accommodate employer demand and in response to funding changes due to the removal of qualifications under Curriculum Reform.

Technical Education is now embedded within curriculum areas and continues to be at the forefront of these qualifications and is recognised for its ambition and good practice nationally. Senior Managers sit on many external bodies influencing and supporting changes under curriculum reform, including the Department for Education, Gatsby Foundation, Association of College, national college networks and awarding organisations.

There is an increasingly broad range of work placements aligned to local, regional and national needs and students benefit from these opportunities across all levels. 90.2% of students progressed to a positive destination following the completion of their course in 2024.

The revised English and maths progress-based strategy continues to become embedded showing a positive improvement in 2024/25 to impact, particularly in English where high grade achievement (19.9%) is above the national average (18.1%) and 68% of learners make positive progress compared to their starting point. High grade achievement in Maths improved by 3.6pp compared to the previous year. Further revisions to the delivery model and greater focus within maths will continue to improve the progress made by students on English and maths provision in 2025/26.

Enrolment and student numbers are positive. Population growth continues to fuel demand, and this coupled with outstanding new facilities, a very strong offer and good quality means that in many sector areas, including those identified as GM priorities, demand for places is high.

Phase 2 of the Estates strategy has now concluded and has substantially extended our City Campus Manchester which is open for learners from 2025/26. The sale and leaseback of Nicholls Campus have enabled us to re-open Nicholls as an adult centre, allowing space to be freed up at other campuses to accommodate additional 16-18-year-old learners in 2025/26. Receipt of a capacity grant from GMCA is enabling us to create further facilities which will increase our capacity to accommodate more 16-18 learners from 2026/27, providing places that are needed due to population growth in Greater Manchester.

A significant reform agenda on local skills planning, accountability, qualifications and more has been well supported in-year and will continue to inform future curriculum strategies which will be aligned to outcome of the Curriculum and Assessment Review in Autumn 2025 and the single integrated settlement devolved to GMCA. The College's annual accountability statement demonstrates its contribution to the skills needs articulated in the Local Skills Improvement Plan (LSIP) and the 'Our Manchester' Strategy 2025-35.

In-year, the LTE Group strongly lobbied for the indexation of funding at regional levels. Historically there has been no cost-of-living increase applied to the devolved Adult Skills Fund, which has created challenges in the funding pay rises given that this area is a third of College income. Despite financial pressures, a total pay award of 4.4% was implemented for staff in 2024/25 (comprising a 3.4% consolidated and 1% non-consolidated increase). While this supported staff retention and morale, replicating such an uplift in future years will be increasingly difficult unless embedded rate changes are introduced for 2025/26. Without structural adjustments to baseline pay rates, future negotiations may face constraints due to affordability and budgetary limits. Efficiency programmes and reductions in some areas have helped but going forward funding increases from government and the GMCA will be needed to fund pay increases and to bridge the widening pay gap between teachers in schools and teachers in further education. The pressures faced by the College and UCEN

Manchester will continue to put pressure on the recruitment and retention of staff. This is particularly challenging when trying to ensure that industry professionals are employed to deliver our curricula.

To help improve staff wellbeing the College and UCEN Manchester invited teaching staff to participate in task and finish groups aimed at improving workload through enhanced processes and has also introduced an AI tool to assist teachers with preparation and delivery of courses. This has been supported with the continuation of a range of wellbeing initiatives including wellbeing days and free breakfasts for staff. Staff Engagement surveys were undertaken in December 2024 and July 2025, including questions focused on staff wellbeing. These demonstrated in-year improvements in wellbeing with scores significantly above sector benchmarks:

- I'm proud to work at the College: 86% (+34pp. on TES benchmark)
- My manager supports me in managing my workload: 82% (+62pp. on TES benchmark)
- TMC has a positive culture: 80% (+20pp. on TES benchmark)



Total People delivered a strong performance in 2024/25, exceeding planned targets despite the ongoing challenges of heightened cost pressures from inflation and an unchanged blanket CPI increase on apprenticeship funding over the past nine years, this environment has created considerable pressure for many training providers. In response, Total People adopted a highly prudent approach to business planning for 2024/25, implementing an 18% planned reduction in overall starts and occupancy. Notably, apprenticeship starts were reduced by 26%, reflecting a deliberate strategic focus on sustainable programmes and the withdrawal from non-viable standards. This was aligned to a planned restructure and a reduction in headcount aligned to the new strategic direction of the business. These measures have established a solid foundation, supporting year-on-year improvement and enhanced quality and financial outcomes. Funded delivery across Apprenticeships, 16-19, High Needs, and ASF significantly exceeded budget, demonstrating the positive impact of strategic exits from unprofitable standards, a streamlined operational footprint and headcount, and an intensified emphasis on quality and operational efficiency.

Learners making expected progress continues to be very strong at 93%, End Point Assessment (EPA) pass rates remain high at 96% with 46% of learners achieving High Grades. Learner and employer satisfaction remains high at 91% for apprentices, 87% for 16-19 Study Programmes, 95% for adults and 84% for employers. ESFA learner and employer satisfaction is also rated as "Good".

A full Ofsted inspection of Total People took place early in September 2024 where Total People received a grade "GOOD" across all of the provision types; Apprenticeships, 16-19 Study Programme, High Needs and Adults. This is as a direct result of the robust strategic plan and the strong quality profiles across all provision types.

In 2024/25, Total People worked with approximately 1,992 learners. This included approximately 310 16-to-18-year-old apprentices, 922 19-year-old + apprentices, 126 16-to-18-year-old Study Programme learners and 634 adult learners.

In 2024/25, Total People realised benefits of earlier strategic decisions to phase out and exit unviable apprenticeship sectors. A restructure was also implemented in response to the government's sudden removal of mandatory functional skills for adult apprentices, which created a £100k funding impact over the latter half of the year, therefore the resulting changes are expected to deliver more than £100k in full-year cost savings during 2025/26. In parallel, the company reduced its leasehold premises footprint by exiting large, high-cost sites in favour of smaller, more efficient locations to deliver a further £200k full-year cost saving in 2025/26. Together, these actions have created a more stable and sustainable platform for delivery. Building on this, Total People will maintain its focus on quality driven, financially sustainable sectors, specifically Trades, Professional, Early Years & Education, that are delivered to a high-quality standard and aligned with local, regional, and national employer needs.

Total People were awarded an adult contract in August 2024 by the Greater Manchester Combined Authority (GMCA), programme delivery is focused on unemployed adults. The strong focus on employment and collaboration with GM employers has been well received by job centres, with progression into employment through these courses driving referrals. 95% of learners gained an interview and 74% gained employment at the end of their course. Total People plan to further increase delivery in this area in 2025/26 and have engaged with large employers who have significant volumes of planned vacancies across Greater Manchester.

16-19 Study Programme contracts performed well, supported by the introduction of strategically placed new delivery locations in Northwich and Crewe, which strengthened partnerships with Cheshire East and West, leading to Total People becoming the 'provider of choice' for young people who are not yet ready to make the transition to apprenticeships or full-time college.

There was also considerable progress during the year in terms of income mix between funded income and commercial contracts, as the company transitions away from being fully reliant on DFE-funding which is less than 60% of total income.

In year, significant progress was made in reducing Apprenticeship "out of funded" volumes, with a 93% reduction (excluding learners in Gateway) compared to 2023/24.

Throughout 2024/25 there was continued investment in the Total People workforce to tackle the attrition issues seen in 2023/24 and 2022/23. This included introducing the real living wage, cost of living increases, maintaining a minimum salary for all Learning Coaches, along with a 2% increase to all colleagues, increased holiday entitlement and improved terms and conditions. Total People has seen a 10% improvement in colleague turnover and now aligns to the sector national average.

Since the Nov 2021 integration, Total People, including its business unit MOL, continue to complement each other's offer. Enabling the company to maximise its expertise across the business, to cross-sell products and to offer an expanded portfolio of services and qualifications to our clients. MOL remains a leader in commercial "On demand" and "live online" courses with over 6,626 learners in 2024/25. MOL was awarded the highest accolade of "Platinum Status" from CIPD in April 2025, being only 1 of 23 providers worldwide were awarded this prestigious status.

In 2024/25, MOL further advanced its Transnational Strategy, initiated in 2023/24, by enrolling over 220 international learners, increasing the total number of participants since inception to 660. The strategy broadened MOL's commercial "live online" offerings—delivered exclusively from the UK—to serve international and global clients. In collaboration with the CIPD, MOL

ensured that both course content and delivery methods were adapted to meet country-specific business and professional requirements. Throughout the year, MOL maintained strategic partnerships with major global organisations, such as Saudi Aramco. Transnational delivery will continue to be a core strategic priority, as demand for UK qualifications grows among professionals and organisations worldwide. Transnational sales surpassed budget expectations in 2024/25, providing a significant offset to weaker domestic performance.

Assessment achievement on CIPD programmes remains strong with 96% of level 3, 94% level 5 and 98% of level 7 learners passing unit assessments. In 2024/25 overall achievement rates on CIPD courses across all levels was 96% and 98% on CMI.

In 2024/25, MOL worked with approximately 6,629 learners. This included 147 CMI learners, 592 Property Law learners, 2501 CIPD learners, 37 MSc learners and approximately 3,352 Property Agency learners.

MOL's customer satisfaction data is the highest amongst their competitors, with a Feefo score of 4.8 out of five stars, Trustpilot score of 4.8 out of 5, continues to maintain a Platinum status Trusted Service Award, and was awarded "Platinum" status by CIPD one of only 23 centres worldwide.

There has been significant systems and infrastructure development in a new CRM system within MOL. This will enhance reporting, client contact management and integration across group marketing and communications. In parallel, the development and implementation of AI-enabled tools has enhanced "On demand" and "live online" delivery, teaching, learning and assessment. This capability, combined with the streamlining and restructuring of the MOL sales team, strategically positions the business for 2025/26 by enabling greater resource alignment, deeper integration of AI and digitalisation of processes, and more agile, responsive learner engagement. These changes establish a strong platform which will continue to accelerate through 2025/26.

There remains continued demand for the company's services in the training of apprenticeships, 16-19 young people, Adult learners and the commercial market. The company is situated in economic growth areas and has aligned its portfolio with the local skills agendas. The recent relocation of the Engineering workshop facility to Manchester has further enhanced Total People's existing Manchester based offer in Bus & Coach/HGV Engineering, Scaffolding and Refrigeration & Air Conditioning, which are all supported by a strong employer pipeline. Childcare and Education apprenticeships achieved planned enrolments in 2024/25, with expansion planned across Greater Manchester in 2025/26, including new programmes for Level 3 Safeguarding and Level 5 Early Years Specialist Teaching Assistant. Collaboration with UCEN Manchester will further extend the higher apprenticeship Engineering offer in 2025/26.

Throughout 2025/26, Total People will continue to further embed and increase its local place-based focus in Greater Manchester and Cheshire with a wider focus across the Northwest. This will be achieved through levy and non-levy clients in our targeted apprenticeship sectors, GMCA Adult funding, aligned to employer vacancies and the delivery of 16-19 provision across Cheshire. MOL will continue to focus on commercial B2B and B2C clients, delivering live online and on demand learning, both nationally across the UK and Transnationally.

The company remains positive entering 2025/26 and maintains robust employer and stakeholder relationships. The company is benefitting from a robust pipeline of quality starts on both apprenticeships, ASF, 16-19, High Needs and is working with SMEs & large employers across GM & Cheshire and the Northwest, as well as large employers on commercial online learning such as Saudi Aramco, United Nations, Civil Service, Lloyds Banking, KPMG, Barclays, BMW & Ford.



Group Professional Services is our integrated business unit that brings together all our professional service functions; Information Systems, Student Records, HR, Finance, Health & Safety, Risk Management & Compliance, GDPR, Marketing, Communications, PR, Public Policy, Public Affairs and Legal. This unit also includes the related shared services, and admin functions and sits at the very heart of LTE Group.

This new business unit launched in 2023/24, encompasses over 200 functional professionals and specialists who keep the organisation safe and support over 3,100 colleagues across multiple locations in England and Wales, providing support across LTE Group and each of its business units, The Manchester College, UCEN Manchester, Novus, Total People and MOL.

In 2024/25 Group Professional Services has developed its overall strategy and one for each of its function contained therein. It is leading on implementing change programmes that will transform our professional services business unit between now and 2030 with an emphasis on artificial intelligence, digital transformation and digital services, ensuring an efficient business support model that avoids duplication of cost and activity, whilst ensuring strong control frameworks to minimise risk. In Group Professional Services we have aligned our support strategies with the quality and self-assessment process used to assess Quality for Learners, to ensure improvement initiatives met critical internal customer and learner needs.

Group Professional Services employs colleagues with specialist skills that are in demand across multiple sectors beyond education, meaning this business unit also faces its own localised recruitment issues within the sector-wide problem of colleague pay.

Group Professional Services has performed well since its inception, achieving strong internal customer satisfaction scores, whilst controlling its cost base and maintaining frameworks such as our ISO and Cyber Essentials + accreditations, along with ensuring the financial sustainability of LTE Group.

Group Professional Services has led several material change initiatives in the past year as well as being a key facilitator and important lynch pin for others. These include the completion of Group Estates Strategy Phase 1, the successful disposal of non-core sites to support the funding of the Estates programme and the refinancing of commercial loans with the DfE; the launch of Manchester City Centre Campus Phase 2 and the re-opening of Nicholls from an IT perspective. The IS team have also upgraded the Wi-Fi network and completed necessary asset refresh work to bring better connectivity and newer technology to more learners. Our Fabric Project to enable an all-in-one cloud-based data platform is at an advanced stage.

Our HR policies and procedures continue to be updated to reflect legislative changes, and we have onboarded a new occupational health provider COPE. A new HR Dashboard for managers has been launched and in our Novus business we have successfully implemented Project Connect to harmonise terms and conditions, whilst supporting TUPE transfers in and out as we mobilise the new generation of Prison education contracts.

Our efforts to influence positive change for the sector, particularly in the specialist area of prison education, continues to be recognised and the team have ensured that Novus's high share of voice has been maintained, along with a good external profile, through the coordination of key roundtables and thinktanks. Work on advocacy for the group and the wider FE sector with policy makers and political stakeholders continues, and the team were successful winning the Best Communications Campaign at the FE First Awards.

Closer collaboration between Risk & Compliance, Health & Safety, IT and Student Experience has ensured the highest levels of safety continues for all in busier campuses and across the prison estates as our learner numbers grow. The Group's health and safety arrangements continue to progress. ISO 45001 certification has been maintained with no major nonconformances internal audit oversight has expanded, and the adoption of new audit software has enhanced reporting and analytics. The Group remains compliant with relevant legislation identifying risk in advance, assessing likelihood and impact and takes appropriate action.

Estates strategy

Phase 1 of our Estates strategy (a self-funded project) to consolidate our provision on fewer campuses through the development of a centre of excellence model is complete, the final disposals in the scheme having been delivered. To date we have constructed a new city centre campus (opened in September 2022) as well as refurbished and enhanced other existing campuses including Openshaw, Wythenshawe and Harpurhey. This approach is delivering better learning and facilities for our students at a more economic cost for our stakeholders. The rationalisation of the Estate has improved the overall condition of the Estate and reduced property running costs. The cost of the project was c. £130m and the construction programmes have been delivered on time and within the overall budget.

The £39m Phase 2 scheme, a DfE grant funded project, provided an opportunity to create a centre for the Business and Professional studies curriculum, alongside specialist science facilities at the newly extended city centre campus, replacing the Shena Simon campus with new purpose-built accommodation. This extension is now complete and open for students from 2025/26. In addition to the DfE grant, the Phase 2 financial plan included the disposal of two further aged buildings including the sale and short term leaseback of Nicholls, which have been completed, along with match funding from LTE Group.

LTE Group received a total capital loan of £15.6m to replace its previous revolving credit facilities, £7m in respect of Phase 1 and £8.6m in respect of Phase 2, with the loan fully drawn, in arrears based on expenditure incurred and the DfE grant less retention has also been fully utilised.

Phase 1 and 2 of the Estates Strategy has and will continue to deliver better learning and facilities for our students at a more economic cost for our stakeholders.

The growth in students is ahead of plan, as the projected population growth expectations in the City of Manchester are now being significantly exceeded. This adds further confidence to forward income projections but has exacerbated capacity constraints, even earlier than envisaged, and even with the Phase 2 scheme.

LTE Group made the strategic decision to retain Nicholls for longer to support 16-18 capacity challenges across Greater Manchester (given the sustained multi-year population growth in the City Region). This reflected a change to the Estates strategy, in retaining Nicholls for a 3-year period out to 2028 (following a sale and leaseback arrangement generating the required capital receipt for Phase 2), to protect learner capacity and existing income whilst we explore future options. The revised Phase 2 City Centre scheme was not large enough to accommodate all the provision located at Shena Simon, alongside growth. The retention of Nicholls enabled the College to move some adult provision from other campus sites and relocate it to the reopened Nicholls campus, this then released capacity on these other sites for additional 16-18 volumes. The financial plan assumes a peppercorn lease back of the new build element of Nicholls until July 2028, with £1.6m investment allocated from the Phase 2 scheme for improvement works, given that the campus was mothballed from July 2022 to March 2025, and adaptations were required. Nicholls is in use for students from 2025/26 as an adult centre.

Good management, of overall expenditure versus budget and the timing of loan drawdowns compared to our original business case has resulted in a better project cashflow than the plan. The financial covenants for our lenders are achieved in year with headroom, and during the term of the financial plan. The interest and capital repayments for all funding is covered by maintaining a steady EBITDA growth driven by estate efficiencies, specifically optimised running costs and staffing efficiencies. Phase 1 benefits have been delivered in line with the plan.

The rationalisation of the Estate is now complete, subject to a long term capacity solution for the provision at Nicholls, and meeting 16-18 projected learner growth volumes..

Confirmed future developments include a £5m DfE Post-16 Sufficiency Grant that has been allocated from GMCA which will enable us to further increase capacity for 16-18 learners from 2026/27. The grant is being used to create a new engineering facility at Openshaw, along additional science laboratories at City Campus and Harpurhey, and media facilities at City Campus. Alongside this the LTE group plan is to utilise part of its £3.2m DfE FE Condition grant to replace and improve construction facilities at Wythenshawe Campus.

A new LTE Group-wide Estates Strategy is being developed during 2026/27.

Student Numbers

The Manchester College and UCEN

In 2024/25, the College delivered activity that has generated £57.9m [Department for Education (DfE) and Greater Manchester Combined Authority (GMCA) Funding Contracts] in funding body main allocation funding (2023/24: £54.1m). The College delivered approximately 42,773 (2023/24: 39,759) funded qualifications and approximately 3,105 (2023/24: 3,517) full cost recovery qualifications.

Novus

In 2024/25, 34,159 adult learners accessed 80,058 enrolments on accredited / non-accredited provision. This is an increase in learners compared to 2023/24 and reflects the ongoing stability and improvements to delivery.

For the same period, 334 Youth Custody Service (YCS) learners (under 18) accessed 2,288 learning aims. In 2024/25 Novus delivered education in HMPYOI Wetherby only following the re-role of HMPYOI Cookham Wood from young people to adult provision, with all young people exited from the site by 31 May 2024.

Total People

In 2024/25, Total People worked with 1,992 learners. This included 310 16-to-18-year-old apprentices, 922 19-year-old + apprentices, 126 16-to-18-year-old Study Programme learners and 634 adult learners.

In 2024/25, MOL worked with 6,629 learners. This included 147 CMI learners, 592 Property Law learners, 2,501 CIPD learners, 37 MSc learners and 3,352 Property Agency learners.

Financial Position

Financial results and objectives

The 2024/25 financial year has continued to bring significant challenges for the education and skills sector. The decisions and actions we have taken have been guided by our commitment to remain financially sustainable, provide for extra financial contingencies and maintain our cash balance.

Our aims in 2024/25 have been:

- to grow our learner numbers,
- to invest in our people, through pay and flexible rewards,
- to continue to invest in our estate to provide an appropriate learning environment, an improved overhead cost base, and better working environments for our colleagues,
- to deliver solid and strong financial performance,
- to successfully refinance our existing revolving credit facilities to DfE backed loans,
- to diversify our income customer and contract base to set us up for success for the next 5-year plan period,
- to develop innovative technology-based delivery models, including AI.

The Group reports a surplus in the year (excluding the minority interest shares in Novus Cambria and Novus Gower) of £7.4m, which is £1.0m higher than the prior year results (2024: £6.4m surplus) and is £2.1m better than the budgeted surplus of £5.3m. This variance is mainly driven by the £1.1m favourable EBITDA, £0.8m favourable deferred capital grant release, £0.8m favourable interest income and is offset by £0.5m higher depreciation & amortisation and £0.1m unfavourable gain on disposal of assets.

This is equivalent to an EBITDA (education specific, as per DfE guidance) of £14.3m (7.46% of adjusted income) compared to a budget of £13.2m (7.18%). Adjusted income is total income less the release of deferred capital grants (as defined by the DfE).

The Group has continued working with its partners and undertaking initiatives, such as property disposals to enhance value and maintain a strong cash flow position. Our operating activity cash flow has increased by £10.8m (21%), from £8.9m last year to £19.7m in the 2024/25 financial statements, the year-end cash balance of £37.8m is £7.3m higher than the prior year and significantly exceeds the budgeted year end cash balance of £14.8m by £23m (155%). The year end cash balance includes £3.2m of restricted cash in respect of unspent capital grants and we have benefited by completing the disposal of Nicholls significantly ahead of plan. As at the year-end, total borrowing is £51.3m (2024: £52.5m) and £6.5m or 11.2% favourable to budget.

The current ratio of 2.05 and gearing (debt as a percentage of income) at 26.79% combine with the performance ratio to deliver a funding body health grade of 240 points (Outstanding).

These results provide evidence and confirmation that the Group is meeting its financial objectives. These are:

- to maintain the long-term financial viability of the LTE Group
- to generate sufficient income to enable maintenance and improvement of its infrastructure
- to diversify income streams, through a broad offer that responds to multiple areas of education/skills demand, rather than solely traditional FE

- to generate operating cash flows that can fund investment for learners, customers, stakeholders and colleagues
- to improve the learner experience and deliver efficiencies in teaching and support costs
- to maintain adequate funding to service future pension liabilities
- to protect it from unforeseen changes in policy and the impacts resulting from any future changes in funding or political upheaval
- to improve the learner, employer and customer experience

This also enables the Group to execute its plan and expand its reach to learners and other stakeholders in support of national and regional devolved government policies, to grow provision and add value to the lives of an increasing number of learners. Finally, the Group wishes to maintain, or enhance the confidence of funders including the DfE, suppliers, bankers and auditors.

The Group (excluding the minority interest shares in Novus Cambria and Novus Gower) has accumulated reserves of £132.8m (2024: £126.4m), including cash balances of £37.8m (2024: £30.5m). The £6.4m year-on-year increase in accumulated reserves is driven by the £7.4m surplus (excluding minority interest shares) and is offset by an actuarial loss on the Greater Manchester Pension Fund (GMPF) of £0.9m. The Group maintains reserves to ensure financial viability and to meet future liabilities, such as the repayment of loans, and any pension fund deficits.

The Group has diversified its income streams and reduced reliance on the traditional education sector funding bodies for its principal funding source, largely from recurrent grants. In 2024/25, the FE funding bodies provided 24% of the Group's total income (2023/24: 24%), with AEB income accounting for 9.4% (2023/24: 9.6%).

The LTE Group is the parent company of Novus Cambria which is a private company limited by guarantee without share capital with two members: LTE Group and Coleg Cambria. LTE Group controls 60% of the voting rights of the members while Coleg Cambria control 40%.

The LTE Group is also the parent company of Novus Gower which is a private limited company and has two shareholders: LTE Group and Gower College. LTE Group controls 60% of the voting rights of the members while Gower College control 40%.

The LTE Group has three wholly owned trading subsidiary companies - Total People Limited, LTE Professional Services Limited and Novus - Transforming Lives Limited.

The Local Government Pension Scheme (LGPS) valuation for 2025 resulted in an actuarial valuation loss of £1.0m (2024: loss of £0.7m) see note 27. However, the decrease does not impact on our funders' net assets banking covenant test, as this is a non-cash item and, as such, is excluded from this test.

Cash flows and liquidity

Overall, cash has increased £7,331k year-on-year, from £30,455k to £37,786k. This is due to an operating cash inflow of £19,693k, offset by a £7,388k outflow due to investing activities and a £4,974k outflow due to financing activities.

Operating cashflow is £10,754k higher year-on-year, in line with a higher, education-specific EBITDA (£14,252k compared to £14,121k in the prior year).

Net investing activities of £7,388k, comprise of £21,751k of payments made to acquire fixed assets offset by £9,840k of disposal proceeds, £3,628k of capital grant receipts and £895k of investment income.

