Registered number: 08615826
Charity number: 1153280

DERWEN COLLEGE

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE COLLEGE, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2025

Trustees

Company registered number

08615826

Charity registered number

1153280

Registered office

Derwen College, Whittington Road, Gobowen, Oswestry, Shropshire, SY11 3JA

Telephone : 01691 661234

Website : www.derwen.ac.uk

Principal operating office

Whittington Road, Gobowen, Oswestry, Shropshire, SY11 3JA

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COLLEGE, ITS TRUSTEES AND ADVISERS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

Independent auditors

WR Partners, Belmont House, Shrewsbury Business Park, Shrewsbury, Shropshire, SY2 6LG

Bankers

LLoyds plc, 28 Regent Street, Wrexham, Clywd, LL11 1SE

Solicitors

Lanyon Bowdler, 39-41 Church Street, Oswestry, SY11 2SZ

Clerk to Governors and Company Secretary

Mrs C Thompson

Senior management team

Mrs M Green, Principal and Chief Executive Officer
Miss N Bellis, Director of Care, People & Resources
Miss K George, Director of Care, Health and Wellbeing, resigned 31.03.26
Mr A Smith, Director of Finance, Sustainability & Client Services
Mrs C Thompson, Director of Communications, Student Recruitment & Technology
Mrs Z Wood, Director of Learning and Quality
Mr P Bradshaw, Director of Student Services, Safeguarding & Wellbeing, from 01.01.26

Governance Professional

Mr M Baker

CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2025

The Board appointed Jamie Ward as the new Chair of Governors, effective from July 2025. Jamie, a long-standing governor and local businessman, brings with him a wealth of experience and a commitment to serving the community. A local resident, business owner and family man, he combines extensive business experience with an infectious enthusiasm for learning and a belief in giving back to the community. We look forward to the leadership and experience Jamie will bring as he guides the next chapter of Derwen College's governance.

More information about Derwen College and Charity can be found at **www.derwen.ac.uk**

Newly appointed Chair of Governors, Jamie Ward, shares reflections on the past year, recognising the achievements of students and staff and the continued development of the College.

In the ever-changing world in which we live in, it is pleasing to report that everything at Derwen College is, at least for the moment, settled and well.

This is due both to the leadership, and to the hard work, and enthusiasm of everyone associated with Derwen College. On behalf of the governors, I would like to thank everyone for their commitment.

As for the governors, we have a strong group of volunteers who remain committed to working with the Senior Leadership Team to keep the College on a sound footing, investing in the college infrastructure and staff, to provide the best possible experience and outcome for our students and clients, who remain at the very heart of everything we do.

Our governors have enjoyed engaging with students and staff throughout the year, attending events across the college and visiting our satellite sites. Highlights included the graduation ceremony and welcoming the Duke of Edinburgh to our Duke of Edinburgh's Award Outdoor Centre.

Sadly, this year saw the passing of our esteemed Patron HRH Duchess of Kent, an association that had lasted for many decades.

This past year has also seen a change in the Chair of Governors with Mrs Kathleen Kimber, affectionately known as K, stepping down after 12 years at the helm. K dedicated her time as Chair to setting up the current governance structure and leading the College during massive change over her tenure. We remain indebted to K as she remains a Governor and Trustee of the College.

Mr James Ward
Chair

Date: 27-08-2026

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025

Since Derwen College qualifies as small under section 382 of the Companies Act 2006, the Strategic Report, required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, has been omitted.

The annual report serves the purposes of both a trustees' report and a directors' report under company law. The governors confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the second edition Charities Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

The Trustees, who are also the Directors, present their annual report together with the audited financial statements of Derwen College (the "College" and or the "Charity") for the year 1 January 2025 to 31 December 2025.

Objectives and activities

a. Policies and objectives

The College's Mission, Strategic Priorities and Values

Our Mission: to enable everyone to achieve beyond what they and others believe possible.

Strategic Priorities: Priorites serve to promote Derwen College's purpose: the development and care of students and residents.

- Ensure our long-term sustainability
- Excel in every aspect of our operation
- Make the most of our exceptional resources
- Be trailblazers, initiators and researchers

Our Values:

Objectives and activities (continued)

2025

Our 2024 Reflections concluded with our statement that we believed the Derwen College charity to be in a strong position. We were committed to embedding the many developments in hand and pursuing our rigorous drive for continuous improvement.

Student numbers for 2025–2026 academic year are strong, with a total of 182 students across our Gobowen, Telford and Ludlow campuses.

