west lothian college

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 JULY 2025

The financial statements were approved and authorised for issue on 02 December 2025

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PERFORMANCE REPORT FOR THE YEAR ENDED 31 JULY 2025

Performance Overview

This section provides information on the purpose and objectives of West Lothian College, the main issues and risks that we face, and a high-level assessment of performance over the year.

About West Lothian College

West Lothian College is located in the heart of West Lothian which is situated on the M8 corridor between Scotland's two largest cities. This strategic location is a major reason for the area experiencing one of the fastest growing populations in the country and maintaining a stable economy.

Originally established as Bathgate Technical College in 1965, the college moved to our current Livingston campus in 2001 and marked its sixtieth anniversary in 2025. We are acknowledged locally and nationally as a successful, innovative, influential, collaborative and caring college.

The college provides a wide range of further and higher education courses to meet the needs of West Lothian's people, communities and businesses. These support government priorities on growing the economy, tackling poverty and tackling the climate emergency.

Hundreds of senior pupils in West Lothian's thirteen secondary schools take part in college courses each year alongside their school qualifications. The college continues to be the top choice for school leavers for both further and higher education qualifications. We have seen a significant increase in younger full-time students over the last three years, with 74% of full-time enrolments in 2024-25 aged 16-24. However, more than half of part-time students were 25 and (52%) and a large proportion of these were work-based, i.e. people in work completing qualifications to gain the required skills for their jobs or to progress onto promoted or different roles.

The college has a symbiotic relationship with West Lothian Council and increasingly with third and private sector organisations across the region. We play a critical role in achieving community planning partnership priorities to address the skills needs of employees and enable people to be better educated and more able to access to quality jobs. Beyond that, the college is recognised locally and nationally as a leader in trauma informed practice.

Vision, Goals and Values

The college has a ten-year vision to develop a highly skilled, enterprising and resilient workforce – 2025 is the mid-point of the period covering the vision. Four strategic goals help to achieve that vision:

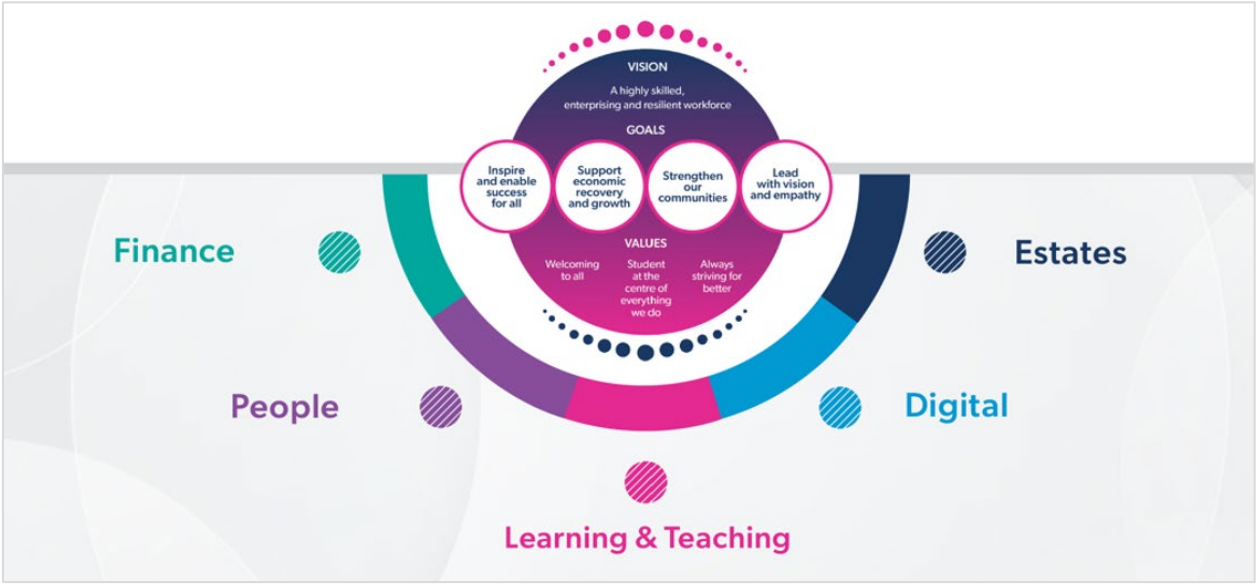
- Inspire and enable success for all
- Support economic recovery and growth
- Strengthen our communities
- Lead with vision and empathy.

Three values underpin approaches to all that we do, including how we achieve our vision and strategic goals. They are:

- Welcoming to all
- Students at the centre of everything we do
- Always striving for better.

In 2024-25, senior managers throughout the college refreshed all strategies that underpin our vision and overarching strategic goals. Approved by the Board of Governors in 2025 and communicated to staff, they are available at https://www.west-lothian.ac.uk/corporate-and-governance/strategies-policies-and-procedures/.

Figure 1: Strategic goals and linked strategies

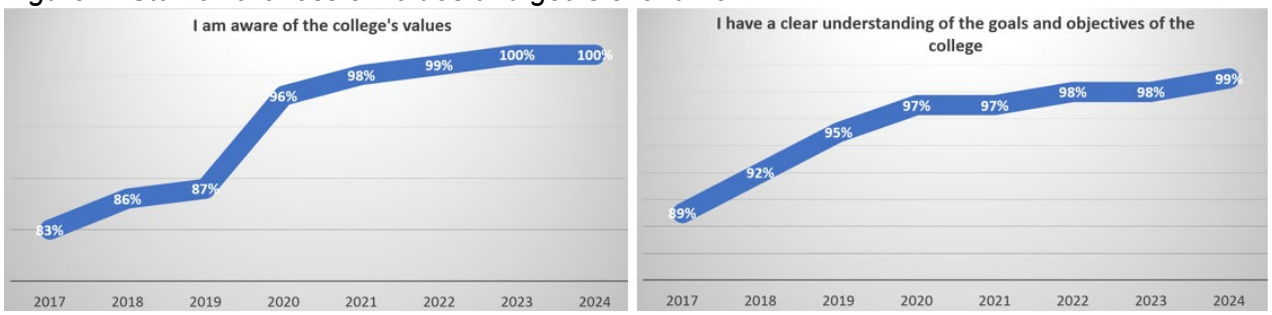


Living our Values

Vision, values and goals mean little if they are not embraced and acted upon by managers and staff. Our 2024 staff survey (with a high completion rate of 72%) showed that 100% of respondents were aware of college values and 99% said they had a clear understanding of our goals and objectives. More importantly, 98% believed they were able to put these values and goals into practice in their job roles.

Awareness of our values and goals is measured in our annual staff survey and has increased significantly since the first staff survey in 2017. There was a step change in this following the work done involving all staff during the first year of the pandemic to refresh our values and set new goals.

Figure 2: Staff awareness of values and goals over time



One of the college's strategic objectives is to achieve Investors in People (IiP) Platinum accreditation in 2026 and continue to make work better for staff. IiP conducted a strategic assessment in May 2025 which confirmed good progress was being made on this and particular mention was made of how values-driven the college is.

"The college is deeply values-led. These values are not just words – they are woven into every aspect of the college's culture, shaping interactions, decisions and priorities. This is a place where values are lived, not just stated, and where the commitment to inclusion, student success and continuous improvement is unmistakable.

You have an amazing staff group who enjoy working at West Lothian College. They enjoy coming to work every day and are committed to what they do. The accessibility and role modelling done by the top leaders, your curiosity and readiness then act means that people are experiencing caring, empathetic, approachable leadership."

West Lothian College is a free-standing corporate body under the provisions of the Further and Higher Education (Scotland) Act 1992, as amended by the Further and Higher Education (Scotland) Act 2005 and subsequently the Post-16 Education (Scotland) Act 2013. It is governed by a Board of Governors and receives most of its funding directly from the Scottish Funding Council (SFC). The college is listed on the Scottish Charity Register and is entitled, in accordance with section 13(1) of the Charities and Trustee Investment (Scotland) Act 2005, to refer to itself as a charity registered in Scotland (SC021216).

PERFORMANCE SUMMARY

Principal and Chief Executive's Statement

West Lothian College went into the 2024-25 academic year facing considerable change and uncertainty – a new Chair, two new student presidents, a new vice principal for learning and attainment, and two new faculty directors. In addition, as the public sector funding crisis deepened and the UK Government made decisions that added to the financial challenges facing colleges, it became clear that we needed to change our financial plan in-year to maintain a positive cash position. On top of this, national industrial action led by the lecturers' trade union continued for the first three months of the academic year.

Despite all of this, the college had another high-performing year with high levels of student attainment, our best ever levels of staff satisfaction, and continued recognition through a large number of externally assessed awards and accreditations. Such significant and consistent success in the face of adversity reflects a whole-college approach that has students at the centre of everything and a relentless focus on always striving for better.

These achievements are a result of our long-term approach to continuous improvement and it is important that this report is set in this context. In 2018, I set out a call to action to staff – to be the best college we could be for our students, to be the best employer we could be for our staff, and to be the best partner we could be for our communities, businesses and stakeholders. Consistent improvement in all areas since then is a testimony to our outstanding staff.

From August 2018 until early 2020, the college was on a journey of discovery to know ourselves. These foundation years helped us understand what our staff, students and stakeholders expected of us, how we compared to other colleges, and what and how we needed to improve. Good progress was made in the first year and year two was going well until it was interrupted by the pandemic. The course of the pandemic from March 2020 dictated priorities for the next two years, when helping staff and students survive this emergency became our top priority. The college offered exceptional support to students and staff throughout that time.

While dealing with the unchartered territory of the pandemic, from November 2020 we also took the opportunity with all staff (albeit virtually) to identify a renewed ten-year vision with underpinning strategic goals and values. Making extensive use of platforms to bring people together online, we set about building a culture rooted in empathy and reflecting the values and goals we had agreed. In parallel, based on McKinsey's nine traits of future-ready companies, we set out who we were (building on the vision, goals and values work), how we worked and how we would grow. This work has served us well and continues given the volatile and ever-changing world we operate in. Our future-focused approach was commended in our most recent Investors in People strategic review in May 2025:

> "The organisation embraces a future-focused approach, ensuring that improvements are not just reactive but proactively aligned with long-term goals. Rather than maintaining rigid structures, the organisation adapts to emerging trends, embraces change, and ensures its workforce and students remain prepared for evolving challenges."

During the pandemic years, we supported each other through some very dark times and came out stronger. The kindness, empathy and support that staff and managers showed each other over those years were vital ingredients in establishing and embedding the culture for which we are widely known and respected. Since pandemic restrictions were lifted in 2022, we have experienced consistent growth and improvement in the fundamentals that drive our college. While responding to the ongoing impact of the pandemic years on young people in particular, we made significant progress in enhancing the college experience for all students, staff and stakeholders. From that point, all improvement indicators been positive and each year has built on progress made in the previous years.

We continued to inspire and enable success for all in 2024-25 with 85.3% of our students achieving their qualification. This included continued high attainment rates for both full and part time students, as well as for students studying further and higher education qualifications. Data released in May 2025 by the Scottish Funding Council for 2023-24 confirmed that West Lothian was the best performing college region for student attainment for all enrolments over 160 hours, and for students achieving both full and part time further education qualifications (further education enrolments make up 74% of the total number in Scotland' colleges).

Poverty and poor mental health continued to affect students, many of whom faced additional challenges as they were also care-experienced, and/or had one or more disabilities, and/or experience of childhood trauma, and/or caring responsibilities. Aware of the connection between these factors, we embedded our sector-leading, trauma-informed approach further over the year and continued to narrow the attainment gap for students facing the most barriers to learning. In 2018, I asked staff to focus on students facing the most challenges, confident that this would ultimately result in a better experience for all students. This has proven to be the case, with outcomes rising consistently for all students as well as those facing challenges. This has led to the attainment gap in our college narrowing to its lowest ever level, while it has widened in the college sector over the same period. We have been the sector leader on this for a number of years and in 2024-25 there was further improvement in attainment of care-experienced students and those living in areas of multiple deprivation. It came as no surprise that in January 2025 the college was named as one of the organisations which has influenced Scotland's ACEs (Adverse Childhood Experiences) Journey over the last twenty years (https://connectedbaby.net/scotlands-aces-journey/).

There is no doubt that our extensive and growing range of partnerships contributes to improvements in student success. An increasing number of public and third sector organisations based themselves in our Compass Point partnership hub to provide joined-up support for students and others supported by their services. We developed an excellent, mutually beneficial relationship with Skills Development Scotland's regional careers advisors who have been based on our campus since July 2024. Strong and ever-growing relationships with employers, industry partners and others responsible for regional economic development led to a wide range of initiatives to address shared objectives, such as making progress towards Net Zero. For example, on behalf of the Edinburgh and South East Scotland City Region Deal, the college delivered a Feasibility Study for a Net Zero Accelerator Hub in the region. This was a significant step forward in advancing the region's Net Zero delivery ambitions through collaboration and strategic planning involving all college and university partners.

To strengthen our communities, we continued to make our campus accessible and available to local people and groups, and an ever-growing range of community organisations use the college as an anchor to extend their reach to a wider population. For example, thousands of West Lothian residents came onto campus when we hosted the closing rally of the Baton of Hope suicide awareness march, the West Lothian Recovery Walk, 16 Days of Action Against Domestic Abuse of Girls and Women, and West Lothian's Lunar New Year festival. Working in partnership with others and supported by funding from West Lothian Council, we delivered training to vulnerable adults and young people in communities across West Lothian, for example on protecting themselves against cyber-crime. Winning the Scottish Cyber Award for Best Security Campaign was great recognition of our reach into our communities.

Despite a time of significant change and uncertainty – for example, a necessary and continued focus on dealing with the financial challenges of inadequate funding, and the introduction of a new national quality framework for colleges and universities – the college continued to excel in many areas in 2024-25, achieving excellent student attainment, our highest ever staff satisfaction rates and an improved financial position. The latter took significant time and energy from all managers. As inflationary pressures continued to impact on our financial position starkly in 2024-25, we accelerated progress on our three-year plan to achieve a breakeven budget by reversing a planned deficit budget in-year into a small surplus. For 2025-26, we set a budget with a trading surplus and a small adjusted operating position deficit.

Despite the financial savings we needed to make, we did not cut back on investing in the learning, development, health and wellbeing of staff. Enabling employees to cope well with the uncertainty that emerges from the perpetual change which is a feature of today's world continued to be a priority for college leaders and managers in 2024-25. Nurturing our culture and ensuring that our staff engage in and feel supported through change continues to be a priority. As a proud Fair Work employer, we continued to invest in learning and development, increasing opportunities for staff throughout the year and providing enhanced wellbeing support. Our annual staff survey, with a high 72% completion rate, showed that morale and satisfaction remained high – 97% believed the college took positive action on staff wellbeing, and 95% said that their manager took a positive interest in their health and wellbeing.

As I write this statement, I am preparing to retire from my role as Principal and Chief Executive of West Lothian College. I am very grateful to have played a part in the considerable improvements at the college over the last seven years. I am proud of how we modernised our campus and facilities to be more welcoming and fit for purpose, how we led with vision and empathy through a pandemic, and how we established ourselves as a generous and productive partner for the people, communities and businesses of West Lothian. I am most proud of how we have become a leader in trauma-informed practice. No college in Scotland has ever achieved such high attainment rates for care-experienced students and we are very clearly delivering on keeping The Promise.

When I started as Principal of West Lothian College I asked staff to join me on a journey to turn a good college into a superb college. This report contains significant evidence that we are delivering on that ambition. As I approach my retirement date, I know that our values-driven people and leadership team will ensure the college continues to improve and excel.

Going to college transformed my life. As a teenager I knew what it was like to be lost. I was unemployed or in low-paid insecure jobs for many years in the early 1980s, always struggling to make ends meet. My life turned around when I went to Glasgow College of Technology to study computing in the hope that I would get a good job. I did, and embarked on a long and varied career that culminated in seven years as Principal of West Lothian College.

Colleges are transformational for people, communities and the economy. West Lothian College is a shining example of this. While the next few years will be tough financially for colleges and the wider public sector, I am confident that our agile, creative and empathetic staff will work positively with the new Principal to get through these difficult times and thrive in the years ahead.

Jackie Galbraith
(Principal until 30 November 2025)

PERFORMANCE ANALYSIS

Achieving our Credit target

Against national trends, the college continued to exceed its activity target in 2024-25, delivering 45,421 credits, exceeding our target of 44,605 by 1.8%. As in the previous year, we did not need to make use of the flexibilities allowed by the Scottish Funding Council (SFC) to achieve our credit target. Despite claiming fewer credits for most full-time courses, we continued to be the only college that has achieved its credit target each year since regionalisation.

The volume and proportion of credits delivered to students who live in SIMD10 postcodes was 7.4% and 20.7% in SIMD20 postcodes, and the proportion of credits delivered to care experienced students increased to 11.9%. The proportion of credits delivered to ethnic minority students was 6.8%.

Student Recruitment and Retention

Recruitment

As in previous years, the college was unable to meet growing demand for courses because we did not have the necessary credit funding to do so. Indeed, we needed to remove some courses in 2024-25 following a cost-saving exercise in the previous year.

The college sought other sources of funding to meet some of this unmet demand. For example, for the third year, we secured funding from West Lothian Council to deliver training to small businesses in the region which was critical in supporting economic growth through upskilling existing employees. This went some way to mitigate the loss of the Flexible Workforce Development Fund that was so valued by employers.

As well as increased demand for training from employers we had rising interest from communities. Supported with funding from West Lothian Council and the King's Trust, we delivered cyber security training through our CyberDrive initiative to over 250 vulnerable young people and adults including asylum seekers resident in a local hotel, people with additional support needs, and young people supported by The Larder as well as our trauma-informed TRUST team.