Net cash outflow from financing activities, comprises of £3,378k of loan interest payments, £669k of finance lease payments, a £271k minority interest distribution and a net loan capital outflow of £656k.

The year-end cash balance was £23.0m higher than the budget of £14.8m, principally due to fixed asset disposals and strong cash generation in the year. The year end cash balance includes £3.2m of restricted cash in respect of unspent capital grants.

Treasury policies and objectives

Treasury management is the management of the Group's cash flows, its banking, and money market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks. The Group has a treasury management policy in place.

The LTE Group Board is responsible for the solvency of LTE Group, and, acting through the CEO, have responsibility for the overall security and management of funds.

However, following the ONS reclassification of the Group to the government sector, the Group is permitted to repay its existing commercial loans to maturity, but any new private sector finance arrangements require prior written consent from DfE. Private sector borrowing refers to any borrowing from commercial lenders but also loans from local authorities and any other non-public sector organisations.

The Group Board does not have delegated authority to agree amendments to existing private borrowing which may be within the scope of Managing Public Money (MPM). These could include but are not limited to:

- changes relating to the term of a loan,
- repayment profile change,
- interest change outside of the existing agreement terms, including any move between a variable and a fixed interest rate, and
- providing additional security.

Any such amendments require prior consent from the DfE.

On 20 July 2023, the public sector refinancing of College Debt with Commercial Lenders completed. The Group's previously held Santander revolving credit facilities (£34m in total) were replaced by a £16.5m DfE refinancing loan (fully drawn) and a £15.6m DfE capital loan (fully drawn) for the Estates Strategy. In addition, the Group also has loan agreements with The Council of the City of Manchester (£7.3m outstanding at the 2025 year-end), and Santander facilities covering a term loan (£12.0m outstanding at 2025 year-end).

Following ONS reclassification and the refinancing of our revolving credit facilities with the DfE backed refinancing loan and capital loan, our flexibility to respond to timing differences

and delays in large material disposal receipts has been removed. Thus, we obtained from the DfE a payment holiday for the 2024/25 financial year in respect of the re-financing loan, and a deferral in the commencement date of the capital loan repayments. Following the completion of the Shena Simon disposal on 30th April 2025, the repayment holiday on the DfE loan was made good with repayments caught up, whilst the repayment of the DfE capital loan commenced on 18 May 2025.

Short-term cash requirements are monitored weekly, such that the Group minimises its borrowings and thereby interest charges. Going forward, the Group will continue to seek to optimise the balance between its borrowings and money on deposit, where certainty on forward cash flows exist, which may result in lower end of month balances.

The Public Work Lending Board (PWLB) interest rate continues to be applied to both the Refinancing and the Capital loans; this is fixed each year for the following 12 months. PWLB Rate 5.02% fixed to 31 March 2026. (1 April 2024 fixed to 31 Mar 2025 - 5.6%).

The Manchester City Council loan is a fixed interest rate loan at 4.6% for its duration.

The fixed rate on the main Santander term loan came to an end in August 2023. Following discussions with the DfE, LTE moved to variable rate. On 5 September 2025 we successfully refinanced the balance on the Santander Term Loan of £11.7m (post the planned August 2025 repayment) with the DfE given there were no breakage costs, as this represents better value for money for the public purse given that the PWLB rates are favourable to commercial lending rates.

Reserves policy

The Group recognises that its major sources of income are government funded and as such are not explicitly guaranteed for a set period of years. To this end the Group has been diversifying its income streams so that there will be multiple funding sources – DfE, Ministry of Justice, Apprenticeship Levy, Youth Justice Board, European Structural and Investment Funds, Welsh Assembly, devolved mayoral authorities and commercial income. Where possible, the Group will continue to develop medium to long term income streams as part of its strategic plans.

In the past few years, the Group has invested in the reshaping of the business, in response to government funding cuts and allocation changes. This has been achieved without reducing reserves or the need to secure additional finance arrangements with funders.

The Group (excluding the minority interest shares in Novus Cambria and Novus Gower) has £132.8m (2024: £126.4m) of unrestricted reserves as at 31 July 2025, which the Group feels is adequate to implement any further reshaping required, should there be any further government funding cuts, allocation changes, a real term reduction in funding vs inflation pressure on its cost base or the Group is unsuccessful with any significant retenders, which impact on its annual income. The £6.4m year-on-year increase in accumulated reserves is driven by the £7.4m surplus (excluding minority interest shares).

The current forward forecasts ensure clearance of covenants and maintaining a good financial health grade, they have been tested with sensitivities that take account of reductions in funding as described.

The level of reserves will be monitored and reported on within the monthly management accounts and reviewed by the Board of Governors.

The LTE Group has set a reserves policy which requires:

- Reserves to be maintained at a level which ensures that LTE Group's core activities could continue during a period of unforeseen difficulty.
- A proportion of unrestricted reserves be maintained in a readily realisable form.
- It has sufficient resources to meet its liabilities as they fall due for a minimum period of 6 months.

The Board of Governors will review this policy annually or whenever there are significant changes in income or operating costs.

The calculation of the required level of reserves is an integral part of the organisation's planning, budget and forecast cycle. Our strategic plans involve delivering a small surplus in line with FEC benchmarks with an operating cash contribution each year. This, allied to our capital expenditure plans, is intended to deliver an increasing year-on-year reserves position.

It considers:

- Risks associated with each stream of income and expenditure being different from that budgeted.
- Planned level of activity.
- Organisation's future commitments.

Resources

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

Financial

The Group (excluding the minority interest shares in Novus Cambria and Novus Gower) has £132.8m (2024: £126.4m) of net assets. This includes a cash balance of £37.8m (2024: £30.5m) at year end and long-term debt (including finance leases) owing of £49.4m (2024: £50.1m). The £6.4m year-on-year increase in accumulated reserves is driven by the £7.4m surplus (excluding minority interest shares) and is offset by an actuarial loss on the Greater Manchester Pension Fund (GMPF) of £0.9m.

People

At year end, the Group has 3,168 people in post, of whom 1,835 are teaching colleagues.

Tangible Assets

Tangible resources include the five main college campus sites, including the City Centre, Wythenshawe and Openshaw campuses. Also included is £36.4m (2024: £26.1m) of buildings currently under construction as part of the estates strategy, an increase of £10.3m investing in phase 2 of our city centre campus which was brought into use in September 2025.

Senior Leaders' pay

The Board acknowledges that as a charitable organisation and social enterprise we do not aspire to remunerate at the maximum level in the sector. In 2024/25, the Board reiterated its expectation that, despite the wider macro-economic challenges, senior leaders should have some element of pay at risk, based on performance.

In addition, our current pay policy should continue to be focused on lower paid colleagues and frontline delivery staff. This includes continuing our commitment as a Real Living Wage Employer and applying the Real Living Wage again in line with recent changes.

Given the macro-economic environment and high inflation putting pressure on public sector pay, the LTE Board has restrained senior pay rises in recent years. Actually, reducing earnings potential during Covid and in 2022/23 restraining senior pay rises at 1.25% versus 2.7% for other colleagues. Increased funding in 2023/24 and 2024/25 enabled LTE Group to improve pay offers generally. In 2023/24 the Board opted to apply the same increase for senior postholders in line with other colleagues at 7% consolidated and 1.25% unconsolidated, and in 2024/25 the Board opted to increase senior postholders pay by 3.4% consolidated in line with the consolidated increase for other colleagues, however other colleagues additionally benefitted from a 1% non consolidated award and a £335 flat payment.

The Board continued its ongoing policy of regularly benchmarking senior pay and reviewed an independent external report comparing the approach at LTE Group with peers and comparators elsewhere in the sector. Despite LTE Group being large in scale, scope and complexity compared to many organisations, senior pay approaches in peer and comparator organisations appeared in many cases to be noticeably higher than at LTE Group. The Board continue to monitor this alongside the changes due to public sector reclassification and compliance with MPM Senior Pay Guidelines.

In April 2019, the LTE Group Board adopted the Association of Colleges' (AoC's) Senior Staff Remuneration Code and assesses pay in line with its principles. These principles remain unchanged as follows:

- That all senior roles are benchmarked externally against recognised comparators and through nationally recognised methods such as Hay (which is used for all colleagues). Such comparators will include other large FE College groups, HE institutions, other third sector employers of similar size and scale and commercial organisations, including private training providers, who operate in the same or similar sectors.
- That senior leaders should, as a principle, have some of their reward at risk and linked to the impact and performance of the organisation. An annual review of the CEO/Accounting Officer's performance is undertaken against the Group's overall objectives using both qualitative and quantitative measures of performance.
- That senior pay levels are monitored to ensure that sensible ratios between front line staff and the most senior employees are within the public sector guideline 1:12 ratio (from lowest to highest paid individuals in the organisation).
- That regular reviews of gender-based pay are completed and that the Board's longstanding commitment to a living wage policy will be maintained.

The Board is also conscious of the need to attract and retain the right calibre of senior colleagues to ensure it can continue to deliver for all stakeholders. As indicated above, the Committee assesses performance across a balanced scorecard of metrics. Each item has a level of threshold performance that needs to be met. The range of factors used in the annual performance scorecard, which applies to all Senior Post Holders, includes measures on quality of delivery, financial performance, health and safety, people, learner and customer satisfaction and delivery of key strategic projects.

The CEO/Accounting Officer's basic salary as a multiple of the median of all staff remains well within the 1:12 ratio. Relationship of CEO/Accounting Officer pay, and remuneration expressed as a multiple.

	2025	2024
CEO/Accounting Officer's basic salary as a multiple of the median of all staff	6.6	6.7
CEO/Accounting Officer's total remuneration as a multiple of the median of all staff	7.4	7.7

Please see note 9 for further details of the CEO's total remuneration package.

The 2024/25 Annual Remuneration Report was presented to the Group Board on 17 December 2025.

Governor remuneration

In accordance with the permission granted by the Charity Commission, modest remuneration of trustees was commenced in April 2018. Remuneration payments were set within the quantum approved by the Charity Commission by an Independent Review Panel, with all members being external to LTE Group. The membership of the panel comprised Mr C Memmott (Manchester Chamber of Commerce), Ms Rebecca Durbar (AOC Northwest) and Ms Nicole Kershaw (One Manchester). The panel last met on 15 April 2024 to review rates of remuneration for Governors.

Details are disclosed in the notes to the financial statements under related party transactions.

Reputation

Novus

In 2024/25 Novus continued to raise the profile and policy influence of its work in prison education remaining number one for share of market voice across justice.

In February 2025 Novus National Operations Director Annick Platt gave oral evidence to the House of Commons Justice Committee in Westminster. Novus submitted written evidence to the MPs inquiry 'Rehabilitation and resettlement; ending the cycle of reoffending' following which the committee invited Annick to answer questions on the crucial role of prison education in reducing reoffending.

In July 2025 as part of Novus' ongoing commitment to improving outcomes for prison learners Novus hosted a roundtable event bringing together partners and stakeholders from across the West Midlands. The event, titled "Prison Education in the West Midlands: Reducing Reoffending and Driving Economic Growth," offered an opportunity to share insights, explore challenges, and discuss how we might work together more effectively to support prison leavers through education and employment.

The roundtable included participants from HMPPS, New Futures Network and West Midlands Combined Authority.

In summer of 2025, Novus colleagues featured in the HMPPS recruitment campaign showcasing what it's like to work in prison education.

Novus has continued its successful strategy to diversify with the successful award of the HMP Forest Bank contract, this alongside the successful bids in 4 PES lots means Novus is now the Education provider across all public and private prisons across the North-West of England.

Novus is a MATRIX accredited provider in every region of its operations.

Novus conducts a twice-yearly survey to assess learner satisfaction, through an independent questionnaire carried out by QDP. For the financial year to July 2025 satisfaction remains strong with 88% of learners satisfied with the education and training they have received from Novus, this being consistent with results from previous years (2024 87%, 2023 88%, 2022 84.2%).

The Manchester College

The Manchester College's reputation for academic rigour and high achievement is rooted in strong student outcomes, consistently ranking us as the top further education College in Greater Manchester for the sixth consecutive year. In the last available National Achievement Rates Tables (NARTS), the College was ranked eleventh for 'all ages' nationally and in the top ten percent for 16-18 nationally.

The College has continued to make progress implementing its Vision 2027 strategy that has led to a wide range of successes throughout the year. This was validated by The Manchester College being graded as 'Good' by Ofsted, with inspectors rating the College's contribution to skills as 'Strong' following an inspection during March 2025. This endorsement reinforces stakeholder trust in our high standards with feedback including:

- Teachers are industry-experienced, well trained and knowledgeable. They use their expertise and experience to engage and motivate students in the topics they teach
- Students learn a wide range of new knowledge and skills that prepare them well for their next steps in employment or training
- Students have access to a broad range of careers advice and guidance at the college
- Students benefit from the productive, inclusive and welcoming environment that leaders, teachers and staff create
- Students are well prepared for their next level of learning or employment in their chosen sector
- Students become skilled in using the equipment they will encounter at work.

The strength of the College's teaching and support has led to strong performance. Building on an established track record of strong student achievement across T level provision, 92.7% of T Level students achieved success in subjects such as Education and Early Years, Health, Finance, Engineering, and Digital. This is the College's third cohort of students to complete the advanced technical qualifications, and the College's 2025 pass rate is 1.7 percentage points higher than the national pass rate for T Level courses in 2024. Further, 27.8% of students receiving their results this year achieved a distinction in their chosen subject – a 10-percentage point increase on 2024.

An impressive 99.2% of students attained Level 3 technical and creative qualifications, including BTECs, representing an increase from 97.5% in 2024. Among this year's cohort, 84% earned a merit grade or higher, while 55.2% achieved a distinction or above in their respective courses.

Achievement rates for 16-18 across all levels increased on the previous year. Level 1, achievement rate was 91.6%, an increase of 1.4pp, Level 2 including English and maths was 86.2% a significant increase of 6.4pp and level 3 increasing from 81.2% to 86.8%. All above the last published national rates for the general FE colleges.

The College is committed to providing students with opportunities to demonstrate their skills across regional and national competitions. Providing students with opportunities to further develop their knowledge, skills and behaviours whilst showcasing their ability has proven to be very successful across a range of curriculum areas. The GM Colleges Skills Competition aims to raise the profile of technical skills in Greater Manchester and offers students a

chance to challenge, benchmark and raise their skills levels. TMC were represented at all the competitions across GM, in total there were 71 individual competitions, with 1,084 students from across all GM Colleges, of which 122 were from TMC, representing 11% of the cohort across the 9 colleges. The final medal count for TMC students consisted of 2 Gold medals, 8 Silver medals and 2 Bronze medals.

Additionally, this year our GCSE and Functional Skills maths students secured a podium finish at the North West finals of the Mathematics Education Innovation FE Maths Challenge, showcasing their exceptional problem-solving abilities.

Entries for WorldSkills continued to grow from the previous year. Across the nine GM Colleges there were a total of 1,778 learners registered, of which 394 registrations (22%) were from The Manchester College. This represented an increase of 112 registrations when compared to the previous year for TMC, also seeing an increase in the number of departments participating in WorldSkills competitions year on year. There was an increase in students progressing through each stage of the competition with three students securing their place at the National Finals in November in Cardiff, the finalist students are from Culinary Arts, Lab Science and Foundation Skills Catering. In addition to these successes, staff have CPD opportunities through WorldSkills with over 120 teaching staff taking part in WorldSkills training over the last 16 months. Several managers have also attended 'Network for Innovation' events including Health, Sciences and Engineering provided by WorldSkills with WorldSkills now recognising The Manchester College as a 'WorldSkills Centre of Excellence'.

The Manchester College has been awarded the prestigious Princess Royal Training Award, recognising the positive impact that its 'Leadership of Learning' internal staff training programme has had in developing the next generation of leaders in the further education sector. This award honours organisations that demonstrate outstanding commitment to learning and development and highlight the tangible impact of exceptional training on both businesses and individuals.

We continue to invest in our people and recognise their hard work and dedication; this was confirmed in the Greater Manchester Skills Awards with one of our catering staff being highly commended in the Unsung Hero category. While the Visual Arts team were finalists for the partnership project of the year, they were also shortlisted for the Educate North awards in April 2025, further validating our creative excellence.

The College has maintained a strong focus on practical skills development. Our focus on ensuring that students are able to gain industry sector experience ensures that they gain the knowledge, skills and behaviours they need for a successful future career, this year saw us provide placement opportunities for over 3,500 students. This is a result of our collaboration with a diverse range of over 2,000 stakeholders including local, regional, and national employers, community settings, civic institutions and education providers. Whilst many students have progressed to higher studies and universities some have gained successful employment with their placement provider. An example being our T Level Science student securing permanent employment as a Scientific Assistant at Cancer Research UK's Manchester Institute – the first ever from a further education college.

Alongside the industry placements that our students completed, a large percentage of our students had the opportunity to participate in industry standard, professional projects and respond to real-life briefs. For example:

- The Manchester College's talented Visual Arts students showcased their creativity as part of Music for the Senses, a brand-new art trail taking over Manchester during the summer months.
- Performing Arts students participated in a documentary that was broadcast as part of the current series Waterloo Road on BBC.
- 165 Uniformed Services and Criminology students were inspired to sell poppies and raise over £17,500 for this year's Poppy Appeal.

Hosted by two students, a level 1 business student from Harpurhey and a UCEN final year acting degree student, parents, carers, students and staff from across the College came together to celebrate our students' achievements at the National Football Museum for the College's annual Student Awards.

UCEN

There was equal success across UCEN Manchester, with significant progress made on several key benchmarks, both at an organisational level and across our different Schools.

UCEN Manchester demonstrated significant progress in the National Student Survey (NSS), with students reporting high satisfaction levels regarding their experience in 2024/25. Notable improvements were observed across all seven themes compared to previous years. Of particular note, the institution achieved a 93% satisfaction rate in Teaching and Learning—the highest among higher education providers in Greater Manchester—and a 91% satisfaction rate for Academic Support. These outcomes surpass those of many peer institutions and reflect the commitment and diligence of UCEN Manchester staff.

The NSS results followed UCEN Manchester retaining its TEF Silver status in 2023/24. Under the new framework the award recognised that our "student experience and student outcomes are typically very high quality". UCEN Manchester's overall outcome was made up of two 'Aspect ratings':

- Student Experience for which UCEN Manchester received Silver
- Student Outcomes for which UCEN Manchester received Bronze.

Where providers have two different 'Aspect ratings' the OfS look at a range of factors to determine whether the institute receives an overall rating of Silver or Bronze. In reaching its overall judgement the TEF panel found that UCEN Manchester had nine "very high quality features" leading to us being awarded Silver overall.

A significant milestone in UCEN Manchester's evolution was the granting of Degree Awarding Powers (DAPs) in June 2025. This achievement was the culmination of a rigorous two-year application process but actually reflects significant work over a number of years to establish UCEN Manchester as a provider of sufficient quality to be successful in making the application. The conferring on any provider of the ability to award their own degrees reflects the recognition from the regulator, the Office for Students, that the institution upholds and will continue to uphold, appropriate academic standards, effective leadership and governance, as well having excellent facilities and resources. Furthermore, it acknowledges the employment of staff who are highly qualified and experienced in both scholarly activity and industry practice. UCEN Manchester will now develop and validate its inaugural suite of degree programmes throughout 2025/26 with its first cohort commencing in September 2026.

Our higher education students had another extremely successful year in terms of their outcomes and achievements, with 90% of them successfully completing their course and three-quarters securing a high grade (e.g. 1st class or Upper 2nd class degree). 97% of students in the Arden School of Theatre and 96% in Manchester Film School achieved their qualification, and there were significant improvements in Level 4 provision, giving those students a strong foundation to go on and be successful throughout the course. Our Access to HE Diplomas also performed extremely well, with an achievement rate of 91% establishing UCEN Manchester as one of the largest and most successful providers of this type of provision in the UK.

Across UCEN Manchester during 2024/25 students were once again provided with a wide range of opportunities to participate in professional-standard, real-life briefs. Several real-world opportunities were provided for students across a range of courses seeing them receive live industry briefs from high-profile organisations, allowing them to understand the demands of work in the industry including tight timelines, client feedback and managing expectations. For example, our BA (Hons) Photography and Social Practice students exhibited their work at Liverpool's renowned Open Eye Gallery as part of 'Unfolding' - a public showcase exploring place, identity, and lived experience through photography. The exhibition featured powerful and original work from students, attracting visitors from across the North West and beyond. The year ended with the development of a partnership with NextGen RISE, which will give students on our BA (Hons) 3D Game Art & Visual Effects degree and The Animation Industry HND courses access to an exclusive bootcamp. Working with NextGen RISE will allow UCEN Manchester to immerse its students in the vibrant world of animation, visual effects, and games development. As part of a team, students will gain hands-on experience, mirroring the dynamics of a professional studio environment.

The Careers and Welfare team, the Employability team, Schools Liaison and the Transition team at The Manchester College and UCEN Manchester all successfully maintained the standards and quality required for the Matrix Quality Standard. The Matrix Standard is the international quality standard for organisations that deliver information, advice and/or guidance (IAG), being recognised by the Department for Education (DfE) to ensure the quality of the delivery of high-quality information, advice and guidance.

Total People

In early 2021/22, Total People secured its place on the Register of Apprenticeship Training Providers (RoATP), and gained accreditation for Secured ISO27001 and ISO9001, Matrix Information Advice and Guidance Standard in August 2023.

A Full Ofsted inspection took place early in September 2024 where Total People received a grade "GOOD" across all the provision types. Apprenticeships, 16-19 Study programme, High Needs and Adults.

Total People's learner and employer satisfaction remains high at 91% for apprentices, 87% for 16-19 Study Programmes, 95% for Adults and 84% for employers. ESFA learner and employer satisfaction is also rated as "Good".

MOL also holds the highest accreditation with CIPD, is a trusted partner and are one of only four CIPD providers who are classed as a CIPD Organisational Development Partner (ODP).

Trade union facility time

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

Numbers of employees who were relevant union officials during the relevant period	40
FTE employee number	6.3

Total cost of facility time	£297,228.09
Total pay bill	£99,421,834.98
Percentage of total bill spent on facility time (total cost of facility time ÷ total pay bill) x 100	0.3%

Percentage of time	Number of employees
0%	3
1-50%	32
51-99%	2
100%	3

Payment performance

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires Colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. The target set by the Treasury for payment to suppliers within 30 days is 95 per cent.

During 2024/25, LTE Group paid 70% of invoices within 30 days (2023/24: 50% of invoices paid within 30 days). The Group incurred interest charges of £434.51 in respect of late payment for this period. The interest charge relates to overdue payment of one supplier's invoices between 2021-2023, this was before the introduction of several system and process improvements.

The payment of invoices within 30 days has increased from 50% to 70% across all invoices within the financial year 2024/25. It is important to note that a significant proportion of the improvement to payment days has taken place within the second half of the financial year, following the implementation of system and process improvements aimed at reducing processing and payment times. For the 6-month period February-July 2025, 88% of invoices were paid within 30 days, and for the final 3 months of the year this increases further to 90%. In addition, 97% of invoices in the final 6-months of the year were paid within 45 days.

For the financial year 2025/26 we will be building on improvements already implemented working towards the target of 95% invoices paid within 30 days.

Principal Risks and Uncertainties

Overall Risk Management

The governing body has overall responsibility for risk management and its approach to managing risks and internal controls is explained in the Statement on Corporate Governance.

During the year, the Group has continued to develop and embed the system of internal control, and mature further its approach to risk management, embedding ISO 31000 principles by focusing on control effectiveness, ownership and improved communication. The Group has developed further its Risk Appetite framework aligned to HM Treasury's Orange Book. This framework provides a structured and consistent basis for decision-making across the Group, ensuring that risk-taking is aligned with strategic objectives and regulatory expectations, ensuring that the Group's assets and reputation are protected.

Risk Management Process

Based on the strategic plan, the Risk Management Group undertakes a comprehensive review of the risks to which the Group is exposed. This includes a review of key risks and horizon scanning exercises with the Executive Team to ensure that risks are identified, assessed, evaluated and treated in a systematic and cost-effective manner and that emerging external threats are considered. Internal controls are considered, evaluated, and where necessary new controls implemented, the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions.

The horizon scan focuses on potential changes to the legal and regulatory framework, government policy and funding in relation to Education & Skills, political and social unrest and the geo-political climate and its impact on our learners and their learning environments and macro-economic challenges. The horizon scans identify emerging risks that need to be monitored and considers specific preventable actions which should mitigate any potential impact to the Group.

Risk Registers and Monitoring

Risk Registers are fully embedded in every business unit and at Group level within LTE. The Registers are continuously updated via our software platform, Protecht, and formally reviewed and approved by the Executive Team on a quarterly basis and then subsequently by the Audit and Risk Committee and Group Board.

The Risk Register identifies the key risks, the likelihood of those risks materialising, their potential impact on the Group and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

Policy and Training

This is supported by a risk management training programme to raise awareness of risk throughout the Group.