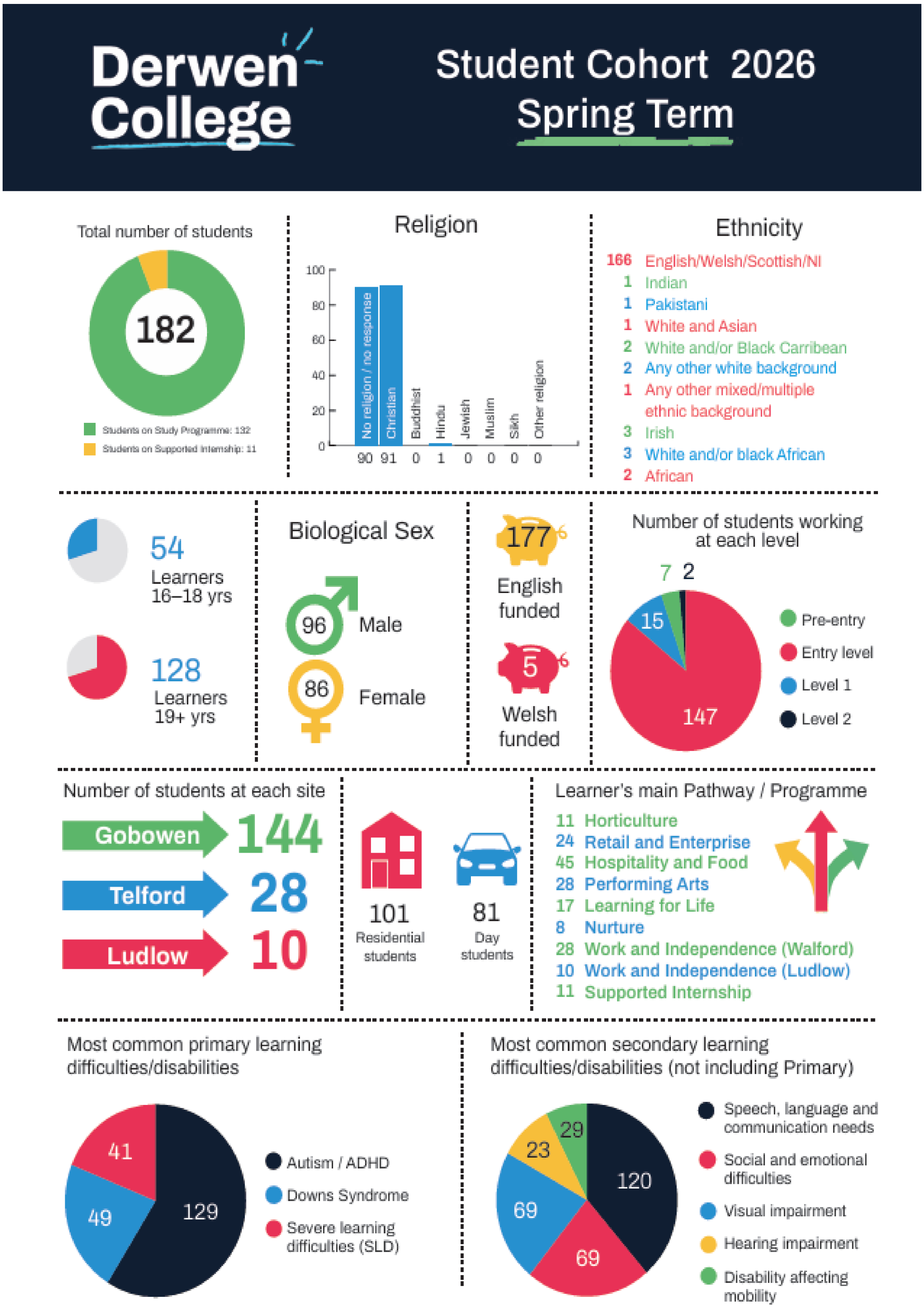
Highlights and activities

- In March, we welcomed Prince Edward, HRH the Duke of Edinburgh to Gobowen campus, where he met with students and staff to find out more about our Duke of Edinburgh's Awards provision and Derwen Marketplace.
- We celebrated 75 students achieving Duke of Edinburgh's Awards. To date we have celebrated 205 Bronze, 165 Silver and 78 Gold Awards.
- Derwen College was named a finalist in the national Association of Colleges Beacon Awards for Mental Health and Wellbeing for an innovative Sleep Project. We were thrilled to go on to win (announced March 2026) and look forward to sharing our expertise in 2026.
- Supported Intern Anna Redding was awarded Inspirational Adult Learner 2025 in the Shropshire Chamber Business Awards.
- Shropshire Cricket Board Awards awarded SEND Teacher of the Year to Sports Coordinator Steve Evans. Derwen College was awarded SEND School of the Year.
- Students Jonathan and Lizzie (Student Council president and vice president) visited the Houses of Parliament to support the launch of a project called '*What Comes After Education for Young People with SEND*' to raise awareness of the challenges people with SEND (special educational needs and disabilities) face when they leave education.
- Derwen College Charity's 10km challenge saw a record 187 walkers and runners, and the introduction of a 1km Teddy Trail, an accessible option led by therapy dog, Teddy.
- Launch of Derwen College National Skills competitions in partnership with Coleg Elidyr. These vocational competitions enabled students to demonstrate skills learnt at College.

Objectives and activities (continued)

- Staff and students were very excited to welcome band *The Entitled Sons* for a high-energy live performance with an inspirational message about mental health.
- This year's Performing Arts summer and Christmas shows of *Grease and Cinderella (with a twist)*, at the Holroyd Community Theatre were exceptional, and welcomed families, governors, industry champions, local dignitaries and stakeholders.
- Derwen College Horticulture team joined the community effort for Oswestry in Bloom. Oswestry won another Gold in the annual Heart of England in Bloom competition, going on to win Gold in Britain in Bloom.
- Student Alice won an Advocacy, Policy and Media award in the Learning Disability and Autism Leaders' Awards 2025 for her work promoting Makaton in the mainstream media, including on television's Strictly Come Dancing.
- Derwen Fete and Dog show in June and the Christmas Fayre in November welcomed students, families, supporters and the local community to Gobowen campus.
- We marked *Purple* Tuesday, advocating for more inclusive and accessible shopping and community experiences for people with learning difficulties and disabilities.
- Our Student Council partnered with the local community as part of a road safety campaign to lower speed limits around Derwen College Gobowen campus.
- The Nurture team saw the opening of a brand new extension including spacious classrooms, a kitchen, and an adapted independence training room. This work was completed thanks to generous donors who were thanked at an official launch.
- Derwen College joined Natspec's first Power of Specialist FE campaign working with specialist colleges nationwide.
- A Lunch and Learn event was hosted to support employers who offer work experience to students. Employers enjoyed an Autism Awareness in the Workplace' workshop.
- Student Dylan completed the DofE Young Leaders Programme becoming Derwen College's first ever Young Leader. He was the first young leader with SEND in Shropshire and Wrekin, and one of just ten across the county.
- We thanked our current dedicated volunteers with a afternoon tea in The Orangery, and recruited new volunteers via Volunteer Taster Days.
- Derwen College Principal and CEO Meryl Green, Director of Learning and Curriculum Development Zoe Wood and Chair of Governors Jamie Ward represented Derwen College Consulting at the AccessAbilities Expo in Dubai.
- Student numbers at satellites sites continue to grow, with students joining together for events such as sports days, events and Christmas parties.

Objectives and activities (continued)



Please note these figurs do not reflect the whole cohort - they relate to our largest learning difficulties and disabilities categories

Objectives and activities (continued)

Destination Data – Overall										
Collection – Year	Actual 20–21		Actual 21–22		Actual 22–23		Actual 23–24		Actual 24–25	
Leavers	33		43		41		78		77	
Work outcomes										
Paid work 16hrs+	0	0%	1	2.33%	3	7%	0	0%	1	1.3%
Paid work less than 16hrs	5	15.15%	4	9.30%	7	17%	3	3.8%	4	5.4%
Voluntary work	4	12.12%	9	20.93%	6	14%	9	11.5%	16	21.6%
FE – another provider	9	27.27%	16	37.21%	10	24%	8	10.3%	10	13.5%
FE – returning to Derwen College							7	8.9%	14	18.9%
FE – Derwen College Supported Internship							12	12.8%	11	14.8%
Supported internship with other provider									1	1.3%
Not in paid employment/looking for work	0	0%	6	13.95%	1	2%	0	0%	4	5.4%
Community activities	3	9.10%	3	6.98%	10	24%	11	14.1%	5	6.7%
Social care programme - other provider									5	6.1%
Other									1	1%
No response	12	36.36%	4	9.30%	5	12%	25	32.1%	5	6.7%
Living outcomes										
Supported independent living	10	30%	10	23.26%	9	21%	9	11.5%	10	13.5%
Residential placement			2	4.65%	1	2%	1	1.3%	3	4%
Residential placement at Derwen College							11	14.1%	7	9.5%
Living with family – Day student at Derwen College							11	14.1%	0	0%
Living with family	4	12%	17	39.53%	19	45%	16	20.5%	39	52.7%
Living with family pending supported living	8	25%	7	16.28%	6	14%	5	6.4%	10	13.5%

Objectives and activities (continued)

Outcomes

Student progress against their Education Health and Care Plans (ECHP), or their Individual Development Plan (IDP), and their agreed personal targets, are closely monitored. The number of students proceeding to part-time employment, voluntary work or further education has increased, although their learning difficulties and disabilities are more complex than in previous years.

Derwen College ensures that working with students to enhance all their chances of success, happiness and fulfilment after college are a high priority, by developing work ready skills, increasing their independence and ability to look after themselves, and promoting social, cultural and sporting engagement and interaction.

The Clients in 2025

Derwen College provides accommodation for people with disabilities and learning difficulties. The Trustees work closely with the Senior Leadership Team to ensure that all accommodation remains fit for purpose for students and clients who reside at college.

Clients at Derwen College have been an integral part of the College community for many years, and have led very fulfilling lives, many of them living independently with appropriate levels of support. Generally, all clients are assessed and reviewed by their funding local authority on a fairly regular basis, and for those clients who have been assessed as having care and support needs, this is currently being provided by Derwen Care if the client opts for this. Over the past years we have seen a steady increase in the care and support required for the majority of our clients.

After dedicated fundraising, a clients' outdoor wooden gazebo, named The Cabin, was built and opened as a space to meet for activities and occasions. There was an opening barbecue, and many plans to use it the year ahead, especially during warmer weather.

Achievements and performance

a. Key performance indicators

Performance and quality

Derwen College is characterised by a drive for continuous improvement and has strong and varied processes of reflection, evaluation and analysis. The Quality Assurance Calendar (QAC) is updated annually and gives an overview of the depth and breadth of activity to review performance and to learn from the outcomes, so that improvement can be made. There is a strong culture of undertaking continuous professional development, commissioning audits and reports, to gain the benefit of additional expertise and insight.

Achievements and performance (continued)

Internally

There is a well-established, thorough and transparent self-assessment system. Quality and the achievement of Improvement Plan targets are monitored throughout the year and the formal departmental evaluations of performance and outcomes are moderated at the end of the summer term by panels, which include Trustees.

The comprehensive self-assessment and data analysis support the following judgements for the College's performance 2024–25:

• **Overall effectiveness**	**Good**
• Quality of education	**Good**
• Behaviours and attitudes	**Outstanding**
• Personal development	**Outstanding**
• Leadership and management	**Good**
• Safeguarding	**Effective**

Key strengths identified included:

- Curriculum intent is clear and very appropriate, laying the foundation for a well designed, high quality curriculum that is well understood by relevant stakeholders.
- Curriculum implementation across all sites is good. Teachers are well qualified and experienced to deliver ambitious and innovative programmes appropriate to learners' individual aspirations and support needs.
- Curriculum impact is very good. Learners make excellent progress in preparing for adulthood and develop knowledge, skills and behaviours to enhance their quality of life, employment opportunities and independence in everyday life.
- Students' achievement of their planned outcomes is excellent; the number of leavers progressing into employment is particularly impressive.