In 2024-25 we had 6,284 student enrolments. Further Education Full Time (FEFT) enrolments returned to pre-Covid levels in the previous academic year, remained steady in 2024-25 and have increased slightly in the current year. The pattern of Higher Education Full Time (HEFT) enrolments was different, with a 14% reduction in 2024-25. This continued a decreasing trend since 2022-23 which is reflected across the college sector. Likely reasons for this include school leavers being offered more university places, and a reduction in applications from older adults (points reinforced in the Scotland's Colleges 2025 report published by Audit Scotland in October 2025).

In 2024-25, 85.5% of full-time students lived in West Lothian. West Lothian College continued to be the top destination for school leavers in West Lothian for both further education (FE) and higher education (HE) qualifications. The number of senior phase school pupils enrolled on college courses was down on the previous year, reflecting a planned focus on demand and funding.

Overall, 76% of students studied at FE level (up to and including SCQF Level 6) and 24% at HE level (SCQF Level 7 and above). This was different for full time students (a third of all students), 71% of whom studied FE qualifications and 29% studied HE. Two thirds of part-time students studied FE-level qualifications (67%).

Retention

Early withdrawal rates in 2024-25 improved for FEFT and FEPT students on the previous year, although very slightly higher for HEFT and HEPT students (0.3 percentage points). The college compared very favourably against the sector average in 2023-24 and is likely to do so again in 2024-25.

Overall non-completion rates improved by 0.1 percentage point, with very positive improvements in particular for FEFT and HEPT students (by 2.2 and 2.0 percentage points respectively). There was a 1.4 percentage point increase in HEFT non-completions. Again, the college compared very favourably against the sector average and had amongst the lowest non-completion rates of all colleges in 2023-24.

Figure 3: Early withdrawals and non-completions

	Early Withdrawals			Non-completion		
Enrolment	**2023-24**	**2023-24 (Scotland)**	**2024-25**	**2023-24**	**2023-24 (Scotland)**	**2024-25**
FEFT	2.6%	4.6%	2.3%	18.4%	20.6%	16.2%
HEFT	2.7%	3.0%	3.0%	12.5%	17.1%	13.9%
FEPT	0.9%	3.6%	0.8%	3.7%	7.2%	3.5%
HEPT	0.6%	3.6%	0.9%	5.7%	6.2%	3.7%
ALL	1.5%	4.2%	1.5%	8.1%	12.2%	8.0%

Improvement in retention reflects a whole-college approach of having students at the centre of everything we do. The work undertaken by course tutors to support full-time students and the careful tracking of student progression to identify students most at risk of withdrawal have been major factors in improving overall retention rates.

Poverty gets in the way of learning and the college continued to provide a range of measures to mitigate student poverty and the mental health challenges arising from this. These included a free hot breakfast and lunch for all students, introducing an affordable food shop and making very good use of student funding to help individuals in need.

For some students, continuing at college was only possible due to the support provided by our mental health counsellors, support for learning assistants and specialist trauma-informed team. This was particularly the case for students most at risk of leaving their courses, for example those who were care-experienced, disabled, transgender or had caring responsibilities.

The college made tough decisions in 2024-25 to move from a planned deficit budget to a small surplus. However, we ensured that student support, student-facing services and student wellbeing resources were not affected by the savings we needed to find. On the contrary, we increased spending on student support services in recent years, for example by embedding our mental health counsellors and our trauma-informed TRUST team when external funding for these services ended. We have strong evidence that protecting these services positively impacted on lower withdrawals and increased attainment.

Student Attainment

The college experienced another very successful year for student success with 92.0% of students completing their course, including 85.3% who achieved their qualification. Student attainment in 2024-25 gives us confidence that we will continue to be one of the highest performing colleges in the sector for that year.

FEFT student attainment increased to 73.2% in 2024-25, continuing four years of sustained improvement. FEPT student outcomes remained high at 92.8%, and increased by 4.2 percentage points for HEPT students to 92.9%. HEFT student outcomes decreased by 0.9 percentage points.

Figure 4: Student attainment

Enrolment Mode and Level	2023-24	2023-24 (Scotland)	2024-25
FEFT (Further Education Full Time)	72.7%	67.1%	73.2%
HEFT (Higher Education Full Time)	72.4%	66.9%	71.5%
FEPT (Further Education Part Time)	93.3%	80.4%	92.4%
HEPT (Higher Education Part Time)	88.7%	81.7%	92.5%
ALL	**86.0%**	**74.1%**	**85.0%**

Maintaining such high levels of consistent attainment over the last four years in the face of a cost of living crisis and the ongoing impact of the pandemic is very significant. There is no doubt that a critical reason for this is how staff embrace the college values of continuous improvement (always striving for better), equality, diversity and inclusion (welcoming to all), and having students at the centre of everything they do. Excellent teaching and support services were recognised in high levels of student satisfaction and attainment, recognised externally by winning six national awards:

- **Outstanding Educational Practice** at the Corporate Parenting Awards in August 2024
- **Skills Impact** at the Built Environment–Smarter Transformation's Accelerate to Net Zero awards in November 2024
- Three College Development Network awards in November 2024 (**Sustainability Action, Lecturer of the Year** and **Professional Services Colleague of the Year**) and shortlisted in a further three categories
- **Best Security Campaign** at the Scottish Cyber Awards in March 2025.

Embedding effective support structures for students and staff played an important role in improving student attainment, for example our network of learning champions and quality champions, and bringing together all staff who support the delivery of learning, teaching and assessment every three weeks to share good practice.

Over the year there were significant and sustained increases in the attainment of our construction and automotive FE students. This reflected course re-design and project-based learning that enables students to mimic industry practice. Having students undertake real tasks where they can connect their coursework with what happens in industry increased engagement and reduced the assessment burden for students allowing more time for developing skills and knowledge. Another major contributing factor to the success of these students was the relational practice exhibited by their lecturers, instructors and assessors who have embraced trauma-informed approaches.

Our pioneering and award-winning trauma-informed approach is a model of best practice for other colleges aiming to support vulnerable students. We continued to offer training and support to staff on trauma awareness, mental health and empathy-led practices. In June, we held a relational practice conference for staff to enhance our trauma-informed approach. This conference set the scene for a wider development programme planned for 2025-26 and delivered by our care and childhood practice teaching teams. These will cover topics such as the importance of relationships, the brain and emotional regulation.

In 2024-25, our dedicated TRUST team supported an increasing number of students on mainstream courses, working with lecturers and support staff to help them stay on course.
Building on this successful approach, in 2025 we prioritised improving our collective understanding of neurodiversity to be able to support their learning and support needs. Our 2025 staff conference included a keynote speaker who stimulated discussion on neurodiversity and faculty teams have since engaged in further training with the Donaldson Trust which is recognised as Scotland's national body for neurodiversity. Our all-staff conference also benefited from a speaker who helped us understand generational differences and how they should influence inclusive and responsive practice.

Providing students with external opportunities enriches their learning experience. These motivated and inspired students, as well as enhanced their employability by having more realistic expectations of the workplace. All business, accounts, childhood practice, professional cookery and healthcare students undertook substantial work placements during the year. European trips enriched the educational experience of some HE students, contributing to higher student retention rates. HND Childhood Practice students travelled to Germany as part of a joint research project with a university examining participation and inclusion in early childcare education, and HNC Beauty students took part in a spa experience in Budapest.

The overall rate of partial success increased slightly in 2024-25 by 0.8 percentage points although comparison from the most recently published sector averages show that fewer students at West Lothian College finish with partial success.

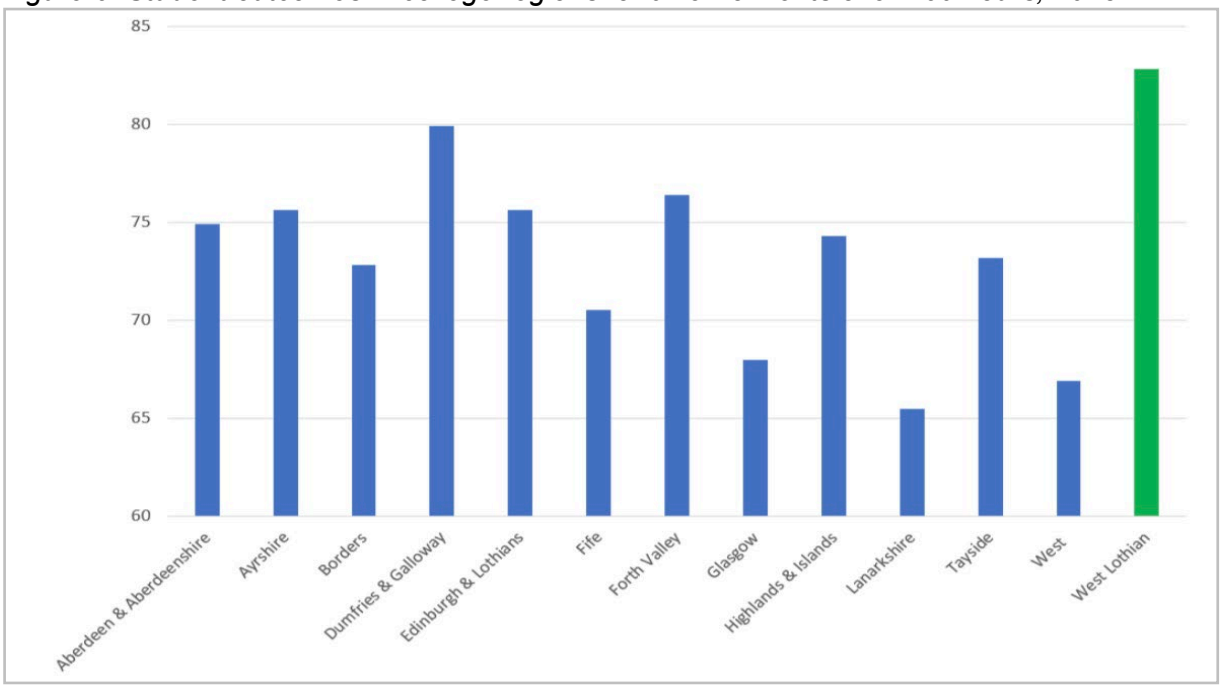
Figure 5: Partial success

Enrolment	2023-24	2023-24 (Scotland)	2024-25
FEFT	8.8%	12.4%	10.6%
HEFT	15.1%	16.0%	14.6%
FEPT	3.0%	12.4%	3.7%
HEPT	5.5%	12.0%	3.4%
ALL	5.9%	12.9%	6.7%

Comparison with sector

In May 2025, SFC published a report on college student outcomes for the 2023-24 academic year. The underlying data (available publicly) showed that overall attainment for West Lothian College students in that year was well above the sector average and the highest of all college regions. We were the best performing college region in Scotland for student attainment for enrolments over 160 hours at 82.8% - 10.7 percentage points higher than the sector average and the highest of all incorporated colleges.

Figure 6: Student outcomes in college regions for all enrolments over 160 hours, 2023-24



The following table shows the improvement journey for student attainment over seven years compared to fourteen incorporated colleges (this does not include Highlands and Island colleges as their HE indicators are not included in SFC reports). It demonstrates how the college has moved from a lower performing college over the period to one of the best performing.

Figure 7: Comparison with incorporated colleges over time

Student Enrolments	2017-18	2023-24
All	8th	1st
All over 160 hours	10th	1st
All Further Education	7th	1st
All Higher Education	9th	1st
Further Education Full Time	10th	2nd
Higher Education Full Time	10th	4th
Further Education Part Time	7th	1st
Higher Education Part Time	12th	4th

We continued to perform very well for students in all key groups measured by SFC with sector-leading attainment rates for students living in SIMD10 and SIMD20 areas, female, ethnic minority, disabled and care-experienced students. For many years the college has had the highest attainment in the sector for students facing additional barriers to learning. What was particularly positive about the national published figures for 2023-24 was the considerable progress we have made in narrowing the gap between the outcomes of these students and the wider student population, in particular for care-experienced students – 80.1% compared with the sector average of 60.5%.

Figure 8: Student outcomes over three years for key groups

	2021-22			2022-23			2023-24		
STUDENT ENROLMENTS	SCOTLAND	WEST LOTHIAN COLLEGE	SECTOR COMPARISON (%age points)	SCOTLAND	WEST LOTHIAN COLLEGE	SECTOR COMPARISON (%age points)	SCOTLAND	WEST LOTHIAN COLLEGE	SECTOR COMPARISON (%age points)
All enrolments over 160 hours	65.2%	77.4%	12.2	68.1%	78.1%	10.0	71.7%	82.8%	10.7
10% most deprived postcodes	60.1%	71.9%	11.8	62.6%	74.1%	11.5	67.2%	80.4%	13.2
20% most deprived postcodes	60.8%	74.3%	13.5	63.6%	76.3%	12.7	68.0%	81.8%	13.8
Ethnic Minority	68.9%	81.6%	12.7	67.4%	78.0%	10.6	70.8%	86.3%	15.5
Disability	61.6%	70.2%	8.6	64.1%	72.8%	8.7	67.2%	76.0%	8.8
Care Experienced	52.5%	68.5%	16.0	55.4%	71.5%	16.1	60.5%	80.1%	19.6
FE (Further Education) Females	61.9%	82.5%	20.6	64.9%	81.1%	16.2	69.6%	83.8%	14.2
FE Males	68.5%	76.5%	8.0	71.6%	77.2%	5.6	75.2%	85.2%	10.0
HE (Higher Education) Females	67.0%	75.5%	8.5	68.8%	77.8%	9.0	71.8%	80.5%	8.7
HE Males	63.1%	62.7%	-0.4	66.3%	70.5%	4.2	67.5%	74.1%	6.6
Under 18	57.9%	69.6%	11.7	62.4%	70.3%	7.9	66.8%	76.0%	9.2
18 – 20	63.5%	63.1%	-0.4	66.9%	71.2%	4.3	70.1%	77.2%	7.1
21 – 24	67.5%	76.4%	8.9	71.6%	79.1%	7.5	75.1%	82.9%	7.8
25 – 40	70.9%	85.1%	14.2	73.0%	85.3%	12.3	76.6%	88.2%	11.6
41 and over	73.7%	90.9%	17.2	74.4%	91.4%	17.0	79.1%	93.6%	14.5

Student Progression

The college has a large number of progression pathways for all full-time qualifications which are promoted in our course prospectus and throughout the year to enable students to make informed choices. These include progression within college, onto university and into apprenticeships or employment.

Bespoke pathways for our most vulnerable students are created through our TRUST Transitions programme. For students with additional support needs (ASN) we work proactively with ASN schools to ease the transition of pupils into college courses. We re-designed ASN courses to focus on employability, for example the Café Services course involves students preparing, cooking, serving and taking payment of a weekly lunch in the restaurant that is open to students, staff and visitors. Our Journey to Employment course provides hands-on placements with local employers, preparing them for employment, volunteering or further study. It includes qualifications in employability and customer service. One of the employers who has supported this course is J-TEQ EMS Solutions who offer high-quality work placements each year and who have employed two neurodivergent students following successful placements. In 2024-25, we introduced the very successful ‘Pennies Pantry’, a weekly affordable food shop open to students and staff, for which ASN students manage the stock of the pantry, sell the products and take customer feedback.

We increased the number of formal articulation routes with universities, allowing our HE students advanced standing into years two or three at university which can provide a more flexible and cost-effective path to completing a degree. Associate student places with Edinburgh Napier University have

increased year on year for our computing students, which enhances their current studies and prepares them well for the transition to university. After signing a further five-year agreement with Edinburgh Napier University in 2023 to deliver year three of BA Business Management on campus, we made progress in 2024-25 on extending this successful model to deliver BA Accounting from September 2026.

Universities continued to take part in general and subject-specific events at which they engaged directly with HNC/HND and Scottish Wider Access Programme students to raise awareness of progression opportunities to degrees.

Throughout the year we supported 602 apprentices in occupations such as carpentry and joinery, electrical installation, engineering, fabrication and welding, and care. The college and companies made excellent use of our purpose-built Skills Centre for Sustainable Living (ECOHOUSE) to train students, apprentices and people in work in passive house design and sustainable construction methods in all built environment trades.

Interim College Leaver Destinations statistics (June 2024) showed that 97.3% of qualifiers had a positive destination on leaving West Lothian College, an increase of 1.6 percentage points on the previous year.

Student Health and Wellbeing

Despite having to find significant savings in 2024-25 to achieve a balanced budget, the college embedded our mental health counsellors in our staffing budget when government funding ended in July 2024. Likewise, we mainstreamed the increasingly vital support provided to students by our specialist trauma-informed TRUST team. Evidence shows that protecting and enhancing support services have contributed significantly to fewer students leaving their courses and more being successful.

The college and Student Association made progress on the objectives set out in our five-year Student Mental Health Agreement which outlines how we work together to promote good mental health and support students who experience challenges. As well as training Student Association representatives on Mental Health First Aid, we delivered this training to many students on a range of courses including barbering, care and electrical installation.

Since August 2023, Sport Scotland has funded active campus coordinators in colleges, and this has had a significant impact on encouraging students and staff to engage more in activity to enhance physical and mental health and wellbeing. This colleague has had a hugely impactful two years so far, working closely with our Student Association and HR team to arrange many activities for students and staff. She also supported community groups in West Lothian, for example by hosting and leading the West Lothian African Women's Network summer camp for a second year on campus for eighty children.