The Group approach to risk management is defined and articulated within the Risk Management Policy Statement and Risk Management Arrangements. These documents are reviewed by Audit and Risk Committee and LTE Group Board on an annual basis.

Outlined below is a description of the principal risk factors that may affect the Group. Not all the factors are within the Group's control. Other factors besides those listed below may also adversely affect the Group.

Strategic, Operational & Financial Risks

Strategic Risks

Risk / Uncertainty: Macro-Economic Environment.

Macro-economic pressures, including inflationary pressure, particularly in respect of pay pressure, with increased union activity and industrial action to demand better pay rises for FE not least given pay disparity with Teachers in pre-16 education, supply chain disruption and debt servicing costs. Not all income streams are indexed linked, whilst FE funding is complex and distributed via mechanisms covering 16-19, Adult and Community Education, ESOL, apprenticeships, skills, BTEC and T-Level.

Mitigation

- Indexed linked contracts in some cases, particularly in Novus and funding rate increase for 16–19-year-olds, with cost-of-living increases in respect of Adult Education (mainly devolved funding).
- Past performance demonstrates the Group's ability to effectively manage financial performance and cashflow.
- Income and cost contingencies are built into the financial plan to mitigate and aid management of any unanticipated in year financial impacts. We have included sensible and prudent levels of contingency, and these levels have been maintained above pre pandemic levels reflecting the more challenging political and macro-economic environment.

Risk / Uncertainty: Actual Reduction in Government Funding or Reduction in Real Terms.

Cuts in government funding or real terms reduction in funding, DfE, MoJ, OfS, making it very difficult to manage the implementation of medium-term strategies. Devolution of post-16 skills policy and funding resulting in significant disparities in the devolved funding rate(s) for the provision of Adult Education, along with the lack of guaranteed inflation-based annual funding uplifts. Apprenticeship funding is problematic, with no overall increase in funding levels since 2015, resulting in a substantial reduction in real terms, with several standards, economically unviable to deliver. The trading environment for apprenticeship providers remains challenging, with only a limited number of standards having been reviewed to date and having benefitted from a funding uplift

Mitigation

The Group already has a diversified approach to income and is continuing to reduce its reliance on continued government funding through one single stream. We receive significant funding from a range of government departments, agencies and public bodies including the DfE, MoJ, OfS, GMCA, as well as earning significant multi-year commercial contract income, full cost fee income and adult loans thus diversifying and spreading risk.

Total People are refocusing its provision on commercially viable apprenticeship standards aligned to priority skills sectors, given employer disengagement, the lack of funding increases to keep pace with inflation, and the complexity and commercial implications of the funding rules.

Risk / Uncertainty: Future Capacity.

A significant lack of capacity in the city of Manchester and a significant risk around capacity for students within Greater Manchester given the growth and projected number of 16-19 learners. There are layers of challenge in terms of curriculum offer and balance and mix of provision to best respond to need.

The traditional lagged funding model for growing learner numbers creates additional financial pressure.

Mitigation

Planned mitigation is already underway including working with stakeholders to develop a more strategic approach to place planning in Manchester.

The capacity challenges have been part mitigated by

- Summer 2024 works to create additional places,
- A change in the estate's strategy, through the sale and leaseback of Nicholls for a period up until 31st July 2030,
- Additional capacity funding from GMCA of £5.042m to create 16-18 student capacity in priority curriculum areas for 2026/27

However, the huge population growth in young people continues to accelerate to 2030. This rate of growth and the demand for technical and professional skills that flows from it, is so significant, that this need can now only be met by further Government intervention with capital to fuel new places.

In-year funding is provided for additional volumes in 2024/25. Business case submitted for additional volumes in 2025/26 and the impact of lagged funding for the new places created for 2026/27 discussed as part of the DfE annual strategic conversation.

Risk / Uncertainty: Education Sector Reform.

Education sector reform arising from the FE White Paper, which may include organisational structure change, and could limit autonomy to set strategy and curriculum, HE Policy Reform consultation including Civic universities and the repositioning of higher technical qualifications, the Prison Strategy White Paper for education including HMPPS structures and ways of working focused on employment outcomes, employer engagement and digital developments.

Mitigation

The Group has already conducted a significant review and analysis of the implications, short, medium and long term of the white papers and proposed reform within the context of the economic and political environment.

Regular dialogue with funding bodies and active participation in national consultations.

Risk / Uncertainty: Skills Devolution.

Although there is a broad agreement across the political divide on the need to build a high-wage, high-skill economy to drive up productivity and enable economic growth, the move to devolve skills policy from Westminster to the regions has created multiple overlapping layers of accountability and governance for providers to negotiate.

Additionally, significant differences have already emerged between the adult education budget (AEB) funding rates on offer in different parts of England where responsibility for allocating the AEB to providers to develop the skills that local employers needed has been devolved.

In September 2025 it was confirmed that responsibility for apprenticeships, adult further education, skills, training and careers, and Skills England, will move from the Department for Education to the Department for Work and Pensions.

Mitigation

The Group has already undertaken a significant review and analysis of the implication of skills devolution within the context of the economic and political environment, utilising LTE Group's Centre for Policy and Research. First LTE Group white paper on skills and devolution published in November 2023.

Active collaboration with both the Labour government in Westminster and the Labour-led administration at the Greater Manchester Combined Authority.

The Manchester College Principal is member of the GMCA adult panel which will shape forward priorities. The Manchester College makes a strong contribution to skills which provides reassurance on effective use of funds to meet LSIP priorities.

GMCA has protected the Adult Skills Fund allocations to The Manchester College for 2025/26 but without indexation.

Proactive Stakeholder Engagement with key contacts at the Department for Work and Pensions (DWP), ensuring early awareness of policy changes and clear communication channels for queries and feedback.

Close monitoring of any policy, funding, or operational changes introduced by DWP, conducting rapid internal impact assessments and scenario planning to inform agile responses.

Operational Risks

Risk / Uncertainty: Income Assurance

Income assurance underpinning EBITDA generation.

Mitigation

As can be seen from the above we are very focussed on assuring the overall level of Group income. In addition, we hold a contingency at group level for unforeseen circumstances.

Risk / Uncertainty: Business Development

New business & retention of key contracts, and our ability to deliver on contract wins for example within the offender learning sector. Lack of evidence of social value / impact may lead to lower bid conversion rate with subsequent drop in Income.

Mitigation

We are diversifying via tender bids to protect our overall income levels. Recent contract successes include the retention of YES, the retention of HMP Berwyn, and contracts wins for the provision of education to HMPPS Parc, the subcontracted delivery of education at HMP Lowdham Grange and the subcontracted delivery of education at HMP Five Wells and HMP Forest Bank. New PES contracts have been awarded for 4 Lots, Cumbria & Lancashire, Greater Manchester, Tyne and Wear and Yorkshire with go-live 1st October 2025. We are awaiting outcomes on the re-procurement on the PES West Midlands Lot, with the bid submitted in October 2025, the existing contract has been extended to 31st August 2026.

We have developed a standardised framework for measuring social value, gathering robust data on learner progression, employment outcomes, and community benefits to capture and report social outcomes across all key contracts.

Risk / Uncertainty: Tuition Fee Policy

Higher Education tuition fees are competitive locally and reviewed annually. For 2025/26 entrants all years' tuition fees range from £8,245 to £9,535, with the higher rate for the resource intensive subjects. The Teaching Excellence Framework rating supports the College position versus competition favourably. As more fees are payable by loan it is uncertain the impact this will have on learner numbers.

Mitigation

By ensuring the College is rigorous in delivering high quality technical education, thus ensuring value for money for students and strong outcomes and student destinations into jobs aligned to the skills needs of Manchester and Greater Manchester.

Close monitoring of the demand for courses as prices change and careful management of any fee increases.

A strong progression offer at level 4 and 5 in UCEN.

Risk / Uncertainty: Colleague Pay & Affordability

Pay remains a structural issue, with pay across the FE Sector low relative to School. Wages have not kept pace with inflation putting pressure on cost of living, with real incomes squeezed. Despite significant consolidated increases in 2023/24 and 2024/25 this risk remains. The latest pay claims greatly exceed affordability of the sector and increases in funding rates. The pay claim for 2025/26 is 10% or £3k, whichever is greater, and FE / Teachers Pay parity within 3 years, with a minimum £30k starting salary.

Mitigation

Investing in our People through pay and flexible benefits, ensuring we have a reputation as employer of choice, in each of the markets we serve. Terms and conditions have been revised to help compete with pay scales in industry, schools and other colleges.

Maintaining effective union relationships through proactively engaging in regular transparent dialogue with union representatives to foster trust and collaboration.

Risk / Uncertainty: Impact of Political and Social Unrest in the UK

The current level of conflict creating political and social unrest both globally and within the UK resulting in increasing societal tension poses a potential increased risk to both our colleagues and our students. This includes exposure to protests, local community tensions, campus disputes over free speech, knife crime and gang violence, and prison overcrowding, including early release programmes affecting prison education delivery.

Mitigation

Safeguarding controls & policies complied with and embedded within the organisation. Strong partnership with local law enforcement and community organisation to enhance intelligence sharing and support the early identification of emerging risks.

Clear communication channels for colleagues and learners to report concerns and promoting a culture of open dialogue and mutual respect, to help defuse tensions before they escalate.

Training and tutorial programme to support management of this risk including business continuity planning and simulation exercises to ensure readiness for a range of potential incidents.

Enhanced campus security measures, including controlled access points and increased surveillance in sensitive areas, to provide further protection for both colleagues and students.

Risk / Uncertainty: MOL Transnational Strategy

The expansion of MOL into transnational markets, particularly in the Middle East, introduces a range of risks which may include increased exposure to geopolitical instability, and navigating unfamiliar legal and regulatory frameworks. Additionally, there may be difficulties in finding suitably qualified tutors, managing cross-cultural differences, and arranging comprehensive insurance that covers all operational activities in the region.

Mitigation

Comprehensive Due Diligence, conducted through research into local legal, tax, and regulatory environments prior to market entry, including consultation with in-country experts and legal advisors. Development of recruitment strategies tailored to the Middle Eastern market, including partnership with reputable local agencies and clear vetting procedures to ensure compliance with employment standards.

Risk / Uncertainty: PCI / DSS

New PCI DSS mandatory requirements came into force in March 2025 which will be followed by further requirements in March 2026. As LTE Group is processing payment card data, we are obliged to comply with the Payment Card Industry Data Security Standard.

Mitigation

To mitigate the risks associated with PCI DSS compliance, LTE Group signed up to the PCI Security Standards Council and implemented a comprehensive programme that includes colleague training on data security protocols and robust access controls to limit exposure of sensitive cardholder information. Continuous monitoring and prompt remediation of identified gaps will help maintain compliance as requirements evolve.

Risk / Uncertainty: Vexatious Complaints

The volume and the average cost of employment-related claims is rising, along with the length of time it takes to resolve as complexity increases, with an increasing number of spurious and vexatious claims.

Mitigation

Proactive risk management through the training and development of colleagues, strong internal controls and robust policies and processes that are adhered to. To mitigate this risk further, LTE has taken out EPL insurance cover.

Finance Risks

Risk / Uncertainty: Financial Sustainability

Financial Sustainability - Failure to maintain the financial viability of the FE Corporation.

Mitigation

LTE Executive and Board have focussed heavily on cash management, creating contingencies in operating and capital expenditure, and doing the right things early, for example restructure where necessary to create sustainability.

The Group's current financial health grade is classified as "Outstanding" as described above. This is largely the consequence of a consistently strong operating performance, management of cash and delivery on strategic objectives for over a decade. Notwithstanding that, ongoing vigilance is needed to guard against macro-economic pressures, government funding reductions, policy changes, or changes prompted by future Comprehensive Spending Reviews.

This risk is mitigated by rigorous budget setting procedures and sensitivity analysis, including real and active financial contingencies in budgets, regular in year budget monitoring, robust financial controls, exploring ongoing procurement efficiencies, tendering for new contracts with a focus, where possible, on long term multi-year contracts.

The Estates Strategy to rationalise the estate is generating operating efficiencies that underpin medium to long term sustainability.

The Group has been successful in receiving Grant Funding from GMCA of £5.042m to create 16-18 student capacity in priority curriculum areas for 2026/27 and £3.159m of FE condition funding.

The Group currently has total debt of £51.3m including amounts owing to the DFE of £41.5m (after the refinancing of the Santander Term Loan, completed on the 5th September 2025) and amounts owing to MCC of £7.3m, with the remainder relating to finance leases. EBITDA generation is at the appropriate level to service this debt.

The Group has a strong relationship with our external funders, including the DFE and MCC.

Risk / Uncertainty: Pension Liabilities

Pension Liabilities - Maintaining adequate funding to service future pension liabilities.

Mitigation

Teachers' Pension scheme the DfE published the last (2022) teacher pension valuation on Friday 3 November 2023. There was a 5-percentage point increase in employer contribution rates from 23.68% to 28.68%. This is applicable from April 2024 for three years. The DFE have confirmed that they will cover the costs for schools and colleges by way of a grant for employers centrally funded by DfE for financial year 2025 to 2026. Funding for future years will be determined at the next spending review.

The Group will continue to consider its strategic options given the potential increases in both TPS and Local Government Pension Scheme (LGPS) schemes.

In line with the requirements of FRS 102, the Group's share of the Local Government Pension Scheme (LGPS) is reported on the Group's balance sheet.

In 2024/25, the Group reported a liability of £nil (2023/24; £nil). Throughout 2024/25, the Group maintained the required employer contribution set out by GMPF of 18.1% (2023/24 18.1%). This rate will next be reviewed as part of the next actuarial review 31st March 2025, with the outcome confirmed 31st January 2026.

The most recent actuarial valuation (the "funding valuation") carried out under Regulation 62 of the Local Government Pension Scheme Regulations 2013 was as of 31 March 2022. This valuation revealed that GMPF's assets, at 31 March 2022 were valued at £29,324 million (31 March 2019: £23,844 million), were sufficient to meet 104% of the liabilities (31 March 2019: 102%).

Technology Risks

Risk / Uncertainty: Core Infrastructure

Core Infrastructure - If we don't maintain efficient, robust and effective business systems (e.g. core infrastructure, servers, as well as HR, Finance and Payroll systems), this could limit our ability to adapt to changes in the business environment and hinder the achievement of our strategy.

Mitigation

The launch of our new integrated Group Professional Services Business Unit in 2023/24 has enabled the creation of new functional strategies in support of the wider business units and over time the wider transformation of Group Professional Services itself. As we evolve our services, systems and processes the emphasis is on self-service and more digital transformation.

Continued investment in core systems (and their upgrade / replacement) such as the finance system, the HR system, existing systems to support learner enrolments and our on-line training system. A project group has been set up to collate the Group's requirements for each area of operation HR, Payroll and Finance with consideration also to be given to the integration capabilities of existing solutions especially Tribal EBS, PICS, Dynamics 365 CRM and the Microsoft Azure Fabric reporting infrastructure, and to evaluate the functional benefits and affordability against for SaaS solutions.

The Group currently operate a highly resilient data centre model, utilising a hybrid cloud solution from Hewlett Packard Enterprise.

The Group maintains ISO 27001 accreditation and has its security controls, processes and technology independently audited to ensure that it remains effective or to assess where it requires additional investment.

A significant device refresh strategy has been completed and the implementation of Microsoft Fabric to simplify data management and analytics is at an advanced stage.

Risk / Uncertainty: Cyber Security

LTE is at risk of the loss of critical systems due to a cyber-attack or other major infrastructure failure which would adversely affect the ability of the Group to perform its duties resulting in financial loss, disruption and damage to reputation. This risk could materialise in a variety of ways including deliberate and unauthorised breaches of security to gain access to information systems. The cyber security risk is growing across the sector. Should colleagues fail to comply with requirements and complete all mandatory training, we run a greater risk of a cyber security breach.

Mitigation

There is a continual focus on cyber security and a dedicated Information Security Manager overseeing our security posture. Multi-Factor Authentication is enforced across all systems to reduce unauthorized access. Layered cybersecurity architecture is in place including firewalls, endpoint protection, intrusion detection systems. Cybersecurity frameworks have been adopted, and the Group maintains relevant certifications including:

- ISO 27001
- ISO 22301
- Cyber Essentials +

As added measures, the Group also undertakes annual IT Health Checks & penetration tests using the CHECK standard and has implemented the Arctic Wolf Security Incident and Event Management solution as well as Cloudflare Protection Services to further detect and respond to threats, in real time. Incident response simulations are conducted to test readiness and improve response

All these measures ensure the group is following best practice across all areas of digital and information security. This is then re-enforced for colleagues through annual training covering both new/emerging risks and threats as well as refresher training on existing risks and threats.

Risk / Uncertainty: Artificial Intelligence

Without a clear strategy toward the investment, development or application of Artificial Intelligence, LTE Group can become inefficient and / or expose the Group to significant risk around inappropriate use of AI including bias, safety, the use of personal data, privacy violations and the use of deepfakes. This risk is, exacerbated as AI regulatory policy is in its evolutionary phase.

There is a further risk that the Group will be unable to progress with digitisation, automation, and AI initiatives as current DfE capital funding is focused on estates-related improvements and excludes IT/Digital investment for colleagues and learners. This could lead to missed opportunities to modernise learning delivery, reduced operational efficiency, and an increased pressure on internal budgets to fund digital transformation initiatives.

Mitigation

LTE group has responded to the growing risk in the implementation and use of AI from both a business, colleague and student perspective by implementing an AI steering group, which is led by an Executive team member.

The steering group comprises of representatives from across all parts of the organisation and has developed an AI strategic framework. The steering group has implemented a governance structure including subgroups, comprising subject matter experts, with a focus on strategy, implementation and governance & security. A full review of all aspects of the business, identifying risks, opportunities, strengths, and threats in relation to the implementation of an AI strategy has been conducted

Now the strategic framework has been agreed the Steering group will focus on the development and implementation of the strategy along with monitoring the risks and the short, medium and long-term effects associated with the adoption and implementation of AI across the business.

LTE Group will need to identify and secure alternative solutions to address the gap in DfE grant funding.

Health and Safety

The Group has achieved a marked reduction in serious reportable incidents (RIDDORs), with cases falling from nine in 2022/23, to four in 2023/24 to just one in 2024/25, which involved a colleague.

Policy and Arrangements

Stakeholders understand roles and responsibilities. Policies, procedures and guidance are appropriate to Group activities and available to stakeholders. Failure to deliver may result in non-compliance with regulatory requirements. An effective Safety, Health and Environment (SHE) policy provides direction and defines/communicates roles, responsibilities and authorities for identifying hazards, managing risks, preventing incidents and improving work processes. LTE Group will continually develop its organisational arrangements to ensure: a sensible and proportionate approach to SHE management is evident; foreseeable risks are controlled; colleagues, learners, partners and visitors understand roles and responsibilities.

Additional Controls:

- ISO 45001 Accreditation – certification achieved in August 2021.
- ISO 45001 Surveillance Audits – 6 monthly to maintain certification.
- Internal Audit reviews.

Communication and Engagement

The Safety, Health and Risk Team have outlined a Safety Communication matrix as part of the Arrangements for SHE. This document underpins the Health and Safety Policy and is reviewed annually by the Group Board.

LTE Group encourages participation of colleagues, learners, partners and visitors. Positive behaviours are recognised and encouraged. The LTE Group encourage participation in SHE matters by:

- Raising stakeholder awareness of SHE performance and requirements.
- Embedding an understanding of hazard and risk.
- Encouraging stakeholder participation in SHE initiatives.
- Communicating SHE performance and requirements to stakeholders.

Additional controls:

- Regular Safety Committee meetings.
- Inclusion of SHE on operational review agendas.
- Monitor progress against KPIs.
- Improved staff recognition.
- Greater emphasis on near miss and potential concern reporting

Emergency Preparedness and Response

The Group has determined the need to prepare for, and respond to, potential emergency situations by:

- Planning actions to prevent or mitigate adverse impact from emergency situations.
- Establishing a planned response to emergency situations including provision of first aid.
- Providing training for the planned response to employees, relevant interested parties including employees under our control.
- Periodically testing and exercising the planned response capability.
- Evaluating performance and, as necessary, revising the planned response, including after testing and after the occurrence of emergency situations.
- Communicating and providing relevant information to all employees on their duties and responsibilities.
- Communicating relevant information to contractors, visitors, emergency response services, government authorities and, as appropriate, the local community.
- Considering the needs and capabilities of all relevant interested parties and ensuring their involvement, as appropriate, in development of the planned responses.

Going concern

Accounting standards require that the foreseeable future covers a period of at least 12 months from the date of approval of the financial statements.

The financial statements have been prepared on a going concern basis, which the Board of Governors considers to be appropriate for the following reasons.

Past performance demonstrates the Group's ability to effectively manage financial performance and cashflow.

The Board believes that the Group and Corporation will be able to continue in operation and meet their liabilities taking account of the current position and principal risks.

The strategy for 2024-2028, approved by the Group Board in July 2023 has established a set of new key strategic themes informed by both regional and national policy.

LTE Group is now at an advanced stage in developing its strategy to 2030 (Destination 2030). This is not a refresh of the existing strategy, but a reset given several of the previously moving external parts are now known, post general election, including the outcome of the comprehensive spending review, more detail around skills and devolution policies with plans for the justice sector including prisons and probation. The outcome of the PES tender is in the main known (1 lot subject to re-procurement), albeit we await the outcome of one or two significant components including HE reform and the sustainability of the Adult Funding model.

The capacity challenges in TMC have been partially resolved for through the sale and leaseback of our Nicholls campus and the opening of City Centre Campus Phase 2 in September 2025. Further mitigation is planned, and additional grant funding has been secured to enable additional works at our Openshaw and Wythenshawe campuses in 2025/26 to create over 300 additional spaces for 2026/27. The apprenticeship market remains challenging; however, the opportunity pipeline for work-based learning is strong.

Strategically we can see opportunities and impact for all our organisation with demand accelerating for skills and talent and growing employer, learner, economic and societal need.

Detailed operational planning underpins the financial budgeting process each year, ensuring that the financial income targets and associated costs are derived from robust curriculum and operational plans.

Income and cost contingencies are built into the financial plan to mitigate and aid management of any unanticipated in year financial impacts. The Budget for 2025/26 and the Plan for 2026/27 provide for a level of central contingency. In addition, the forward plan contains a level of capital contingency given our plans to automate and digitise Group Professional Services and the need to maintain our Estate.

A key part of the scenario testing work that went to the Board was a forward cash view supported by a detailed, integrated forward cash flow forecast.

These cash flow forecasts have been tested with sensitivities, including several reasonably possible downside scenarios, which includes no further contract wins or renewals, they are regularly updated and reviewed by both the Executive team and Board of Governors.

Key risks such as challenges to commercial income and / or loss of significant contracts including no future contract wins, reductions in real term funding in particular relative to pay pressure and pay claims, learner volume growth not being delivered, the impact of lagged funding, the macro-economic situation including inflation, the cost of debt funding, along with reasonable mitigating actions, have been factored into the sensitivities which have been performed on the forward cash flow forecast.

The Group's recent cash performance has been strong, whilst loan borrowing has been lower than plan.

All estate disposals have now been completed, including the sale of Shena and the sale and short-term leaseback of Nichols with disposal proceeds exceeding business case.

The Group refinanced the Santander Term Loan (maturity date 26 February 2026), with the DFE on 5th September 2025, this followed previous discussions with the DfE, to enable the LTE Group and the public purse to benefit from the public work lending board rate versus commercial interest rates.

The Board of Governors is confident that the Group and College will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Equality, Diversity and Inclusivity

The LTE Group is committed to providing an environment where everyone is valued as an individual, and where learners and staff can work, learn, flourish and develop their skills and knowledge in an atmosphere of dignity and respect. One of the elements we encourage learners across the Group to focus on is progress. It is a key ingredient to their success, so it's important for our organisation to take positive steps forward too. It is heartening to see us build on the momentum of previous years by making progress with regards to equality, diversity and inclusivity in our Group.

Promoting equality is more than a statement of how we as a Group will meet statutory requirements, it is an essential part of how we operate and fundamental to the values and mission of our Group. They are a shared commitment across LTE Group, Novus, Novus Cambria, Novus Gower, Novus Transforming lives, The Manchester College, UCEN Manchester, MOL and Total People.

We intend to promote equality and prevent discrimination through our role as:

- An Education Service provider
- An employer
- Community and/or business partner

The scope of the Strategy covers the nine 'protected characteristics' defined in law:

- Age
- Disability
- Gender Re-assignment
- Marriage and Civil Partnership
- Pregnancy and Maternity
- Race
- Religion and Belief
- Sex
- Sexual Orientation

The overall purpose is to ensure that for each of the 9 protected characteristics listed the LTE Group will:

- Eliminate discrimination, harassment and victimisation.
- Promote equality of opportunity.
- Foster good relations between people from different groups.
- Celebrate what we have in common and capitalise on our diversity and recognise and take account of people's differences.
- Promote student and staff inclusivity through promoting the understanding of sex and gender, challenging stereotypes and prejudices.