QAR (qualification achievement rates)

Qualification achievement rates (QARs) are a measure of how well further education colleges and training organisations perform every year. QARs us individualised learner record to calculate what proportion of learning was successfully completed, and the result is shown as a percentage.

For 2024/2025 Derwen College QARs were:

Achievement Rate – 96.1%
Retention Rate – 96.1%
Pass rate – 100%

Inspection and public recognition

External Quality Assurers' feedback from awarding bodies is extremely positive. Derwen College holds the **Matrix Standard** and was re-accredited in 2024. Comments from the report included:

- There was evidence provided by students, partners, and staff of a friendly, welcoming, and professional service. All stakeholders involved in the assessment believe that the support (CEIAG) provided by all staff is highly effective in preparing students for their next step.
- There are many examples of Derwen College students going on to their next steps and examples of progressing beyond their own, and their parents'/carers' expectations.

Achievements and performance (continued)

Ofsted ratings

In March 2026, the College was inspected by Ofsted under its new framework, launched in autumn 2025. The framework is rigorous and the standards are far higher than previously. The College was very pleased to achieve the following gradings:

- Safeguarding – Met
- Inclusion – Strong
- Leadership and governance – Expected
- Curriculum, teaching and training – Expected
- Achievement – Expected
- Participation and development – Strong

These excellent outcomes are the result of a significant and sustained team effort.

The Care Quality Commission carried out a focused inspection on 16 and 17 November 2022, reviewing specific areas identified in their 2019 inspection. The College has the following grades:

• Is the service safe?	**Good**
• Is the service effective?	**Good**
• Is the service caring?	**Good**
• Is the service responsive?	**Good**
• Is the service well led?	**Good**

During the regular monitoring of Food Safety and Hygiene standards all residences were awarded a five-star rating.

Feedback and testimonials

Staff and trustees are committed to ensuring life-enhancing progress for students and clients. Feedback brings constant testimony to such progress.

<u>Some comments from 2025:</u>

"On behalf of the ladies of Tallarn Green Women's Institute I would like to thank you for your help in organising a lunch and tour of Derwen Marketplace. Everyone thoroughly enjoyed their food and were very impressed with the service they received. We were really well looked after."

"I'd like to thank you for welcoming me into the house. I would also like all the team for making me feel so welcome during my time at Derwen College. I have never met such a lovely group of people who made me feel so welcome into a new environment. I'd also like to say you have a wonderful group of students in Cadbury and that it was an honour to be able to have spent time with them all." – Student after a work placement in Cadbury Court.

"[Step-mum] and I wanted to thank you and all your team for the wonderful work you did last term with [student]. During half term we really saw the difference it has made to [student]. What a transition from school to college and child to young lady. You should all be very proud of what you have achieved in such a short period of time." – Father of student.

"For us, [student]'s Gold Duke of Edinburgh's Award is one of his great achievements of the last three years, and we do know that it was not easy for you or for him. We are very grateful that you persevered, and we wish you all the very best for the future of the programme." – Parents of a student.

Achievements and performance (continued)

“Thank you so much for today. You have been amazing with your care, we really appreciate what you have done and for the great communication.” – From parent of new student.

“What an incredible Christmas show you and your amazing team put together. It was everything! We recognise your whole team’s tremendous hard work and the rewards of watching 42 young people brimming with confidence and joy.” – Parents of student.

“Derwen College provides the opportunity for young adults like [student] to safely experience a world in which they can fully contribute to, and live, their own life. I’m incredibly grateful to have learned that Derwen existed and that we managed to get a place. It is such a huge part of his story.” – Parent of 2025 graduate.

Development projects

Change and innovation are constant and the Resources and Business Committee leads on the in-depth consideration of development proposals and the monitoring of progress. 2025 has seen completion of:

- Work to Bungalow garages
- Bungalows 10/11
- Clients gazebo
- Relocation of Corner House to Juniper Court with upgrade of toilets and wet room
- New Derwen Care office
- Redesign and refurbishment of Nurture extension
- New accessible sports track
- New Student Union toilets with accessible and gender neutral spaces
- Upgrade to Derwen Marketplace public toilets
- Beech House upgrade
- Hazel meeting room upgrade
- Work began on an accessible path through the Woodland Walk.

Commercial areas: Derwen College Marketplace

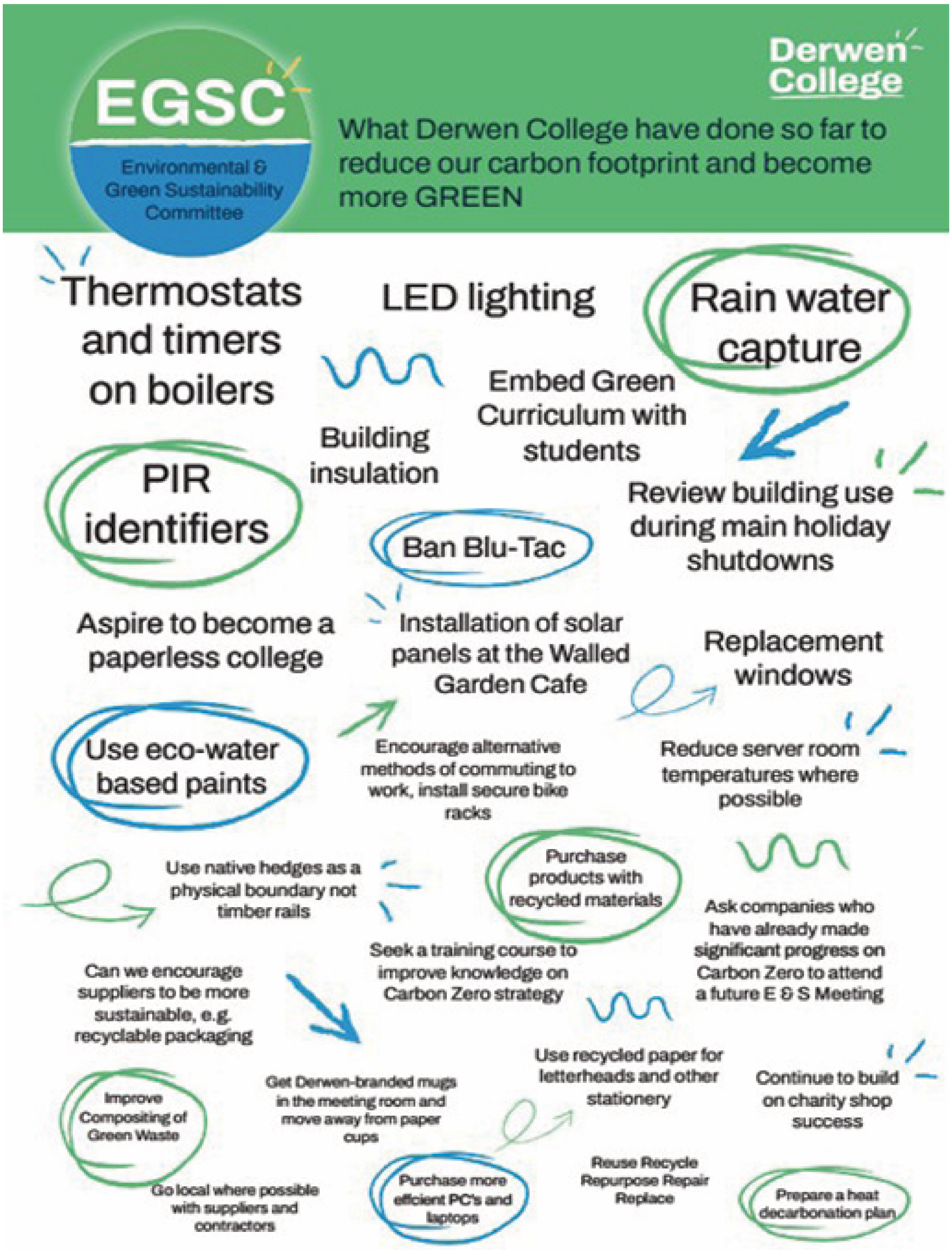
The Commercial Outlet Strategy is kept under review. This ensures that commercial initiatives in Derwen Marketplace are in line with curriculum needs, industry standards and students’ individual needs and aspirations.

Derwen College public facing commercial areas consist of: Garden Centre & Gift shop, Walled Garden; Walled Garden Cafe; Vintage Advantage Charity Shop, Ebay and online shop;The Orangery Restaurant, Woodland Walk; and Gobowen Station Café.