Student Voice and Satisfaction

We carried out three major student surveys during 2024-25 – a college induction survey in September 2024, an annual independent Student Association survey in November 2024, and the Student Satisfaction and Engagement Survey in April 2025. All student surveys had good completion rates and indicated high satisfaction and provided invaluable insights and suggestions on how the college could further enhance the learning experience. Because the survey results were live and accessible to managers as they came in, they were able to respond quickly in-year to any emerging concerns.

The **induction survey** takes place a few weeks after students have started their courses, seeking feedback on how they have settled in. The completion rate for this survey in 2024 was 54.4% and 92.2% of students reported a positive induction experience, with 88.4% stating that they felt prepared for their course. Positive sentiments were up on the previous year for all except HE part time students.

- 59.1% of FEFT students completed the survey, with 93.2% reporting a positive experience and 87.2% feeling prepared
- 46.7% of HEFT students completed the survey, with 89.4% reporting a positive experience and 88.4% feeling prepared
- 53.9% of FEPT students completed the survey, with 93.5% reporting a positive experience and 91.3% feeling prepared
- 45.1% of HEPT students completed the survey, with 76.2% reporting a positive experience and 82.4% feeling prepared.

The overall completion rate for the **Student Association survey** was 50.5%, with just 2.4% of students reporting that they were not enjoying their course. While satisfaction rates were high for all students, completion rates varied as follows:

- 62% of FE full time students completed the survey, with just 1.3% reporting that they were not enjoying their course
- 68.6% of HE full time students completed the survey, with just 2.2% not enjoying their course
- 36.0% of FE part time students completed the survey, with 3.4% not enjoying their course
- 51.5% of HE part time students completed the survey, with 4.4% not enjoying their course.

Overall completion of the **Student Satisfaction and Engagement Survey** in 2025 was 65.7%, with a 96.2% satisfaction rate. All four levels and modes for this survey saw completion rates greater than 50%, a demonstration of sustained engagement in the survey from full and part time students, although this varied as follows:

- 75.3% of FE full time students completed the survey, reporting 96.1% satisfaction
- 78.6% of HE full time students completed the survey, with 95.5% satisfaction
- 51.5% of FE part time students completed the survey, with 96.7% satisfaction
- 62.3% of HE part time students completed the survey, with 97.2% satisfaction.

Student support funds

As well as paying out bursary and educational maintenance allowance payments to students, the college processed a number of additional payments to students throughout the year. This greatly helped students who faced hardship and poverty, including those from low income households or who were care-experienced.

Improving our physical and digital estate

In 2024-25 we continued to upgrade and improve the college's physical and digital learning estate, making good use of our SFC estates grant and funding secured from other sources.

Physical estate

The college secured emergency capital funding from the Scottish Funding Council to replace our Local Exhaust Ventilation system which is essential for safely delivering joinery and construction courses. The existing system had been in operation for over twenty years and had reached the end of its operational life. The project was undertaken in 2025-26.

During the year we made enhancements to college car parks. We secured funding to install four EV (electric vehicle) chargers to provide low-cost charging bays. The annual emissions savings will be 14,023kg of CO2. We also improved access to disabled parking bays by relocating them in other parts of the car park to make them more accessible for users.

Funded by a donation from Hewlett Packard we built a new sustainable and inclusive pathway in the college's wellbeing garden which allows better access for wheelchair users and those who are visually impaired. Throughout the year, the garden was further developed by students and staff, encouraging more biodiversity and wildlife on campus.

Digital estate

While Digital Poverty funding ended in 2024-25, the college continued to make significant and ongoing revenue investment in our digital infrastructure and cyber security protections of around £350,000.

In the latter part of 2024-25, in partnership with West Lothian Council and Education Software Solutions, we carried out a full upgrade of the server infrastructure supporting the student records system and associated tools. We continued to be reaccredited with Cyber Essentials Plus.

Continuing many years of clean credit audits, we achieved this again for 2024-25. Work continued to enhance the dashboards available through our Power BI Data Portal, and we conducted a range of data science projects, surveys and other business improvement projects including online services for staff and students. The largest systems project in 2024-25 was the implementation of our new in-house e-portfolio system.

Strong partnership working was a priority with our key suppliers and external organisations such as the Data Lab. This remains a priority in 2025-26 and beyond as resources are forecast to tighten over the coming years, with efficiency models remaining paramount to support the development of college services for the benefit of our students, staff and stakeholders.

FAIR WORK

Fair Work is the Scottish Government's policy for driving high quality and fair work, and workforce diversity across the labour market in Scotland. The foundations for Fair Work are built around effective voice, fulfilment, security, respect and opportunity. West Lothian College is proud to be a Fair Work employer and we are fully committed to complying with, and indeed exceeding, the seven Fair Work First Principles which are:

1. Payment of at least the Real Living Wage
2. Appropriate channels for effective workers' voice, such as trade union recognition
3. Investment in workforce development
4. No inappropriate use of zero hours contracts
5. Action to tackle the gender pay gap and create a more diverse and inclusive workplace
6. Offer flexible and family friendly working practices for all workers from day one of employment
7. Oppose the use of fire and rehire practice.

These principles are visible in the attitudes, behaviours, culture, policies and practices within the college, demonstrating the value placed on fair work and equal opportunity in work.

1. Payment of at least the Real Living Wage

The college has an agreed pay structure and is recognised as a Real Living Wage Accredited Employer. We implemented the increase in the Real Living Wage rate as soon as it was announced in October 2024 and 2025, despite being given six months following the announcement to do so. Our workforce is paid at least the real living wage, including any Modern Apprentices we employ.

2. Appropriate channels for effective workers' voice, such as trade union recognition

West Lothian College promotes a culture of openness and transparency, recognises the power of diverse viewpoints and supports a range of channels for effective worker voice. This culture was acknowledged by staff in the 2024 survey and in the Investors in People strategic review in May 2025.

We make new staff aware of recognised trade unions at induction and encourage them to consider joining one. The college provides facility time to support regular engagement between local union representatives and their members. Formal engagement with trade union representatives takes place through quarterly EIS and UNISON meetings. In addition, informal and proactive communication between management and trade unions takes place throughout the year, and additional meetings are initiated by management or trade unions.

Constructive dialogue takes place between the college, staff and relevant trade unions or other representatives to address workplace issues such as absence management, grievance, and health and safety. Policies foster positive workplace relationships and, while informal resolution is encouraged, measures such as internal workplace mediation and formal resolution mechanisms are available. Allegations of workplace bullying or harassment are promptly addressed, and there is a clear route through grievance or disputes procedures for resolving issues at both individual and collective levels.

Our Board of Governors has included trade union members since February 2024 and they provide direct input to strategic and governance matters. The Board governance structure also includes positions for staff representatives.

Two-thirds of staff at the college are not members of a trade union and we provide a range of ways through which their voice is heard. The Principal communicates regularly through formal staff conferences and meetings, as well as informal drop-in sessions and Lunch and Learns throughout the year. In the 2024 annual staff survey 98% of respondents reported that communication from the Principal is effective.

Employees make good use of an anonymous form to send questions directly to the Principal, answers to which are shared in regular email updates sent from the Principal to all staff. In 2024-25, 98% of employees said that the Principal acts on staff feedback and 94% agreed that the Principal tries to involve staff in important decisions.

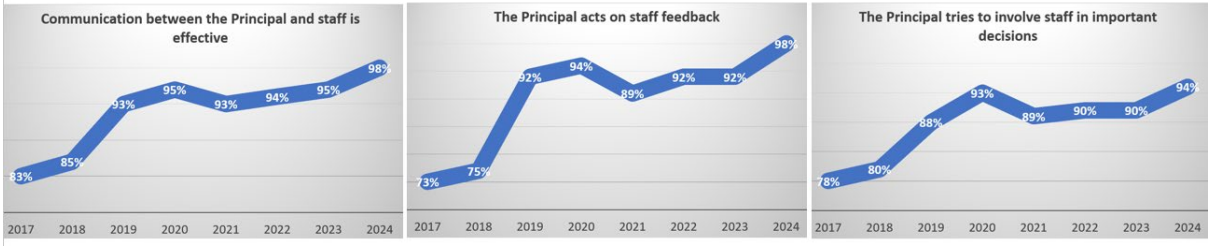
Formal and informal arrangements are in place across the college at team level, e.g. one-to-ones between individual staff and managers, feedback processes and team meetings, through which meaningful individual and collective dialogue take place. Wherever possible, we facilitate staff feedback and involvement. For example, our compressed working hours trial was initiated following suggestions from staff, staff participated in the recruitment process for the Principal role in 2025 and, during the Spring and Summer breaks when students and many staff were on leave, support staff and managers benefited from an agreement to work from home by default unless they needed to be on campus. In the report that followed our annual Investors in People strategic review in May 2025, the external assessor commented:

> "Examples of collaborative decision-making are abundant. The college has trialled flexible working arrangements, based on staff suggestions, such as working remotely during summer and compressed working schedules. Rather than implementing changes unilaterally, the organisation assessed their impact, gathered feedback, and worked closely with staff to refine the approach."

Regular surveys are carried out to understand seek feedback. Our annual staff survey is a valuable barometer of employee views, and findings are shared and discussed with local trade union branches, and managers who then discuss with their teams to review their feedback and consider any required actions. The 2024 survey had a high response rate of 72% which gives the college confidence that the results are a reliable reflection of staff views. There was continuing very high positive feedback from staff

in the survey, showing an seven-year increasing trend in satisfaction rates. This continued a long-term commitment from college leaders to engage openly and effectively with staff.

Figure 9: Seeking and acting on staff feedback over time



3. Investment in workforce development

The college holds **Investors in People** (IiP) Gold accreditation which provides external assurance of our commitment to invest in, engage with and make work better for our employees. In May 2025, following an external review with staff and managers, our IiP assessor observed:

> "Understanding individual potential is at the heart of the organisation's approach. Managers actively recognise strengths in staff, encouraging them to push beyond their comfort zones and explore new growth opportunities. Employees receive tailored support, whether through mentorship, leadership programs, online learning or cross-departmental experiences, ensuring that development is guided rather than generic."

In 2025, following a cross-college approach, we introduced a new strategic initiative for staff learning and development. We will now collate, promote and brand all learning and development activity, resources and opportunities through our new Staff Learning Academy. As part of this, we introduced Insights Workshops in February 2025 to enable staff to learn from good practice across the college.

We continue to support the Young Person's Guarantee through offering high quality work placements to students. For example, our estates team provided work placements throughout the year for neurodivergent students.

The college has a workforce plan in place and undertakes regular succession planning with all faculty and departmental managers. Succession planning for senior positions worked very effectively in 2024 and again in 2025, resulting in a number of internal promotions. Every member of staff has an annual personal learning plan discussion with their line manager to identify development needs and priorities. We support all staff in keeping their professional qualifications up-to-date, and encourage lecturers to register and engage with the General Teaching Council for Scotland as part of their professional development. In 2024-25 we continued to deliver and support a wide range of learning and development activities to enable staff to carry out their responsibilities well, to further develop their skills for career progression and to increase satisfaction with their work.

Mandatory training on key topics such as safeguarding, equality and diversity, and health and safety ensures our workplace is safe and welcoming, and creates a positive student and staff experience. This training ensures that staff are confident in carrying out their roles and responsibilities. For 2023-24, mandatory training was adapted in response to staff feedback and there was an improved completion rate of 92% (77% in the previous year). In response to staff and trade union feedback the college changed the mandatory training completion period to two years from August 2024, with completion due by July 2026. Elements of the training were improved to be more engaging and bite-sized, in particular cyber security training.

During the year some staff benefited from mental health and wellbeing training delivered by a local third sector organisation, while others completed Mental Health First Aid training. All managers completed the NHS Mentally Healthy Workplace training in 2024 to further strengthen the support offered to all staff for their health and wellbeing.

Our annual staff conference in August contributes to addressing learning and development needs highlighted by staff in the preceding year. The focus of the August 2024 conference was on the importance of relationships in being a trauma-informed college and employer. This was very impactful and was followed up in June 2025 at a conference for staff on relational practice led by our Care, Health and Sport faculty. The August 2025 conference focused on two themes, again identified by staff during 2024-25 – neurodiversity (one of our strategic equality outcomes for 2025-29) and intergenerational working (with a particular focus on Generation Z, to which most of our campus-based students belong).

Individual and team successes continued to be recognised through regular updates sent out to all staff by the principal. There are online communication tools for staff to show appreciation and recognition for each other's efforts. The staff survey confirmed that this is an effective way of sharing good practice across the college and in helping colleagues connect with the college community. The college holds regular events throughout the year for development, communication and celebration purposes, which have consistently high levels of participation. Our annual Celebrating Success ceremony recognises staff achievements and 250 colleagues took part in the celebration in June 2025 for which we received a very high number of nominations from all parts of the college.

A comprehensive Employee Assistance Programme is used well by staff and includes free counselling and physiotherapy sessions. The college continued to offer a wellbeing day to all staff in addition to annual leave entitlement and we held our fourth annual February wellbeing festival with a wide range of workshops on physical and mental wellness. Regular awareness raising of the wide range of mental and physical health support available to all staff reminds them of the benefits of this. Physical activity is encouraged through the provision of indoor and outdoor gyms and our active campus coordinator facilitates sport and exercise for students and staff throughout the year.

4. No inappropriate use of zero hours contracts

The college does not make use of zero hours arrangements, ensuring fairness and predictability for the earnings and work-life balance of staff. As far as possible, we issue permanent contracts to employees. For fixed-term contracts, clarity is provided on the period covered by the contract. National terms and conditions provide a route map for eligibility for permanency.

5. Action to tackle the gender pay gap and create a more diverse and inclusive workplace

Being a diverse and inclusive workplace is very important to the college. Due to membership changes, the proportion of female non-executive members on our Board of Governors reduced to 42% in 2024-25. The executive leadership team remained predominantly female (75%), although our next level of college leadership was more evenly balanced at 56% female and 44% male. Middle managers are overwhelmingly female (78%). These figures are reflective of the higher number of females who work in the college.

We ensure that all statutory equalities reporting requirements are met and take appropriate action on pay gaps related to protected characteristics such as gender and disability, as well as applicant and workforce composition. We have an equal pay policy in place. Strategic leadership of this is provided by an Empowering Difference Steering Group established in 2023 and chaired by the principal. We gather data to understand our workforce diversity which informs how we address under-representation. For example, although we have a higher than population proportion of Board members and students from minority ethnic groups, we do not amongst our staff. To address this in the medium to long term, we have identified this as a four-year strategic outcome in our Equalities Mainstreaming report 2025-29.

Progress on being a diverse and inclusive employer continued in 2024-25, much of which was recognised through external recognition, validation and accreditation, for example:

- We became the first college in Scotland to achieve the **Dying to Work** Charter in January 2025 (a TUC accreditation scheme demonstrating an employer's commitment to support staff facing a terminal illness).
- We continued to be recognised as a **Disability Confident Leader**, the highest level of the Department of Work and Pensions scheme to support people with disabilities in work (the first college in Scotland to achieve this level of accreditation).
- We achieved the **Carer Positive** Established award, demonstrating our support for prospective and existing staff, and increasing opportunities for those with caring responsibilities.
- After being the first college to gain the **LGBT Youth Scotland Gold Charter** in 2024, we further enhanced the support available to those with different sexual orientations and gender identities.
- As a **Breastfeeding Friendly** employer accredited by NHS, we continued to provide a private Nursing Room for breastfeeding mothers.
- A group of **Mental Health Support Volunteers** established in 2024 provided peer-to-peer support for staff by promoting good mental health and signposting available help.
- We gained the **Armed Forces Covenant Silver** Award in 2025, demonstrating our commitment to supporting the employment and retention of veterans and reservists.

Flexible working is available to all staff from day one of employment, subject to business need. Hybrid working practices continue to be widely adopted by employees. In response to feedback in the 2023 staff survey, the college introduced a compressed hours pilot through which individuals could work a 4-day week or 9-day fortnight. Following a positive evaluation, compressed hours is now available to almost all support staff and managers.

Workplace adjustments are made for disabled staff and those with long-term health conditions who need it. The college encourages employees to apply to Access to Work for further adjustments. A deaf colleague used Access to Work throughout the year to pay for interpreters to enable him to engage fully in all whole-college formal and informal staff events. A number of colleagues diagnosed with ADHD used Access to Work for workplace adjustments.

We promote and support a mentally healthy workplace, where mental health and wellbeing is discussed empathetically and stigma is addressed. A number of staff members were trained as Mental Health Support Volunteers to support their peers if they struggle with poor mental health.

We make use of the National Menopause Policy to support female colleagues experiencing menopause in the workplace and introduced a Menopause Café throughout the year for women to meet informally over a coffee to share knowledge, experience and advice.

6. Offer flexible and family friendly working practices for all workers from day one of employment

All staff have the right to be considered for flexible and family friendly working practices from day one of employment and this commitment to advertised in job adverts. The college adopts a flexible approach to family friendly leave which exceeds statutory requirements and we are as flexible as possible in implementing this.

Flexible and family friendly options are available at all levels in the college and for all staff. Effective use of flexible and family friendly practice is modelled from the executive leadership team down. Flexible working can also be offered as a temporary arrangement to accommodate particular circumstances. Staff are supported to work flexibly in terms of time and/or location to balance personal and family commitments with work. This includes, where operationally feasible, hybrid working and compressed hours which offer a

4-day week or 9-day fortnight. The college carried out a trial of compressed hours for support staff and managers in Spring 2024. Following a positive evaluation, we mainstreamed this for this group of staff from August 2024 and further evaluated implementation in 2025. Through bespoke training, managers are supported to effectively manage individuals who work flexibly. In 2024, we introduced a carer's passport to enable staff to record and communicate work flexibilities to support them for caring responsibilities.