In addition to the protected characteristics, we also consider wider socio-economic indicators when considering equality, diversity and inclusivity. It is also our job to continue to be ambitious in our goals for equality, diversity and inclusivity both for every student we teach and for every member of staff we employ. Through this we hope to characterise our vision to embrace our wider differences, respond to the changing political and legal landscape and ensure that we are furthering inclusivity in our policies and practice. We publish our Equality and Diversity updates annually online to ensure compliance with all relevant equality legislation including the Equality Act 2010. The Group also publishes its annual Gender Pay Statement in January, in accordance with legislation.

Amongst the Executive team, there have been significant changes in gender diversity and positive steps taken to increase diversity within the membership of the LTE Group Board and the Co-Optees group.

Disability Confident

The LTE Group is a Disability Confident employer and has undertaken to: ensure our recruitment process is inclusive and accessible.

- communicate and promote vacancies.
- offer an interview to disabled people.
- anticipate and provide reasonable adjustments as required.
- support any existing employee who acquires a disability or long-term health condition, enabling them to stay in work.
- make a difference for disabled people.

The LTE Group seeks to achieve the objectives set out in the Equality Act 2010 (which brings together and restates the previous legislation in this area).

Each Operating Division complies with the Equality Act 2010 and the regulatory guidelines for its sector as appropriate, including funding regulations and MoJ guidelines for HM Prison Service.

Mental Health and Wellbeing

We recognise that we have a responsibility to create an environment that promotes student and staff wellbeing and that proactively supports student and staff mental health. We:

- Ensure that wellbeing and mental health work is led by a senior manager
- Create an open and inclusive College ethos which includes respect and support for those with mental ill health.
- Promote equality of opportunity and challenge mental health stigma through curriculum teaching and promote wellbeing through enrichment activities.
- Provide appropriate mental health training
- Engage the student body on mental health and wellbeing by working with the Students' Union and other student representative bodies.
- Ensure a consistent and positive approach to staff wellbeing with access to a Wellbeing portal that provides information and external agencies that can offer support
- Provide targeted individual mental health support and where appropriate signpost to independent, external support services
- Provide relevant information to parents and carers.
- Further develop our effective links with local health and voluntary sector mental health groups.
- Promote the benefit that physical activity and sport have on mental wellbeing.

Disclosure of information to auditors

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

This Strategic Report was approved by order of the Corporation on 17 December 2025 and signed on its behalf, on 19 December 2025, by:



Philip Johnson

Chair of LTE Group Board

Statement of corporate governance and internal control

The following statement is provided to enable readers of the strategic report and financial statements of LTE Group 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 strategic report and financial statements.

LTE Group endeavours to conduct its business:

- i. in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership);
- ii. in full accordance with the guidance to Colleges from the Association of Colleges in Code of Good Governance for English Colleges ("the Governance Code") and from March 2022 the Charity Governance code;
- iii. including the Senior Post Holder Remuneration Code; and
- iv. having due regard to the UK Corporate Governance Code 2018 ("the Code") insofar as it is applicable to the further education sector

LTE Group is committed to exhibiting best practice in all aspects of Corporate Governance and in particular LTE Group has resolved to adhere to and comply with the Code of Good Governance for English Colleges and, from March 2022, the Charity Governance code. It has not adopted and therefore does not apply the UK Corporate Governance Code. However, the corporate governance arrangements of the Group draw upon best practice available and have due regard to the principles and guidance of the UK Corporate Governance Code, insofar as they apply to the further education and charity sectors.

At its meeting on 29 March 2022, the governing Board considered and confirmed its compliance with the provisions of the Charity Code of Governance (Code), the Board having adopted this in March 2022. The LTE Group 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. This includes compliance with the ongoing conditions of registration stipulated by the OfS. In carrying out its responsibilities, the Board took full account of the Code of Good Governance for English Colleges which was published by the Association of Colleges in March 2015, and which was formally recognised by the Board of Governors in May 2015. From March 2022, the Board took full account of the Charity Governance Code and continued observance of the AoC code on the remuneration of senior postholders.

Governors and co-opted members have undertaken mandatory training in relation to the Board's responsibilities for matters relating to safeguarding for example and training in relation to the Education Inspection Framework. Additionally, members have participated in link visits including meetings with staff and students and prison visits.

In the opinion of the Governors, the Group complies with all the provisions of the Code, and it has complied throughout the year ended 31 July 2025. This opinion is based on an internal review of compliance reported to the Board on 17 December 2025.

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

Corporation performance

The Corporation commissioned Stone King LLP, to conduct an external board review to assess its performance for the year ended 31 July 2023. This was completed in June 2024 and outcomes reported, in October 2024, to Governance Committee and Board to agree recommendations to take forward. The review determined that the governance of the LTE Group is effective and agreed recommendations for enhancing the performance were incorporated into the Governance Improvement Plan for delivery in 2025/26.

LTE Group Board

The composition of the LTE Group Board is set out on page 53. It is the Board's responsibility to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct.

The Group Board is provided with regular and timely information on the overall financial performance of LTE Group together with other information to enable it to discharge its strategic and statutory responsibilities under s.18 of the Further and Higher Education Act 1992. This includes information on performance against funding targets, proposed capital expenditure, estates strategy, quality matters and related matters such as risk, health and safety and environmental issues. The Group Board meets quarterly.

The Group Board conducts its business through a structure of Divisional Boards and cross group Committees. Each Board and Committee has terms of reference, which have been approved by the Group Board. For 2024/25, the Divisional Boards were: The Manchester College, UCEN Manchester, Novus and Group Professional Services. The cross-group Committees were: Audit & Risk, Governance, Remuneration, ED&I, and the Investment and Estates Strategy Group. From time to time the work of the Board may be augmented by Single Task Groups (STG), established under generic terms of reference as required. No STGs were convened during 2024/25.

In order to undertake effective and appropriate governance of the Group, the Group Board augments the membership of Divisional Boards and cross group Committees with a number of co-optees with appropriate professional expertise.

Full minutes of all meetings, except those deemed to be confidential, are available on the LTE Group website www.ltegroup.co.uk or from the Governance & Legal Department at:

LTE Group, Whitworth House, Ashton Old Road, Openshaw Manchester M11 2WH

The Company Secretary maintains a register of the financial and personal interests of Governors and Co-optees. The register is available for inspection at the above address.

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

Formal agendas, papers and reports are supplied to Governors in a timely manner, prior to the LTE Group Board meetings.

The Group Board has a strong and independent non-executive element, and no individual or group dominates its decision-making process. The Group 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 the LTE Group Board and the Chief Executive Officer of the LTE Group are separate.

There were four ordinary meetings of the LTE Group Board in 2024/25, 16 October 2024, 17 December 2024, 25 March 2025, and 17 July 2025.

Appointment to The LTE Group Board

- Any new appointments to the LTE Group Board are a matter for the consideration of the Group Board as a whole. The Governance Committee is responsible for the selection and nomination of any new member for the Group Board's consideration (other than staff and student members). The Group Board is responsible for ensuring that appropriate training is provided as required.
- Members of the LTE Group Board are ordinarily appointed for up to three terms of office not exceeding three years.
- Tim Sargeant and Paula Cole were reappointed to serve a third term of three years from the end of their current term of office.
- Jilly Atherton was appointed as a Governor to serve a first term of three years from March 2025 (she has previously been a co-optee)
- Alison Blackburn appointed as a Governor until the end of her current term July 2027 (she has previously been a co-optee)
- Anika Ephraim, Jilly Atherton and John Thornhill were appointed to the ED&I Committee

Members

Those serving on the LTE Group Board during 2024/25 and up to the date of signature of this report are set out in the table below. This also lists which of the Boards of the subsidiary companies they served on during 2024/25:

Name	First appointed	Current appointment	Term of office	End of membership	Reason	Status of appointment	Committees served	Attendance in 2024/25
Lady Rhona Bradley	20.05.21	20.05.24	3 years			Independent member	LTE Group Board Novus Divisional Board Governance Committee (Chair) Group Safeguarding Governor	18/20
Ms J Burden MBE	08.12.14	08.12.21	3 years	17.12.24	End of term	Independent member	TMC Board,	2/4
Mrs P Cole	16.07.19	20.07.22	3 years			Independent member	LTE Group Board Audit & Risk Committee Novus Divisional Board Novus Gower Board (Chair) Remuneration Committee (Chair)	17/20
Ms. Ellen Letton	22.12.24	22.11.24	1 year	17.07.25	Stood down at end of study	Student member	LTE Group Board UCEN Manchester Board	7/7
Ms A Ephraim	1.01.21	1.01.24	3 years			Independent member	LTE Group Board Novus Divisional Board ED&I Committee	9/10

Name	First appointed	Current appointment	Term of office	End of membership	Reason	Status of appointment	Committees served	Attendance in 2024/25
Mr N Garbett	19.10.21	19.10.21	3 years	18.10.24	End of term	Staff member	LTE Group Board	1/1
Mr P Johnson	08.12.15	08.12.24	3 years			Independent member	LTE Group Board (Chair) Investment & Estates Strategy Committee Remuneration Committee Governance Committee The Manchester College Board UCEN Manchester Board Group Professional Services Board	25/25
Mr. Philip Wheatley CB	20.05.21	20.05.24	3 years			Independent member	LTE Group Board Novus Divisional (Chair) Novus Transforming Lives	12/12
Mr P Lanigan	03.06.14	02.06.21	3 years	16.10.24	Resigned	Independent member	Audit & Risk Committee Total People Ltd Remuneration Committee	1/1
Mrs Ann Limb	01.01.23	01.01.23	3 years			Independent member	LTE Group Board The Manchester College Board (Chair) UCEN Manchester Board	7/13
Mr B J Lynch	14.12.10	12.12.23	3 years	17.12.24	End of term	Independent member	Total People Ltd	4/4
Mr T Sargeant	13.09.19	13.09.23	3 years			Independent member	LTE Group Board Group Professional Services Board (Chair)	8/8
Mr M Sugden	18.07.17	18.07.23	3 years			Independent member	LTE Group Board Audit & Risk Committee (Chair) Remuneration Committee Governance Committee Novus Cambria (Chair) Novus Transforming Lives (Chair) Total People (Chair)	25/25
Mr J Thornhill	01.10.12	01.10.12	Ex officio			CEO	LTE Group Board Investment & Estates Strategy Committee Novus Cambria Total People Ltd Novus Gower Novus Transforming Lives	31/35
Mr Malcolm Todd	01.01.23	01.01.23	3 years	06.12.24	Resigned	Independent member	LTE Group Board UCEN Manchester Board	1/2
Mr A White	25.05.18	25.05.24	3 years			Independent member	LTE Group Board Investment & Estates Strategy Group Committee (Chair)	10/10
Ms A Blackburn	18.07.24	18.07.24	3 years			Independent member	LTE Group Board UCEN Manchester Board (Chair)	6/7
Mr G Bridges	18.07.23	18.07.24	3 years			Independent member	LTE Group Board The Manchester College Board	7/10
Ms J Atherton	16.09.22	25.03.22	3 years			Independent member	LTE Group Board Group Professional Services Board ED& Committee (Chair)	5/5
Ms A McCone	17.12.24	17.12.24	3 years			Staff	LTE Group Board	4/4
Mrs E Allen	17.12.24	17.12.24	3 years			Staff	LTE Group Board	4/4

Members' attendance is calculated on the basis of the actual number of meetings attended out of the potential total number of meetings for each member. The potential total number of meetings differs for each member, based on the number of boards/ committees they sit on. This includes both ordinary and special Group Board meetings and ordinary and special Committees or Divisional Boards as appropriate.

- Lady Rhona Bradley is the appointed safeguarding nominated governor for LTE Group.
- Anika Ephraim is the appointed ED&I Governor for the Group.
- Mrs. Lorna Lloyd-Williams served as Company Secretary & General Counsel (which encompasses the role of Clerk to the Board of Governors) till 24 July 2025.
- Mrs. Helen Ashley-Taylor was appointed on 30 October 2025 as the new Company Secretary & General Counsel.

Co-Optees

To enhance the effectiveness of its governance profile LTE Group Board appoints a number of Co-Optees to Divisional Boards and Committees with specific professional skills and knowledge. These individuals add specific professional skills and knowledge to the membership of that Board/Committee and do not act in the capacity of trustee.

The following appointments were made by LTE Group Board during the year:

Ms Catherine Hill was reappointed as a Non-Executive Director of Total People for two further years from 1 April 2025

- Mr Mark Dewhurst was reappointed to serve a second term of office of three years from the end of his current term of office. He was also appointed to the ED&I Committee
- Mr Malcolm Bruce was reappointed as a Non-Executive Director of Total People for two further years from 1 August 2025.
- Miss Louise Durose's term of office as a Non-Executive Director of Total People was extended by one year from August 2025 to July 2026
- Ms Catherine Hill was reappointed to serve as a co-optee for a third term of three years from April 2025

Name	First appointed	Current appointment	Term of Office	End of Appointment	Board or Committee
Mr Malcolm Bruce	01.08.22	01.08.25	1 year		Total People Ltd
Mr Mark Dewhurst	21.11.22	21.11.25	2 years		Investment & Estates Strategy Group Committee ED& Committee
Miss Louise Durose	31.07.16	31.07.25	1 year		Total People Ltd
Mr Justice Ellis	01.01.21	01.01.24	3 years		The Manchester College Board UCEN Manchester Board (stood down in December 2024)
Mr Mark Fletcher	01.01.21	01.01.24	3 years		The Manchester College
Ms Catherine Hill OBE	02.04.19	02.04.25	3 years		The Manchester College Board Total People Ltd
Ms Cheryl Dunn	18.07.24	01.08.24	3 years		UCEN Board
Mr Clarence Odogwu	18.07.24	01.08.24	3 years		Audit & Risk Committee
Ms Sue Kershaw	26.03.24	26.03.24	3 years		Novus Divisional Board Group Professional Services Audit & Risk Committee
Mr. Mubarak Oyebode	19.10.23	31.07.24	Duration of course (academic)	10.06.252	The Manchester College Board

Governance Structure

As part of its strategic plan LTE Group has operated within a governance framework structured to recognise the delivery of education, skills and services by business unit and to enable a more detailed oversight, scrutiny and accountability of its operation. This is ameliorated by a series of cross group committees with oversight of key areas of accountability which impact the Group as a whole. Divisional Boards have been established to assure detailed governance and oversight of the Group's business units. None of the Divisional Boards have any powers of determination, other than those which may be granted explicitly by the Board for a specific purpose but are instead required to give assurance to the Board on the performance of the unit or recommend a course/course of action for determination by the LTE Group Board. The cross-group committees in operation during the year were: Audit & Risk, Governance, and Remuneration, Investment and Estates Strategy Group, and ED&I committee has also been established to undertake the strategic oversight of equality, diversity and inclusion across the LTE Group.

In furtherance of the social mission of the Group, four subsidiary companies either owned or controlled by the Group exist to deliver education and training under specific contracts or remits, with a fifth subsidiary existing to deliver specialist support services for education contracts. As companies and separate legal entities these operate under their own Articles of Association but the majority of Directors in each instance are appointed by the LTE Group Board.

Remuneration Committee

Throughout the year ended 31 July 2025, LTE Group's Remuneration Committee comprised Mrs P Cole, Mr P Johnson and a member of the Audit & Risk Committee ex officio- Mr M Sugden, and in attendance was the Company Secretary. The Committee's responsibilities are to make recommendations to the Board of Governors on the remuneration and benefits of the CEO and other senior post holders.

The LTE Group Board has adopted the AoC Senior Post Holder Remuneration Code and has considered all matters relating to senior post holder terms and conditions, including pay, in line with this. The AoC Code reflects the regulatory guidance on disclosure of senior post holder pay as required by ESFA and OfS.

Details of remuneration for the year ended 31 July 2025 are set out in note 10 to the financial statements. The Committee met on three occasions during 2024/25.

Audit & Risk Committee

The Audit & Risk Committee comprised Ms P Cole, Mrs S Kershaw, Mr C Odogwu and Mr M Sugden. In attendance were the Company Secretary; representatives of LTE Group's external auditors Forvis Mazars LLP, LTE Group's internal auditors RSM and Group Officers, including the Chief Finance Officer and Deputy CEO.

The Committee operated in accordance with written terms of reference approved by the LTE Group Board. Its purpose is to advise the Group Board on the adequacy and effectiveness of LTE Group's system of internal control and its arrangements for risk management, control and governance processes.

The Audit & Risk Committee meets on a termly basis and provides a forum for reporting by LTE Group's internal funding, regularity and financial statements auditors, who have access to the Committee for independent discussion, without the presence of management. The Committee also receives and considers reports from the ESFA as they affect LTE Group's business.

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

The Audit & Risk Committee advises the LTE Group Board on the appointment of both the internal and the regularity and financial statements auditors and on their remuneration for audit and non-audit work. The Audit & Risk Committee reports annually to the Group Board.

Other duties include:

- i. the scrutiny of the Financial Statements/Report of Members.
- ii. to review LTE Group's Financial Statements.
- iii. to review arrangements for securing value for money, solvency and safeguarding assets.
- iv. to monitor compliance in respect of the statutory duties of the corporation including but not limited to fraud, bribery, money laundering, public interest disclosure, health and safety and data protection.

The Committee met on three occasions in 2024/25. The attendance was as follows:

Name	Meetings Attended
Ms P Cole	2
Mr M Sugden	3
Mrs S Kershaw	2
Mr C Odogwu	3

Investment and Estates Advisory Group

The Investment and Estates Strategy Group was established to have oversight of the investment and estates strategy of the Group. The Investment and Estates Strategy Group comprised Mr P Johnson, Mr J Thornhill, Mr A White, Mrs A Close and Mr M Dewhurst.

The Committee met on four occasions during 2024/25.

Governance Committee

The Committee has oversight of the development and standards of governance in the Group; including the performance of the Board and individual governors; it is required to make recommendations in respect of the skills needs of governors and co-optees required to deliver effective governance and from 2020 also has the remit to consider appointments prior to recommendation to the Board. The membership of the Committee comprised, Mr P Johnson, Mr M Sugden, Mrs R Bradley and Mrs L Lloyd-Williams.

The Committee met on three occasions during the year.

ED&I Committee

The ED&I Committee was established to undertake the strategic oversight of equality, diversity and inclusion across the Group. The committee will steer and promote a broad and holistic strategic approach to ED&I for the next 5 years. ED&I Committee comprised Ms J Atherton, Mr J Thornhill, Ms A Ephraim, Mrs L Lloyd-Williams and Mr M Dewhurst.

The Committee met informally on two occasions during 2024/25.

Divisional Boards

All Divisional Boards are required to undertake the following duties as they relate to the relevant business area:

1. To monitor the performance of the relevant provision of the College against targets set by the Corporation.
2. To develop relevant strategy.
3. In respect of the relevant provision, to have oversight of:
 - i. the quality of teaching and learning (or delivery of professional services).
 - ii. the learner/customer voice
 - iii. the financial performance against budget.
 - iv. health & safety, safeguarding and equality & diversity.
 - v. risk management.
 - vi. HR/IT.
4. To escalate any issues arising from the above to the attention of the Board of Governors.
5. To approve any policies specific to the delivery of relevant provision, as delegated by the Board.
6. In respect of the relevant provision, to consider any business case or investment plan prior to its recommendation to the Board.
7. In undertaking the above the Divisional Board shall undertake appropriate engagement with relevant staff and student bodies.

The Manchester College Divisional Board

Throughout the year ended 31 July 2025 the membership of The Manchester College Divisional Board was made up of Ms J Burden MBE (to December 2024), Mr J Ellis, Ms C Hill OBE, Mr P Johnson, Mr M Fletcher, Cllr Garry Bridges, Dame Ann Limb, Mubarak Oyebode (to June 2025) and Mrs R Curry.

The Board met on four occasions in 2024/25.

UCEN Manchester Divisional Board

Throughout the year ended 31 July 2025 the membership of the UCEN Manchester Divisional Board was made up of Mr J Ellis (to December 2024), Mr P Johnson, Mrs Ann Limb DBE, Mr John Thornhill, Ellen Letton (Student Governor from November 2024), Mr M Todd (to December 2024), Ms C Dunn, Ms A Blackburn and Mrs R Curry.

The Committee met on three occasions in 2024/25.

Novus Divisional Board

Throughout the year ended 31 July 2025 the membership of the Novus Divisional Board was made up of Lady R Bradley, Mrs P Cole, Ms A Ephraim, Mr P Wheatley CB and Mrs S Kershaw.

The Board met on four occasions in 2024/25.

Group Professional Services Board

Throughout the year ended 31 July 2025 the membership of the Group Professional Services Divisional Board was made up of, Mr P Johnson, Mr T Sargeant, Mrs S Kershaw and Ms J Atherton.

The Board met on four occasions in 2024/25.

Wholly Owned or Controlled Subsidiaries

Total People Limited

Throughout the year ended 31 July 2025 the membership of the Board of Total People Limited (a wholly owned company limited by shares) was made up of Mr B Lynch (to December 2024), Ms L Durose, Ms M Nicholson, Mrs A Close, Mr J Thornhill, Mr M Bruce, Mr M Sugden and Ms C Hill OBE.

The Board met on four occasions during 2024/25.

Novus Cambria (A company limited by guarantee)

Throughout the year ended 31 July 2025 the membership of the Board of Novus Cambria (a joint venture company limited by guarantee and linked charity in partnership with Coleg Cambria) was made of Mr M Sugden, Ms M Nicholson, Mr J Thornhill, Mr P Cox, Mr S Jackson, Ms Y Williams, and Mr T Wheeler.

The Board met on four occasions in 2024/25.

Novus Gower Limited

Throughout the year ended 31 July 2025 the membership of the Board of Novus Gower (a joint venture private limited company in partnership with Gower College Swansea) was made of Mrs P Cole, Mr P Cox, Mr M Jones (to July 2025), Ms M Leyshon (to December 2024), Ms A Platt, Mr J Thornhill, Ms K Fountain (from July 2025), Ms K Dusgate (from June 2025) and Mrs N Neale).

The Board met on four occasions in 2024/25.

Novus-Transforming Lives Limited

Throughout the period ended 31 July 2025 the membership of the Board of Novus Transforming Lives (a wholly owned company limited by shares) was made up of Mr P Cox, Mr M Sugden (Chair), Mr J Thornhill and Mr P Wheately.

The Board met on two occasions in 2024/25.

LTE Professional Services Limited

Throughout the year ended 31 July 2025 the membership of the Board of LTE Professional Services Limited (a wholly owned company limited by shares) was made up of Mrs A Close and Mr P Cox.

The Board met on one occasion in 2024/25.

Internal Control

Scope of Responsibility

The LTE Group Board is ultimately responsible for LTE Group'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 Group Board has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer. The CEO is responsible for maintaining a sound system of internal control that supports the achievement of LTE Group's policies, aims and objectives, whilst safeguarding the public funds and assets for which he is personally responsible, in accordance with the responsibilities assigned to him in the Funding agreement between LTE Group and the funding bodies. He is also responsible for reporting to the Group Board any material weaknesses or breakdowns in internal control.

The Purpose of the System of Internal Control

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

LTE Group retains the internal audit services of RSM Risk Assurance Services LLP, who conducts an annual programme of internal audit assurance and reports to the Audit & Risk Committee. In addition, the Finance Department monitors the implementation of the internal auditors' recommendations and reports separately on these to the Audit & Risk Committee.

Capacity to Handle Risk

The LTE Group Board has reviewed the key risks to which LTE Group is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Group Board is of the view that there is a formal ongoing process for identifying, evaluating and managing LTE Group's significant risks. This process has been in place for the year ended 31 July 2025 and up to the date of approval of the strategic report and financial statements. The process is regularly reviewed by the Audit & Risk Committee and the LTE Group Board.

The Risk and Control Framework

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

- comprehensive budgeting systems with an annual budget, which is reviewed and agreed by the LTE Group Board;
- regular reviews by the Group Board of Governors of periodic and annual financial reports which indicate financial performance against forecasts;
- setting targets to measure financial and other performance;
- clearly defined capital investment control guidelines; and
- the adoption of formal project management disciplines, where appropriate.

The Group's Safety Health and Environment (SHE) and Risk Director is responsible for LTE Group's Corporate Risk Register and oversees the development and delivery of an Action Plan to manage identified risks. The Risk Register and Action Plan are reviewed by the Risk Management Group which meets regularly and consists of the senior managers responsible for the identified areas of risk. The work of this group is reviewed by the MD Group Operations and reported regularly to LTE Group's Audit & Risk Committee and LTE Group Board.