Environmental & Green Sustainability Committee

The staff Environmental Shropshire Zero Carbon pledge is ongoing. The College’s objectives and aims have been costed, agreed and are regularly monitored.

Achievements and performance (continued)



Achievements and performance (continued)

Leadership, management and staffing

The Senior Leadership Team (SLT) is headed by Meryl Green, the Principal and Chief Executive Officer, supported by five Directors and the following directorates:

Finance, Sustainability and Client Services – Andrew Smith

Care, People and Resources – Natalie Bellis

Care and Independence – Karen George

Learning and Quality – Zoe Wood

Communications, Student Recruitment and Technology – Carol Thompson. This Director is also the Company Secretary.

In December 2025, we said a fond farewell to Karen George, our Director of Care & Independence, who stepped down after nearly 10 years as part of our senior leadership team.

Paul Bradshaw was appointed Director of Student Services, Safeguarding and Wellbeing (Registered Manager), with effect from 1 January 2026.

SLT have proved a committed and able team, with whom Trustees work closely. They ensure quality, provide real vision, drive and challenge and are supported by highly competent senior managers and department heads. Included in their responsibilities are safeguarding and Equality, Diversity and Inclusion (EDI) and Environmental and Green Sustainability. Named Trustees are members of the staff Safeguarding Committee and, before every Standards and Effectiveness Committee meeting, they undertake a detailed review, with relevant staff, of current concerns, activity and reports. These are discussed at the Standards and Effectiveness Committee and reported to every Board meeting.

Achievements and performance (continued)

Pay policy for key management personnel

The remuneration and terms and conditions of employment for the Principal & CEO is agreed by the Board, following an established procedure. The chairs of the Board and the Board committees, and the Board vice-chair meet to discuss proposals made by the Principal & CEO, using appropriate benchmark data. A proposal is then taken to the Board for consideration and discussion with no staff present, and a decision is made. The Principal & CEO determines the remuneration and terms and conditions of employment for the members of the Senior Leadership Team. This process has been formalised into the terms of reference of a new Board committee, the Senior Leadership Structure & Reward Committee approved at the February 2026 meeting.

Employee involvement

Staff numbers continue to increase, reflecting the new and expanded provision and the increasing complexity of students' disabilities. Nationally, the labour market for colleges has become much tighter but Derwen College has yet to experience the critical recruitment difficulties many are experiencing. The 2024 staff engagement survey, conducted in the summer, produced an overall engagement score of 87%, compared to 76% in 2022. The Leadership Team is now working with senior managers to conduct focus groups to inform the development of a Colleague Engagement Action Plan for 2024–26.

Continued professional development is closely monitored and any low completion rates are actively followed up. Trustees have been pleased to see the continually increasing staff wellbeing facilities and programme. Employees are consulted on issues of concern to them by means of the Staff Forum, staff meetings and a confidential and anonymous intranet link. They are kept informed on specific matters directly by management and through the weekly Staff Newsletter.

Volunteers are welcomed, contribute to Derwen College's operation, receive an induction process and are DBS checked. In accordance with the Equal Opportunities Policy, Derwen College has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Structure, governance and management

a. Constitution

Derwen College is registered in England and Wales as a charitable company, limited by guarantee, and was set up by a Trust deed.

Members' liability

The members of the College guarantee to contribute an amount not exceeding £1 to the assets of the college in the event of winding up.

Qualifying Indemnity Insurance

The Combined Insurance Policy includes a qualifying indemnity provision for the Trustees of the College and its Defined Benefit Pension Scheme

The development of the Charity

Derwen College was founded in 1927 by Dame Agnes Hunt and was originally associated with the Robert Jones and Agnes Hunt Orthopaedic Hospital in Gobowen. The Derwen Estate was purchased in 1928 and the first trust deed was established on 3 August 1932. It was varied or affected by schemes of the Charity Commission dated 25 January 1968 and 18 August 1972, and then consolidated in the Deed of 29 November 1988.

Structure, governance and management (continued)

An incorporated charity was established on 18 July 2013, Derwen College (charity number 1153280, Companies House number 8615826). The former charity remains in existence as Derwen College Trust (charity number 208745) with the sole purpose of managing the permanently endowed property. It appointed as its trustees the new Derwen College Charity.

The solicitors drew up a uniting directive which allows a single set of accounts to be drawn up, as the two entities have the same financial reporting period. ‘Linked’ financial statements for both Companies House and the Charity Commission are submitted annually for reporting purposes.

b. Methods of appointment or election of Trustees

The control of the Charity, its property and funds is in the hands of the Trustees (Governors), who are also the company Directors, and who are appointed in line with the Articles of Association. All potential governors undertake a formal interview process which includes a fit and proper person’s assessment. Appointments are approved at board level. Governors are often appointed from the ranks of Committee co optees. These positions enable people to become familiar with the college, its operations, and the governance system and processes.

The Board’s Search and Governance Committee formally reviews the specialisms, strengths and characteristics of the members annually, including diversity.

One Trustee, Mrs K Kimber, is currently serving a fifth five-year term, agreeed by the Board in line with Article 8.9.

c. Policies adopted for the induction and training of Trustees

Governors receive an appropriately resourced induction when they join the Board. This includes meetings with senior management and formal, often online, training. Governors have links with senior management and access to videos covering all areas of the charity’s work. Governors have briefings, site visits, learning walks and ongoing learning and development.

In May 2026 a newly-refreshed training programme is being launched. The ‘*Beyond the Boardroom*’ programme offers extended and varied training and development opportunities for every trustee and governor to learn more about the College and the sector.

The regulatory framework

Under the agreed Articles of Association, to which Derwen College is now working, there are:

At least seven and not more than 12 co-opted trustees, appointed by resolution of the Board conforming to any criteria the Board determines. The term of office of all Trustees is five years, with an expectation that usually after three terms of office the Trustee shall be eligible for re-election only after a year has elapsed.

The Board co-opts additional members to committees in order to benefit from people’s experience and professional expertise.

Trustees’ activity in 2025

The Board adopted the Charity Code of Governance, for larger charities, adheres to its principles, and monitors all aspects of its performance against the Code. It has developed a very positive working relationship with the Senior Leadership Team, which recognises the need for trustees to provide effective challenge as well as active support.

Structure, governance and management (continued)

Much of the detailed analysis and scrutiny of the College's operation is managed by the Board's committees, of which there are four:

- Resources and Business Committee
- Audit and Risk Assurance Committee
- Standards and Effectiveness Committee
- Search and Governance Committee

The work of all the committees is drawn together at the Board meetings, and committee papers are made available online to all trustees.

Financial review

a. Going concern

After making all appropriate enquiries, very thorough consideration of draft budgets, and cash flow up to 2027, and having taken key strategic decisions, the trustees expect the Charity to have adequate resources to continue in operational existence for the foreseeable future.

b. Reserves policy

The note to the accounts shows the assets and liabilities attributable to the various funds by type and summarise the year's movement on each fund.

The total funds of the charity were £6,194,700 (2024: £5,509,622) of which restricted funds were £373,180 (2024: £396,265) and endowment £2,248,256 (2024: £2,248,256).

The unrestricted funds amounted to £3,573,264 (2024:£2,865,101) of which there is a surplus of £1,822,643 (2024: £1,576,199) relating to free reserves. The current reserves policy followed by the trustees is to have a total reserves figure of up to a maximum of 50 days of expenditure. The current free reserves figure is 39 days (2024: 36 days).

Reserves may need to be utilised during the short to medium term for cash flow and for capital projects. The Trustees consider this to be judicious and appropriate especially in the current climate of uncertainty surrounding funding approvals and budgetary restraint. In 2019 the FRS102 defined benefit pension scheme closed to new members and future accrual, it therefore currently has no active members.

c. Financial Summary

During the year the net movement in funds was a surplus of £685,078 (2024: £44,324). Net current assets stand at £1,886,700 (2024: £1,371,278) with the closing cash position of £1,980,000 (2024: £1,056,982). £Nil funds are held in a short-term investment account (2024: £513,521).

The subsidiary company, Derwen College Consulting Ltd carried out consultancy work during 2025, totalling £8,995. The deficit of £11,458 generated in 2025 is included in the consolidated accounts.

d. The achievement of public benefit

In setting objectives and planning for activities, the trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance ‘Public benefit: running a charity’ (PB2).