We encourage all employees to maintain a healthy work-life balance and to disconnect from email and other communication platforms outside working hours. When we mainstreamed hybrid working in 2022, we developed a remote working policy with consideration given to staff wellbeing. The college does not use software to monitor remote workers.

7. Oppose the use of fire and rehire practice

The college does not and will not use fire and rehire employment practice.

We promote job security for staff through a Protection of Employment policy, including an ongoing commitment from our Board of Governors to no compulsory redundancies. Leadership, management and planning focus on enhancing and safeguarding the sustainability of the college and jobs through effective financial stewardship.

Since 2013 the college was contracted commercially by Children's Hearings Scotland (CHS) to train their volunteer community across the country. Over twelve years, our staff delivered training to more than 4,000 new and 3,000 existing panel members the length and breadth of Scotland. At the heart of this training contract was a group of deeply committed professionals, many of whom joined the college through the original transfer from the university sector when the contract was first awarded. Their lived experience, institutional knowledge and collaborative spirit built a training programme that is widely respected and nationally recognised for its quality and impact. Their work has shaped thousands of panel members and helped to positively influence how children and families experience the justice system in Scotland. In 2025, following a decision by CHS to take this training in-house, we supported staff transferring employment, ensuring that all legal requirements were met and staff were informed and updated as this change progressed. The TUPE (Transfer of Undertakings (Protection of Employment) was completed as planned on 1 October 2025.

We continued to enhance our support for the health and wellbeing of staff, through occupational sick pay provision, free access to occupational health, physiotherapy, counselling, flu vaccination and protections afforded through pension schemes in times of ill health. The life protections of pension schemes provide further security to an employee's family or nominated beneficiary.

We deliver a wide range of learning and development activities to enable staff to carry out their responsibilities well, to develop their skills for career progression and to increase satisfaction with their work. All managers undertook the NHS Scotland Mentally Healthy Workplace training to further strengthen the support we can offer to all staff to support their health and wellbeing.

Key issues and risks

The college's risk management framework includes a strategic risk register and a risk management policy. The appetite for each strategic risk is set by the Board of Governors at an annual risk workshop facilitated by our internal auditors. A member of the executive leadership team is assigned to each strategic risk as the risk owner.

The Board of Governors undertook a review of strategic risks in 2024-25 and agreed eleven risks facing the college. The main risks were those associated with meeting demand for courses and the challenges of rising costs versus flat cash funding. Put bluntly, the college was unable to meet consistently high levels

of demand without an increase in credit funding, and the only significant way to meet the rising costs of pay awards, employer National Insurance Contributions and utilities was to implement further savings. Therefore, the risks that carried the highest rating, along with the key mitigating actions taken in 2024-25, were:

- Failure to meet demand in the region due to insufficient funding:
    - Ongoing meetings with government ministers, civil servants, MSPs and MPs to gain support for further resources
    - Ongoing engagement with Scottish Funding Council senior managers to lobby for increased funding (we expect, due to consistent high performance and evidenced demand, the college is likely to benefit from a revised college funding model)
    - Maintain strategic dialogue with West Lothian Council to support the training needs of local businesses through the Economic Development Fund which they fund and the college delivers.
- Financially unsustainable due to unaffordable and unfunded national pay awards, resulting in continued cost-cutting:
    - Pay awards built into the 2024-25 budget reflected the agreed national settlement
    - The national four-year pay deal agreed for lecturers to 2025-26 was built into the budget for that year
    - Support staff national negotiations underway for three-year pay deal to 2027-28.

FINANCIAL REVIEW

Nature, objectives and strategies

The college's management and control measures ensure that financial stability is sound, and there are clear management structures and reporting arrangements in place with performance indicators and risk management processes to support delivery of outcomes. To monitor progress of our targets, goals and objectives we focus on a range of performance indicators which are reviewed by managers and the Board of Governors on a regular basis.

The Board of Governors approved a revised financial strategy during 2024-25, agreeing that the college would budget for a trading surplus from that year to improve our cash position. The Board presents its report and the audited financial statements for the year ended 31 July 2025 and approved these accounts on the basis that the college is a going concern. The audited financial statements have been prepared under the historic cost convention in line with the principles and guidance set out in the Statement of Recommended Practice, Accounting for Further and Higher Education and with the Government Financial Reporting Manual (FReM).

Scope of the Financial Statements and Financial Position

The Financial Statements cover all activities of the college.

Financial Results for the year ended 31 July 2025

The college generated a deficit before other gains and losses in the year of £496,000 (2024 – deficit of £3,398,000), with total comprehensive income surplus of £805,000 (2024- restated deficit of £102,000). The total comprehensive income in 2025 recorded an actuarial gain in respect of pension funds of £274,000 (2024 gain of £2,575,000).

The cumulative deficit on the Income and Expenditure account decreased by £213,000 from £7,167,000 deficit (restated) to £6,954,000 deficit.
This cumulative deficit comprises of £205,000 for holiday pay accrual, £2,211,000 for voluntary agreed PFI termination loan, £2,212,000 for early retirement provisions and £2,328,000 for trading activities (see Note 15).

The college is reporting net total assets of £3,390,000 in its Statement of Financial Position, which includes deferred Government Grant, reported as deferred income within creditors. The grant is allocated between creditors due within one year and due after more than one year as appropriate.

Cash Budget for Priorities

Following their reclassification as central government bodies from 1 April 2014, colleges are now also required to comply with Central Government budgeting rules. In addressing the impact of these budgeting rules, Scottish Government and SFC committed to providing the cash budget previously earmarked for depreciation for use on specified priorities.

SFC has confirmed that a deficit resulting from the college following its guidance should be treated as a 'technical' deficit and should not be interpreted, on its own, as a challenge to the college's ongoing financial sustainability. Audit Scotland accepts that a deficit arising from the use of cash funding originally provided for non-cash depreciation does not indicate an underlying financial sustainability concern.

Adjusted Operating Position

The Statement of Comprehensive Income (SOCI) presents the underlying operating performance during the accounting period in accordance with the FE/HE SORP. The adjusted operating position is intended to reflect the underlying operating performance of the college after allowing for non-cash adjustments and other material one-off or distorting items required by the SORP. The adjusted operating position is therefore designed to smooth any volatility in reported results arising from FRS 102 and to recognise that some of the reported costs do not have an immediate cash impact on the college. This should give a better indication of the college's cash generative capacity.

	Note	2024-25 £'000	2023-24 £'000
Deficit before other gains and losses (FE/HE SORP basis)		(496)	(3,398)
Add:			
- Depreciation (net of deferred capital grant)	1	557	889
- Pension adjustment – Net service cost (FRS 102)	2	144	19
- Pension adjustment – Net interest cost	3	120	124
- Pension adjustment – Early retirement provision	4	(9)	109
- Costs of middle management job evaluation exercise not matched by revenue	5	306	1,811
- Exceptional impairment loss	6	-	105
Deduct:			
- CBP allocated to Early Retirement Payments	7	190	190
Adjusted operating surplus / (deficit)		432	(531)

Note 1	Depreciation net of deferred capital grant is added back in recognition that this has a non-cash budget from the Scottish Government
Note 2	The non-cash element of current and past service pension cost, less cash contributions paid
Note 3	The non-cash element of interest earned on pension assets less interest cost on pension liabilities
Note 4	The early retirement provision adjustment relates to the gain/loss arising from the actuarial valuation during the year. This excludes any adjustments to valuations as a result of adding or deleting employees
Note 5	The accrued/provided costs of middle management/support staff job evaluation not matched by revenue to date
Note 6	Impairment of asset recognised in 2023-24 following revaluation
Note 7	Cash payments in respect of the Early Retirement Provision included in CBP

In 2024-25 the college budgeted for an adjusted operating deficit of £493k. This was approved by the Board of Governors as part of a three-year financial strategy. However, early in the academic year a number of material factors led to the executive leadership team seeking approval from the Board to implement a range of actions that would aim to achieve a balanced budget for the year. These actions, which led to a significant improvement in the actual position for 2024-25, included:

- Not progressing with a large project to refurbish and update our training kitchens
- Generating additional income after the budget was set
- Saving on salary costs by not filling some posts that became vacant during the year
- Reducing non-staff costs through a review of all budgets.

Taxation Status

The college is registered with the Office of the Scottish Charities Regulator as a Scottish Charity and is exempt from corporation tax and capital gains tax. The college receives no similar exemption in respect of Value Added Tax.

Cash Flows

Cash flow projections are prepared annually, broken down on a monthly basis to ensure that these are sufficient to meet the needs of the college. These are reviewed monthly and reports provided to the Executive Leadership Team and the Board of Governors' Finance and General Purposes Committee. Bank balances are checked on a daily basis and day-to day surplus funds are deposited overnight in a high interest bank account.

Liquidity

The college uses a number of ratios to assess our liquidity. The two main ratios are current assets to current liabilities and days cash to total expenditure. However, as a result of Office for National Statistics (ONS) reclassification, the college is only able to hold minimum cash reserves. At the end of 2024-25 current assets: current liabilities were 1:-0.5 and days cash to total expenditure was 10 days reflecting the ONS requirement.

Creditor Payment Policy

The college complies with the CBI Prompt Payment Code and has a policy of paying its suppliers within 30 days of invoice unless the invoice is contested. The Scottish Public Finance Manual sets a

Government target for the payment of invoices within ten working days of their receipt. While this is a difficult target for the college to achieve, we strive to pay all invoices as promptly as possible.

All disputes and complaints are handled as quickly as possible. The college did not pay any late interest payments during the year.

Post-Statement of Financial Position Events

There are no post-Statement of Financial Position events.

Human rights, anti-corruption and anti-bribery matters

West Lothian College is committed to upholding human rights, anti-corruption and anti-bribery within the college and through the supply chain.

Environmental matters

We recognise our role in conserving and protecting the environment through improving our own sustainable practices, as well as promoting awareness of environmental responsibilities amongst our staff and students. Our Net Zero Plan sets out actions and initiatives we seek to achieve as we transition towards net zero. In addition to helping achieve the government's targets and our objectives, it provides a sound basis for our students and staff to live, support and promote sustainability in their everyday lives. All areas of the college have a role in implementation and students are involved in all aspects. The plan includes a detailed action plan and governance structure to guide actions until 2027.

The college continued to raise awareness of the UN Sustainable Development Goals (SDGs) through events and initiatives. We delivered a fourth successive annual week-long Teach-In, an international campaign that highlights education's contribution to delivering the SDGs. Student numbers involved nearly double as 400 students engaged in the activity, increasing from 210 in 23/24. There were 43 workshops facilitated across a range of activities, increasing from 37 the year before. Over 805 pupils were involved as participants, increasing from 624 in 23/24, which incorporated 25 local primary schools enhancing our community engagement from 13 primary schools the previous year. Students continue to achieve assessments throughout the process as we strive towards normalising sustainability in the curriculum. Feedback from all those involved attested to the success of the week in enhancing knowledge of the SDGs.

We secured funding to install four EV (electric vehicle) chargers to provide low-cost charging bays. The annual emissions savings will be 14,023kg of CO2.

During the year, in partnership with Cedarbank Additional Support Needs School the college created opportunities to work together on several biodiversity projects, planting a further 250 trees to improve our outdoor green spaces funded through the International Tree Foundation.

Task Force on Climate-related Financial Disclosures (TCFD) (https://www.gov.uk/government/publications/tcfd-aligned-disclosure-application-guidance/task-force-on-climate-related-financial-disclosure-tcfd-aligned-disclosure-application-guidance--2) are not required for 2024-25 annual reports but this will be revisited for 2025-26.

Climate Change (Scotland) Act compliance

The college complied with the Scottish Government sustainability reporting in line with the requirements of the Climate Change (Scotland) Act 2009 and continues to report emissions each November.

Health and Safety

The college operates mainly in a low risk environment. Medium risks are typically associated with practical subjects, workshop activities, machine operation and the inexperience of students, particularly at the start of their courses. The number of reportable incidents and accidents reported was five in 2024-25 compared to four in 2023-24.

Control is operated using a proactive risk assessment approach, a full suite of policies and procedures, training for staff, students and managers, a health and safety committee which meets regularly, and a full-time health and safety officer. The college has large teams of first aiders and fire marshals who receive regular refresher training. Alongside these controls, we conduct audits through spot-checks, walk-around, and desk-based.

Regular business continuity planning takes place on an ongoing basis, supported by a working group comprising health and safety, cyber security and estates professionals, as well as senior managers. The Audit Committee of our Board of Governors oversees health and safety.

The college secured emergency capital funding from the Scottish Funding Council to replace our Local Exhaust Ventilation system which is essential for safely delivering joinery and construction courses. The existing system had been in operation for over 20 years and had reached the end of its operational life.

There is a strong professional network across Scotland's colleges, facilitated by the College Development Network, for which our health and safety officer serves as sub-chair of health, safety and wellbeing meetings. The health and safety officer attends the Association of Colleges health and safety network meetings, providing opportunities to engage with colleges across the UK. The health and safety officer maintains regular connections with the Home Office, Police Scotland, NHS Lothian, and represents the college at the Lothian and Borders Multi-Agency CONTEST Group and the West Lothian CONTEST Group hosted by West Lothian Council.

Equality and Diversity

The college promotes equality of delivery of service with due regard to our public sector equality duty under the Equality Act 2010. Our direction for action on equal opportunities is set in the following documents:

- **Equality Mainstreaming Report** (https://www.west-lothian.ac.uk/media/7351/equalities-mainstreaming-report-april-2025.pdf)
- **People Strategy** (https://www.west-lothian.ac.uk/media/4937/people-str-2021-2025.pdf)
- **Equality, Diversity, and Inclusion Policy** (equality-diversity-and-inclusion-policy.pdf (west-lothian.ac.uk).

See note on Fair Work First Principle 5 (diverse and inclusive workforces) and the Remuneration and Staff report.

Future Plans

The college will continue to deliver on its strategic goals, fund improvements in the physical learning estate, make progress on net zero ambitions and enhance course provision to meet changing demand in the labour market.

The Performance Report is approved by the Principal.

Hazel Brady
Principal and Chief Executive from 1 December 2025
Date:

ACCOUNTABILITY REPORT

The Accountability Report for the period 1 August 2024 to 31 July 2025 comprises the Corporate Governance Report and Remuneration and Staff Report.

Corporate Governance Report

Directors Report

Membership of the Board of Governors

The Post 16 Education (Scotland) Act 2013 requires that the Board of a regional college must comprise between fifteen and twenty members and that, of these, there should be between nine and twelve non-executive members. The Board of Governors members who held office in 2024-25 are listed in the following table.

Board of Governors Membership, 1 August 2024 – 31 July 2025

Name	Membership Type	Date Appointed	Term of Office	Date Resigned Office
Sue Cook	Chair	27:06:2024	1	
Jackie Galbraith	Principal and CEO	06:08:2018	n/a	
Elaine Cook	Non-executive member	02:05:2023	2	
Sue Stahly	Non-executive member	19:11:2023	2	
Tom Bates	Non-executive member	01:08:2021	2	31:07:2025
Moira Niven	Non-executive member	01:12:20	2	03:12:2024
Seonaid Crosby	Non-executive member	18:09:2025	2	
Abel Aboh	Non-executive member and Senior Independent Member	05:01:2022	1	
Anthony Sharkey	Non-executive member	21:12:2022	1	
Rehela Hussain	Non-executive member	05:03:2023	1	
Gavin Hamilton	Non-executive member	05:03:2023	1	
Aruna Lopez	Non-executive member	05:03:2023	1	03:02:2025
Michael Greenhalgh	Non-executive member	05:03:2023	1	
Lesley McGiffen	Non-executive member	01:08:2024	1	
Kevin Hentges	Non-executive member	06:01:2025	1	
Mark Sheridan	Non-executive member	24:03:2025	1	

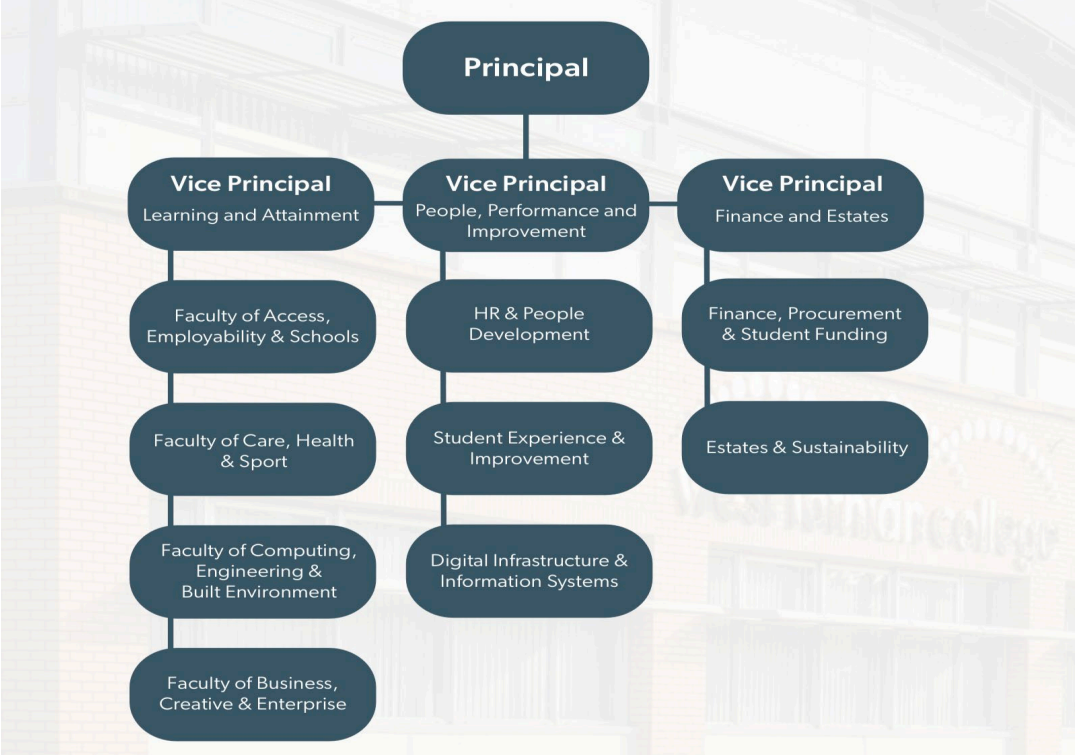
Joanna Trybura	Student member	01:08:2024	1	
CJ Airlie	Student member	01:08:2024	1	
Laura Murray	Teaching Staff member	20:06:2023	1	
Shelagh Fraser	Support Staff member	19:06:2023	1	
Chris Wood	EIS Trade Union member	12:02:2024	1	
Brian Smillie	Unison Trade Union member	12:02:2024	1	17:03:2025

Senior College Managers

The Board of Governors is advised and supported by members of the Executive Leadership Team which comprises:

Jackie Galbraith Principal and Chief Executive
Hazel Brady Vice Principal – Learning and Attainment
Simon Earp Vice Principal – People, Performance and Improvement
Jennifer McLaren Vice Principal – Finance and Estates.