LTE Group has an internal audit service, which operates in accordance with the requirements of the ESFA's Post 16 Audit Code of Practice. The work of the internal audit service is informed by the analysis of the risks to which LTE Group 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 Group Board on the recommendation of the Audit & Risk Committee. As a minimum annually, the internal auditor provides the Group Board with a report on internal audit activity in LTE Group. The report includes the internal auditor's independent opinion on the adequacy and effectiveness of LTE Group's system of risk management, controls and governance processes.

Risks Faced by the Corporation

LTE Group considers risk management to be an ongoing process and a key component of decision making and strategic planning. The Group acknowledges that effective risk management is essential for effective governance and realisation of strategic objectives and ambitions.

Ultimately, it is the LTE Group Board who is responsible for determining the nature and extent of the principal risks, it is willing to accept in order to achieve the Group's strategic objectives.

The risk management process is overseen by the Audit & Risk Committee, to gain the necessary assurances on the efficacy of the process, to relay to the Board. The Board, through the Audit Committee, and/or where appropriate through other ad-hoc due diligence groups, evaluates the risks inherent in all major plans and proposals, including the identification of the steps that would be required to mitigate, eliminate and control such risks. This includes evaluation and review of business, strategic, operational, compliance and financial risks. Please see the principal risks and uncertainties section with the strategic report for a list of the principal risk factors that may affect the Group.

Underpinning the risk management processes is the Risk Management Policy, which describes the Group's approach to risk management and defines the roles and responsibilities of the various committees/forums and colleagues involved in the risk management process. In addition to the Risk Management Policy, the Group also has Risk Management Arrangements in place which provides more detailed explanations of risk management activities, including the processes for identifying, assessing and reporting risk information.

Roles and responsibilities relating to risk management processes are detailed separately within the Risk Management Policy and the Risk Management Arrangements. This includes arrangements and timeframes in place for reviewing risk registers across the Group's governance framework.

Control Weaknesses Identified

The external and internal auditors have not identified any significant areas of weakness or significant deficiencies in internal control during the course of their audit work for the year ended 31 July 2025.

Responsibilities Under Funding Agreements

The Members of the Corporation are collectively responsible for observing the duties set out in the grant funding agreements and contracts with the ESFA and any other relevant funding bodies.

A number of these responsibilities, and how the Group has met them, are addressed elsewhere in these financial statements. Namely, the requirement to have an Audit and Risk Committee (page 56), accountability to parliament and the requirement to have appropriate financial and management controls in place (pages 60 and 73), responsibilities relating to the accounts (page 73), and the requirement to produce a statement of regularity, propriety and compliance (page 72).

Regarding the Corporation's other contractual responsibilities, these have been met as follows:

Articles of Government

As required, the Corporation has Articles of Government, which set out the main responsibilities of the Corporation, including the effective and efficient use of resources, its solvency, and the safeguarding of its assets.

Incoming resources and funding validation

The Corporation has approved policies in place for identifying and complying with specific terms attached to incoming funding. During 2024/25, the Corporation completed and returned all necessary funding claims and returns, which were reconciled to the specific eligible costs incurred and/or activities delivered. The Corporation also has processes in place to ensure it is aware of funding rules and the evidence required to demonstrate learner eligibility. These processes include internal auditor controls, internal funding validation routines (including weekly ILR production), error free validated ILR Returns, Provider Data Self-Assessment Toolkit and Funding Rules Monitoring Reviews.

Sub-Contracting

In 2024/25, the Corporation ensured it complied with all subcontracting requirements, including the ESFA subcontracted standard introduced for the subcontracting of ESFA funded post 16 education and training. This is a new framework developed to ensure that there is a clear and consistent approach for the (contract) management of subcontractors by lead providers and that there are robust assurance review arrangements in place. Both the Manchester College and Total People have achieved the subcontracting standard, with both required to next submit an assurance review of the subcontracting standard on 31 July 2026.

Fraud, regularity and reporting

The Corporation has established robust internal controls to prevent and manage fraud, irregularity, theft, bribery, corruption. These are communicated to all colleagues via the Group's financial regulations, anti-bribery and corruption policy, and the counter-fraud policy and fraud response plan. Regular reviews of processes and controls are performed, with new or improved processes and controls introduced, as and when deemed necessary.

Statement from the Audit & Risk Committee

The Audit & Risk Committee has advised the Group Board that the corporation has an effective framework for governance and risk management in place. The Committee believes the corporation has effective internal controls in place.

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

Internal Audit

In Spring 2023, the tender for internal audit services was undertaken and RSM were reappointed internal auditor for LTE Group for a period of two years from 1 August 2023 (with the option to extend for a further two years).

The Committee considered the 2024/25 Internal Audit Strategy and recommended it for approval to the Group Board. As set out in that strategy, during 2024/25, the Group's internal auditor, RSM, has completed several audits and advisory reviews. The Committee receives regular reports from RSM, which provide an independent opinion on the adequacy and effectiveness of the Group's system of internal control and risk management, together with any recommendations for improvement and timescales for implementation.

External Audit

The Committee is responsible for approving the external audit strategy and planning memorandum and for communicating with the external auditor, Forvis Mazars, on the audit approach, reporting timetables and findings. Forvis Mazars presented their Audit Plan and Strategy to the Committee in July 2025, and the Committee considered and discussed the risks identified within this document. At the November 2025 meeting, the Committee reviewed Forvis Mazars' report on the 2024/25 audit.

The Committee have also performed their annual review of the Group financial statements before they are presented to the Group Board, focusing on accounting policies, compliance with accounting standards, and the findings of the external auditor.

Health and Safety

In 2024/25, the Committee maintained its oversight of the implementation of health & safety policy, practices and risk assessments across the Group. The Committee was assured, via regular detailed reporting, that robust procedures and processes were in place to ensure the effective discharge of its responsibilities under health & safety legislation delegated to it by the Board.

Strategic Risk Management

The Risk sections above outline the Group's risk management process and the role of the Committee in this process.

Other

Other Committee activities during 2024/25 included oversight of any subject access or freedom of information requests and of public interest disclosures and oversight of the fraud register and gifts and hospitality declarations.

Opinion

Having considered all the above, the Committee is of the opinion that adequate and effective assurance arrangements are in place and that the framework of governance, risk management and internal control processes allow for the effective and efficient use of resources, maintains the solvency of the institution and ensures the safeguarding of its assets.

Review of Effectiveness

As Accounting Officer, the CEO has responsibility for reviewing the effectiveness of the system of internal control. The CEO'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 LTE Group who have responsibility for the development and maintenance of the internal control framework; and
- comments made by LTE Group's financial statements auditors and reporting accountants for regularity assurance in their management letters and other reports.

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

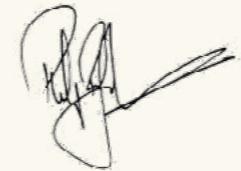
The senior management team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the department and reinforced by risk awareness training. The Executive Team and the Audit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

The Audit & Risk Committee's role in this area is confined to a high-level review of the arrangements for internal control. The LTE Group Board of Governors includes as a standing part of any report presented to it a section for consideration of risk and control. This is in addition to reports on key strategic risks from the senior management team and the Audit & Risk Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its December 2025 meeting, the LTE Group Board

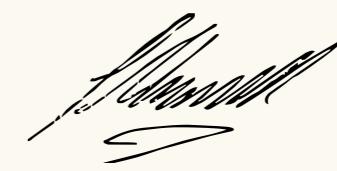
carried out the annual assessment for the year ended 31 July 2025 by considering documentation from the senior management team and internal audit and taking account of events since 31 July 2025.

Based on the advice of the Audit & Risk Committee and the CEO the LTE Group Board is of the opinion that LTE Group has an adequate and effective framework for governance, risk management and control. The LTE Group Board is of the opinion that LTE Group has fulfilled its statutory responsibility for "the effective and efficient use of resources, the solvency of the institution and the body and the safeguarding of their assets".

Approved by order of the members of the Corporation on 17 December 2025, and signed on its behalf on 19 December 2025 by:



Philip Johnson
Chair of LTE Group Board



John Thornhill
Chief Executive Officer

Statement on Modern Slavery 2024/25

This statement is made in accordance with section 54(1) of the Modern Slavery Act 2015 and constitutes our slavery and human trafficking statement for the financial year ending 31 July 2025.

Introduction

This statement sets out the actions taken by LTE Group to understand all potential modern slavery risks related to its business and the steps taken by the Group aimed at ensuring that there is no slavery or human trafficking in its own business or supply chains. This statement relates to the group's actions and activities during the financial year ending July 2025 to meet the requirements of Section 54 of the Modern Slavery Act 2015.

LTE Group recognise that modern slavery is a significant global human rights issue and includes human trafficking. Our commitment is reflected throughout our values which are the key ideas and principles that people within our organisation and partners believe are important and they define the way we work. The Group is committed to combatting modern slavery and human trafficking and to acting with integrity in all its relationships.

Our structure

We are an exempt charity and a statutory corporation in receipt of public funds for the delivery of education and training under the regulation of the Secretary of State for Education. This statement covers LTE Group, its trading divisions, subsidiaries and joint ventures (including but not limited to The Manchester College, UCEN Manchester, Novus, MOL, Total People Ltd, LTE Professional Services Ltd, Novus Gower Ltd, Novus Transforming Lives and Novus Cambria Ltd).

Our business

The Manchester College delivers further education delivery, UCEN Manchester Higher Education delivery, Novus delivers learning and skills in custodial settings, Total People delivers work-based learning and MOL blended distance learning.

Our supply chain

We buy products and services from suppliers across UK, Europe and worldwide. Some are for re-sale and others we use in our own businesses for the provision of education.

Our procurement function is responsible for sourcing the goods and services we need to run our businesses. We buy from approximately 1500 suppliers across 5 categories: Education & Learning, Property & Facilities, HR & Professional Services, Technology and Marketing.

Identified risks and steps being taken

The Group has assessed its risk as low and identified the following areas of processing activities that may attract risk associated with modern day slavery and human trafficking:

- in its supply chains
- through the use of agency or temporary staff
- through staff recruitment
- students

Supply chains

LTE Group expects high standards from its suppliers and partners.

Through its Procurement Policy LTE Group ensures that all purchasing is based on good practice and meets its strategic objective to embed sound ethical, social and environmental policies within LTE Group's procurement function and to comply with all relevant legislation in all aspects of purchasing.

LTE Group has adopted a corporately managed and co-ordinated approach to procurement including developing robust supplier and selection mechanisms to produce quality service providers, using modern procurement practices including strategic partnering contracts, sharing services and consortium working. LTE Group works with purchasing consortia such as Crescent Purchasing Consortia, Crown Commercial Services and other such Associations who are responsible for co-ordinating procurement contract negotiations, assisting in Tendering, maintaining supplier lists, and to ensuring compliance with all relevant purchasing legislation.

The LTE Group is dedicated to procuring goods, works and services for its operating divisions without causing harm to others. In so doing, The LTE Group is committed to supporting the UK Government's approach to implementing the UN Guiding Principles on Business and Human Rights. The LTE Group procures a large amount of goods, works and services from National Frameworks, who will as part of European Tendering Legislation, have undertaken enquiries and evaluations into the wide range of products that are supplied, many of which are sourced from overseas manufacturers who operate in low-cost countries where modern forms of slavery are prevalent.

For those suppliers that fall into higher-risk areas, these will be asked to commit to the ETI Base Code of the Ethical Trading Initiative (ETI). The ETI Base Code is founded on the conventions of the International Labour Organisation (ILO) and is an internationally recognised code of labour practice, requiring that:

- Employment is freely chosen;
- Freedom of association and the right to collective bargaining are respected;
- Working conditions are safe and hygienic;
- Child labour shall not be used;
- Living wages are paid;
- Working hours are not excessive;
- No discrimination is practised;
- Regular employment is provided; and
- No harsh or inhumane treatment is allowed.

To ensure compliance with the requirements of the Modern Slavery Act in the procurement of goods and Services, LTE Group has implemented A Supplier Code of Conduct which our suppliers and supply chain are required to comply with. This is attached as an appendix to this statement.

All purchases are subject to the LTE Group Official Purchasing Terms and Conditions.

Employment of staff through recruitment agencies and other sources

The Group recognises that a further high-risk area of modern slavery is the use of temporary staff recruited indirectly by the Group through supply agencies or recruitment agencies. When the Group requires the services of temporary staff, these staff are only sourced through established and accredited companies who can provide the Group with assurance that they comply with the requirements of the legislation.

Direct employment of staff

Although the Group recognises that the risk level is lower in respect of the direct recruitment of staff, there are robust policies and procedures in place to support Safer Recruitment in Education. The Group believes that this reduces the minimal risk of the occurrence of modern slavery by strict adherence to the Group's recruitment and selection policies and procedures. In addition, the Group has a whistleblowing policy through which concerns of any wrongdoing or malpractice can be raised.

Students

The Group has in place clear safeguarding policies and processes through which students can obtain assistance, support and advice on any concerns raised that may pose a risk to their wellbeing and also has strong external relationships with the statutory services available to minimise risk.

Policies in relation to slavery and human trafficking

We keep under review our colleague policies, procurement supplier and supply chain policies and processes, to ensure that they reflect best practice and support our objectives in this area. Our requirements are set out clearly in all of our documentation including the attached Supplier Code of Conduct and Modern Slavery is referenced in the following documents issued to suppliers and the following policies:

Supplier and Supply Chain Policies

- Doing Business with LTE Group – page 6
- LTE Group Generic Terms and Conditions – section 16
- Procurement Policy
- Anti-Bribery and Corruption Policy
- Anti-Money Laundering Policy

Colleague Policies

- Whistleblowing Policy
- Recruitment Policy
- Voluntary workers policy
- ED&I Policy
- Safeguarding policies
- Eligibility to work in UK

Due diligence processes

As well as the regular review of all policies which reference modern slavery and human trafficking, LTE Group undertakes the following processes to fulfil our commitments:

- Where a contract or framework agreement is being used to procure goods, works or services the Group works with the contractor/framework agreement operators who are undertaking risk management of modern slavery and human trafficking within their supply chains on behalf of the organisations using the framework.
- Where the Group is entering into a sub-contracting arrangement with partner providers, we have ensured their management and staff are aware of the objectives of the Modern Slavery Act 2015 and have appropriate safeguards in place as part of the due diligence process.
- Where a framework is not being utilised for the procurement of goods, works or services the Group undertakes a risk-based approach based on the size and scale of the organisation, with due diligence conducted as required to identify and assess potential modern slavery risks in our supply chains.
- A combination of procedures and functions operates to help identify, assess, and monitor potential risk areas in our supply chains and mitigate the risk of slavery and human trafficking occurring in our supply chain.

Measuring Effectiveness and Implementing Performance Indicators

To measure our impact this year we will:

- Supplier Engagement: review our approach to further improve our understanding of areas of risk across our supply chain and seek to identify opportunities to foster collaboration and shared learning with our Top Suppliers on modern slavery risks and challenges.
- Training and Awareness: Log the number of employees accessing modern slavery training/awareness materials.
- Investigations: Record the number of incidents and investigations conducted into reported cases of modern slavery, including internal and external investigations.

Training and capacity building on modern slavery and human trafficking

Over the next 12 months the Group will take steps to review its training programmes and what internal training is required for Group staff on issues related to modern slavery and human trafficking.

Next steps

In addition to continuing our approach as outlined above, to measure our impact this year we will:

- Supplier Engagement: review our approach to further improve our understanding of areas of risk across our supply chain and seek to identify opportunities to foster collaboration and shared learning with our Top Suppliers on modern slavery risks and challenges.
- Training and Awareness: Log the number of employees accessing modern slavery training/awareness materials.
- Investigations: Record the number of incidents and investigations conducted into reported cases of modern slavery, including internal and external investigations.
- Professional procurement staff will undertake and complete the Chartered Institute of Procurement & Supply (CIPS) e-learning module "Ethical Procurement and Supply" on a regular basis.

Overall responsibility for modern slavery sits with our Board, and our Modern Slavery Statement is signed off by our Group Chair. This statement will be reviewed annually by the Group Board.

Supplier code of conduct

LTE Group endeavours to engage with suppliers, sub-contractors and strategic partners who treat their workers with dignity and respect, adhere to applicable laws and regulations, and provide their goods, works or services in an environmentally sustainable manner. It is the organisation's policy to request our Supply Chain to respect the principles of our Supplier Code of Conduct and adopt practices which comply with it. LTE Group expects our suppliers, sub-contractors and strategic partners undertake to commit to the following requirements:

Employment Practices

- To comply with all employment laws applicable to its business.
- Must not use child labour which prevents children from complying with compulsory schooling or training, being harmful to their health or development.
- Must make no use of forced or compulsory labour.
- Must comply with national law and regulations regarding working hours, wages, benefits and written employment conditions.
- Must not discriminate unlawfully in its employment decisions based on: age, disability, race (including colour, nationality, ethnic group), religion or belief, sex, sexual orientation, transgender, pregnancy or maternity, marriage or civil partnership, trade union membership or political affiliation.
- Shall not treat its workers in an inhumane or harsh way including harassment, bullying, physical or verbal abuse or other forms of intimidation.
- Must notify its employees of the applicable supplier code of conduct.

Environmental

- All waste materials and production by-products should be disposed of properly and in an environmentally responsible manner.
- All local laws and regulations must be met and operations conducted in a manner that conserves resources.
- LTE Group expect our Supply Chain to share our commitment to a clean and safe environment.
- LTE Group encourage initiatives to reduce the impact on the environment, particularly through the use of environmentally friendly technologies.
- LTE Group's Supply Chain shall agree to respect local and international environmental regulations and standards.
- LTE Group's Supply Chain shall be able to prove the effective implementation of the following requirements: The existence of an environmental management system, possibly ISO 14001 or EMAS certified.

Health and Safety

- Employers must provide a safe and healthy work environment.
- Fire prevention equipment must be accessible (in factory and dormitory facilities), and employers are responsible for conducting fire prevention and evacuation training.
- Dormitory housing should provide clean and adequate space for employees with sanitary facilities and water supply.
- Restrooms should be clean and available for all.

Ethics and Integrity

- LTE Group's Supply Chain must not offer or give any gift or consideration of any kind as an inducement or reward for doing or refraining from doing, or for having done or refrained from doing, any act in relation to the obtaining of any contract with LTE Group, or for showing or refraining from showing favour or disfavour to any person in relation to the Contract or any such other.
- LTE Group's Supply Chain must comply with all anti-bribery and anti-corruption laws applicable to our business, including the Bribery Act 2010 and the Prevention of Corruption Act 1889 to 1916.

LTE Group reserves the right to request details of how its Supply Chain complies with this Supplier Code of Conduct and expects the application of principles of the Code with their Supply Chains.

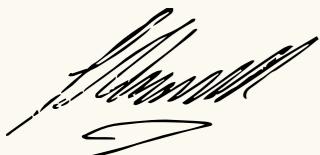
Governing Body's statement on LTE Group's regularity, propriety and compliance with Funding body terms and conditions of funding

Statement of the Accounting Officer

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

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

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



John Thornhill
Chief Executive Officer

Date: 19 December 2025

Statement of the Corporation's Responsibilities in Respect of the Strategic Report and the Financial Statements

The members of the Corporation are required to present the Strategic report, Current and future development and performance, Statement of corporate governance and internal control, Statement on Modern Slavery 2024/25 and the audited financial statements in accordance with the Corporation's Financial Memorandum with the Education and Skills Funding Agency ("the ESFA") and applicable law and regulations.

Within the terms and conditions of the college's accountability agreement, funding agreements and contracts with ESFA, DfE and any other relevant funding bodies, the Corporation is required to prepare financial statements which give a true and fair view of the financial performance and position of the corporation for the relevant period. Corporations must also prepare a strategic report which includes an operating and financial review for the year. The bases for the preparation of the financial statements and strategic report are the Statement of Recommended Practice – Accounting for Further and Higher Education, DfE's College Accounts Direction, the Accounts Direction dated 25 October 2019 issued by the Office for Students, the terms and conditions of funding and the UK's Generally Accepted Accounting Practice. In preparing the financial statements, the corporation is required to:

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

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

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

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

The Corporation is also responsible for ensuring that:

- funds from whatever source administered by the Group or the Corporation for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- income has been applied in accordance with the Corporation's articles of Government;
- funds provided by the Office for Students, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions attached to them;
- ensuring that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources; and
- securing the economical, efficient and effective management of the Corporation's resources and expenditure.

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 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 DfE, or any other public funder, including that any transactions entered into by the corporation are within the delegated authorities set out in the College Financial Handbook. On behalf of the corporation, the chair of the board of governors is responsible for discussing the accounting officer's statement of regularity, propriety and compliance with the accounting officer.

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

Approved by order of the members of the Corporation on 17 December 2025 and signed on its behalf, on 19 December 2025 by:



Philip Johnson
Chair of LTE Group Board

Date: 19 December 2025

Independent auditor's report to the corporation of LTE Group

Report on the audit of the financial statements

Opinion

We have audited the financial statements of LTE Group (the 'Corporation') and its subsidiaries (the 'Group') for the year ended 31 July 2025 which comprise the Consolidated and Corporation Statements of Comprehensive Income and Expenditure, the Consolidated and Corporation Statement of Changes in Reserves, the Consolidated and Corporation Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies.

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

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and Corporation's affairs as at 31 July 2025 and of the Group's and Corporation's surplus of income over expenditure for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Basis for opinion

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

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's and the Corporation's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Group and the Corporation and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report, Report of the Members of the Corporation, Statement of Corporate Governance and Internal Control, and Statement of Modern Slavery 2024/25.

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

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

Responsibilities of Corporation

As explained more fully in the Statement of Responsibilities of the Members of the Corporation set out on page 73, the Corporation is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Corporation determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

- Inquiring of management and, where appropriate, those charged with governance, as to whether the Group and the Corporation is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Group and the Corporation which were contrary to applicable laws and regulations, including fraud.

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

In addition, we evaluated the Members of the Corporation's and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to the assets and liabilities of the Defined Benefit Pension Scheme and the valuation of investment property, revenue recognition (which we pinpointed to the cut-off assertion in respect of non-recurrent funding body grant income), and significant one-off or unusual transactions.

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

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

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

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

Other required reporting

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

In our opinion, in all material respects:

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

Matters on which we are required to report by exception

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

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

Use of the audit report

This report is made solely to the Corporation as a body in accordance with Article 22 of the Corporation's Articles of Government. Our audit work has been undertaken so that we might state to the Corporation those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group and the Corporation and the Corporation as a body for our audit work, for this report, or for the opinions we have formed.

Forvis Mazars LLP

Forvis Mazars LLP (Dec 19, 2025 14:49:03 GMT)

Forvis Mazars LLP
Chartered Accountants and Statutory Auditor

One St Peter's Square
Manchester
M2 3DE
19 December 2025

Reporting Accountant's Report on Regularity to the Corporation of LTE Group and the Secretary of State for Education

In accordance with the terms of our engagement letter dated 23 May 2025 and further to the requirements of Department for Education (DfE), as included in the extant Framework and Guide for External Auditors and Reporting Accountants of Colleges, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by LTE Group during the period 1 August 2024 to 31 July 2025 have not been applied to the purposes intended by Parliament or the financial transactions do not conform to the authorities which govern them.

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

Respective responsibilities of the Corporation of LTE Group and the reporting accountant

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

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

Approach

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

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

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

The work undertaken to draw to our conclusion includes:

- Reviewed the statement on the College's regularity, propriety and compliance with Funding body terms and conditions of funding.
- Reviewed the College's completed self-assessment questionnaire on regularity.
- Read the accountability agreements, grant funding agreements and contracts with the ESFA/DfE.
- Tested a sample of expenditure disbursed and income received to consider whether they have been applied to purposes intended by Parliament and in accordance with funding agreements where relevant.
- Tested a sample of individual learner records.
- Tested a sample of credit card transactions.
- Tested a sample of expense claims in respect of KMP and Members of the Corporation.
- Tested a sample of suppliers and reviewed and assessed adherence to procurement policies.
- Tested a sample of bursary expenditure and reviewed whether such expenditure was in line with funding agreements.
- Obtained the policy for personal gifts and/or hospitality.
- Obtained the register of personal interests.
- Obtained the financial regulations/financial procedures.
- Obtained the College's whistleblowing policy.
- Reviewed the College's compliance with Part 5 of the College Financial Handbook in respect of delegated authorities.

Considered whether the college has complied with the requirements concerning senior pay controls as summarised in part 2 of the College Financial Handbook.