Derwen College transforms lives. The number of students who proceed to Supported Living, progress in managing their medication, travel and healthy eating, clients’ response to the meaningful activities programme, the amazing number who gain Duke of Edinburgh’s Awards each year, the confidence shown in work placements, performances and encounters with the public, are all examples of significant development and growth.

The quality of provision is inspected by Ofsted, the Care Quality Commission and other agencies. The Board believes that Derwen College provides excellent value for money to the public purse and that student outcomes mean they can be less dependent on benefits throughout the rest of their lives. The high level of staff expertise and commitment are key factors in the success of the College’s management of learning, student support and innovation.

e. The management of principal risks and uncertainties

The Trustees regularly examine the principal areas of Derwen College’s operations and consider the major risks faced in each. There are established resources and review systems which, under normal conditions, should allow any risk to be managed to an acceptable level in the College’s day to day operation.

Derwen College’s risk management has two distinct tiers: strategic and operational. The operational level is reviewed on a ‘real time’ basis and deals with individual departments, beneficiaries and staff, functions and duties. At the strategic level, the Senior Leadership Team reviews the risk assessment register monthly and it is reviewed at least termly as part of the College Quality Improvement Plan.

They are scrutinised at every Audit and Risk Assurance Committee meeting. Issues are debated and reported to Board meetings. This includes College pension arrangements, insurances and trustee responsibilities to ensure these remain in line with current legislation and operational factors.

Derwen College’s spacious Gobowen campus is generally open to visitors and customers in the public areas, Derwen Marketplace, and is imaginatively and purposefully managed to enable students to interact with staff and members of the public appropriately and safely. However, the open plan nature of the campus and the heightened staff awareness of potential hazards necessitate regular reviews.

Gates are located at strategic points on the campus enabling a secure area for students, away from the public areas, to be closed off at 9pm each evening. The central area of the College is pedestrianised. Departmental operational risk management encompasses all locations and individuals.

There has been an ongoing major installation of CCTV monitoring equipment, the replacement of intruder alarms, and significant upgrading of pathways. In 2023, the College began a trial of an acoustic monitoring system in student bedrooms, to allow for ongoing monitoring of student safety whilst minimising interruptions of their sleep. The successful pilot has led to the system being rolled out across more residences, and continues into 2026.

Site safety is reviewed through the Health and Safety Committee, which includes trustee membership, is audited by specialist advisors and monitored by external agencies. A full time Health and Safety Manager ensures the scrutiny of all aspects of Health and Safety and appropriate action plans are rigorously implemented.

Derwen College provides a safe and supportive environment for learners to access the internet, including social networking sites. Staff give a high priority to all aspects of online safety and the safeguarding team rigorously monitor risk in this area with personalised strategies being implemented to support all individuals as appropriate.

f. Financial risk management objectives and policies

The Board has adopted the Charity Code of Governance (for larger charities) and adheres to the principles it lays out.

g. Principal funding

The main source of income is generated from student and client fees paid for by local and central Government and amounts to 88% of the total income. All the £15,855,750 income raised during 2025 has been used to enable the College to meet its charitable objectives.

h. Fundraising activities and income generation

Donations: £273,744
The Vintage Advantage Shop: £147,541
10km Challenge: £3,200
Summer Fete and Dog Show: £15,070
Christmas Fayre: £4,322
Other events: £5,346

Funds raised have been used to support students to thrive by providing extra experiences and opportunities which enable them to progress and enhance their time at Derwen College. For 2025, we saw the completion of an accessible sports track which has been used by walkers, cyclers and runners alike, and will be part of our future 10km Challenges.

i. Investment policy and performance

The College takes a prudent, low risk approach to investments, placing cash surpluses on deposit to attract a return, although this was not especially attractive when interest rates were very low. This is, principally, because the reserves may need to be utilised during the short to medium term for cash flow and for capital projects. The investment strategy of the Derwen College pension scheme has been the subject of a detailed review with very positive results and the scheme is formally reported on annually to the Board.

Where next?

National developments continue to offer more unknowns and potential challenges. The Welsh Government's changes to Additional Learning Needs have made it harder for Welsh students to obtain funding. Devolution and the extension of mayoral-led combined authorities could have a significant impact on funding and attitudes to placing students. Qualifications and the qualification frameworks are under review, with consequences for pathways and programmes. The Schools White Paper, to be published in February 2026 is expected to make reforms to the SEND system which could have far reaching consquences for the future.

However, the College Senior Leadership Team actively takes every opportunity to contribute to the debate and influence outcomes. And we are looking ahead: planning has started for our 100-year birthday celebrations in 2027.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that each Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

Auditors

The auditors, WR Partners, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:

Mr James Ward
Chair
Date: 27.08.2026

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2025

The Trustees (who are also the directors of the College for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the College and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the College's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the College and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the College and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees and signed on its behalf by:

Mr James Ward
Chair

Date:

27-06-2026

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DERWEN COLLEGE

Opinion

We have audited the financial statements of Derwen College (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 December 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the College Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 December 2025 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Trustees' 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 or the parent charitable company'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 Trustees 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 Auditors' Report thereon. The Trustees 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees 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 Trustees are responsible for assessing the Group's and the parent charitable company'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 Trustees either intend to liquidate the Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

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

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

• We reviewed the susceptibility of the Charitable Company's financial statements to material misstatement and identified the principal risks, implementing a series of testing procedures to provide us with sufficient comfort to issue our opinion.
• We reviewed the Charitable Company's regulatory environment to ensure we could conclude that it had acted in accordance with the framework relevant to the Charitable Company and its environment and identify any instances of non-compliance.
• We also assessed the Charitable Company's internal control procedures to ensure we could appropriately scrutinise these controls and establish whether our understanding of the control environment was sufficient to supplement our additional testing procedures.
• The engagement team consisted of a team that the engagement partner believes is equipped with the relevant level of technical and Charity awareness to carry out our work to the required standard.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 Auditors' Report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

WR Partners

Andrew Malpass BSc FCA (Senior Statutory Auditor)
for and on behalf of
WR Partners
Chartered Accountants and Statutory Auditors
Belmont House
Shrewsbury Business Park
Shrewsbury
Shropshire
SY2 6LG

Date: 7th September 2026

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	Unrestricted funds 2025 £	Restricted funds 2025 £	Endowment funds 2025 £	Total funds 2025 £	*Total funds 2024 £*
Income and endowments from:						
Donations and legacies	4	**69,086**	**440,616**	**-**	**509,702**	*452,039*
Charitable activities	5	**16,585,326**	**-**	**-**	**16,585,326**	*13,310,413*
Other trading activities	6	**793,577**	**-**	**-**	**793,577**	*718,239*
Investments	7	**20,666**	**-**	**-**	**20,666**	*29,130*
Other income	8	**215**	**-**	**-**	**215**	*400*
Total income and endowments		**17,468,870**	**440,616**	**-**	**17,909,486**	*14,510,221*
Expenditure on:						
Raising funds	9	**816,871**	**-**	**-**	**816,871**	*722,088*
Charitable activities		**16,384,452**	**23,085**	**-**	**16,407,537**	*13,743,809*
Total expenditure		**17,201,323**	**23,085**	**-**	**17,224,408**	*14,465,897*
Net income		**267,547**	**417,531**	**-**	**685,078**	*44,324*
Transfers between funds	21	**440,616**	**(440,616)**	**-**	**-**	*-*
Net movement in funds		**708,163**	**(23,085)**	**-**	**685,078**	*44,324*
Reconciliation of funds:						
Total funds brought forward		**2,865,101**	**396,265**	**2,248,256**	**5,509,622**	*5,465,298*
Net movement in funds		**708,163**	**(23,085)**	**-**	**685,078**	*44,324*
Total funds carried forward		**3,573,264**	**373,180**	**2,248,256**	**6,194,700**	*5,509,622*

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2025

	Note		2025 £		2024 £
Fixed assets					
Tangible assets	14		**4,312,057**		*4,160,688*
			4,312,057		*4,160,688*
Current assets					
Stocks	16	**41,709**		*46,486*	
Debtors	17	**3,893,585**		*1,156,097*	
Investments	18	**-**		*513,521*	
Cash at bank and in hand		**1,980,000**		*1,056,982*	
		5,915,294		*2,773,086*	
Current liabilities					
Creditors: amounts due within one year	19	**(4,028,594)**		*(1,401,808)*	
Net current assets			**1,886,700**		*1,371,278*
Total assets less current liabilities			**6,198,757**		*5,531,966*
Creditors: amounts falling due after more than one year	20		**(4,057)**		*(22,344)*
Net assets			**6,194,700**		*5,509,622*
Total net assets			**6,194,700**		*5,509,622*

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2025

	Note	2025 £	*2024 £*
Charity funds			
Endowment funds	21	**2,248,256**	*2,248,256*
Restricted funds	21	**373,180**	*396,265*
Unrestricted funds	21	**3,573,264**	*2,865,101*
Total funds		**6,194,700**	*5,509,622*

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Mr James Ward
Chair
Date: 27-08-2026

The notes on pages 32 to 54 form part of these financial statements.