The college is organised into four faculties and five departments, each led by a director or head. Collectively, along with the principal and vice principals, they constitute the College Leadership Team.



Related Party Transactions

Due to the nature of the college's operations and the composition of our Board of Governors being drawn from local public and private sector organisations, it is possible that transactions will take place with an organisation in which a Board member may have an interest. When this is the case, it is recorded in the minutes of meetings and/or the Declaration of Fitness and Register of Interests. All transactions involving

organisations in which a member of the Board of Governors may have a material interest are conducted at arm's length and in accordance with normal project and procurement procedures. The related party transactions due to/by the college for the year ended 31 July 2025 and the amounts outstanding at this date are disclosed in note 24 and a link to the register of interests is provided at https://www.west-lothian.ac.uk/corporate-and-governance/Board-information/

Personal Data Related Incidents

Section 417 of the Companies Act 2006 requires that organisations report on personal data related incidents. In 2024-25, the college had no reported data incidents.

Statement of the Responsibilities of the Board of Governors

The college is committed to promoting best practice in corporate governance and to applying the principles of the Code of Good Governance (updated 2022) and the Code of Conduct for members of the Board of Governors.

The Board and established committees oversee the business of the college and provide scrutiny and challenge of college performance against targets set in the Outcome Agreement. The Board and its committees hold management accountable for meeting performance targets, delivering on college strategies and for continuous improvement based on the recommendations from external evaluation reports.

In accordance with the Further and Higher Education (Scotland) Act 1992 as amended by the Further & Higher Education (Scotland) Act 2005 and subsequently by the Post-16 Education (Scotland) Act 2013, the Board of Governors is responsible for the administration and management of the college's affairs, including ensuring an effective system of internal control, and is required to present audited financial statements for each financial year.

The Board of Governors is responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the college and enable it to ensure that the financial statements are prepared in accordance with the Further and Higher Education (Scotland) Act 1992 as amended by the Further & Higher Education (Scotland) Act 2005 and subsequently amended by the Post-16 Education (Scotland) Act 2013, the 2019 Statement of Recommended Practice - Accounting for Further and Higher Education, the Government Financial Reporting Manual 2024-25 (FReM) where applicable and other relevant accounting standards. In addition, within the terms and conditions of a Financial Memorandum agreed between the Scottish Funding Council and the college's Board of Governors, the Board of Governors, through its designated office holder, is required to prepare financial statements for each financial year which give a true, fair, balanced and understandable view of the college's state of affairs and of the surplus or deficit and cash flows for that year.

The financial statements are prepared in accordance with the Accounts Direction issued by the Scottish Funding Council which brings together the provisions of the Financial Memorandum with other formal disclosures that the Scottish Funding Council require the Board of Governors to make in the financial statements and related notes.

In preparing the financial statements, the Board of Governors is required to:

- Select suitable accounting policies and apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements

- Prepare financial statements on the going concern basis, unless it is inappropriate to presume that the college will continue in operation. The Board of Governors is satisfied that it has adequate resources to continue in operation for the foreseeable future and for this reason the going concern basis continues to be adopted in the preparation of the financial statements.

The Board of Governors has taken reasonable steps to:

- Ensure that funds from the Scottish Funding Council are used only for the purposes for which they have been given and in accordance with the Financial Memorandum with the Funding Council and any other conditions which the Funding Council may from time to time prescribe
- Ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources
- Safeguard the assets of the college and prevent and detect fraud
- Secure the economical, efficient and effective management of the college's resources and expenditure.

The key elements of the college's system of internal financial control, which is designed to discharge the responsibilities set out above, include the following:

- Clear definitions of the responsibilities of, and the authority delegated to, heads of academic and support departments
- A comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets
- Regular reviews of key performance indicators and business risks and quarterly reviews of financial results involving variance reporting and updates of forecast out-turns
- Clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review according to approval levels set by the Board of Governors
- Comprehensive Financial Regulations, detailing financial controls and procedures, approved by the Audit Committee and the Finance and General Purposes Committee
- Professional internal audit team whose annual programme is approved by the Audit Committee and endorsed by the Board of Governors and whose head provides the Board of Governors with a report on internal audit activity within the college and an opinion on the adequacy and effectiveness of the college's system of internal control, including internal financial control.

Any system of internal financial control can only provide reasonable, but not absolute, assurance against material misstatement or loss.

Auditor

The Auditor General for Scotland has appointed Audit Scotland to undertake the audit for the year ended 31 July 2025.

Disclosure of Information to Auditors

The Board of Governors certifies that, so far as we are each aware, there is no relevant audit information of which the college's auditors are unaware; and, as members of the Board of Governors, we have taken all the steps we ought to have taken to make ourselves aware of any relevant audit information and to establish that the college's auditors are aware of that information.

The Board of Governors state that these accounts show a true, fair, balanced and understandable view of the affairs of the college and the annual report as a whole is fair, balanced and understandable per the FreM.

Governance Statement

Statement of Compliance

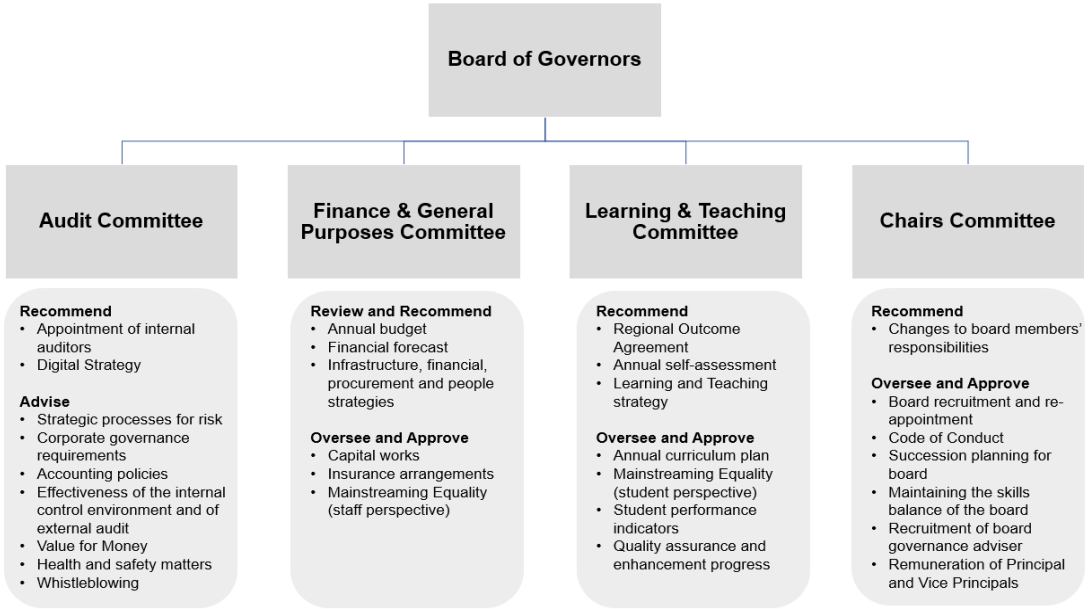
The college is committed to exhibiting best practice in all aspects of corporate governance and this summary is written to assist the reader of the financial statements. It describes the manner in which the college has applied the principles of good governance set out in 2016 Code of Good Governance for Scotland's Colleges (updated September 2022) and the Government's Scottish Public Finance Manual.

This governance statement supplements the information provided in the financial statements. It sets out the governance structures, risk management and internal control processes that have been operating in West Lothian College in the year ended 31 July 2025 and reports the Board's assessment of the effectiveness of these arrangements. While there were no changes to the governance arrangements of the college resulting from the exceptional inflationary pressures extended on the sector, the Board of Governors carried out a detailed review of the risk management process to assess continuing effectiveness of these arrangements.

The Board of Governors is of the opinion that, throughout the year ended 31 July 2025, the college complied with all the principles set out in the 2016 Code of Good Governance for Scotland's Colleges (updated September 2022) and the government's Scottish Public Finance Manual.

Governance Structure

The college has an effective Board and committee structure in place. All committees are formally constituted with terms of reference, approved by the Board and are conducted in accordance with the Standing Orders and Scheme of Delegation approved by the Board. Minutes of committee meetings are published on the college website.



The full Board meets four times a year. Members are encouraged to attend in person and meetings can be attended through Microsoft Teams when necessary. In addition, two annual strategic events take place. In January 2025, the Board participated in a development event which included presentations and discussions exploring the college's work as a supportive employer and learning provider, supporting students and staff mental health and wellbeing. Board members were introduced to the work of the TRUST project and heard how the college had effectively supported students through challenging lived

experiences. Board members also learned about application of the Student Mental Health Agreement across faculties and were informed on the range of staff wellbeing initiatives in place to improve the working environment.

Board Committees

- The Audit Committee provides scrutiny and challenge of internal controls and the risk management process. The committee is made up of four non-executive members with relevant financial and audit experience. The college's internal auditors were present at all Audit Committee meetings. External Audit attended the majority of meetings. The Principal attended Audit Committee meetings as an observer.

- The Finance and General Purposes Committee recommends to the Board the college's annual revenue and capital budgets.

- The Learning and Teaching Committee focuses on the quality of teaching and learning, the student experience and student support.

- The Chairs Committee is responsible for all matters of nomination and remuneration. It is jointly chaired by the Board's Chair and Vice Chair to ensure there is independence on remuneration matters. The Chairs Committee considers Board development, succession planning and recruitment and is responsible for selecting candidates for appointment by the Board of Governors to vacancies in its membership. It considers the balance of Board membership, including experience and skills and identifies any gaps. The committee ensures that the membership of the Board reflects the diversity of its community. The Principal attends the Chairs Committee in an advisory capacity and is excluded from discussions about senior management remuneration.

The Board and all committees carry out annual self-assessments.

The Performance Report is approved by the new interim Principal. The previous Principal, Jackie Galbraith, left the College on 30 November 2025 and Hazel Brady took up the post of interim Principal on 1 December 2025. The new interim Principal was a member of the Executive Leadership Team throughout 2024-25 and in conjunction with the other members of the Executive Leadership Team can provide full assurances over the Governance arrangements in place at the College for the year ended 31 July 2025.

Board of Governors Membership

The college's Board of Governors comprises a Chair appointed by Scottish Government Ministers, the Principal, 12 non-executive members, two student members, two staff members and two trade union members appointed under the Further and Higher Education (Scotland) Act 1992, as amended by the Further & Higher Education (Scotland) Act 2005 and subsequently by the Post-16 Education (Scotland) Act 2013. During 2024-25 there were changes to the Board membership as noted in the Board of Governors Membership table.

A Board Secretary and Governance Advisor supports the Board in accordance with the duties set out in the Code of Good Governance for Scotland's Colleges.

At 31 July 2025 the gender balance for non-executive positions was 5 females and seven males. Taking account of the Chair, the Principal, staff members, student members and trade union members the overall gender balance of the Board was eleven females and eight males, with one vacancy outstanding. Gender balance and maintaining an ethnically diverse Board remains an area of focus for the Board and is part of the selection process for all recruitment.

Each Board member is a member of at least one Committee. The following table illustrates membership of committees in 2024-25 and member attendance.

Member Name	Board	Audit	Learning and Teaching	Finance and General Purposes	Chairs
Actual Number of Meetings	**4**	**4**	**4**	**4**	**4**
Sue Cook	4		4	4	4
Tony Sharkey	2			3	3
Jackie Galbraith	4	3	4	4	2
Moira Niven	2			2	2
Tom Bates	0		2		0
Seonaid Crosby	3	3		1	2
Elaine Cook	4		4		
Sue Stahly	4	3		0	3
Abel Aboh	3			3	1
Aruna Lopez[1]	1			1	
Gavin Hamilton	4		2		
Michael Greenhalgh	4		2		
Rehela Hussain	4	1			
Lesley McGiffen	4	3			3
Kevin Hentges[2]	4	3			
Mark Sheridan[3]	1			1	
Joanna Trybura	4		3		
CJ Airlie	4			4	
Shelagh Fraser	4	4			
Laura Murray	4		3		
Brian Smillie[4]	2			2	
Chris Wood	4	4			

Note 1 Resigned on 3 February 2025
Note 2 Moved from co-opted to full membership on 6 January 2025, attended as co-opted member prior to 6 January 2025
Note 3 Appointed on 24 March 2025
Note 4 Resigned on 17 March 2025

Board Effectiveness 2024-25

All non-executive members participated in an annual review with the Chair of the Board of Governors. There were no concerns noted in relation to meeting attendance or performance standards. All meetings throughout the year met quorum requirements.

The departure of previous members resulted in an overall review of committee membership and a change to the Chair of Finance and General Purposes Committee and Audit Committee during the year to assure continuation of an appropriate skillset. The Chairs (Nominations) Committee approved the changes to member roles.

Board Development Actions

The Board and its committees have adopted a continuous process of evaluation and improvement which is monitored on a quarterly basis. As well as committee self-evaluations, an annual review process was completed for all Board members in June 2025. All areas of improvement identified by individual members, committees, Board or overall governance have been captured on the Board Development Plan for 2025-26. Progress is monitored by the Board.

All actions for 2024-25 were completed by June 2025. Areas of development identified for the 2025-26 Board Development Plan include:

- Training in questioning and scrutiny techniques
- Opportunities for non-executive members to participate across committees
- Enhanced induction programme for new Board members
- Enhanced engagement with college Strategies

The Board will participate in a full effectiveness review in March 2026.

Internal Control

The college's Board of Governors is responsible for the college's system of internal control and for reviewing its effectiveness. The review of the effectiveness of the system of internal control is conducted through the work of the Board of Governors, the Finance and General Purposes Committee and the Audit Committee. The system can provide only reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

The college has a range of internal financial controls which include:

- A budgeting system with an annual budget which is approved by the Board of Governors
- The provision of management information on a planned, regular basis and as required
- Regular reviews by the Finance and General Purposes Committee of monthly and annual financial reports and key performance indicators which indicate financial performance against the forecasts
- Financial regulations, which identify policy and set up a control system within which management can delegate authority whilst informing staff of correct financial procedures.

Assessment of the effectiveness of internal controls

The Board of Governors is of the opinion that throughout the year ended 31 July 2025, the college has complied with all the principles set out in the 2022 Code of Good Governance for Scotland's Colleges and the Government's Scottish Public Finance Manual.

The Board of Governors is of the view that there is a process for identifying, evaluating and managing the college's significant risks, that it has been in place for the year ended 31 July 2025 and up to the date of approval of the annual report and financial statements, that it is regularly reviewed by the Board of Governors and that it accords with the 2022 Code of Good Governance for Scotland's Colleges and the Government's Scottish Public Finance Manual.

In addition, the Board carried out, in consultation with the Executive Leadership Team, a full review of the Strategic Risk Management process and presentation of the Strategic Risk Register for scrutiny and reporting purposes.

The agreed, revised process for risk management is noted below:

BOARD OF GOVERNORS PROCESS FOR SCRUTINY OF STRATEGIC RISK REGISTER 2025-26

	Strategic Risks are identified, managed and reported on to the Board by the Executive Leadership Team
	Strategic risks are split across Committees who review the risks relevant to that Committee
	Committees receive papers relating to the effectiveness of the control environment, including Performance Indicators; HR, and Finance reports and use these to gain insight into the effectiveness of risk management
	Committees report on the review of relevant risks to the Audit Committee through a report prepared by the Board Secretary and Governance Advisor
	The Board Secretary and Governance Advisor report on risk findings from Committee meetings is a standing item on the agenda for Audit Committee meetings
	The Audit Committee has responsibility for scrutiny of the overall Strategic Risk Register and for reporting on material changes to the Board of Governors
	The full Strategic risk Register for the academic year is presented to each meeting of the Board of Governors and is a standing item on the agenda
	The Strategic Risk Register is presented to the Board of Governors with an executive summary which highlights key themes, horizon scanning and material changes to identified risks on a rolling schedule
	The Board of Governors approves any material changes to the Strategic Risk Register as reported on by the Chair of Audit Committee
	The Board of Governors has overall responsibility for scrutiny of the College's Strategic Risk Register

Going Concern

The Board of Governors has considered the college's forecasts and financial projections and considers that the college has adequate resources to meet its ongoing liabilities and continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis into 2025-26.