Conclusion

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

Forvis Mazars LLP

Forvis Mazars LLP (Dec 19, 2025 14:49:03 GMT)

Forvis Mazars LLP Chartered Accountants and Statutory Auditor

One St Peter's Square
Manchester
M2 3DE
19 December 2025

Consolidated and Corporation Statements of Comprehensive Income and Expenditure

For the year ended 31 July 2025

	Notes	Year ended 31 July		Year ended 31 July					
		2025		2024		2024			
		Group	Corporation	Group	Corporation	Group	Corporation		
							£'000	£'000	
INCOME									
Funding body grants	3	168,986	156,272	159,709	146,767				
Tuition fees and education contracts	4	16,375	13,354	16,158	12,946				
Other grants and contracts	5	318	318	256	256				
Other income	6	9,408	8,526	7,543	6,343				
Investment income	7	895	877	964	930				
Total income		195,982	179,347	184,630	167,242				
Expenditure									
Staff costs (excluding FRS 102 (28) pension (credit)/charge)	9	139,820	128,028	130,792	118,211				
FRS 102 (28) pension (credit)/charge & pension finance costs	27	(961)	(961)	(728)	(728)				
Restructuring costs	9	2,250	2,249	363	311				
Other operating expenses	10	33,868	29,296	35,764	32,122				
Depreciation, amortisation & impairment	14, 15	11,352	11,101	8,914	8,705				
Interest and other finance costs (excluding pension finance costs)	12	3,442	3,442	3,141	3,141				
Total expenditure		189,771	173,155	178,246	161,762				
Surplus before other gains and losses		6,211	6,192	6,384	5,480				
Gain/(loss) on disposal of assets		1,603	1,564	(1)	12				
Gain on investments		22	22	24	24				
Surplus before tax		7,836	7,778	6,407	5,516				
Taxation	13	(50)	-	322	-				
Surplus for the year		7,786	7,778	6,729	5,516				
Other comprehensive income									
Actuarial loss in respect of pension scheme	27	(961)	(961)	(728)	(728)				
Actuarial gain including other experience in respect of enhanced pension provision	22	59	59	108	108				
Total comprehensive income/(loss) for the year		6,884	6,876	6,109	4,896				
Represented by:									
Endowment comprehensive income for the year		22	22	24	24				
Unrestricted comprehensive income/(loss)		6,862	6,854	6,085	4,872				
		6,884	6,876	6,109	4,896				
Surplus for the year attributable to:									
Minority interest share		355	-	373	-				
Group		7,431	7,778	6,356	5,516				
Total comprehensive income/(loss) for the year		7,786	7,778	6,729	5,516				
Minority interest share		355	-	373	-				
Group		6,529	6,876	5,736	4,896				
		6,884	6,876	6,109	4,896				

All items of income and expenditure relate to continuing activities.

The following table is non-GAAP disclosure and as such does not form part of these financial statements:

Non-GAAP disclosure - Education specific earnings before interest, tax, depreciation, amortisation & impairment (EBITDA)

	Year ended 31 July		Year ended 31 July	
	2025		2024	
	Group	Corporation	Group	Corporation
	£'000	£'000	£'000	£'000
Surplus before other gains and losses	7,786		7,778	6,729
INCOME				
Less: Minority interest	(355)		-	(373)
(Less)/Add: Tax (credit)/charge	50		-	(322)
(Less)/Add: (Gain)/loss on disposal of assets	(1,603)		(1,564)	1
Less: Loss on investments	(22)		(22)	(24)
Less: Releases of capital grant income	(4,542)		(4,542)	(2,253)
Less: Investment income	(895)		(877)	(964)
Add: Movement in holiday pay accrual	6		5	-
Add: Depreciation, amortisation & impairment	11,352		11,101	8,914
Add: Interest payable and other finance costs	3,442		3,442	3,141
Less: FRS 102 (28) pension charge & pension finance costs*	(961)		(961)	(728)
Education specific EBITDA	14,258		14,360	14,121
				13,415

The accompanying notes on pages 87 to 124 form part of these financial statements.

* The FRS 102 (28) pension charge is the current service cost plus the past service cost, less employer cash contributions.

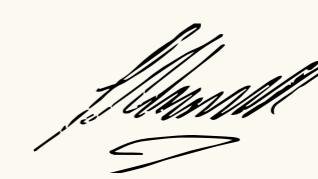
Consolidated and Corporation Statement of Changes in Reserves

	Endowment Reserve	Income and Expenditure account	Revaluation reserve	Total excluding non controlling interest	Non controlling interest	Total
Group	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31 July 2023	273	117,301	3,078	120,652	220	120,872
Surplus for the year	-	6,356	-	6,356	373	6,729
Other comprehensive loss	-	(620)	-	(620)	-	(620)
Transfers between endowment and income and expenditure reserves	24	(24)	-	-	-	-
Transfers between revaluation and income and expenditure reserves	-	129	(129)	-	-	-
Total comprehensive income/(expense) for the year	24	5,841	(129)	5,736	373	6,109
Distributions paid to minority interest share	-	-	-	-	(220)	(220)
Balance at 31 July 2024	297	123,142	2,949	126,388	373	126,761
Surplus from the income and expenditure account	-	7,431	-	7,431	355	7,786
Other comprehensive loss	-	(902)	-	(902)	-	(902)
Transfers between endowment and income and expenditure reserves	22	(22)	-	-	-	-
Transfers between revaluation and income and expenditure reserves	-	2,180	(2,180)	-	-	-
Other adjustments*	-	(87)	-	(87)	-	(87)
Total comprehensive income/(expense) for the year	22	8,600	(2,180)	6,442	355	6,797
Distributions paid to minority interest share	-	-	-	-	(271)	(271)
Balance at 31 July 2025	319	131,742	769	132,830	457	133,287
Corporation						
Balance at 31 July 2023	273	118,389	3,078	121,740	-	121,740
Surplus for the year	-	5,516	-	5,516	-	5,516
Other comprehensive income	-	(620)	-	(620)	-	(620)
Transfers between endowment and income and expenditure reserves	24	(24)	-	-	-	-
Transfers between revaluation and income and expenditure reserves	-	129	(129)	-	-	-
Total comprehensive income/ (expense) for the year	24	5,001	(129)	4,896	-	4,896
Balance at 31 July 2024	297	123,390	2,949	126,636	-	126,636
Surplus from the income and expenditure account	-	7,778	-	7,778	-	7,778
Other comprehensive loss	-	(902)	-	(902)	-	(902)
Transfers between endowment and income and expenditure reserves	22	(22)	-	-	-	0
Transfers between revaluation and income and expenditure reserves	-	2,180	(2,180)	-	-	0
Total comprehensive income/ (expense) for the year	22	9,034	(2,180)	6,876	-	6,876
Balance at 31 July 2025	319	132,424	769	133,512	-	133,512

*Other adjustments relate to Total People's reserves. The adjustment is immaterial to the Group.

Consolidated and Corporation Balance Sheets

As at 31 July 2025

	Notes	Group	Corporation	Group	Corporation
		2025	2025	2024	2024
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible fixed assets	15	218,289	217,803	221,509	220,878
Investments	16	313	1,580	291	1,558
Intangible assets	14	194	62	306	88
		218,796	219,445	222,106	222,524
Current assets					
Stocks		57	57	46	46
Trade and other receivables	17	24,855	24,791	29,941	29,712
Cash and cash equivalents	23	37,786	34,456	30,455	27,174
		62,698	59,304	60,442	56,932
Less: Creditors – amounts falling due within one year	18	(31,621)	(28,735)	(41,106)	(38,241)
Net current assets		31,077	30,569	19,336	18,691
Total assets less current liabilities		249,873	250,014	241,442	241,215
Less: Creditors – amounts falling due after more than one year	19	(112,320)	(112,243)	(113,296)	(113,209)
Provisions					
Defined pension benefit obligations	27	-	-	-	-
Other provisions	22	(4,266)	(4,259)	(1,385)	(1,370)
Total net assets		133,287	133,512	126,761	126,636
Restricted reserves					
Income and expenditure endowment reserve		319	319	297	297
Unrestricted reserves					
Income and expenditure account		131,742	132,424	123,142	123,390
Revaluation reserve		769	769	2,949	2,949
Minority interest share		457	-	373	-
Total reserves		133,287	133,512	126,761	126,636
The financial statements on pages 87 to 124 were approved and authorised for issue by the Corporation on 17 December 2025 and were signed on its behalf, on 19 December 2025, by:					
 Philip Johnson Chair of LTE Group Board					
 John Thornhill Chief Executive Officer and Accounting Officer					

Consolidated Statement of Cash Flows

For the year ended 31 July 2025

	Notes	Group 2025 £'000	Group 2024 £'000
Cash inflow from operating activities			
Surplus for the year		7,786	6,729
Adjustment for non-cash items			
Depreciation, amortisation and impairments	14, 15	11,352	8,914
Gain on investments		(22)	(24)
Decrease/(increase) in stocks		(11)	31
Increase in debtors < 1 year	17	5,077	(8,267)
Increase/(decrease) in creditors due within one year	18	(2,987)	2,371
Increase/(decrease) in deferred capital grant creditor		(1,208)	1,337
(Decrease) in creditors due after one year	19	(3,217)	(3,458)
Increase/(decrease) in provisions	22	2,890	178
Pensions costs less contributions payable	9, 27	(961)	(728)
Taxation	13	50	(322)
Adjustment for investing or financing activities			
Investment income	7	(895)	(964)
Interest payable	12	3,442	3,141
(Loss)/profit on sale of fixed assets		(1,603)	1
Net cash flow from operating activities		19,693	8,939
Cash flows from investing activities			
Proceeds from sale of fixed assets		9,840	106
Investment income	7	895	964
Capital grants receipt		3,628	20,529
Payments made to acquire fixed assets		(21,751)	(24,220)
Capitalised development expenditure		-	(96)
Net cash flow from investing activities		(7,388)	(2,717)
Cash flows from financing activities			
Interest paid		(3,378)	(2,802)
Interest element of finance lease rental payments	24	(90)	(57)
Capital element of finance lease rental payments	24	(579)	(330)
New secured loans	24	9,406	3,701
Repayments of amounts borrowed	24	(10,062)	(3,000)
Distributions paid to minority interest share		(271)	(220)
Net cash flow from financing activities		(4,974)	(2,708)
Increase in cash and cash equivalents in the year		7,331	3,514
Cash and cash equivalents at beginning of the year	23	30,455	26,941
Cash and cash equivalents at end of the year	23	37,786	30,455

Notes to the financial statements

1. Legal status and registered office

LTE Group is a statutory corporation established under the Further and Higher Education Act 1992 (statutory instrument 2008 No. 1418). LTE Group is an exempt charity for the purposes of Part 3 of the Charities Act 2011.

On 29 November 2022, the Office for National Statistics (ONS) reclassified colleges into the central government sector. This decision encompasses providers that operate within the statutory further education sector as defined under section 91(3) of the Further and Higher Education Act 1992, and therefore is applicable to LTE Group. Related subsidiaries of LTE Group are also covered by the requirements and processes.

Following the ONS reclassification of the Group to the government sector, the Group continues to be a self-governing charity regulated by the Secretary of State for Education. However, the Group is now subject to the framework for financial management set out in Managing Public Money (MPM).

The operating divisions of the Group are Novus (delivering learning and skills in custodial settings), The Manchester College (Further Education delivery), UCEN Manchester (Higher Education delivery), Total People (Work Based Learning) including MOL (blended distance learning) and LTE Group Professional Services.

LTE Group includes:

- Total People Holdings Limited (“Total People”), an independent training provider, which was acquired on 31 July 2015, and, following the integration of this business on 1 November 2021, also includes MOL;
- Novus Cambria, a joint venture with Coleg Cambria, which was incorporated on 29 September 2016;
- LTE Professional Services Limited (“LTE Professional Services”), a provider of information and communications technology services and equipment, which was incorporated on 30 July 2019;
- Novus Gower Limited (“Novus Gower”), a joint venture with Gower College, which was incorporated on 6 July 2022; and,
- Novus Transforming Lives Limited (“Novus Transforming Lives”), a provider of prison education, which was incorporated on 24 November 2022.

Registered office:

Openshaw Campus, Ashton Old Road, Manchester, M11 2WH

2. Statement of accounting policies and estimation techniques

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

Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (the 2019 FE HESOPP), the College Accounts Direction for 2024-25, the Office for Students (OfS) Accounts Direction for accounting periods beginning on or after 1 August 2019, and in accordance with Financial Reporting Standard 102 – “The Financial Reporting Standard applicable in

the United Kingdom and Republic of Ireland" (FRS 102). The Group 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.

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 noncurrent assets.

The financial statements are prepared in sterling which is the functional currency of the group and rounded to the nearest £'000.

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to conditions. The Corporation has taken advantage of the following exemption in its individual financial statements:

- from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the Corporation's cash flows.

Basis of consolidation

The consolidated financial statements include the Group and its subsidiary undertakings, controlled by the Group. Control is achieved where the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Under the purchase method of accounting, the results of subsidiary and associated undertakings acquired or disposed of during the period are included in the consolidated income and expenditure account from or up to the date on which control of the undertaking passes. Intra group sales and profits are eliminated fully on consolidation. All financial statements are made up to 31 July 2025.

Going Concern

The financial statements have been prepared on a going concern basis, which the Board of Governors considers to be appropriate for the following reasons.

Past performance demonstrates the Group's ability to effectively manage financial performance and cashflow.

The Board believes that the Group and Corporation will be able to continue in operation and meet their liabilities taking account of the current position and principal risks.

The strategy for 2024-2028, approved by the Group Board in July 2023 has established a set of new key strategic themes informed by both regional and national policy.

LTE Group is now at an advanced stage in developing its strategy to 2030 (Destination 2030). This is not a refresh of the existing strategy, but a reset given several of the previously moving external parts are now known, post general election, including the outcome of the comprehensive spending review, more detail around skills and devolution policies with plans

for the justice sector including prisons and probation. The outcome of the PES tender is in the main known (1 lot subject to re-procurement), albeit we await the outcome of one or two significant components including HE reform and the sustainability of the Adult Funding model.

The capacity challenges in TMC have been partially solved for through the sale and leaseback of our Nicholls campus and the opening of City Centre Campus Phase 2 in September 2025. Further mitigation is planned, and additional grant funding has been secured to enable additional works at our Openshaw and Wythenshawe campuses in 2025/26 to create over 300 additional spaces for 2026/27. The apprenticeship market remains challenging; however, the opportunity pipeline for work-based learning is strong.

Strategically we can see opportunities and impact for all our organisation with demand accelerating for skills and talent and growing employer, learner, economic and societal need.

Detailed operational planning underpins the financial budgeting process each year, ensuring that the financial income targets and associated costs are derived from robust curriculum and operational plans.

Income and cost contingencies are built into the financial plan to mitigate and aid management of any unanticipated in year financial impacts. The Budget for 2025/26 and the Plan for 2026/27 provide for a level of central contingency. In addition, the forward plan contains a level of capital contingency given our plans to automate and digitise Group Professional Services and the need to maintain our Estate.

A key part of the scenario testing work that went to the Board was a forward cash view supported by a detailed, integrated forward cash flow forecast.

These cash flow forecasts have been tested with sensitivities, including several reasonably possible downside scenarios, which includes no further contract wins or renewals, they are regularly updated and reviewed by both the Executive team and Board of Governors.

Key risks such as challenges to commercial income and / or loss of significant contracts including no future contract wins, reductions in real term funding in particular relative to pay pressure and pay claims, learner volume growth not being delivered, the impact of lagged funding, the macro-economic situation including inflation, the cost of debt funding, along with reasonable mitigating actions, have been factored into the sensitivities which have been performed on the forward cash flow forecast.

The Group's recent cash performance has been strong, whilst loan borrowing has been lower than plan.

All estate disposals have now been completed, including the sale of Shena and the sale and short-term leaseback of Nichols with disposal proceeds exceeding business case.

The Group refinanced the Santander Term Loan (maturity date 26 February 2026), with the DFE on 5th September 2025, this followed previous discussions with the DfE, to enable the LTE Group and the public purse to benefit from the public work lending board rate versus commercial interest rates.

The Board of Governors is confident that the Group and College will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Recognition of income

Revenue grant funding

Government revenue grants include funding body recurrent grants and other grants and are accounted for under the accrual model as permitted by FRS 102. Funding body recurrent grants are measured in line with best estimates for the period of what is receivable and depend on the particular income stream involved. Any under achievement for the Adult Education Budget is adjusted for and reflected in the level of recurrent grant recognised in the income and expenditure account. The final grant income is normally determined with the conclusion of the year end reconciliation process with the funding body following the year end, and the results of any funding audits. 16-18 learner-responsive funding is not normally subject to reconciliation and is therefore not subject to contract adjustments.

The recurrent grant from Office for Students (OfS) represents the funding allocations attributable to the current financial year and is credited direct to the Statement of Comprehensive Income.

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

Capital grant funding

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

Funded education and apprenticeship services

Turnover from funded education and apprenticeship services is measured by reference to the stage of completion, including learners on-programme payments and the stage of entering gateway. Turnover represents the amount of work done in the year including amounts accrued at year-end in respect of learners who have reached gateway. An appropriate provision is made in respect of expected withdrawals. The final income is determined with the conclusion of the year-end reconciliation process with the funding body following the year-end.

Fee income

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

Investment income

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

Agency arrangements

The Group acts as an agent in the collection and payment of certain discretionary support funds. Related payments received for the funding bodies and subsequent disbursements to students are excluded from the income and expenditure of the Group where the Group is exposed to minimal risk or enjoys minimal economic benefit related to the transaction and are shown separately in note 29.

Accounting for post-employment benefits

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

Teachers' Pension Scheme (TPS)

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

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

Greater Manchester Pension Scheme (GMPS)

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

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

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

Short term Employment benefits

Short term employment benefits such as salaries and compensated absences (holiday pay) are recognised as an expense in the year in which the employees render service to the 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 Pension

The actual cost of any enhanced ongoing pension to a former member of staff is paid by the Group 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 Group's income in the year that the member of staff retires. In subsequent years a charge is made to provisions in the balance sheet using the enhanced pension spreadsheet provided by the funding bodies.

Non-current Assets - Tangible fixed assets

Tangible fixed assets are stated at deemed cost less accumulated depreciation and accumulated impairment losses.

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

Land and buildings

Land and buildings inherited from the Local Education Authority along with land and buildings acquired before 1 September 1997 are held on the balance sheet at the last formal revaluation which took place on 1 September 1997. The valuation determined the useful economic life of these assets to be less than those for new build which is 50 years. This valuation was on the basis of depreciated replacement cost.

Land and buildings acquired since 1 September 1997 are included in the balance sheet at historical cost. These values are retained subject to the requirement to test assets for impairment if events or changes in circumstances indicate that the carrying value of the fixed asset may not be recoverable in accordance with FRS 102.

Freehold land is not depreciated as it is considered to have infinite useful life.

Freehold buildings are depreciated over their expected useful economic life to the Group of 50 years.

However, refurbishment/additions to existing buildings and leasehold improvements are depreciated over their remaining useful lives or lease lives whichever is the lesser.

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

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

Assets under construction

Buildings under construction are accounted for at cost, based on the value of architects' certificates and other direct costs incurred to 31 July 2025. They are not depreciated until they are brought into use.

Subsequent expenditure on existing fixed assets

Where significant expenditure is incurred on tangible fixed assets it is charged to the income and expenditure account in the period it is incurred, unless it 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.
- Significant extension of the asset's life beyond that conferred by repairs and maintenance.

Equipment

Equipment costing less than £5,000 per individual item is written off to the income and expenditure account in the year of acquisition. All other equipment is capitalised at cost. Equipment is depreciated over its useful economic life on a straight line basis at the following rates:

• Fixtures and fittings	3 years - 10 years
• Electronic equipment	4 years - 7 years
• Computer software	3 years - 5 years
• Other plant & equipment	5 years - 10 years
• Motor vehicles	4 years

All above categories are classified as Equipment.

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

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

Goodwill

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities acquired. Goodwill is capitalised and amortised to the income and expenditure account over its estimated economic life of 10 years.

Other intangible assets

For all other intangible assets amortisation is provided on a straight-line basis over their estimated useful life. The amortisation period and the amortisation method for intangible assets are reviewed at each financial year-end.

- Website costs

Website costs included within intangible assets, are carried at cost less accumulated amortisation, which is provided on a straight-line basis over their estimated useful life. The amortisation period of 10 years and the amortisation method for intangible assets are reviewed at each financial year-end.

- Product development costs

Product development costs are recognised as intangible assets and are amortised over the life of the commercial contract to which they relate.

Borrowing costs

Finance costs which are directly attributable to the purchase of land and construction of buildings are capitalised as part of the costs, until such time when the asset comes into use. Finance costs beyond this date are charged directly to the income and expenditure account.

Investments

Fixed asset investments are carried at historical cost less any provision for impairment in their value. Results of joint ventures in which the Group has 50% control or more are included in the Group's results and disclosed under related party transactions.

Leased assets

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

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

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

Stocks

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

Cash and cash equivalents

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

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

Financial liabilities 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 and are subsequently re-measured at amortised cost. Loans and investments that are payable or receivable within one year are not discounted.

Taxation

The Corporation 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 Corporation 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 to exclusively charitable purposes.

The Corporation is exempt from levying VAT on most of the services it provides to learners. For this reason, the Corporation is generally unable to recover input VAT it suffers on goods and services purchased. Non – pay expenditure is therefore shown inclusive of VAT with any partial recovery netted off against these figures.

The Group'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 balance sheet but are disclosed in the notes to the financial statements.

Judgements in applying accounting policies and key sources of estimation uncertainty

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

- A determination of whether leases entered into by the Group 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.
- Annually, the Group considers whether intangible assets, goodwill or investments are impaired. Where there is such an indication, the recoverable amount of the asset is compared to the carrying value of the asset. 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. Where an indication of impairment is identified, an assessment of the recoverable value of the cash generating units (CGUs) is required. This requires estimation of the future cash flows from the CGUs, discounted at an appropriate rate, in order to calculate the net present value of those cash flows. This enables the Group to determine whether an impairment of the Group's intangible and tangible assets, including goodwill and investments, is required. Any impairment is recognised in the consolidated statement of comprehensive income and expenditure. If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the profit and loss account.

Other key sources of estimation uncertainty

• Tangible Fixed assets

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

• Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit 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 for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, 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.

3. Funding body grants

For the year ended 31 July 2025

	2025 Group £'000	2025 Corporation £'000	2024 Group £'000	2024 Corporation £'000
Recurrent grants				
ESFA - adult skills fund	2,672	325	2,969	383
ESFA - 16-18	44,105	42,349	41,367	39,442
GMCA - adult skills fund	18,157	17,475	17,308	16,666
Office for Students (OfS)	501	501	554	554
Specific grants				
Other funding body - MoJ/YJB/MCC/ ESFA	92,059	84,134	90,110	82,322
Teacher Pension Scheme contribution grant	6,568	6,564	4,755	4,754
Releases of government capital grants	4,542	4,542	2,253	2,253
Other funds	382	382	393	393
Total	168,986	156,272	159,709	146,767

4. Tuition fees and education contracts

For the year ended 31 July 2025

	2025 Group £'000	2025 Corporation £'000	2024 Group £'000	2024 Corporation £'000
Adult education fees				
Adult education fees	2,595	1,096	2,843	1,185
Apprenticeship contracts	35	-	36	-
Fees for FE loan supported courses	1,062	1,064	1,038	1,037
Fees for HE loan supported courses	8,220	8,220	8,112	8,112
Total tuition fees	11,912	10,380	12,029	10,334
Education contracts				
Education contracts	4,463	2,974	4,129	2,612
Total	16,375	13,354	16,158	12,946

5. Other grants and contracts

For the year ended 31 July 2025

	2025 Group £'000	2025 Corporation £'000	2024 Group £'000	2024 Corporation £'000
Other grant income				
Other grant income	318	318	256	256
Total	318	318	256	256

6. Other income

For the year ended 31 July 2025

	2025		2025		2024		2024	
	Group		Corporation		Group		Corporation	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Residencies, catering and conferences		1,691		1,691		1,765		1,765
Other income generating activities		-		-		2,176		(3)
Other income*		7,717		6,835		3,602		4,581
Total		9,408		8,526		7,543		6,343

*This includes wider provision relating to prison education £4,198k (2024: £2,255k) miscellaneous income £2,946k (2024: £559k), rental income £493k (2024: £614k), and exam fee income £238k (2024: £204k)

7. Investment income

For the year ended 31 July 2025

	2025		2025		2024		2024	
	Group		Corporation		Group		Corporation	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Interest receivable		895		877		964		930
Total		895		877		964		930

8. Grant and fee income

For the year ended 31 July 2025

	2025		2025		2024		2024	
	Group		Corporation		Group		Corporation	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Grant income from the OfS		646		646		773		773
Fee income for taught awards (exclusive of VAT)		8,220		8,220		8,112		8,112
Total		8,866		8,866		8,885		8,885

Grant income from the OfS means grants to the provider by the OfS for both:

- i. the provision of education by the provider and
- ii. the provision of facilities, and the carrying on of other activities, by the provider, which its governing body considers are necessary or desirable to provide or carry on for the purposes of, or in connection with, education.

This includes recurrent teaching funding (including targeted allocations, high-cost subject funding, National Collaborative Outreach Programme funding and any other recurrent teaching funding) and non-recurrent funding (including grants for capital infrastructure, challenge competitions or any other non-recurrent grant funding) to the provider from the OfS. The amount of grant income must be exclusive of any deductions for expenditure such as that spent on access and participation activities.