COLLEGE BALANCE SHEET
AS AT 31 DECEMBER 2025

	Note		2025 £		*2024 £*
Fixed assets					
Tangible assets	14		**4,312,057**		*4,160,688*
Investments	15		**100**		*100*
			4,312,157		*4,160,788*
Current assets					
Stocks	16	**41,709**		*46,486*	
Debtors	17	**3,843,820**		*1,156,097*	
Investments	18	**-**		*513,521*	
Cash at bank and in hand		**1,901,122**		*1,056,882*	
		5,786,651		*2,772,986*	
Current liabilities					
Creditors: amounts falling due within one year	19	**(3,888,594)**		*(1,401,808)*	
Net current assets			**1,898,057**		*1,371,178*
Total assets less current liabilities			**6,210,214**		*5,531,966*
Creditors: amounts falling due after more than one year	20		**(4,057)**		*(22,344)*
Net assets			**6,206,157**		*5,509,622*
Total net assets			**6,206,157**		*5,509,622*

COLLEGE BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2025

	Note	2025 £	*2024 £*
Charity funds			
Endowment funds	21	**2,248,256**	*2,248,256*
Restricted funds	21	**373,180**	*396,265*
Unrestricted funds	21	**3,584,721**	*2,865,101*
Total funds		**6,206,157**	*5,509,622*

The College's net movement in funds for the year was £696,535 *(2024 - £422,870)*.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Mr James Ward
Chair
Date: 27 - 08 - 2026

The notes on pages 32 to 54 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 £	*2024* *£*
Cash flows from operating activities			
Net cash used in operating activities	23	**751,819**	*377,578*
Cash flows from investing activities			
Dividends, interests and rents from investments		**20,666**	*29,130*
Purchase of tangible fixed assets		**(339,021)**	*(403,395)*
Current investments		**513,521**	*(513,521)*
Net cash provided by/(used in) investing activities		**195,166**	**(887,786)**
Cash flows from financing activities			
Finance lease movement		**(23,967)**	*(33,321)*
Net cash used in financing activities		**(23,967)**	**(33,321)**
Change in cash and cash equivalents in the year		**923,018**	**(543,529)**
Cash and cash equivalents at the beginning of the year		**1,056,982**	*1,600,511*
Cash and cash equivalents at the end of the year	24	**1,980,000**	*1,056,982*

The notes on pages 32 to 54 form part of these financial statements

1. General information

Derwen College is a Company limited by guarantee. The registered office is disclosed on the Reference and Administration page. The Charity is primarily involved in working with young people with learning difficulties and disabilities to provide learning, development and care to enable the achievement of aspirations.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the second edition Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Derwen College meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Group and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Group has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

2.2 Company status

The College is a Company limited by guarantee, registered in England and Wales. The members of the company are the Governors named on page 1. In the event of the College being wound up, the liability in respect of the guarantee is limited to £1 per member of the College.

2.3 Going concern

At 31 December 2025 no material uncertainties existed that would impact the going concern basis that these financial statements are prepared upon.

2.4 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds are funds, the capital of which must be maintained.

2. Accounting policies (continued)

2.5 Income

All income is recognised once the College has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Consolidated Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset’s use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

2.7 Government grants

Grants that are not subject to performance-related conditions are credited to the Consolidated Statement of Financial Activities as the grant proceeds are received. Grants received prior to the revenue recognition criteria being satisfied are recognised as a liability.

2.8 Tangible fixed assets and depreciation

Tangible fixed assets of a capital nature are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

2. Accounting policies (continued)

2.8 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	- nil depreciation
Leasehold property	- over the lifetime of the initial lease
Fixtures, plant and machinery	- 14% on a straight line basis
Motor vehicles	- 25% on a straight line basis
Assets under construction	- nil depreciation

2.9 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.10 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as ‘Gains/(Losses) on investments’ in the Consolidated Statement of Financial Activities.

2.11 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.12 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.13 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2. Accounting policies (continued)

2.14 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Group anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated Statement of Financial Activities as a finance cost.

2.15 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.16 Finance leases and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Group. Obligations under such agreements are included in creditors, net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Consolidated Statement of Financial Activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.17 Pensions

The Group operates a defined contribution pension scheme, the pension charge represents the amounts payable by the Group to the fund in the year.

In 2019 the FRS102 defined benefit pension scheme was closed to new members and future accrual therefore currently has no active members. The pension asset is no longer included within the Charity's balance sheet. Disclosure of the current position is provided in note 26.

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The College makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgment:

Assumptions used in Pensions Valuation

The present value of the Local Government Pension Scheme defined benefit positions depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumption used in determining the net cost or income for pensions include the discount rate. Any changes in the assumptions which are disclosed in note 26 will impact the value of the pension. The pension fund is currently in a surplus position of £2,018k. This is not recognised in the financial statements as the Group does not expect to recover the surplus either through reduced contributions in the future or through refunds from the Scheme.

4. Income from donations and legacies

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	*Total funds 2024 £*
Donations	69,086	232,382	**301,468**	*277,420*
Grants	-	-	**-**	*4,853*
Government grants	-	208,234	**208,234**	*169,766*
Total 2025	69,086	440,616	**509,702**	*452,039*
Total 2024	*246,525*	*205,514*	*452,039*	

The government grant income comprises grants received from the Department of Education.

5. Income from charitable activities

	Unrestricted funds 2025 £	Total funds 2025 £	*Total funds 2024 £*
Training Fees	15,855,750	**15,855,750**	*12,582,018*
Miscellaneous Income	65,898	**65,898**	*66,588*
Short Breaks Income	379,530	**379,530**	*381,239*
Rental Income	284,148	**284,148**	*280,568*
Total 2025	16,585,326	**16,585,326**	*13,310,413*
Total 2024	*13,310,413*	*13,310,413*	

6. Income from other trading activities

Fundraising activities

	Unrestricted funds 2025 £	**Total funds 2025 £**	*Total funds 2024 £*
Retail	510,514	**510,514**	*350,339*
Hospitality	274,168	**274,168**	*367,900*
Derwen College Consulting Ltd	8,895	**8,895**	-
Total 2025	793,577	**793,577**	*718,239*
Total 2024	*718,239*	*718,239*	

7. Investment income

	Unrestricted funds 2025 £	**Total funds 2025 £**	*Total funds 2024 £*
Interest Receivable	20,666	**20,666**	*29,130*
Total 2025	20,666	**20,666**	*29,130*
Total 2024	*29,130*	*29,130*	

8. Other incoming resources

	Unrestricted funds 2025 £	Total funds 2025 £	*Total funds 2024 £*
Profit on Sale of Assets	215	**215**	*400*
Total 2025	215	**215**	*400*
Total 2024	*400*	*400*	

9. Expenditure on raising funds

Other trading expenses

	Unrestricted funds 2025 £	Total funds 2025 £	*Total funds 2024 £*
Retail and Hospitality Expenditure	424,266	**424,266**	*390,607*
Derwen College Consulting Ltd	102	**102**	*15*
Retail and Hospitality Staff Costs	392,503	**392,503**	*331,466*
	816,871	**816,871**	*722,088*
Total 2024	*722,088*	*722,088*	

10. Analysis of expenditure by activities

	Activities undertaken directly 2025 £	Support costs 2025 £	Total funds 2025 £	*Total funds 2024 £*
Education	5,185,846	-	**5,185,846**	*4,364,647*
Care	6,284,408	-	**6,284,408**	*5,350,386*
Administration	1,246,402	1,153,238	**2,399,640**	*2,158,192*
Campus & Estates	1,626,156	911,487	**2,537,643**	*1,870,584*
Total 2025	14,342,812	2,064,725	**16,407,537**	*13,743,809*
Total 2024	*11,883,529*	*1,860,280*	*13,743,809*	

10. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Education 2025 £	Care 2025 £	Administration 2025 £	Campus & Estates 2025 £	Total funds 2025 £	*Total funds 2024 £*
Staff costs	4,623,562	5,667,248	-	-	**10,290,810**	*8,385,084*
Depreciation	-	-	179,857	-	**179,857**	*180,951*
Premises & Ground Costs	114,021	43,795	179,475	1,450,646	**1,787,937**	*1,395,357*
Equipment Repairs and Maintenance	60,503	100,331	25,111	102,194	**288,139**	*251,596*
Licences & Subscriptions	13,148	34,358	114,961	2,196	**164,663**	*138,794*
Legal , Professional & Consultation Costs	76,572	9,422	48,169	306	**134,469**	*135,647*
Cleaning and Consumables	46,631	165,446	8,021	58,905	**279,003**	*246,490*
Marketing and Advertising	5,104	800	43,274	694	**49,872**	*43,640*
Learning Equipment and Student Activities	60,321	17,623	135,856	4,819	**218,619**	*211,824*
Printing Stationery and Computing Consumables	92,340	31,800	311,520	3,107	**438,767**	*356,046*
College Transport	48,222	3,331	95,211	2,572	**149,336**	*133,860*
External Contractors	8,708	203,018	5,004	-	**216,730**	*247,253*
Stock	12,121	212	2,351	-	**14,684**	*-*
Miscellaneous	24,593	7,024	97,592	717	**129,926**	*156,987*
Total 2025	5,185,846	6,284,408	1,246,402	1,626,156	**14,342,812**	*11,883,529*
Total 2024	*4,364,647*	*5,350,386*	*1,116,246*	*1,052,250*	*11,883,529*	

10. Analysis of expenditure by activities (continued)

Analysis of support costs

	Administration 2025 £	Campus & Estates 2025 £	Total funds 2025 £	*Total funds 2024 £*
Staff costs	1,153,238	911,487	**2,064,725**	*1,860,280*
Total 2025	1,153,238	911,487	**2,064,725**	*1,860,280*
Total 2024	*1,041,946*	*818,334*	*1,860,280*	

11. Auditors' remuneration

	2025 £	*2024 £*
Fees payable to the College's auditor for the audit of the College's annual accounts	**14,700**	*12,050*
Fees payable to the College's auditor in respect of:		
All non-audit services not included above	**1,650**	*3,100*

12. Staff costs

	Group 2025 £	*Group 2024 £*	Company 2025 £	*Company 2024 £*
Wages and salaries	**11,028,556**	*9,437,491*	**11,028,556**	*9,437,491*
Social security costs	**1,223,539**	*782,401*	**1,223,539**	*782,401*
Pension costs	**495,943**	*356,938*	**495,943**	*356,938*
Agency costs	**219,133**	*235,768*	**219,133**	*235,768*
	12,967,171	*10,812,598*	**12,967,171**	*10,812,598*

Included in the above are redundancy payments of £8,436 made payable to 3 employees in the year (2024: £19,868 made payable to 2 employees).

12. Staff costs (continued)

The average number of persons employed by the College during the year was as follows:

	Group 2025 No.	*Group 2024 No.*	**Company 2025 No.**	*Company 2024 No.*
Charitable staff	**346**	*326*	**346**	*326*
Administration and support	**92**	*90*	**92**	*90*
Management	**6**	*6*	**6**	*6*
	444	*422*	**444**	*422*

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2025 No.	*Group 2024 No.*
In the band £60,001 - £70,000	**1**	*1*
In the band £70,001 - £80,000	**4**	*4*
In the band £90,001 - £100,000	**1**	*1*

The key management personnel of the College comprise of the senior management team as listed on page 2. The total remuneration of the key management personnel during the year was £517,868 (2024: £482,760). The remuneration and terms of conditions of the members of the SLT is agreed by the board following an established procedure.

13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits *(2024 - £NIL)*.

During the year ended 31 December 2025, no Trustee expenses have been incurred *(2024 - £NIL)*.

14. Tangible fixed assets

Group and Company

	Freehold property £	Leasehold property £	Plant and machinery £	Motor vehicles £	Assets under construction £	Total £
Cost or valuation						
At 1 January 2025	**12,363,538**	**542,214**	**1,336,752**	**286,167**	**227,252**	**14,755,923**
Additions	**177,740**	**-**	**138,286**	**22,995**	**-**	**339,021**
Disposals	**-**	**-**	**-**	**(25,725)**	**-**	**(25,725)**
Transfers between classes	**227,252**	**-**	**-**	**-**	**(227,252)**	**-**
At 31 December 2025	**12,768,530**	**542,214**	**1,475,038**	**283,437**	**-**	**15,069,219**
Depreciation						
At 1 January 2025	**9,301,907**	**328,000**	**719,382**	**245,946**	**-**	**10,595,235**
Charge for the year	**-**	**23,085**	**144,655**	**19,912**	**-**	**187,652**
On disposals	**-**	**-**	**-**	**(25,725)**	**-**	**(25,725)**
At 31 December 2025	**9,301,907**	**351,085**	**864,037**	**240,133**	**-**	**10,757,162**
Net book value						
At 31 December 2025	**3,466,623**	**191,129**	**611,001**	**43,304**	**-**	**4,312,057**
At 31 December 2024	*3,061,631*	*214,214*	*617,370*	*40,221*	*227,252*	*4,160,688*

Included in freehold property is land at a cost of £106,693 (2024: £106,693).

15. Fixed asset investments

College	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2025	**100**
At 31 December 2025	**100**
Net book value	
At 31 December 2025	**100**
At 31 December 2024	*100*

Principal subsidiaries

The following was a subsidiary undertaking of the College:

Name	Company number	Class of shares	Holding
Derwen College Consulting Limited	14503923	Ordinary	100%

	Expenditure £	Net assets £
Derwen College Consulting Limited	**20,352**	**(11,357)**

16. Stocks

	Group 2025 £	*Group 2024 £*	**Company 2025 £**	*Company 2024 £*
Finished goods and goods for resale	**41,709**	*46,486*	**41,709**	*46,486*

17. Debtors

	Group 2025 £	*Group 2024 £*	**Company 2025 £**	*Company 2024 £*
Due within one year				
Trade debtors	**3,644,502**	*975,449*	**3,574,487**	*975,449*
Amounts owed by group undertakings	**-**	*-*	**20,250**	*-*
Other debtors	**4,650**	*10,315*	**4,650**	*10,315*
Prepayments and accrued income	**244,433**	*170,333*	**244,433**	*170,333*
	3,893,585	*1,156,097*	**3,843,820**	*1,156,097*

18. Current asset investments

	Group 2025 £	*Group 2024 £*	**Company 2025 £**	*Company 2024 £*
Savings investment	**-**	*513,521*	**-**	*513,521*

19. Creditors: Amounts falling due within one year

	Group 2025 £	*Group 2024 £*	**Company 2025 £**	*Company 2024 £*
Payments received on account	**249,807**	*176,498*	**249,807**	*176,498*
Trade creditors	**353,777**	*331,839*	**353,777**	*331,839*
Other taxation and social security	**2,505,150**	*263,172*	**2,505,150**	*263,172*
Obligations under finance lease and hire purchase contracts	**18,200**	*23,871*	**18,200**	*23,871*
Other creditors	**19,538**	*21,268*	**19,538**	*21,268*
Accruals and deferred income	**882,122**	*585,160*	**742,122**	*585,160*
	4,028,594	*1,401,808*	**3,888,594**	*1,401,808*

	Group 2025 £	*Group 2024 £*
Deferred income at 1 January 2025	**381,757**	*151,393*
Resources deferred during the year	**569,411**	*381,757*
Amounts released from previous periods	**(381,757)**	*(151,393)*
	569,411	*381,757*

Deferred income relates to fees received in advance.