Remuneration and Staff Report

The Remuneration Committee makes recommendations to the Board of Governors on the service arrangements and remuneration of the Principal and determines the service arrangements and remuneration of Vice Principals.

Remuneration including salary and pension entitlements – AUDITED

Salary Entitlements

The following table provides detail of the remuneration and pension interests of the college's senior managers. Information on higher paid staff is provided in Note 5.

Single total figure of remuneration						
	12 months ended 31 July 2025			**12 months ended 31 July 2024**		
Name	**Actual Salary £'000**	**Pension Benefit £'000**	**Total £'000**	**Actual Salary £'000**	**Pension Benefit £'000**	**Total £'000**
Sue Cook, Chair of the Board of Governors (appointed 27/06/24)*	20-25	-	20-25	0-5	-	0-5
Jackie Galbraith, Principal	120-125	25-30	145-150	120-125	85-90	205-210
Hazel Brady, Vice Principal, Learning and Attainment (appointed 03/06/24)	80-85	15-20	95-100	10-15	35-40	95-100
Simon Earp, Vice Principal, People, Performance and Improvement	80-85	30-35	110-115	80-85	30-35	110-115
Jennifer McLaren, Vice Principal Finance and Estates (contract changed to reduced hours from April 2024)	50-55	15-20	65-70	75-80	50-55	120-125

* Sue Cook did not participate in Board meetings during 2023-24

Note 1 The salaries in the above table represent the amount earned in the financial year

Note 2 The increase in salaries for the principal and vice principals reflect the Support Staff Pay Offer agreed nationally for 2023-24 and 2024-25

Note 3 The value of pension benefits is calculated as the real increase in pension multiplied by 20 plus the real increase in any lump sum less the contributions made by the individual. The x20 multiplier aims to bring public bodies in line with other industries in disclosing an assessed cumulative pension benefit for a standard 20-year period which is the estimated life span following retirement.

Fair Pay Disclosure

Colleges are required by the FReM to disclose the relationships between the remuneration of the highest paid official and the median remuneration of their workforce. Total remuneration includes salary, non-consolidated performance-related pay and benefits in kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

	2024-25	2023-24	Change %
Range of workforce remuneration	£20-25,000 to £120-125,000	£20-25,000 to £120-125,000	
%age change in salary and allowances for employees as a whole			6.81%
Highest paid official remuneration	£120-125,000	£120-125,000	0%
Performance pay/bonus for highest paid director (disclose for employees as a whole where applicable)	n/a	n/a	n/a
Median (total pay and benefits)	£34,201	£36,349	-5.91%
Median (salary only)	£34,201	£36,349	-5.91%
Ratio	1:3.58	1:3.37	
25th percentile (total pay and benefits)	£31,283	£29,783	5.04%
25th percentile (salary)	£31,283	£29,783	5.04%
Ratio	1:3.93	1:4.11	
75th percentile (total pay and benefits)	£48,357	£43,357	11.53%
75th percentile (salary)	£48,357	£43,357	11.53%
Ratio	1:2.54	1:2.83	

Based on the twelve-month equivalent figures above, the banded remuneration of the highest paid official in the organisation in the financial year 2024-25 was £120,000-£125,000 (£120,000-£125,000 in 2023-24). This difference in salary reflects the principal receiving the same pay award as support staff for 2023-24 and 2024-25. Based on banded remuneration this was 3.6 times (3.37 times in 2023-24) the median remuneration of the workforce which was £34,201 (£36,349 in 2023-24).

The movement in the ratio is due to a flat rate pay settlement which proportionately benefits lower paid members of staff. Pay awards are negotiated through the national pay bargaining process. Following a voluntary severance exercise in summer 2024, the majority of staff who exited were lecturers who are higher earners, resulting in a reduction in the median salary for 2024-25.

The median pay ratio for this financial year is consistent with the pay, reward and progression policies which are determined by national bargaining (with the exception of senior staff). For 2024-2025 the cost-of-living pay award for support staff and lecturing staff was identical and was a flat rate amount on all pay points (£1,500 per annum). For senior staff the same cost-of-living pay award was applied. The college adheres to national bargaining agreements in relation to salary placement and progression for lecturing staff and applies consistent salary placing and progression for support staff.

Accrued Pension Benefits

Pension benefits for employees are provided through the Scottish Teacher's Superannuation Scheme (STSS), a defined benefit scheme which is notionally funded, and the Local Government Pension Scheme (LGPS). Both STSS and LGPS are career average salary pension schemes. The scheme's normal retirement age is the scheme member's state pension age.

Contribution rates are set annually for all employees. There is no automatic entitlement to a lump sum. Members may opt to give up (commute) pension for lump sum up to the limit set by the Finance Act 2004. The accrual rate guarantees a pension based on final pensionable salary and years of pensionable service.

Senior Officials' Pension - AUDITED

Pension benefits are provided to senior officials on the same basis as all other staff. The accrued pension benefits for senior officials are set out in the table below, together with the pension contributions made by the college.

Name	Accrued pension at pension age at 31/07/25 £'000	Accrued lump sum at pension age at 31/07/25 £'000	Real increase in pension 01/08/24 to 31/07/25 £'000	Real increase in lump sum 01/08/24 to 31/07/25 £'000
Jackie Galbraith	30	0	2	0
Hazel Brady (appointed 03/06/24)	19	0	1	0
Simon Earp	15	0	2	0
Jennifer McLaren (contract changed to part time hours from April 2024)	26	0	1	0

Cash Equivalent Transfer Value (CETV)

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time.

Name	CETV at 31/07/25 £'000	CETV at 31/07/24 £'000	Real increase in CETV £'000
Jackie Galbraith	521	463	58
Hazel Brady (appointed 03/06/24)	302	277	25
Simon Earp	237	204	33
Jennifer McLaren (contract changed to part time hours from April 2024)	460	429	31

The value of the accrued pension benefits has been calculated on the basis of the age at which the person will first become entitled to receive a pension on retirement without reduction on account of its payment at that age; without exercising any option to commute pension entitlement into a lump sum; and without any adjustment for the effects of future inflation. The pension figures shown relate to the benefits that the person has accrued as a consequence of their total service and not just their current appointment.

In considering the accrued pension benefits figures the following contextual information should be taken into account:

- the figures for pension and lump sum are illustrative only in light of the assumptions set out above and do not necessarily reflect the actual benefits that any individual may receive upon retirement

- the accrued benefits figures are reflective of the pension contributions that both the employer and the scheme member have made over a period of time.

Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

McCloud remedy (FreM paragraph 6.5.8f)

Accrued pension benefits included in this table for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the legacy scheme for the period between 1 April 2015 and 31 March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the relevant legacy scheme for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the Alpha scheme for the period from 1 April 2015 to 31 March 2022.

Compensation for loss of office - AUDITED

One employee (0.13 FTE) left under voluntary exit terms during the year 2024-25.

Exit package cost band	2024-25	2023-24
£'000	**Number of Employees**	**Number of Employees**
<10	1	3
10-25	-	3
25-50	-	4
50-100	-	-
100-150	-	-
150-200	-	-
Total number of exit packages	1	10
Total cost	**£3,101**	**£200,858**

The college has a policy of no compulsory redundancies and there were no compulsory redundancies in 2024-25.

Health and safety at work

The college operates in a low risk environment. See Performance report for further information.

STAFF REPORT - AUDITED

Salaries and Related Costs (see Note 5) - AUDITED

	2025			*2024*
	Directly employed staff on permanent UK contracts	Other staff including short-term contract, seconded and agency staff	Total	*Total*
	£'000	**£'000**	**£'000**	***£'000***
Wages and salaries	9,579	1,398	10,977	*11,598*
Social security costs	1,160	149	1,310	*1,160*
Other pension costs	2,281	258	2,539	*2,298*
Job Evaluation costs	306	-	306	*1,811*
Restructuring Costs	17	-	17	*211*
Total	**13,344**	**1,806**	**15,149**	***17,077***
Average number of FTE	258	29	287	*300*

The college employed a total of 328 individuals during 2024-25 – 236 females (72%) and 92 males (28%). Figures for 2023-24 were 236 females (71%) and 98 males (29%).

In the year ended 31 July 2025 staff turnover was 8.84% (15.3% at 31 July 2024).

Sickness Absence Data

Total sickness absence percentage for the year ended 31 July 2025 was 5.1% which was slightly higher than the equivalent figure for 2023-24 (4.7%).

Trade Unions

Trade Union relationships

The college embraces the Colleges Scotland Staff Governance Standard and the Fair Work First principles and engages constructively in partnership with recognised trade unions (see Fair Work First section).

Facility Time

In accordance with the Trade Union (Facility Time Publication Requirements) regulations 2017, the college provided the following support through paid facility time for union officials working at the college during the period 1 April 2024 to 31 March 2025.

Relevant union officials

Number of employees who were relevant union officials during the relevant period (1 April 2024-31 March 2025)	8
Full-time equivalent employee number	8

Percentage of time spent on facility time

Percentage	Number of employees
0%	-
1%-50%	8
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	14,355
Total pay bill	15,536,560
Percentage of the total pay bill spent on facility time	0.1%

Paid trade union activities

Time spent on trade union activities as a percentage of total paid facility time hours was 100%.

Staff Equality and Diversity

After a process of staff, student and stakeholder engagement, the college published its Mainstreaming Equalities Report 2025-29 in April 2025. Included in this document is the work the college is doing to address the National Equality Outcomes set out by the Scottish Funding Council and Equalities and Human Rights Commission.

We take our public sector equality duty very seriously and ensure that all staff undertake mandatory training on equalities, diversity and inclusion (EDI). Further training is undertaken by managers and staff for greater awareness around specific protected characteristics.

The college fulfils its value of being welcoming to all and goal of inspiring and enabling success for all by ensuring that all staff, regardless of background and circumstances are encouraged, retained and developed. We recognise the need for ongoing action to ensure our workforce is representative of our local communities through encouraging applicants by removing any real or perceived barriers to employment. Once employed, we work hard to ensure that all staff can make a full contribution to the college in their post.

EDI is of critical importance across college and every effort is made to listen and respond to staff and student feedback on their needs. The college worked closely with our Student Association on the joint commitments made in our Student Mental Health Agreement (2025-28).

The college monitors and reports on the fairness and effectiveness of EDI activities through workforce data. This includes relevant questions in our annual staff experience survey, and publishing Equal Pay Audit Reports by gender, ethnicity and disability. We voluntarily publish enhanced reporting on staff disability as part of our Disability Confident Leader accreditation. To demonstrate progress on particular EDI commitments, we make use of external accreditations and are recognised with the following:

- Dying to Work Charter
- Disability Confident Leader
- Carer Positive Established Award
- LGBT Youth Scotland Charter Gold
- Armed Forces Covenant Silver Award
- SCQF Inclusive Recruiter
- Breastfeeding Friendly Accreditation
- Epilepsy Friendly Award.

Gaining such recognition takes significant commitment. For example, achieving the LGBT Gold Charter mark required a rigorous audit of support, policies and procedures, as well extensive training for staff including managers.

Throughout the year, we maintained engagement with students, staff and local partners in awareness-raising activities during Black History Month, 16 Days of Action on Gender Based Violence, LGBT History Month, Mental Health Awareness Week and Challenge Poverty Week amongst many others.

Staff policies applied during the year

Disabled Workers

The college's Recruitment and Selection Policy and Procedure highlights the importance of attracting and recruiting a diverse workforce. It includes provisions that interview and selection arrangements should account for disability with reasonable adjustments applied if required. In job adverts we highlight that we are a Disability Confident Leader which assures disabled candidates that they will be interviewed if they meet the essential requirements of the person specification of the post.

Our Equality, Diversity and Inclusion Policy offers provisions for supporting the recruitment and retention of disabled people, including measures to promote respect and address discrimination and harassment should this arise.

Continuing the employment of, and arranging appropriate training for, employees of the college who have become disabled persons during the period they were employed

Your Attendance Matters policy signposts to staff and managers the importance of obtaining occupational health advice and support and consideration of reasonable adjustments.

Our Maternity and Family Care policy outlines the support with time off for an employee's dependents.

The Flexible Working policy offers a mechanism for all staff, including those with disabilities, to work flexibly to support their ongoing employment.

The college's Career Long Professional Learning Development policy outlines the training and career development opportunities for all staff.

Employee Consultation and Participation

The college consults staff on all major changes. In 2023-24, we held consultations on proposed faculty and departmental changes, the introduction and evaluation of a trial on compressed working hours, and a small voluntary severance scheme.

Each year a staff survey is undertaken open to all staff. Response rate for 2024 was 72% and consistent with previous years with broadly positive feedback. Results are discussed at college and team level to address any issues. The Principal holds regular staff sessions, inviting feedback and providing information on current college activity and performance. The college Board includes staff representation which provides a direct input for employee voice to strategic and governance matters.

Each year an all-staff conference is held at which engagement in the college's aims and values is facilitated and encouraged. The college holds other regular all-staff online and in-person events throughout the year for development, communication and celebration purposes.

Our annual Celebrating Success ceremony recognises staff achievements and in June 2025 250 colleagues took part in an on-campus celebration for which we received a very high number of nominations from all parts of the college. Throughout the year staff can also nominate colleagues for recognition on a virtual 'recognition wall', also aligned to college values and behaviours.

Each February, during the student study week, an annual wellbeing festival for all staff takes place with a wide range of in-person as well as virtual workshops on physical and mental wellbeing.

Human Capital Management

The college achieved Investors in People Gold accreditation in May 2022, after achieving Silver award in 2019 and the Bronze award in 2016. This continuous improvement journey provides external verification of how we invest in people, engage with staff and strive to make work better for our employees. For further details see Fair Work First principles.

In May 2025 an Investors in People strategic review was undertaken and the following positive observations were made by our assessor:

'The organisation is deeply values-led, with its guiding principles…formulated by the staff team. These values are not just words; they are woven into every aspect of the organisation's culture, shaping interactions, decisions, and priorities.'

'This is a workplace where values are lived, not just stated, and where the commitment to inclusion, student success, and continuous improvement is unmistakable.'

'Examples of collaborative decision-making are abundant. The college has trialled flexible working arrangements, based on staff suggestions, such as working remotely during summer and compressed working schedules. Rather than implementing changes unilaterally, the organisation assessed their impact, gathered feedback, and worked closely with staff to refine the approach.'

'Understanding individual potential is at the heart of the organisation's approach. Managers actively recognise strengths in staff, encouraging them to push beyond their comfort zones and explore new growth opportunities. Employees receive tailored support, whether through mentorship, leadership programs, online learning or cross-departmental experiences, ensuring that development is guided rather than generic.'

'The organisation embraces a future-focused approach, ensuring that improvements are not just reactive but proactively aligned with long-term goals. Rather than maintaining rigid structures, the organisation adapts to emerging trends, embraces change, and ensures its workforce and students remain prepared for evolving challenges.'

In 2025 a new, cross-college approach was initiated in respect of staff learning and development. Under the 'Staff Learning Academy' banner, all staff learning and development activity, resources and opportunities will be branded, collated and promoted to increase engagement and visibility of this area.

Pay Policy

The college is part of the sector's national bargaining machinery and applies all nationally agreed pay and terms and conditions agreements. In addition, the college is an accredited Real Living Wage employer and ensures all staff are paid at least the real living wage. The college has an equal pay policy in place and ensures pay gap statutory reporting is completed, publicised and acted upon.

Alongside pay we offer a range of other employee benefits such as an employee discount scheme for a wide range of national retailers, employee discounts with local services, a Cycle to Work scheme creating savings for an employee for purchasing a bike, a salary sacrifice additional voluntary contribution scheme for Local Government Pension Scheme employees and free access to legal and financial advice through our employee assistance service.

Approved by order of the members of the board on 02 December 2025 and signed on its behalf by:

Sue Cook
Chair

Date:

Hazel Brady
Principal and Chief Executive

Date:

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BOARD OF

GOVERNORS OF WEST LOTHIAN COLLEGE, THE AUDITOR GENERAL FOR SCOTLAND AND THE SCOTTISH PARLIAMENT

Reporting on the audit of the financial statements

Opinion on financial statements

I have audited the financial statements in the report and financial statements of West Lothian College for the year ended 31 July 2025 under the Further and Higher Education (Scotland) Act 1992 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. The financial statements comprise the Statement of Comprehensive Income, Statement of Changes in Reserves, Statement of Financial Position, Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion the accompanying financial statements:

- give a true and fair view of the state of the college's affairs as at 31 July 2025 and of its deficit 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 Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 14 of The Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Auditor General for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed by the Auditor General on 22 June 2023. My period of appointment is five years, covering 2022/23 to 2026/27. I am independent of the college in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the college. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

These conclusions are not intended to, nor do they, provide assurance on the college's current or future financial sustainability. However, I report on the college's arrangements for financial sustainability in a separate Annual Audit Report available from the Audit Scotland website.

Risks of material misstatement

I report in my separate Annual Audit Report, the most significant assessed risks of material misstatement that I identified and my judgements thereon.

Responsibilities of the Board of Governors for the financial statements

As explained more fully in the Statement of the Board of Governor's Responsibilities, the Board of Governors is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Board of Governors 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 Board of Governors is responsible for assessing the college's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention to discontinue the college's operations.

Auditor's responsibilities for the audit of the financial statements

My 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 my 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 decisions of users taken on the basis of these financial statements.