Fee income for taught awards (exclusive of VAT) means fee income for higher education courses for taught awards (from students directly or via the Student Loans Company or other body paying fees on behalf of the student) and includes undergraduate and postgraduate taught awards.

9. Staff costs - Group and Corporation

For the year ended 31 July 2025

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

	2025		2025		2024		2024	
	Group		Corporation		Group		Corporation	
	No.	No.	No.	No.	No.	No.	No.	No.
Teaching staff					1,835		1,673	
Non-teaching staff					1,333		1,198	
Total					3,168		2,871	

	2025		2025		2024		2024	
	Staff costs for the above persons		Payroll sub total		Restructuring costs		Emoluments of Key management personnel, Accounting Officer and other higher paid staff	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Wages and salaries		103,082		93,135		97,259		86,723
Social security costs		11,148		10,139		9,721		8,672
Other pension costs - excluding FRS 102 (28) pension charge		21,540		21,070		18,633		18,134
Payroll sub total		135,770		124,344		125,613		113,529
Contracted out staffing services		4,050		3,684		5,179		4,682
FRS 102 (28) pension (credit)/charge		(938)		(938)		(710)		(710)
		138,882		127,090		130,082		117,501
Restructuring costs								
Contractual		2,250		2,249		363		311
Non contractual		-		-		-		-
Total		141,132		129,339		130,445		117,812

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group and are represented by the Group's Executive Team. Staff costs include compensation paid to key management personnel for loss of office.

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

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

6 7

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

Key management personnel				Other staff				
2025		2024		2025		2024		
ESFA	OfS	ESFA	OfS	ESFA	OfS	ESFA	OfS	
No.	No.	No.	No.	No.	No.	No.	No.	
£60,001 to £65,000 p.a.	-	-	-	-	35	43	19	17
£65,001 to £70,000 p.a.	-	-	-	-	17	22	15	14
£70,001 to £75,000 p.a.	-	-	-	-	6	10	4	8
£75,001 to £80,000 p.a.	-	-	-	-	10	7	12	7
£80,001 to £85,000 p.a.	-	-	-	-	7	10	5	6
£85,001 to £90,000 p.a.	-	-	-	1	6	3	9	5
£90,001 to £95,000 p.a.	-	-	1	-	8	7	5	7
£95,001 to £100,000 p.a.	-	1	-	-	5	3	1	3
£100,001 to £105,000 p.a.	1	-	-	-	-	1	-	-
£105,001 to £110,000 p.a.	-	-	-	-	-	1	1	-
£110,001 to £115,000 p.a.	-	-	-	-	1	1	2	2
£115,001 to £120,000 p.a.	-	-	-	-	1	1	-	-
£120,001 to £125,000 p.a.	-	-	-	-	3	1	2	1
£125,001 to £130,000 p.a.	-	-	-	-	-	1	2	2
£130,001 to £135,000 p.a.	-	-	-	-	1	3	1	3
£135,001 to £140,000 p.a.	-	-	-	-	1	2	2	-
£140,001 to £145,000 p.a.	-	-	-	-	2	1	1	1
£145,001 to £150,000 p.a.	-	-	-	-	1	-	1	1
£150,001 to £155,000 p.a.	-	-	2	-	-	-	-	1
£155,001 to £160,000 p.a.	-	-	2	-	1	-	-	-
£160,001 to £165,000 p.a.	-	1	-	-	-	-	-	-
£165,001 to £170,000 p.a.	-	1	1	-	-	-	-	-
£170,001 to £175,000 p.a.	-	1	1	-	-	-	-	-
£175,001 to £180,000 p.a.	-	-	1	-	-	-	-	-
£180,001 to £185,000 p.a.	1	-	-	1	-	-	-	-
£185,001 to £190,000 p.a.	1	1	-	-	-	-	-	-
£190,001 to £195,000 p.a.	1	-	1	-	-	-	-	-
£195,001 to £200,000 p.a.	-	-	-	-	-	-	-	-
£200,001 to £205,000 p.a.	1	-	-	-	-	-	-	-
£205,001 to £210,000 p.a.	-	-	-	-	-	-	-	-
£210,001 to £215,000 p.a.	-	-	-	-	-	-	-	-
£215,001 to £220,000 p.a.	-	-	1	-	-	-	-	-
£220,001 to £225,000 p.a.	-	-	-	-	-	-	-	-
£225,001 to £230,000 p.a.	-	-	-	1	-	-	-	-
£230,001 to £235,000 p.a.	-	1	-	-	-	-	-	-
£235,001 to £240,000 p.a.	-	-	-	-	-	-	-	-
£240,001 to £245,000 p.a.	-	-	-	-	-	-	-	-
£245,001 to £250,000 p.a.	-	-	1	-	-	-	-	-
£250,001 to £255,000 p.a.	-	-	-	-	-	-	-	-
£255,001 to £260,000 p.a.	1	-	-	-	-	-	-	-
	6	6	7	7	104	117	82	79

The ESFA banding disclosures capture “head count” numbers, in the appropriate banding for the full year emoluments.

The OfS banding disclosures capture “head count” numbers, in the appropriate banding for full-time equivalent basic salaries, as determined at the financial year end. Staff who have left or joined in the year are not included.

In 2024/25, there were 8 (2024: 10) part-time members of staff who received less than £60,000 in the year but would have received at least £60,000 on a full-time basis.

Key management personnel compensation is made up as follows:

	2025	2024
	£'000	£'000
Basic Salary	1,010	1,081
Performance related pay and bonus	95	79
Payment in lieu of pensions	-	-
Payment in lieu of notice and redundancy	-	81
Other including benefits in kind	23	28
Total emoluments	1,128	1,269
	203	205
	1,331	1,474

Senior management continue to have some elements of remuneration at risk based on contribution to Group Objectives approved by the Group Board and measured through a formal scorecard. An update on performance against the scorecard is provided to Group Board at each meeting throughout the year. At the year end a full assessment against the metrics included within the performance scorecard is undertaken by the Remuneration Committee at both an individual level and aggregate level including the % and £ cash value. The Remuneration Committee then makes a set of detailed recommendations to the Group Board for their approval and ratification, which results in a payment based on performance.

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

The above compensation includes amounts payable to the Accounting Officer (who is also the highest paid officer) of:

	2025	2024
	£'000	£'000
Basic Salary	232	225
Performance related pay and bonus	18	17
Payment in lieu of pensions	-	-
Other including benefits in kind	8	8
Total emoluments	258	250
	42	40
	300	290

As of 1 December 2018, the Accounting Officer left the LGPS pension scheme and received a pension cash option in lieu.

As of 1 May 2023, the Accounting Officer rejoined the LGPS pension scheme and from this date onwards no longer received a pension cash option in lieu.

The LTE Group Board has adopted AoC's Senior Staff Remuneration Code in April 2019 and will assess pay in line with its principles in future.

The full remuneration package of the Accounting Officer is subject to Annual Review by the Remuneration Committee of the Governing Body who use benchmarking information to provide objective guidance. An external review of market salaries was last conducted in full in December 2022 with an independent third party organisation, the Accounting Officer's salary benchmarked below many other organisations, many of whom were smaller in scope and scale.

In 2022/23 executive based pay awards including the Accounting Officer were made at the lowest level in the Group, 1.25%. For 2023/24 executive base pay changes were aligned to colleagues in the Manchester College, UCEN and all Group Functions (including Group Professional Services) at 7% consolidated and 1.25% non consolidated. For 2024/25 executive base pay changes were agreed at 3.4% versus 3.4% consolidated, 1% unconsolidated and a flat payment of £335 for all colleagues in Manchester College, UCEN and all Group Functions, and versus a 4% consolidated award for Novus effective for the 12 months from 1 April 2024.

The Board re-iterated that the Accounting Officer should continue to have some elements of renumeration at risk based on Group Objectives set by the Group Board, measured through a scorecard. An update on performance against the scorecard was provided to Group Board at each meeting throughout the year. At the year end a full assessment against the metrics included within the performance scorecard was undertaken by the Remuneration Committee at both a % and £ cash value. The Remuneration Committee then made a set of detailed recommendations to the Group Board for their full approval and ratification, which results in a payment based on performance. The benefits in kind received by the Accounting Officer comprise a car allowance for a business need car. The approval of senior post-holder pay is based on the whole renumeration package, in monetary figures including all performance related elements and ancillary payments. whole proposed renumeration package, expressed in monetary figures, and including all bonuses and ancillary payments

Relationship of CEO/Accounting Officer pay and remuneration expressed as a multiple:

	2025	2024
Accounting Officer's (CEO) basic salary as a multiple of the median of all staff	6.6	6.7
Accounting Officer's (CEO) total remuneration as a multiple of the median of all staff	7.4	7.7
The median pay is calculated on a full-time equivalent basis for the salaries paid by the Group to its staff, and the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the Group of its staff. In line with the current OfS Accounts Direction, the Group has incorporated into the pay median staff included in real-time reporting to HMRC only.		
Band	Number of colleagues	
	2025	2024
£nil to £25,000	58	91
£100,001 to £150,000	-	1
Total	58	92

Included in these 58 severance payments is one special severance payments totalling £7,100. (2024: 92 severance and special severance payments totalling £7,160. Individually, the payments were: £5,160 and £2,000.)

Compensation Payments

In 2024/25, the Group have made 1 compensation payment (2024: 1 payment), disclosed in the following band:

Band	Number of colleagues	
	2025	2024
£nil to £25,000	1	1
Total	1	1

The single compensation payment made in year was £20,000 (2024: £20,730) and was made for settlement of a claim following legal advice.

10. Other operating expenses

For the year ended 31 July 2025

	2025	2025	2024	2024
	Group	Corporation	Group	Corporation
	£'000	£'000	£'000	£'000
Teaching costs	12,161	10,010	13,066	11,040
Non-teaching costs	16,844	14,728	17,871	16,669
Premises costs	4,863	4,558	4,827	4,413
Total	33,868	29,296	35,764	32,122

Other operating expenses include:

	2025	2025	2024	2024
	Group	Corporation	Group	Corporation
	£'000	£'000	£'000	£'000
Auditors' remuneration:				
Financial statements audit	204	149	300	218
Internal audit	60	60	59	59
Other services provided by external auditors - Teachers' Pension certification	2	2	6	6
Other services provided by external auditors - tax advice and services	11	-	48	48
Other services provided by external auditors - tax services	-	-	12 *	12 *
Other services provided by internal auditors - subcontracting review	-	-	7	4
Other services provided by internal auditors - grant audit	17	17	13	13
Profit / (Loss) on disposal of non-current assets	1,603	1,564	(1)	12
Hire of other assets Plant & Mach- operating leases	810	781	879	853
Hire of other assets - operating leases	787	620	569	348

* These costs are not included in operating expenses, but instead capitalised as part of the estates strategy project or included within cost of sales of disposals.

The amounts disclosed above are inclusive of VAT. Excluding VAT, the charge for the 2024/25 financial statements audit is £170k (2023/24: £250k).

11. Access and participation spending (Group and Corporation)

For the year ended 31 July 2025

	2025 £'000	2024 £'000
Access investment		
Pre 16	61	92
Post 16	67	68
Adults and communities	55	50
Other	15	13
Total access investment	198	223
Financial support	233	193
Support for disabled students	42	31
Research and evaluation	-	-
Total	473	447

£263k (2023/24: £270k) of the above are staff costs and included within note 9. The published Access and Participation Plan can be accessed via https://accessandparticipationplans.officeforstudents.org.uk/accessplansdownloads/2024/LTEGroup_APP_2020-21_V2_10023139.pdf

12. Interest and other finance costs (Group and Corporation)

For the year ended 31 July 2025

	2025 £'000	2024 £'000
On bank loans, overdrafts and other loans	3,301	3,023
On finance leases	90	57
Enhanced pension provision costs	51	61
Total	3,442	3,141

13. Taxation (Group)

For the year ended 31 July 2025

	2025 £'000	2024 £'000
Deferred tax in the accounts of the subsidiary company	50	(322)
Total	50	(322)

The members do not believe that the Corporation was liable for any corporation tax arising out of its activities during either year. The deferred tax is all in the Group's subsidiary, Total People Limited.

14. Intangible assets (Group)

For the year ended 31 July 2025

	Other £'000	Website £'000	Total £'000
Cost or valuation			
At 31 July 2025	1,346	373	1,719
Amortisation			
At 1 August 2024	1,128	285	1,413
Charge for the year	86	26	112
At 31 July 2025	1,214	311	1,525
Net book value at 31 July 2025	132	62	194
Net book value at 31 July 2024	218	88	306

Other intangibles are being amortised over the life of the commercial contract to which they relate.

Website costs are being amortised over 10 years.

Intangible fixed assets (Corporation only)

For the year ended 31 July 2025

	Website £'000
Cost or valuation	
At 1 August 2024 and at 31 July 2025	373
Amortisation	
At 1 August 2024	285
Charge for the year	26
At 31 July 2025	311
Net book value at 31 July 2025	62
Net book value at 31 July 2024	88

15. Tangible fixed assets (Group)

	Land and buildings	Assets under Construction	Equipment	Total
	£'000	£'000	£'000	£'000
Cost or valuation				
At 1 August 2024	220,105	26,130	38,264	284,499
Prior year accrual adjustment*	(320)	-	(1,430)	(1,750)
Additions	63	12,567	5,422	18,052
Transfers	1,712	(2,337)	625	-
Disposals	(22,773)	-	(1,976)	(24,749)
At 31 July 2025	198,787	36,360	40,905	276,052
Depreciation				
At 1 August 2024	42,253	-	20,737	62,990
Charge for the year	5,642	-	5,599	11,241
Elimination in respect of disposals	(14,556)	-	(1,912)	(16,468)
At 31 July 2025	33,339	-	24,424	57,763
Net book value at 31 July 2025	165,448	36,360	16,481	218,289
Net book value at 31 July 2024	177,128	26,130	17,527	221,509

At 31 July 2025, land and buildings included £23,825k (2024: £23,825k) in respect of freehold land and is not depreciated.

The net carrying amount of assets held under finance leases included in equipment is £2,586k (2024: £3,185k).

*The prior year accrual adjustments represent a change in policy where fixed assets not yet available for use are not included in fixed assets but shown as part of capital commitments instead. The negative amount represents reversal of such amount capitalised from last year. The change was made to comply with the requirements of FRS 102.

Tangible fixed assets (Corporation only)

	Land and buildings	Assets under Construction	Equipment	Total
	£'000	£'000	£'000	£'000
Cost or valuation				
At 1 August 2024	220,105	26,130	36,952	283,187
Prior year accrual adjustment*	(320)	-	(1,430)	(1,750)
Additions	63	12,567	5,396	18,026
Transfers	1,712	(2,337)	625	-
Disposals	(22,773)	-	(1,787)	(24,560)
At 31 July 2025	198,787	36,360	39,756	274,903
Depreciation				
At 1 August 2024	42,253	-	20,056	62,309
Charge for the year	5,642	-	5,433	11,075
Elimination in respect of disposals	(14,556)	-	(1,728)	(16,284)
At 31 July 2025	33,339	-	23,761	57,100
Net book value at 31 July 2025	165,448	36,360	15,995	217,803
Net book value at 31 July 2024	177,128	26,130	16,896	220,878

The transitional rules set out in FRS 102 Tangible Fixed Assets have been applied on implementing FRS102. Accordingly, the book values at implementation have been retained. Land and buildings were valued in 1997 at depreciated replacement cost by a firm of independent chartered surveyors. Other tangible fixed assets inherited from the LEA at incorporation have been valued by the Group on a depreciated replacement cost basis with the assistance of independent professional advice.

At 31 July 2025, land and buildings included £23,225k (2024: £23,825k) in respect of freehold land and is not depreciated.

The net carrying amount of assets held under finance leases included in equipment is £2,586k (2024: £3,185k).

*The prior year accrual adjustments represent a change in policy where fixed assets not yet available for use are not included in fixed assets but shown as part of capital commitments instead. The negative amount represents reversal of such amount capitalised from last year. The change was made to comply with the requirements of FRS 102.

16. Investments

Group

	2025	2024
Investments carried at fair value through the Statement of Comprehensive Income	313	291
NBV at 31 July	313	291

Corporation

	2025	2024
	£	£
Investments in subsidiary companies	3,015	3,015
Investments carried at fair value through the Statement of Comprehensive Income	313	291
Impairment	(1,748)	(1,748)
	1,580	1,558

Total People Holdings Limited

On 31 July 2015 The Manchester College acquired 100% of the ordinary share capital of Total People Holdings Limited, a group of companies that are registered in England and Wales as follows:

Company name	Shareholding	Nature of business
Total People Holdings Limited	100%	Holding company - Dormant
Total People Limited*	100%	Training and apprenticeship provider
The Total Apprenticeship Training Company Limited**	100%	Apprenticeship training
Total People Employee Benefit Trustee Limited*	100%	Dormant

* The shares in these companies are held by Total People Holdings Limited

** The shares in this company are held by Total People Limited

Novus Cambria

Novus Cambria is a private limited company by guarantee without share capital and exempt from the requirement to include 'limited' in its name. The company has two members: LTE Group and Coleg Cambria. Both members are corporations established under the Further and Higher Education Act 1992. Each member has guaranteed to contribute £1 to the assets of the company in the event of it being wound up. LTE Group is the parent company as it has 60% of the voting rights of the members. The registered office is C/O Coleg Cambria, Grove Park Road, Wrexham, United Kingdom, LL12 7AB.

Novus Gower Limited

Novus Gower is a private limited company, and has two shareholders: LTE Group and Gower College. Both shareholders are corporations established under the Further and Higher Education Act 1992. LTE Group is the parent company as it holds 60% of the shares. The registered office is C/O Gower College, Swansea Tycoch Road, Sketty, Swansea, United Kingdom, SA2 9EB.

Novus-Transforming Lives Limited

The LTE Group has a 100% shareholding in Novus-Transforming Lives Limited. This is a private limited company. The registered office is Whitworth House, Ashton Old Road, Manchester, United Kingdom M11 2WH.

LTE Professional Services Limited

The LTE Group has a 100% shareholding in LTE Professional Services Limited. This is a private limited company. The registered office is Whitworth House, Ashton Old Road, Manchester, United Kingdom M11 2WH.

Novus Works Holdings Limited

The LTE Group has a 100% shareholding in Novus Works Holdings Limited. This is a private limited company. The registered office is Whitworth House, Ashton Old Road, Manchester, United Kingdom M11.

Manchester Film School Limited

The LTE Group has a 100% shareholding in Manchester Film School Limited. This is a dormant, private limited company. The registered office is Whitworth House, Ashton Old Road, Manchester, United Kingdom M11 2WH.

The Manchester College

The LTE Group has a 100% shareholding in The Manchester College. This is a dormant, private limited company by guarantee, without share capital, and exempt from the requirement to include 'limited' in its name. The registered office is Openshaw Campus, Ashton Old Road, Manchester, United Kingdom M11 2WH.

17. Debtors

	Group	Corporation	Group	Corporation
	2025	2025	2024	2024
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade receivables	5,113	3,688	5,816	4,274
Amounts owed by group undertakings:				
Subsidiary undertakings	-	2,781	-	2,807
Prepayments and accrued income	18,644	18,282	23,115	22,527
Other debtors	769	40	882	104
Amounts owed by the ESFA	329	-	128	-
Total	24,855	24,791	29,941	29,712

Group trade receivables are stated net of a doubtful debt provision of £1,229k (2024: £1,543k). During the year, trade debtors totalling £212k were written-off (2024: £210k).

Amounts owed by group undertakings are unsecured and interest free and repayable as per intercompany agreements. Included in amounts due from subsidiary undertakings is amounts due of £1,322k from Total People (2024: £1,517k). It has been confirmed by the LTE Group Board that, of this, only amounts up to £543k will be recalled from Total People prior to the 31 July 2025. The remaining balance is expected to be paid thereafter and hence is considered to be non-current.

18. Creditors

Amounts falling due within one year

	Group	Corporation	Group	Corporation
	2025	2025	2024	2024
	£'000	£'000	£'000	£'000
Bank loans and overdrafts	3,814	3,814	3,583	3,583
Obligations under finance leases	629	629	666	666
Payments in advance	605	128	672	155
Trade payables	1,764	1,633	865	695
Other taxation and social security	3,041	2,794	2,538	2,310
Accruals and deferred income	15,329	13,571	23,854	22,326
Holiday pay accruals	26	15	32	20
Deferred income - government capital grants	2,557	2,557	3,765	3,765
Amounts owed to the ESFA (Learner support funds)	587	509	1,289	1,205
Amounts owed to the ESFA (Grants)	50	-	126	-
Other creditors	3,219	3,085	3,716	3,516
Total	31,621	28,735	41,106	38,241

19. Creditors

Amounts falling due after more than one year

	Group	Corporation	Group	Corporation
	2025	2025	2024	2024
	£'000	£'000	£'000	£'000
Bank loans	44,980	44,980	45,825	45,825
Obligations under finance leases	1,884	1,884	2,426	2,426
Deferred income - government capital grants	61,400	61,400	64,267	64,267
Deferred income - unspent government capital grants	3,160	3,160	-	-
Other	896	819	778	691
Total	112,320	112,243	113,296	113,209

20. Maturity of Debt

Bank loans

Bank loans and overdrafts are repayable as follows:

	Group	Corporation	Group	Corporation
	2025	2025	2024	2024
	£'000	£'000	£'000	£'000
In one year or less	3,814	3,814	3,583	3,583
Between one and two years	3,814	3,814	21,437	21,437
Between two and five years	11,441	11,441	9,000	9,000
In five years or more	29,724	29,724	15,388	15,388
Total	48,793	48,793	49,408	49,408

Loans are with Santander £12,000k (2024: £19,646k), with The Council of the City of Manchester (MCC) £7,312k (2024: £8,062k) and with the Department for Education (DfE) totalling £29,481k (2024: £21,701k). The Santander and MCC loans are secured by a legal charge on a portion of the freehold land and buildings of the Group.

Santander loan

£24,410k from Santander was recognised on inception of the loan, with a loan drawdown of £25,000k shown net of the arrangement fee of £590k, which is being amortised over the life of the loan. This was for an original term starting February 2020 to February 2026. Up until the 25 August 2020 this loan was at a variable interest rate of LIBOR + 2.5% margin. From 26 August 2020 a fixed rate of 0.16% + 2.5% margin was agreed, up until and including 26 August 2023. From 26 August 2023 onwards this loan is now at a variable interest rate of 2.5% margin + SONIA (non-cumulative 5-day lag basis) + a credit adjustment spread of 0.1193%. Loan termination/refinancing year is February 2026.

However, given there are no breakage costs, the Group refinanced this with the DfE. This is because, the Public Work Lending Board (PWLB) rates are favourable to commercial lending rates and represent better value for money for the public purse. As part of the early refinancing, an early repayment of £6,438k was made to Santander in July 2025. At year end the loan balance was £12,000k (2024: £19,646k). A further £313k principal payment was made in August 2025 as part of the Santander loan agreement. Refinancing with the DfE was finalised in September and a balance of £11,688k paid to Santander as part of the refinancing.

The Council of the City of Manchester (MCC) loan

In February 2019, £17,000k from MCC was recognised on inception of the loan, and then during the 2019/20 financial year a further £1,045k of accrued interest was capitalised and added to the principal amount. This was for an original term February 2019 to March 2035, at an initial fixed interest rate of 6.60%. From 30th June 2021, following an early repayment of £6.500m, this rate reduced to 4.60%. Loan to be fully repaid by 31 March 2035. At year end the balance was £7,312k (2024: £8,062k).

Department for Education (DfE) refinancing loan

In July 2023, £16,500k from DfE (refinancing loan) was recognised on inception of the loan. This was for an original term July 2023 to January 2040, at the Public Works Loan Board (PWLB) standard rate of 4.97% (reviewed on each anniversary of 1 April). On the 1 April 2025, the PWLB standard rate decreased to 5.02% compared to 5.60% on April 2024. Loan is to be fully repaid by 18 January 2040.

The Group had agreed a repayment holiday on the principal element of the loan with the DfE for the period from October 2024 to July 2025 with the principal amount for this period becoming immediately repayable upon the disposal of the Shena Simon Campus. Following the completion of the Shena Simon disposal in April 2025, the repayment holiday on the loan was made good with repayments caught up. At year end the balance was £14,500k (2024: £15,500k).

Department for Education (DfE) capital loan

In July 2023, £2,500k (of a total facility of £15,600k) from DfE (capital loan) was recognised on inception of the loan. This was for an original term July 2023 to July 2037, at the Public Works Loan Board (PWLB) standard rate of 4.97% (reviewed on each anniversary of 1 April).

On 1 April 2025, the PWLB standard rate decreased to 5.02% compared to 5.60% on April 2024. In 2024/25, the loan was fully drawn with £9,399k drawn during the year.