20. Creditors: Amounts falling due after more than one year

	Group 2025 £	*Group 2024 £*	**Company 2025 £**	*Company 2024 £*
Net obligations under finance lease and hire purchase contracts	**4,057**	*22,344*	**4,057**	*22,344*

21. Statement of funds

Statement of funds - current year

	Balance at 1 January 2025 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2025 £
Unrestricted funds					
General Funds	1,348,934	17,468,655	(17,036,756)	101,810	1,882,643
Fixed asset Fund	1,516,167	215	(164,567)	338,806	1,690,621
	2,865,101	17,468,870	(17,201,323)	440,616	3,573,264
Endowment funds					
Fixed asset fund	2,248,256	-	-	-	2,248,256
Restricted funds					
Fixed asset fund	396,265	-	(23,085)	-	373,180
Other restricted funds	-	440,616	-	(440,616)	-
	396,265	440,616	(23,085)	(440,616)	373,180
Total of funds	5,509,622	17,909,486	(17,224,408)	-	6,194,700

21. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2024 £	*Income £*	*Expenditure £*	*Transfers in/out £*	*Balance at 31 December 2024 £*
Unrestricted funds					
General Funds	*1,316,926*	*14,304,707*	*(13,869,303)*	*(403,396)*	*1,348,934*
Fixed asset Fund	*1,270,764*	*-*	*(157,993)*	*403,396*	*1,516,167*
	2,587,690	*14,304,707*	*(14,027,296)*	*-*	*2,865,101*
Endowment funds					
Fixed asset fund	*2,248,256*	*-*	*-*	*-*	*2,248,256*
Expendable Endowment	*170,129*	*-*	*(170,129)*	*-*	*-*
	2,418,385	*-*	*(170,129)*	*-*	*2,248,256*
Restricted funds					
Fixed asset fund	*419,223*	*-*	*(22,958)*	*-*	*396,265*
Other restricted funds	*40,000*	*205,514*	*(245,514)*	*-*	*-*
	459,223	*205,514*	*(268,472)*	*-*	*396,265*
Total of funds	*5,465,298*	*14,510,221*	*(14,465,897)*	*-*	*5,509,622*

Statement of funds (continued)

Endowment Funds

Endowment funds represent land and buildings of the college, with the exception of those held within restricted funds (see below). The endowed land and buildings are held on trust for Derwen College Trust, Charity Number 1153280-1.

Restricted Funds

The restricted fund brought forward and remaining balance carried forward relates to the net book value of the properties at Ludlow, Telford and Walford College, including 2 properties in Gobowen that were partly funded by the Big Lottery (refer to note 28).

Other restricted funds - Any other restricted income and expenditure that has occurred during the year.

22. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2025 £	**Restricted funds 2025 £**	**Endowment funds 2025 £**	**Total funds 2025 £**
Tangible fixed assets	1,690,621	373,180	2,248,256	**4,312,057**
Current assets	5,915,294	-	-	**5,915,294**
Creditors due within one year	(4,028,594)	-	-	**(4,028,594)**
Creditors due in more than one year	(4,057)	-	-	**(4,057)**
Total	3,573,264	373,180	2,248,256	**6,194,700**

Analysis of net assets between funds - prior year

	Unrestricted funds 2024 £	*Restricted funds 2024 £*	*Endowment funds 2024 £*	*Total funds 2024 £*
Tangible fixed assets	*1,516,167*	*396,265*	*2,248,256*	*4,160,688*
Current assets	*2,773,086*	*-*	*-*	*2,773,086*
Creditors due within one year	*(1,401,808)*	*-*	*-*	*(1,401,808)*
Creditors due in more than one year	*(22,344)*	*-*	*-*	*(22,344)*
Total	*2,865,101*	*396,265*	*2,248,256*	*5,509,622*

23. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2025 £	*Group 2024 £*
Net income for the year (as per Statement of Financial Activities)	**685,078**	*44,324*
Adjustments for:		
Depreciation charges	**187,652**	*180,950*
Returns on investments and servicing of finance	**(20,666)**	*(29,130)*
Decrease in stocks	**4,777**	*1,435*
Increase in debtors	**(2,737,488)**	*(220,460)*
Increase in creditors	**2,632,466**	*400,459*
Net cash provided by operating activities	**751,819**	*377,578*

24. Analysis of cash and cash equivalents

	Group 2025 £	*Group 2024 £*
Cash in hand	**1,980,000**	*1,056,982*
Total cash and cash equivalents	**1,980,000**	*1,056,982*

25. Analysis of changes in net debt

	At 1 January 2025 £	**Cash flows £**	**At 31 December 2025 £**
Cash at bank and in hand	**1,056,982**	**923,018**	**1,980,000**
Finance leases	**(46,215)**	**23,958**	**(22,257)**
Liquid investments	**513,521**	**(513,521)**	**-**
	1,524,288	**433,455**	**1,957,743**

26. Pension commitments

Auto - Enrolment Pension Scheme

The College now operates two defined contribution schemes. The assets of the scheme are held separately from those of the College in independently administered funds. One of these schemes was introduced from 1 June 2019 with staff being given the option to migrate over from the closed defined benefit scheme (see below).

The pension cost charge represents contributions payable by the College to the fund and amounted to £495,943 (2024: £356,938).

The scheme was closed to new members and future accrual in 2019. All active members were given the option to migrate to a new defined contribution scheme that was setup from 1 June 2019. The defined benefit scheme remains open as a de-risking exercise is being completed in preparation to be in a position to a future buy out. There are currently no active members. All members are classed as deferred or pensionable as at 31 December 2024.

*The amounts in the financial statements for the year ended 31 December 2024 relating to pension are based on a full actuarial valuation dated 31 December 2020 and updated to 31 December 2024 by a qualified actuary, independent of the scheme's sponsoring employer.

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	At 31 December 2025 %	*At 31 December 2024 %*
Discount rate	**5.6**	*5.55*
Inflation (RPI)	**3.1**	*3.3*
Inflation (CPI)	**2.7**	*2.8*

	At 31 December 2025 Years	*At 31 December 2024 Years*
Mortality rates (in years)		
- for a male aged 65 now	**21.0**	*20.7*
- at 65 for a male aged 45 now	**22.3**	*22.0*
- for a female aged 65 now	**23.5**	*23.4*
- at 65 for a female aged 45 now	**25.0**	*24.9*

26. Pension commitments (continued)

The Group's share of the assets in the scheme was:

	At 31 December 2025	*At 31 December 2024*
	£	*£*
Corporate bonds	**2,193,000**	*2,670,000*
Cash and other liquid assets	**278,000**	*66,000*
Other	**7,360,000**	*7,445,000*
Total fair value of assets	**9,831,000**	*10,181,000*

The actual return on scheme assets was £306,000 *(2024 - £544,000)*.

Movements in the present value of the defined benefit obligation were as follows:

	2025	*2024*
	£	*£*
Opening defined benefit obligation	**7,838,000**	*8,553,000*
Benefits paid	**(458,000)**	*(480,000)*
Actuarial losses	**11,000**	*(634,000)*
Interest cost	**422,000**	*399,000*
Closing defined benefit obligation	**7,813,000**	*7,838,000*

Movements in the fair value of the Group's share of scheme assets were as follows:

	2025	*2024*
	£	*£*
Opening fair value of scheme assets	**10,181,000**	*11,281,000*
Interest income	**547,000**	*528,000*
Benefits paid	**(458,000)**	*(480,000)*
Actuarial losses	**(241,000)**	*(1,072,000)*
Admin expenses	**(198,000)**	*(76,000)*
Closing fair value of scheme assets	**9,831,000**	*10,181,000*

27. Operating lease commitments

At 31 December 2025 the Group and the College had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Company 2025 £	*Company 2024 £*
Not later than 1 year	**18,192**	*23,872*
Later than 1 year and not later than 5 years	**4,057**	*22,344*
	22,249	*46,216*

28. Big Lottery Funding

The college received Big Lottery Funding in respect of the Derwen Enterprises ceramics buildings and the residential building, The Acorns in 1997 and 2003 respectively.

The grants are repayable in the event of the college ceasing its activities, and the college may not dispose of the buildings or use them as security for a loan without prior written provision of the Big Lottery Fund, such restrictions to be in place for 80 years from 1997 and 2003 respectively when the grants were received.

29. Related party transactions

P Crosby, a Trustee of the Charity, is the owner of Southgate Management Services which was engaged by Derwen College as a Corparate Fundraiser and invoiced the college £3,375 during the year (2024: £26,040). There were no outstanding balances at year end.