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

- using my understanding of the college sector to identify that the Further and Higher Education (Scotland) Act 1992 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 are significant in the context of the college;

- inquiring of the College Principal as to other laws or regulations that may be expected to have a fundamental effect on the operations of the college;

- inquiring of the College Principal concerning the college's policies and procedures regarding compliance with the applicable legal and regulatory framework;

- discussion among my team on the susceptibility of the financial statements to material misstatement, including how fraud might occur; and

- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the college's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

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

Reporting on regularity of expenditure and income

Opinion on regularity

In my opinion in all material respects the expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers.

Responsibilities for regularity

The Board of Governors is responsible for ensuring the regularity of expenditure and income. In addition to my responsibilities in respect of irregularities explained in the audit of the financial statements section of my report, I am responsible for expressing an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

Reporting on other requirements

Opinion prescribed by the Auditor General for Scotland on the audited parts of the Remuneration and Staff Report

I have audited the parts of the Remuneration and Staff Report described as audited. In my opinion, the audited parts of the Remuneration and Staff Report have been properly prepared in accordance with the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council.

Other information

The Board of Governors is responsible for the other information in the report and financial statements. The other information comprises the Performance Report and the Accountability Report excluding the audited parts of the Remuneration and Staff Report.

My responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on the Performance Report and Governance Statement to the extent explicitly stated in the following opinions prescribed by the Auditor General for Scotland.

Opinions prescribed by the Auditor General for Scotland on the Performance Report and Governance Statement

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

- the information given in the Performance Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council; and

- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council.

Matters on which I am required to report by exception

I am required by the Auditor General for Scotland to report to you if, in my opinion:

- adequate accounting records have not been kept; or

- the financial statements and the audited parts of the Remuneration and Staff Report are not in agreement with the accounting records; or

- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

In addition to my responsibilities for the report and financial statements, my conclusions on the wider scope responsibilities specified in the Code of Audit Practice are set out in my Annual Audit Report.

Use of my report

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 108 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Brian Battison, CA
Audit Scotland
4th Floor
102 West Port
Edinburgh
EH3 9DN

Date:

Brian Battison is eligible to act as an auditor in terms of section 21 of the Public Finance and Accountability (Scotland) Act 2000.

STATEMENT OF COMPREHENSIVE INCOME

The Statement of Comprehensive Income is prepared under the FE/HE SORP. The SORP does not permit colleges to reflect the non-cash budget for depreciation in the Statement of Comprehensive Income. Note 27 provides details of the adjusted operating position on a Central Government basis.

	Notes	***Year Ended 31 July 2025 £'000***		***Year Ended 31 July 2024 Restated £'000***
Income				
SFC grants	*2*	15,222		14,852
Tuition fees and education contracts	*3*	2,724		2,763
Other income	*4*	2,640		2,143
Total Income		20,586		19,758
Expenditure				
Staff Costs	*5*	15,149		17,077
Other operating expenses	*6*	4,599		4,754
Depreciation	*9*	1,215		1,097
Interest payable	*7*	120		124
Impairment loss		-		105
Total Expenditure		21,083		23,157
Deficit before tax		(496)		(3,398)
Taxation	*8*	-		-
Deficit for the year		(496)		(3,398)
Other comprehensive income				
Unrealised Surplus on Revaluation of Assets		1,027		721
Actuarial (loss)/gain in respect of pension schemes		274		2,575
Total comprehensive income for the year		805		(102)
Represented by:				
Restricted comprehensive income		-		-
Unrestricted comprehensive income		805		(102)
		805		(102)

STATEMENT OF CHANGES IN RESERVES

	Income and Expenditure Account	*Revaluation Reserve*	*Total*
	£'000	*£'000*	*£'000*
Balance at 31 July 2023	**(6,912)**	**9,600**	**2,688**
Deficit from statement of comprehensive income	(3,398)	-	(3,398)
Unrealised Surplus on Revaluation of Assets (Restated)	-	721	721
Other comprehensive income	35		35
PY Pension asset ceiling adjustment	2,540	-	2,540
Transfers between revaluation reserve and income and expenditure account	568	(568)	-
Total comprehensive income for the year (Restated)	**(255)**	**153**	**(102)**
Balance at 31 July 2024 (Restated)	**(7,168)**	**9,753**	**2,585**
Deficit from statement of comprehensive income	(496)	-	(496)
Unrealised Surplus on Revaluation of Assets	-	1,027	1,027
Actuarial (loss)/gain in respect of pension schemes	274	-	274
Transfers between revaluation reserve and income and expenditure account	435	(435)	0
Total comprehensive income for the year	**213**	**592**	**805**
Balance at 31 July 2025	**(6,955)**	**10,345**	**3,390**

STATEMENT OF FINANCIAL POSITION AS AT 31 JULY

	Notes	***2025***		***2024***
				Restated
		£'000		***£'000***
Non-Current Assets				
Fixed Assets	*9*	**28,954**		**29,083**
Current Assets				
Trade and other receivables	*10*	**1,463**		**5,001**
Cash and cash equivalents	*16*	**549**		**185**
		2,012		**5,186**
Less: Creditors; amounts falling due within one year	*11*	**(4,040)**		**(7,805)**
Net Current Assets / (Liabilities)		**(2,028)**		**(2,619)**
Defined benefit obligations		**-**		**-**
Total Assets less Current Liabilities		**26,925**		**26,464**
Creditors: amounts falling due after more than one year	*12*	**(19,207)**		**(19,626)**
Other provisions	*14*	**(4,329)**		**(4,253)**
Total Net Assets		**3,390**		**2,586**
Unrestricted Reserves				
Income and expenditure account	*15*	**(6,955)**		**(7,167)**
Revaluation reserve		**10,344**		**9,753**
Total Reserves		**3,390**		**2,586**

The financial statements on pages 53 – 85 were approved by the Board of Governors on 2 December 2025 and signed on its behalf on that date by:

Sue Cook
Chair

Hazel Brady
Principal and Chief Executive

STATEMENT OF CASH FLOWS

	Year Ended 31-Jul-25 £'000	*Year Ended 31-Jul-24 Restated* £'000
Cash flow from operating activities		
Deficit for the year	**(496)**	**(3,398)**
Adjustment for non-cash items		
Depreciation	**1,215**	**1,097**
Impairment loss	**-**	**105**
Deferred capital grants released to income	**(657)**	**(208)**
(Increase) / decrease in debtors	**396**	**1,693**
Increase / (decrease) in creditors due within one year	**(383)**	**(1,939)**
Increase / (decrease) in provisions	**76**	**1,435**
Pension costs less contributions payable	**144**	**19**
Non-cash unfunded pension adjustment	**127**	**15**
Net cash inflow/(outflow) from operating activities	**422**	**(1,181)**
Cash flows from investing activities		
Payments made to acquire fixed assets	**(58)**	**(209)**
	(58)	**(209)**
Increase/(Decrease) in cash and cash equivalents in the year	**364**	**(1,390)**
Cash and cash equivalents at start of the year	185	1,575
Cash and cash equivalents at end of the year	549	185

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2025

1. STATEMENT OF ACCOUNTING POLICIES

a) Basis of Preparation

The financial statements will be prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019, and in accordance with Financial Reporting Standards FRS 102 and the 2024-25 Government Financial Reporting Manual (FReM) issued by the Scottish Government. They conform to the Accounts Direction and other guidance published by the Scottish Funding Council (FReM 1.1.4).

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

b) Basis of Accounting

The financial statements will be prepared under the historical cost convention as modified by the revaluation of surplus land and certain fixed assets.

The accounting policies contained in the FReM apply International Reporting Standards as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the college for the purposes of giving a true, fair, balanced and understandable view will be selected. The particular policies adopted by the college in dealing with items that are considered material to the financial statements are set out (FReM 1.1.4).

c) Going Concern

The activities of the college, together with the factors likely to affect its future development and performance will be set out in the Performance Report. The financial position of the college, its cash flow and liquidity will be presented in the Financial Statements and accompanying Notes.

The college's forecasts and financial projections indicate that the college has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future, and for this reason will continue to adopt the going concern basis in the preparation of its Financial Statements.

d) Recognition of Income

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

Fee income will be stated gross of any expenditure which is not a discount and credited to the Statement of Comprehensive Income over the period in which students are studying.

Income received in advance will be recognised as deferred income within creditors on the Statement of Financial Position and then released to the Statement of Comprehensive Income in the period it is earned.

All income from short-term deposits and Investment income will be credited to the Statement of Comprehensive Income on a receivable basis.

Funds the college receives and disburses as paying agent on behalf of a funding body will be excluded from the Statement of Comprehensive Income.

e) Grant Funding

Government revenue grants including the recurrent grants from the Scottish Funding Council will be recognised in income over the periods in which the college recognises the related costs for which the grant is intended to compensate. Where part of a government grant is deferred it will be recognised as deferred income within creditors and allocated between creditors due within one year and due after more than one year as appropriate.

Grants from non-governmental sources will be recognised in income when the college is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met will be recognised as deferred income within creditors on the Statement of Financial Position and released to income as the conditions are met.

f) Capital Grants

Government capital grants will be recognised in income over the expected useful life of the asset. Other capital grants will be recognised in income when the college is entitled to the funds subject to any performance related conditions being met.

g) Short Term Employment Benefits

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

h) Pension Schemes

Retirement benefits to employees of the college are provided by the Teachers' Superannuation Scheme (Scotland) (STSS) and the Lothian Pension Fund (LPF). These are defined benefit schemes which are externally funded and contracted out of the State Earnings Related Pension Scheme until March 2016.

i) STSS

The college is unable to identify its share of the underlying assets and liabilities of the STSS on a consistent and reasonable basis and therefore, as required by FRS 102, will account for the scheme as if it were a defined contribution scheme. The amount charged to the Statement of Comprehensive Income will represent the contributions payable to the scheme in respect of the year. The contributions will be determined by qualified actuaries on the basis of periodic valuations using the projected unit method.

ii) LPF

The college's share of LPF scheme assets and liabilities are valued by the LPF actuary, Hymans Robertson. Contributions to the schemes will be charged to the Statement of Comprehensive Income so as to spread the cost of pensions over employees working lives with the college. The contributions will be determined by an actuary on the basis of triennial valuations. In accordance with FRS 102, the amount charged to the Statement of Comprehensive Income will represent the service cost expected to arise from employee service in the current year.

The costs of enhanced early retirement benefits are borne directly by the college.

i) Tangible Fixed Assets

In line with the FReM all tangible assets must be carried at fair value.

i) Land and Buildings

Land and Buildings will be measured using the revaluation model. Under the revaluation model assets are revalued to fair value. Where appropriate Depreciated Replacement cost will be used as a measure of fair value for land and buildings otherwise Market Value will be used. The college has a policy of ensuring a full revaluation takes place at least every 5 years with an interim valuation carried out in every other year such that the fair value is not materially different to the current value. Depreciation and impairment losses will be subsequently charged on the revalued amount.

Freehold land will not be depreciated as it is considered to have an indefinite useful life.

College buildings will be depreciated over 30 years and transferred car parking areas will be depreciated over 25 years, both commencing in the first full financial year after the date of transfer of the estate to public ownership (2 April 2007). Other additions to the estate will be depreciated over 10 years from the date they are brought into use.

Costs incurred in relation to land and buildings after initial purchase or construction, and prior to valuation, will be capitalised to the extent they increase the expected future benefits to the college.

If a building is brought into use mid-way through a year the depreciation charge in the first year will be pro-rated to reflect the number of months the asset was in use.

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

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

ii) Fixed Plant and Equipment

Equipment will be capitalised at cost and carried at depreciated historical cost, which is used as a proxy for fair value when it is expected to be in use within the business on a continuing basis for at least 3 years. Depreciated historical cost is deemed to be more appropriate than revaluing for equipment as it is common for such assets to reduce in value rather than to increase as they are utilised by the college (FReM 6.2).

Assets of a low value may be capitalised where they form part of a group of similar assets purchased at approximately the same time in the same financial year and cost over £2,500 in total.

Capitalised equipment will be depreciated over its useful economic life from the date it is brought into use as follows: -

Fixed Plant	5-29 years
Equipment	4 years

Where equipment is brought into use mid-way through a year the depreciation charge in the first year will be pro-rated to reflect the number of months that the asset was in use.
Depreciation methods, useful lives and residual values will be reviewed at the date of preparation of each Statement of Financial Position.

iii) Operating Leases

Costs in respect of operating leases will be charged on a straight-line basis over the lease term. Any lease premiums or incentives will be spread over the minimum lease term.

iv) Finance Leases

Leases in which the college assumes substantially all the risks and rewards of ownership of the leased asset will be classified as finance leases. Leased assets acquired by way of finance lease and the corresponding lease liabilities will be initially recognised at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease. Minimum lease payments will be apportioned between the finance charge and the reduction of the outstanding liability. The finance charge will be allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment will be accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

j) Maintenance of Premises

The cost of maintenance will be charged to the Statement of Comprehensive Income in the period in which it is incurred.

k) Stocks

Stocks will be written off in the year of acquisition on the basis of non-materiality.

l) Cash

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.

m) Taxation

The college is an exempt charity within the meaning of the Trustee Investment and Charities (Scotland) Act 2005 and, as such is a charity within the meaning of section 506 (1) of the Income and Corporation Taxes Act (ICTA) 1988. The college is recognised as a charity by HM Revenue & Customs and is recorded on the index of charities maintained by the Office of Scottish Charity Regulator and therefore not liable for corporation tax.

Non-recoverable Value Added Tax arising from expenditure on non-trading activities is charged to the Statement of Comprehensive Income.

The college benefits by being exempt from corporation tax on income it receives from tuition fees, interest and rents.

n) Provisions

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

o) Agency Arrangements

The college acts as an agent in the collection and payment of certain Student Support Funds. These funds will be excluded from the college Statement of Comprehensive Income; movements will be disclosed in the notes. Where the college has more discretion in the manner in which specific funds are disbursed, and these funds do not meet the definition of agency funds, the income and expenditure relating to those funds will be shown in the college Statement of Comprehensive Income.

p) Financial Instruments

The college only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and other loans to / from related parties.

Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, will be measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

q) Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, management will make the following judgements:

- Determine whether leases entered into by the college either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

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

Other key sources of estimation uncertainty

- Valuation of Property

The valuation of the College's estate which is subject to revaluation are subject to significant estimation due to a number of factors, including ongoing changes to estimates around the costs of replacing existing assets, the market value fluctuation of comparable assets used for valuation, the current condition and future maintenance costs of assets, changes to regulatory standards and the remaining useful economic lives of the assets. Given the material nature of the College's assets, there is a high likelihood that changes in these estimates will result in material changes in the valuation of assets on the Statement of Financial Position. The total value of the College's assets at 31 July 2025 is outlined and broken down by asset category in the Fixed Assets note.

- Depreciation

Tangible fixed assets will be 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 will be taken into account.

- 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 (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of the pension liability.

As the present value of the defined benefit obligation at the reporting date is less than the fair value of plan assets at that date, the plan has recorded a notional surplus. The college has applied accounting standard FRS 102 and limited the pension asset disclosed to nil as at 31 July 2025, as detailed in the Pensions Commitments note.

- Job Evaluation

The full National Bargaining support staff and middle management harmonisation costs will not be confirmed until the job evaluation exercise is concluded, the outcome of which will be implemented from 1 September 2018. Up until 2022-23, colleges have accrued support

staff and middle management costs (and associated grant funding) based on Colleges Scotland's February 2019 costings.

In previous years, SFC have held in reserve grant funding provided by the Scottish Government that relates to this activity, but these funds were returned to Scottish Government in 2023 with Scottish Government agreeing that responsibility for job evaluation funding commitments now rests with the Scottish Government until the process is complete.

Given the ongoing uncertainty about the timing of the conclusion of the job evaluation project, the previous accounting treatment was no longer appropriate.

The exercise is a past event where an obligation exists, its impact can be reliably measured, and it is likely to result in an outflow of benefits in future periods. On this basis, the costs of the exercise are recognised and a liability provided for the total cost of the exercise to date. Prior to 2023-24 college has presented the liability as an accrual, however given the timing of the outflow of benefits remains uncertain, a provision was considered to be the appropriate treatment of this liability. The accrual has therefore been derecognised and recognised as a provision. This treatment is considered to be compliant with the SORP and the relevant underlying accounting standards.

The recognition of the revenue is not as clear due to the change in the funding arrangements not providing sufficient audit evidence for it to be recognised in the financial statements. On this basis, any revenue element previously recognised has been derecognised.