Loan is to be fully repaid by 18 July 2037.

The Group had agreed a principal repayment holiday with the DfE for the period April to July 2025 with the principal amount for this period becoming immediately repayable upon the disposal of the Shena Simon Campus. Following the completion of the Shena Simon disposal in April 2025, the principal repayments started in May 2025. At year end the balance was £14,981k (2024: £6,201k).

Finance Leases

The net finance lease obligations to which the institution is committed are:

	Group	Corporation	Group	Corporation
	2025	2025	2024	2024
	£'000	£'000	£'000	£'000
In one year or less	638	638	666	666
Between one and two years	484	484	638	638
Between two and five years	1,363	1,363	1,418	1,418
In five years or more	250	250	680	680
Total	2,735	2,735	3,402	3,402

The £2,735k total obligation (2024: £3,402k) represents the amount of future cash payments to which the Group is committed.

This includes £223k (2024: £310k) of interest that will be incurred over the remaining life of the leases, which is not included in the liability at 31 July 2025.

21. Financial Instruments

A financial instrument is a contract that gives rise to a financial asset in one entity and a financial liability in another entity. The carrying value of the Group and Corporation's financial assets and liabilities are summarised by category below:

	Notes	Group	Corporation	Group	Corporation
		2025	2025	2024	2024
		£'000	£'000	£'000	£'000
Financial assets measured at fair value through income and expenditure:					
Investments (non - current)	16	313	313	291	291
Financial assets measured at amortised cost:					
Trade receivables	17	5,113	3,688	5,816	4,274
Other receivables	17	17,625	16,255	21,283	19,853
Amounts owed by subsidiary undertakings	17	-	2,781	-	2,807
Total		23,051	23,037	27,390	27,225
Financial liabilities measured at amortised cost:					
Loans	18/19	48,793	48,793	49,408	49,408
Finance leases	18/19	2,513	2,513	3,092	3,092
Trade payables	18	1,764	1,633	865	695
Other payables	18	14,829	13,754	20,893	19,654
Total		67,899	66,693	74,258	72,849

22. Other Provisions

Group	Enhanced pensions	Redundancy Provision	Other	Total
	£'000	£'000	£'000	£'000
At 1 August 2024	1,050	-	335	1,385
Expenditure in the period	(111)	-	(456)	(567)
Additions in the period	-	2,771	686	3,457
Interest cost	50	-	-	50
Actuarial (gain) / loss	(36)	-	-	(36)
Other experience	(23)	-	-	(23)
At 31 July 2025	930	2,771	565	4,266

Corporation	Enhanced pensions	Redundancy Provision	Other	Total
	£'000	£'000	£'000	£'000
At 1 August 2024	1,050	-	320	1,370
Expenditure in the period	(111)	-	(398)	(509)
Additions in the period	-	2,771	636	3,407
Interest cost	50	-	-	50
Actuarial (gain) / loss	(36)	-	-	(36)
Other experience	(23)	-	-	(23)
At 31 July 2025	930	2,771	558	4,259

Redundancy Provision

Novus, has initiated a redundancy programme following the award of Prison Education Services (PES) contract by the Ministry of Justice. The restructuring is necessary due to lower volumes under PES compared to the previous contract. The estimated redundancy cost of the programme is £2.771k, expected to be paid within the next financial year. The amount of payments are subject to uncertainty as they depend on final redundancy consultations and settlement agreements.

The Group is entitled to a £1,000k government grant to partially offset the redundancy provision. £191k of this was received by 31 July 2025 and the remaining is included in the accrued income (note 18). In the Consolidated Statements of Comprehensive Income this grant has been netted-off from the restructuring costs.

Other provisions

They are in respect of legal provisions relating to costs from past events that are expected to be incurred within the next one to three years. Typically, these cover potential or ongoing legal claims and represent management's best estimate of expected future cashflows. No separate disclosure is made of the detail of such claims, the assumptions used to calculate the amount provided or the uncertainties relating to the range of possible outcomes considered, because in management's view, to do so could seriously prejudice our position.

The enhanced pension provision

This relates to the cost of colleagues who have already left the College's employment. This provision has been recalculated in accordance with guidance issued by the funding bodies.

The principal assumptions for this calculation are:

	2025	2024
	%	%
Price inflation	2.7	2.8
Discount rate	5.5	4.8

23. Cash and Cash Equivalents

Group	At 1 August 2024	Cash flows	At 31 July 2025
	£'000	£'000	£'000
Cash and cash equivalents*	30,455	7,331	37,786
Total	30,455	7,331	37,786
Corporation	At 1 August 2024	Cash flows	At 31 July 2025
	£'000	£'000	£'000
Cash and cash equivalents*	27,174	7,282	34,456
Total	27,174	7,282	34,456

*This includes £3,159k of restricted cash received as a capital grant (see note 19).

24. Consolidated Reconciliation of Net Debt

	At 1 August 2024	Cash Flows	Non-cash changes	At 31 July 2025
	£'000	£'000	£'000	£'000
Cash and cash equivalents	30,455	7,331	-	37,786
Bank loans	(49,408)	656	(42)	(48,794)
Obligations under finance leases	(3,092)	579	-	(2,513)
Net debt	(22,045)	8,566	(42)	(13,521)

Analysis of Debt

	2025	2024
	£'000	£'000
Cash and cash equivalents	37,786	30,455
Borrowings: amounts falling due within one year		
Bank loans	(3,814)	(3,583)
Obligations under finance leases	(629)	(666)
(4,443)	(4,249)	
Borrowings: amounts falling due after more than one year		
Bank loans	(44,980)	(45,825)
Obligations under finance leases	(1,884)	(2,426)
(46,864)	(48,251)	
Net debt	(13,521)	(22,045)

25. Capital Commitments

Group and Corporation	2025	2024
	£'000	£'000
Commitments contracted for at 31 July	4,320	8,308

Of the £4.3m, £2.3m relates to the estates strategy build contracts (2024: £7.4m), the committed funding of which comprises of DfE grant, DfE Loan and disposal receipts (see note 20).

26. Lease Obligations

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

	Group	Corporation	Group	Corporation
	2025	2025	2024	2024
	£'000	£'000	£'000	£'000
Future minimum lease payments due				
Land and buildings				
Not later than one year	572	459	394	330
Later than one year and not later than five years	1,224	1,068	1,126	1,126
Later than five years	-	-	-	-
	1,796	1,527	1,520	1,456
Other				
Not later than one year	1,651	1,651	1,938	1,938
Later than one year and not later than five years	1,451	1,451	2,096	2,096
Later than five years	-	-	-	-
	3,102	3,102	4,034	4,034

27. Defined Benefit Obligations

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

Total pension cost for the year	2025	2024
	£'000	£'000
Teachers' Pension Scheme: contributions paid	15,336	12,665
Local Government Pension Scheme:		
Contributions paid	5,804	5,535
FRS 102 (28) charge	(938)	(710)
Charge to the Statement of Comprehensive Income	4,866	4,825
Other schemes	400	433
Enhanced pension charge to Statement of Comprehensive Income	-	-
Total pension cost for the year within staff costs	20,602	17,923

Contributions amounting to £2,330k (2024: £2,249k) were payable to the schemes at 31 July 2025 and are included within other creditors.

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 and other educational establishments, including Colleges. 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 Corporation is unable to identify its share of the underlying assets and liabilities of the plan.

Accordingly, the Corporation 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 Corporation has set out above the information available on the plan and the implications for the Corporation 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 Government Actuary's Department conducts a formal actuarial review of the TPS every 4 years. The aim of the review is to ensure scheme costs are recognised and managed appropriately and the review specifies the level of future contributions.

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

In 2023/24, as a result of the March 2020 valuation, new employer contribution rates rose from 23.68% to 28.68% from April 2024, with the Group receiving a teachers' pension employer contribution grant to support the increase in the employer contribution to the teachers' pension scheme. This support was also provided before April 2024 to support the 7.2% increase in the employer contribution from 16.48% to 23.68% that came into effect on 1 September 2019.

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

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website by following this link: [Valuation result | 10 | 2023 \(teacherspensions.co.uk\)](https://www.teacherspensions.co.uk/valuation-result-10-2023)

The pension costs paid to TPS in the year amounted to £15,336k (2024: £12,665k).

Greater Manchester Pension Fund

The GMPF is a funded defined benefit plan, with the assets held in separate funds administered by Tameside Metropolitan Borough Council. The total contribution made for the year ended 31 July 2025 was £7,915k (2024: £7,510k) of which employers' contributions totalled £5,804k (2024: £5,535k) and employees' contributions totalled £2,111k (2024: £1,975k). The agreed contribution rates are 18.1% for employers and range from 5.5% to 12.5% for employees, depending on salary according to a national scale.

Principal Actuarial Assumptions

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

	At 31 July 2025	At 31 July 2024
Future pensions increases	2.55%	2.55%
Rate of increase in salaries	2.12%	2.09%
Discount rate for scheme liabilities	5.90%	5.10%

LTE Group continuously monitors ongoing developments in UK pension law that could have wider implications for defined benefit pension schemes.

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

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

On 5 June 2025, the Government announced that it will introduce legislation to give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards. Once the legislation has been passed, this will mean that pension schemes will be able to obtain written confirmation from an actuary about the benefit changes that were previously made and apply that confirmation retrospectively without making the plan amendments void, if the changes met the necessary standards.

Our understanding, based on confirmation from GMPF, is that this ruling does not apply to the LGPS as a public service pension scheme. The LGPS is a statutory scheme established under powers given to the Secretary of State under the Superannuation Act 1972, as amended by the Public Services Pensions Act 2013. The specific rules of the scheme are set out in Statutory Instruments following consultation periods.

At the date of approval of these financial statements, while it is known there is potential for additional pension liabilities to be recognised for some schemes as a result of this ruling, the impact on the LGPS is not expected to be material. Accordingly, no adjustments to reflect the impact of the ruling have been made in these financial statements.

The Corporation will continue to monitor developments and consider any implications for the LGPS liabilities recognised by the Group.

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

	At 31 July 2025	At 31 July 2024
	Years	Years
Retiring today		
Males	19.6	19.6
Females	23.3	23.3
Retiring in 20 years		
Males	21.2	21.2
Females	24.6	24.6

The expectations of life in the table above are representative of the average mortality assumptions across the whole LGPS fund membership, and therefore there may be some differences in the relative movements year-on-year from the actual assumptions applied for the Group scheme membership.

The above ages represents the latest Fund valuation at the balance sheet date.

The major categories of plan assets as a percentage of the total plan assets are as follows:

	At 31 July 2025	At 31 July 2024
Equities	65%	68%
Bonds	17%	15%
Property	9%	9%
Cash	9%	8%
100%	100%	

The Group's share of the assets in the scheme is estimated to be £294,747k at 31 July 2025 and £276,690k at 31 July 2024.

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

	2025	2024
	£'000	£'000
Fair value of plan assets	294,747	276,690
Present value of plan liabilities	(172,311)	(192,267)
Net pensions asset	122,436	84,423
Effect of 'asset ceiling' (see below)	(122,436)	(84,423)
Net pensions asset	-	-

The net pensions asset per the actuarial valuation report was £122,436k (2024: £84,423k asset). However, in line with FRS102 requirements regarding recognition of a defined benefit pension surplus, £nil has been recognised (2024: £nil).

A consistent methodology to that adopted in 2022 was used to determine whether a pension asset should be recognised. This methodology complies with the relevant applicable accounting standards and compares the net present value of future service costs and future contributions relating to benefit accrual, measured over the remaining future working lifetime of the Group's active employees. As the future contributions relating to benefit accrual are greater than the future service costs the 'asset ceiling' is zero and therefore no pension asset has been recognised.

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

	2025	2024
	£'000	£'000
Amounts included in staff costs		
Current service cost	4,667	4,744
Past service cost	199	81
Total	4,866	4,825
Amounts included in interest income		
Net interest (credit) / charge	(23)	(18)
	(23)	(18)
Amount recognised		
Employer contributions	(5,804)	(5,535)
FRS 102 (28) pension (credit) / charge & pension finance costs	(961)	(728)

Amounts recognised in Other Comprehensive Income (OCI)

	2025	2024
	£'000	£'000
Changes in financial assumptions		
	27,571	10,689
Changes in demographic assumptions	-	-
Other experience	1,523	(6,751)
Return on pension plan assets	3,655	7,711
	32,749	11,649
Effect of 'asset ceiling'	(33,710)	(12,377)
Amount recognised in Other Comprehensive Income	(961)	(728)

Movement in net defined benefit asset during the year

	2025	2024
	£'000	£'000
Surplus in scheme at 1 August		
	84,423	68,563
Movement in year:		
Current service cost	(4,667)	(4,744)
Employer contributions	5,804	5,535
Past service cost	(199)	(81)
Net interest credit	4,326	3,501
Actuarial gain	32,749	11,649
	122,436	84,423
Effect of 'asset ceiling' - prior year	(84,423)	(68,563)
Effect of 'asset ceiling' - current year	(33,710)	(12,377)
Interest on the effect of the 'asset ceiling'	(4,303)	(3,483)
Net defined benefit asset at 31 July	-	-

Asset and Liability Reconciliation

	2025	2024
	£'000	£'000
Defined benefit obligations at start of the year		
Current Service cost	4,667	4,744
Interest cost	9,783	9,515
Contributions by Scheme participants	2,111	1,975
Changes in financial assumptions	(27,571)	(10,689)
Changes in demographic assumptions	-	-
Experience losses/(gains) arising on defined benefit obligations	(1,523)	6,751
Estimated benefits paid	(7,622)	(8,006)
Past Service cost	199	81
Defined benefit obligations at end of period	172,311	192,267

Changes in fair value of plan assets

	2025	2024
	£'000	£'000
Fair value of plan assets at start of the year		
Interest on plan assets	14,109	13,016
Return on plan assets	3,655	7,711
Other experience	-	-
Employer contributions	5,804	5,535
Contributions by Scheme participants	2,111	1,975
Benefits paid	(7,622)	(8,006)
Fair value of plan assets at end of the year	294,747	276,690

Sensitivity analysis

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

Change in assumptions at 31 July 2025:	Approximate % increase to Defined Benefit Obligation	Approximate monetary amount (£'000)
0.1% decrease in Real Discount Rate	2%	3,213
1 year increase in member life expectancy	4%	6,892
0.1% increase in the Salary Increase Rate	0%	89
0.1% increase in the Pension Increase Rate (CPI)	2%	3,226

The principal demographic assumption is the longevity assumption (i.e. member life expectancy). For sensitivity purposes, we estimate that a one year increase in life expectancy would approximately increase the Employer's Defined Benefit Obligation by around 3-5%. In practice the actual cost of a one year increase in life expectancy will depend on the structure of the revised assumption (i.e. if improvements to survival rates predominantly apply at younger or older ages).

28. Related Party Transactions

Due to the nature of the Group's operations and the composition of the Governing Body 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 Governing Body may have an interest. All transactions involving organisations in which a member of the Governing Body may have an interest are conducted at arm's length and in accordance with the Group's Financial Regulations and normal procurement procedures.

The total expenses paid to or on behalf of the Governors during the year was £408; 5 Governors (2024: £739; 4 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.

The total expenses paid to or on behalf of the Co-optees during the year was £52; 2 Co-optees (2024: £768; 3 Co-optees). This represents travel and subsistence expenses and other out of pocket expenses incurred in attending Committee Meetings and charity events in their official capacity.

In accordance with the permission granted by the Charity Commission, remuneration of trustees was commenced in April 2018. The total remuneration paid to Governors during the year was £42,654; 9 Governors (2024: £51,453; 11 Governors). The total remuneration paid to Co-optees during the year was £34,782; 10 Co-optees (2024: £21,548; 8 Co-optees).

Novus Cambria

During the year the parent company LTE Group incurred expenses and made payments on behalf of the company totalling £329,417 (2024: £248,719) and took cash receipts on behalf of the company of £nil (2024: £327).

During the year the company paid a distribution of earnings of £149,994 (2024: £118,021) to LTE Group.

At 31 July 2025 £81,152 (2024: £82,010) was owed to LTE Group and is included in Amounts owed to group undertakings (note 17).

Novus Gower

During the year the parent company LTE Group incurred expenses and made payments on behalf of the company totalling £3,368,221 (2024: £3,036,246) and took cash receipts on behalf of the company of £nil (2024: £nil). During the year the company paid a distribution of earnings of £256,998 (2024: £212,157) to LTE Group. At 31 July 2025 £455,532 (2024: £942,432) was owed to LTE Group and is included in Amounts owed by group undertakings (note 17).

Novus - Transforming Lives

During the year the parent company LTE Group incurred expenses and made payments on behalf of the company totalling £1,303,163 (2024: £1,173,609) and took cash receipts on behalf of the company of £nil (2024: £425,115). During the year the company paid a distribution of earnings of £439,757 (2024: £155,410) to LTE Group. At 31 July 2025 £818,831 (2024: £191,512) was owed to LTE Group and is included in Amounts owed to group undertakings (note 17).

Total People

During the year, the parent company, LTE Group incurred expenses and made payments on behalf of the company totalling £1,461,547 (2024: £1,009,371) and took cash receipts on behalf of the company of £237,542 (2024: £123,104).

During the year the company incurred expenses and made payments on behalf of LTE Group totalling £4,480,005 (2024: £70,199) and took cash receipts on behalf of the company of £Nil (2024: £128,497).

At 31 July 2025, £1,322,890 (2024: £2,918,045) was owed to LTE Group in respect of these transactions and is included in Amounts owed by group undertakings (note 17).

At 31 July 2025, £131,438 was owed by Total People Holdings Limited to the company (2024: £131,438) and £13,372 was owed by The Total Apprenticeship Training Company Limited to the company (2024: £13,372).

LTE Professional Services

During the year, the parent company, LTE Group incurred expenses and made payments on behalf of the company totalling £168,661 (2024: £140,623) and took cash receipts on behalf of the company of £nil (2024: £nil).

At 31 July 2025, £102,273 (2024: £73,728) was owed to LTE Group in respect of these transactions and is included in Amounts owed by group undertakings (note 17).

The City and Guilds of London Institute

During the year, LTE Group made payments of £1,546,427 (2024: £641,112) to City and Guilds relating to exams costs in Manchester College. The Chair of The Manchester College Board is the Chair of City & Guilds of London Institute. City and Guilds is a world leader in skills education. They work with employers, colleges, training provider and governments to set the standards for skills and give people and organisations the capabilities to prosper in future. City & Guilds is an educational organisation, founded by the City of London, operating under royal charter.

It is a registered charity. The Manchester College independently built curriculum plans which best suits learner provision and syllabus and apply to awarding bodies for approval to deliver these qualifications, many of which are specialist to curriculum areas. City and Guilds are 1 of 22 awarding bodies which Manchester College transact with in delivering educational provision. These are arm's length transactions, in which the College is assessed for approval to determine if we are suitable delivery partners. Spend with City Guilds across LTE Group was £1.6m (2024: £1.5m), of which £688,660 (2024: £609,769) relates to Novus, spend by Novus is as per the Prison Education Framework (PEF) contract. We are contracted, under the PEF MoJ contract, to utilise the prescribed Common Awarding Bodies procured by the MoJ.

29. Amounts Disbursed as Agent

Learner support funds	2025	2025	2024	2024
	Group	Corp	Group	Corp
	£'000	£'000	£'000	£'000
Funding body grants – bursary support	3,405	3,269	3,669	3,496
Funding body grants – discretionary learner support	2,865	2,865	2,850	2,850
Other Funding body grants - free school meals	424	413	332	321
	6,694	6,547	6,851	6,667
Disbursed to students	(5,852)	(5,784)	(5,329)	(5,233)
Administration costs	(255)	(255)	(234)	(229)
Balance unspent as at 31 July, included in creditors	587	508	1,288	1,205

The Group distributes 16-19 discretionary and vulnerable bursaries and free meals in further education (FEFM) funds to students as an agent for DfE. In the year ended 31 July 2025, the Group received a total of £6,694k and disbursed £5,852k from DfE 16-19 discretionary and vulnerable bursaries and FEFM funding after charging £255k for administration costs.

As at 31 July 2025, the cumulative unspent 16-19 discretionary and vulnerable bursary funds and FEFM funding is £587k, of which £Nil relates to funds that are in scope to be returned to DfE.

Comparatives for the year ended 31 July 2024 are £6,851k received from DfE, £5,329k disbursed to learners after charging £234k for administration costs, and total cumulative unspent funds of £1,288k, of which £Nil was repaid to DfE.

30. Events After End of Reporting Period

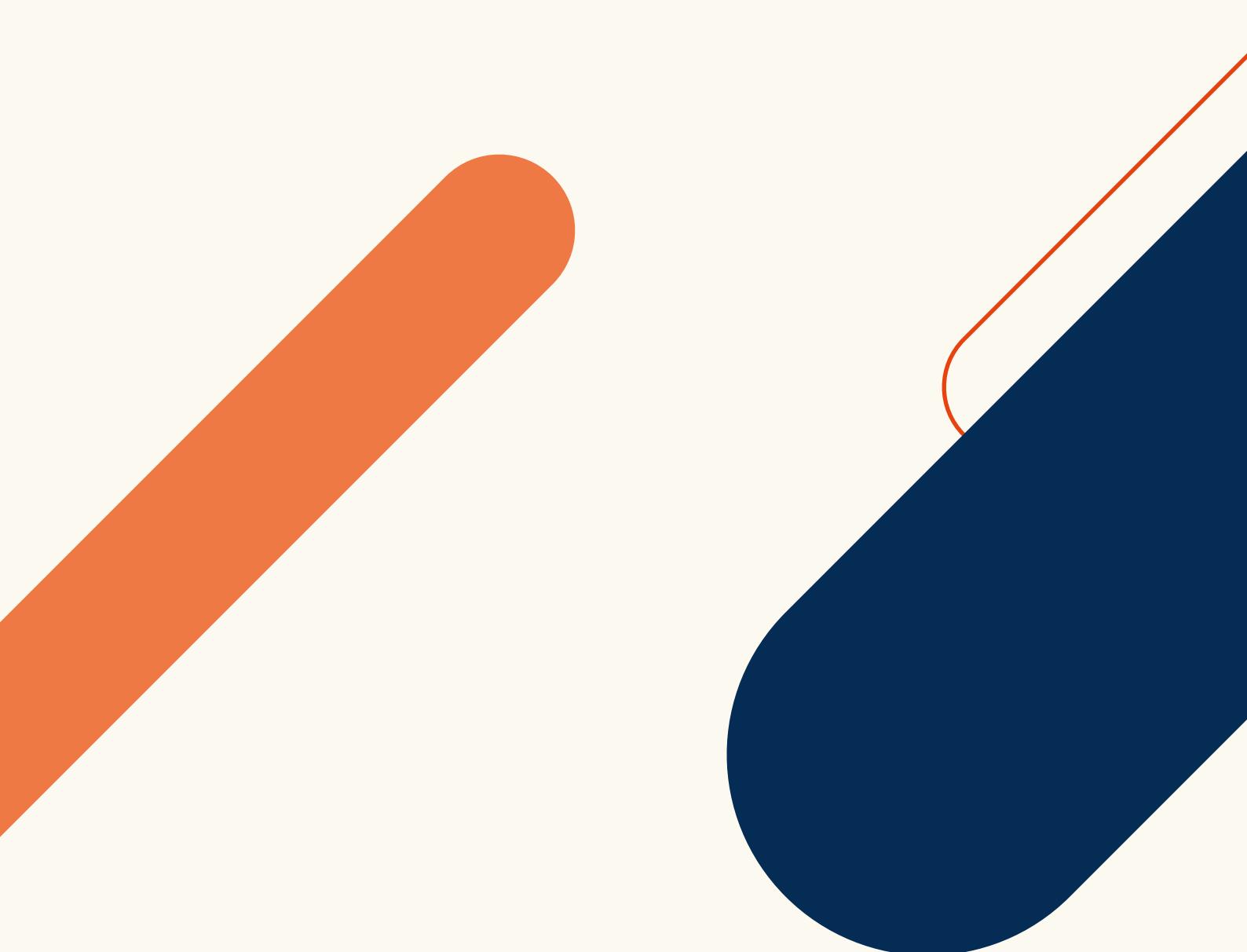
Refinancing of Santander Loan with a loan from DfE was finalised in September and a balance of £11,688k paid to Santander as part of the refinancing. The refinancing was done as there were no breakage costs, the Public Work Lending Board (PWLB) rates are favourable to commercial lending rates and represent better value for money for the public purse. See note 20.

In September 2025 DfE approved the Corporation's Parental Company Guarantee (PCG) to Total People Ltd to 31 July 2028.

In September 2025 we signed an extension to the current PEF contract in the West Midlands for a period of 5 months to 31 August 2026.

In November 2025, DfE approved LTE Group's request to issue a Parental Company Guarantee in respect of the education and training delivery contract by Novus - Transforming Lives at HMP Forest Bank.





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