2 SCOTTISH FUNDING COUNCIL (SFC) GRANTS

	Year Ended 31 July 2025 £'000	*Year Ended 31 July 2024 £'000*
SFC Teaching & fee waiver grant	**13,935**	13,817
Childcare funds	**266**	361
Release of deferred capital grants (SFC)	**657**	208
Other SFC Grants	**364**	466
	15,222	14,852

3 TUITION FEES AND EDUCATION CONTRACTS

	Year Ended 31 July 2025 £'000	*Year Ended 31 July 2024 £'000*
Further Education Fees - UK	**560**	745
Higher Education Fees - UK	**1,524**	1,774
Skills Development Scotland contracts	**639**	244
	2,723	2,763

4 OTHER INCOME

	Year Ended 31 July 2025 £'000	*Year Ended 31 July 2024 £'000*
Residence and catering	**255**	269
Other income generating activities	**1,689**	1,208
Other income	**661**	655
Bank interest received	**34**	11
	2,639	2,143

5 STAFF COSTS

The average weekly number of persons (including senior post-holders) employed by the college during the period was:

	Year Ended 31 July 2025 FTE	*Year Ended 31 July 2024 FTE*
Teaching departments	**188**	201
Teaching support services	**8**	9
Administration	**44**	46
Premises	**23**	23
Catering and residences	**8**	8
Other Income-generating activities	**16**	13
	287	300
Analysed as:		
Staff on permanent contracts	**258**	270
Staff on temporary contracts	**29**	30
	287	300

	Year Ended 31 July 2025 £'000	Year Ended 31 July 2024 £'000
Staff Costs for the above persons		
Wages and salaries	**10,977**	11,597
Social security costs	**1,310**	1,160
Other pension costs	**2,539**	2,298
Job evaluation costs	**306**	1,811
Restructuring costs	**17**	211
	15,149	17,077
Analysed as:		
Staff on permanent contracts	**12,876**	14,475
Staff on temporary contracts	**1,806**	561
Pension charge less contributions paid	**144**	19
Job evaluation costs	**306**	1,811
Restructuring costs	**17**	211
	15,149	17,077

	Year Ended 31 July 2025 £'000	Year Ended 31 July 2024 £'000
Analysed as:		
Teaching departments	**9,036**	9,402
Teaching support services	**1,299**	1,453
Administration	**2,306**	2,288
Premises	**834**	830
Catering and residences	**255**	242
Other income-generating activities	**851**	706
Other staff	**101**	115
Pension charge less contributions paid	**144**	19
Job evaluation costs	**306**	1,811
Restructuring costs	**17**	211
	15,149	17,077

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the college and are represented by the Senior Team which comprises the Principal and three Vice Principals.(2.5 FTE)

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

	Year Ended 31 July 2025 **No.**		*Year Ended 31 July 2024* No.
The number of key management personnel including the Accounting Officer was:	**4**		4

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

	Key management personnel		***Other staff***	
	Year Ended 31 July 2025 ***No.***	*Year Ended 31 July 2024* *No.*	***Year Ended 31 July 2025*** **No.**	*Year Ended 31 July 2024* No.
£60,001 to £70,000	**-**	-	4	3
£70,001 to £80,000	**-**	2	-	-
£80,001 to £90,000	**2**	1	-	-
£120,001 to £130,000	**1**	1	-	-
	3	4	4	3

Key management personnel emoluments are made up as follows:

	Year Ended 31 July 2025 £'000	*Year Ended 31 July 2024 £'000*
Salaries	**341**	355
Benefits in kind	**-**	-
	341	355
Pension contributions	**67**	67
Total emoluments	**408**	422

There were no amounts due to key management personnel that were waived in the year, nor any salary sacrifice arrangements in place. The above emoluments include amounts payable to the Accounting officer (who is also the highest paid officer) of:

	Year Ended 31 July 2025 £'000	*Year Ended 31 July 2024 £'000*
Salaries	**123**	123
Benefits in kind	**-**	-
	123	123
Pension contributions	**22**	23
Total emoluments	**145**	146

Compensation for loss of office paid to former key management personnel

	Year Ended 31 July 2025 £'000	*Year Ended 31 July 2024 £'000*
Compensation paid to former post-holders	**-**	-
Estimated value of other benefits, including provision for pension benefits	**-**	-

Overseas Activities

There were no costs incurred during 2024-25 in respect of overseas activities, which were carried out in accordance with the strategy approved by the Board of Governors.

6 OTHER OPERATING EXPENSES

	Year Ended 31 July 2025 £'000	*Year Ended 31 July 2024 £'000*
Teaching departments	**610**	585
Teaching support services	**214**	271
Administration	**1,307**	1,327
Premises	**1,261**	1,628
Catering	**203**	196
Other income generating activities	**686**	332
Overspend on student support funds	**-**	-
Childcare fund costs	**266**	361
Other	**52**	54
	4,599	4,754

Other Operating Expenses (Administration) include:

Auditors Remuneration (including irrecoverable VAT)		
- Internal audit	**36**	24
- External audit	**27**	26
	63	50

7 INTEREST PAYABLE

	Year Ended 31 July 2025 £'000	*Year Ended 31 July 2024 £'000*
Pension finance costs	**120**	124
	120	124

8 TAXATION

The board does not believe the college was liable for any corporation tax arising out of its activities during this period.

9 FIXED ASSETS

	Land and Buildings *Freehold* *£'000*	*Fixed Plant* *£'000*	*Equipment* *£'000*	*Total* *£'000*
Cost or valuation				
At 31 July 2024	27,098	1,838	159	29,095
Additions	58	-	-	58
On revaluation	953	73	-	1,027
At 31 July 2025	**28,109**	**1,911**	**159**	**30,180**
Depreciation				
At 31 July 2024	-	-	12	12
Charge for Period	979	150	40	1,169
On revaluation	39	6	-	45
At 31 July 2025	**1,016**	**156**	**52**	**1,226**
Net Book Value **At 31 July 2025**	**27,091**	**1,755**	**107**	**28,954**
Net Book Value At 31 July 2024	27,098	1,838	147	29,083
Financed by: Capital Grant	**27,091**	**1,755**	**107**	**28,954**

Under FRS102 the board gives annual consideration to assessing the value of buildings and equipment to be included in the annual accounts. The basis of valuation adopted was depreciated replacement cost. Had they not been re-valued, inherited and owned land, buildings and fixed plant would have had a historic net book value of £18,148,177 (2024: £18,925,906).

Assets were subject to indexation at 31 July 2025. These assets were revalued at 31 July 2024 by Kerry Maguire BSc (Hons) MRICS, RICS Registered Valuer, for and on behalf of Avison Young (UK) Limited.

10 TRADE AND OTHER RECOVERABLES

	Year Ended 31 July 2025 £'000	Year Ended 31 July 2024 Re-stated £'000
Trade Debtors	**700**	244
European Funding	**-**	-
Prepayments and accrued income	**762**	4,757
Amounts Owed by SFC	**-**	-
	1,462	5,001

11 CREDITORS: Amounts falling due within one year

	Year Ended 31 July 2025 £'000	Year Ended 31 July 2024 Re-stated £'000
Trade Creditors	**367**	508
Taxation and Social Security	**544**	501
Accruals and Deferred income	**1,315**	5,936
Deferred capital grants	**640**	664
Deferred Income	**1,000**	9
Unspent Student Funds	**175**	187
	4,041	7,805

12 CREDITORS: Amounts falling due after one year

	Year Ended 31 July 2025 £'000	Year Ended 31 July 2024 Re-stated £'000
Amounts Owed to SFC	**2,211**	2,211
Deferred capital grants	**16,840**	17,415
Deferred Income	**156**	-
	19,207	19,626

13 MATURITY OF DEBT

Scottish Funding Council Loan is repayable as follows:

	Year Ended 31 July 2025 £'000	*Year Ended 31 July 2024 £'000*
Between one and two years	**158**	-
Between two and five years	**632**	632
In five years or more	**1,421**	1,579
	2,211	2,211

The college voluntarily terminated its PFI contract in April 2007, at which point the title of the college buildings transferred to the college. The college received total funding from SFC in April 2007 of £27.7million to enable it to terminate the contract. This comprised a grant of £22.16 million and a repayable advance of £5.54 million representing the college's own contribution towards the cost of the assets previously held under the PFI contract.

The £5.54 million advance is interest free and was repayable in equal instalments over 16 years. The first repayment was made in August 2010 and at 31 July 2019 the amount outstanding was £2,369,055. In March 2014 the college made an upfront payment of £650,000 towards the loan and negotiated a reduced annual payment of £157,937 per annum with the Scottish Funding Council from April 2015.

In 2020 the Scottish Funding Council agreed to the suspension of repayments on the loan from July 2021 to July 2025 inclusive, recommencing in July 2026. As a result, the loan period has been extended to July 2039.

14 PROVISIONS

	Early Retirement Provision	***Job Evaluation scheme (Middle Management)***	***Total***
	£'000	***£'000***	***£'000***
At 1 August 2024	2,442	1,811	**4,253**
Expenditure in the period	(221)	-	**(221)**
Other movements in period	(9)	306	**297**
At 31 July 2025	**2,212**	**2,117**	**4,329**

The early retirement provision is in accordance with a valuation carried out by Hymans Robertson, an independent firm of actuaries at 31 July 2025.

The job evaluation scheme provision relates to the full National Bargaining support staff and middle management harmonisation costs which will not be confirmed until the job evaluation exercise is concluded (see Note 1).

15 RESERVES

Analysis of income and expenditure account

	I&E Account Trading Activities	*I&E Account Holiday Pay*	*I&E Account PFI Loan*	*I&E Account Early Retirement*	*Total*
	£'000	*£,000*	*£'000*	*£'000*	*£'000*
At 31 July 2024 - Restated	(2,232)	(283)	(2,211)	(2,442)	**(7,168)**
Total comprehensive income for the year	(583)	78	-	9	**(496)**
Transfer from Revaluation Reserve	435				**435**
Actuarial (loss)/gain in respect of pension schemes	274				**274**
Payments for early retirement	(221)			221	**-**
At 31 July 2025	**(2,328)**	**(205)**	**(2,211)**	**(2,212)**	**(6,954)**

16 CASH AND CASH EQUIVALENTS

	At 1 August 2024 £'000	*Cash Flows £'000*	*Other £'000*	*At 31 July 2025 £'000*
Cash	185	364	-	**549**
Debt due within 1 year	-	-	-	**-**
Debt due after 1 year	(2,211)	-	-	**(2,211)**
	(2,026)	**364**	**-**	**(1,662)**

17 PENSION COMMITMENTS

The college's employees belong to two principal pension schemes: the Scottish Teachers' Superannuation Scheme (STSS), and the Lothian Pension Fund (LPF).

Total pension cost for the period	***Year Ended 31 July 2025 £'000***	*Year Ended 31 July 2024 £'000*
STSS contributions paid	**1,301**	1,088
LPF Pension scheme:		
Contributions paid	**1,094**	1,216
FRS 102 (28) charge	**144**	19
Charge to the Statement of Comprehensive Income	**1,238**	1,235
Total Pension Cost for the period within staff costs	**2,539**	2,323

Contributions amounting to £186,000 (2024: £183,000) were payable to the schemes at 31 July and are included within creditors.

Scottish Teachers Superannuation Scheme

The Scottish Teachers' Superannuation Scheme is a notional fund valued every year by the Government actuary. Contributions are paid by the college at the rate specified. The Scheme is unfunded and contributions are made to the Exchequer. The payments from the scheme are made from funds voted by the Scottish Parliament. The contribution rate payable by the employer since 1 April 2015 was 17.2% of pensionable salaries. From 1 September 2019 this rate increased to 23% and then from 1 April 2024 it increased again to 26%.

Under the definitions set out in Financial Reporting Standard 102 (28.11) (FRS 102), the STSS is a multi-employer pension plan. The college is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the college has taken advantage of its exemption in FRS 102 and has accounted for its contributions as if it were a defined contribution plan. The college has set out above the information available on the plan and the implications for the college in terms of the anticipated contribution rates.

Lothian Pension Fund Scheme

The Lothian Pension Fund is valued every three years by professionally qualified independent actuaries using the projected unit credit method, the rates of contribution payable being determined by the trustees on the advice of the actuaries. In the intervening years, the LPF actuary reviews the progress of the LPF scheme.

The Lothian Pension Fund is a funded defined-benefit plan, with assets held in separate funds administered by City of Edinburgh Council. The total contributions made for the year ended 31 July 2025 were £1,094,000 and employees' contributions totalled £368,000. The agreed contribution rates for future years for the employer were 19.8% from 1 April 2020. This rate reduced to 17.6% from 1 April 2024. For employees, contribution rates range from 5.5% to 12.0% depending on salary.

Principal Actuarial assumptions

The following information is based upon the most recent funding valuation date of 31 March 2023, updated to 31 July 2025 by a qualified independent actuary.

	At 31 July 2025	At 31 July 2024
Rate of increase in salaries	**3.45%**	3.45%
Discount rate for scheme liabilities	**5.8%**	5.0%
Inflation assumption (CPI)	**2.75%**	2.75%

A commutation allowance is included in future retirements to elect to take 70% of the maximum additional tax-free cash up to HMRC limits.

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

	Males	**Females**
Current pensioners	19.8 years	23.0 years
Future pensioners	20.6 years	24.6 years

The college's share of assets in the scheme and the expected rate of return are:

	Long term rate of return	**Fair Value at 31 July 2025 £'000**	*Long term rate of return*	Fair Value at 31 July 2024 £'000
Equities	**5.00%**	**24,559**	5.05%	23,369
Bonds	**5.00%**	**6,862**	5.05%	6,529
Property	**5.00%**	**2,889**	5.05%	2,749
Cash	**5.00%**	**1,806**	5.05%	1,718
Total fair value of employer assets		**36,116**		34,365
Actual return on employer assets		**(647)**		1,015

The amount included in the Statement of Financial Position in respect of the pension plan is as follows:

	Year Ended 31 July 2025 £'000	Year Ended 31 July 2024 £'000
Defined benefit pension plan		
Fair value of employer assets	**36,116**	34,365
Present value of funded liabilities	**(25,064)**	(26,956)
Net Defined Pension Asset	**11,052**	7,409
Unfunded (Early Retirement) benefits	**(2,212)**	(2,442)
Net pension asset	**8,840**	4,967
FRS 102 Ceiling adjustment	**(11,052)**	(7,409)
Net pension asset post FRS 102 adjustment	**(2,212)**	(2,442)

The unfunded obligations comprise of £125k (23-24 £150k) in respect of LGPS and £2,087k (23-24 £2,292k) in respect of teachers unfunded pensions.

As the present value of the defined benefit obligation at the reporting date is less than the fair value of plan assets at that date, the plan has recorded a notional surplus.

Accounting standard FRS 102 limits the measurement of a net defined benefit asset to the lower of the surplus in the defined benefit plan and the asset ceiling. The asset ceiling is defined as the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. As there is no unconditional right to a refund, the actuaries have calculated whether there are economic benefits in the form of reduction in future contributions, in accordance with FRS 102.

For FRS 102 accounting purposes, the actuary's basis of calculation of future periods changed from 2023-24 to Perpetuity from Future Working lifetime. Using this calculation results in a zero net asset /liability when the asset ceiling is applied.

The college has therefore reported no long- term asset or liability in the Statement of Financial Position for Pensions at 31 July 2025, amending the Statement of Financial Position as above and in line with the requirements of FRS102.

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

	Year Ended 31 July 2025 £'000	Year Ended 31 July 2024 £'000
Amounts included in staff costs		
Current service cost	**1,243**	1,235
Past service cost	**-**	-
Total	**1,243**	1,235

Amounts included in Pension Costs		
Net pension costs	**(367)**	(388)
Total	**(367)**	(388)

Amounts recognised in Other Comprehensive Income		
Return on pension assets	**(647)**	1,015
Change in demographic assumptions	**(60)**	544
Change in financial assumptions	**3,843**	976
Other experience	**284**	(3,189)
Total	**3,420**	(654)

Movement in net defined benefit (liability) during year	**Year Ended 31 July 2025 £'000**	Year Ended 31 July 2024 £'000
Net defined benefit (liability) at start of period	**-**	-
Reverse prior year asset ceiling adjustment	**7,409**	7,693
Movement in period:		
Current service costs	**(1,243)**	(1,235)
Past service costs	**-**	-
Employer contributions	**1,099**	1,216
Net interest on the defined liability	**367**	388
Actuarial (loss)/gain	**3,420**	(653)
Asset ceiling adjustment	**(11,052)**	(7,409)
Net defined benefit (liability) at end of period	**-**	-

Net position disclosed in Statement of Financial Position includes the unfunded (early retirement) provision as per the analysis in staff costs and provisions notes.

Asset and Liability Reconciliation

Changes in fair value of plan assets	**Year Ended 31 July 2025 £'000**	Year Ended 31 July 2024 £'000
Fair value of plan assets at start of period	**34,365**	31,176
Interest on plan assets	**1,733**	1,597
Past Service cost	**-**	-
Return on plan assets	**(647)**	1,015
Employer contributions	**1,099**	1,216
Contributions by plan participants	**368**	386
Other experience	**-**	(207)
Benefits paid	**(802)**	(818)
Fair value of plan assets at end of period	**36,116**	34,365

Changes in the present value of defined benefit obligations	**Year Ended 31 July 2025 £'000**	Year Ended 31 July 2024 £'000
Defined benefit obligation at start of period	**26,957**	23,483
Current service cost	**1,243**	1,235
Past service cost	**-**	-
Interest cost	**1,366**	1,209
Contributions by plan participants	**368**	386
Changes in demographic assumptions	**60**	(544)
Changes in financial assumptions	**(3,843)**	(976)
Other experience	**(284)**	2,982
Benefits paid	**(802)**	(818)
Defined benefit obligation at end of period	**25,065**	26,957

18 FINANCIAL ASSETS AND LIABILITIES

Financial Assets

Financial assets that are debt instruments measured at amortised cost totalled £700,000 (2024: £244,000) at the Statement of Financial Position date.

Financial Liabilities

Financial liabilities measured at amortised cost totalled £3,898,000 (2024: £7,079,000) at the Statement of Financial Position date. This comprises trade creditors, accruals and deferred income unspent student funds and amounts owed to SFC.

19 LOSSES AND SPECIAL PAYMENTS

Above SFC annual reporting requirements	*SFC Requirement Per Instance*	2025 Number	2025 Total
Debt write-off	*£3,000*	1	£3,206
Cash losses	*£3,000*	-	-
Ex-gratia payments	*£1,000*	1	£3,101
Compensation payments	*£5,000*	-	-

20 CAPITAL COMMITMENTS

	2025 £'000	2024 £'000
Decarbonisation project	-	1,351
Emergency capital maintenance fund	156	-

21 LEASE OBLIGATIONS

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

	2025 £'000	2024 £000
Other		
Expiring within one year	-	20
Expiring between one and five years	38	11
	38	31

During 2024-25 the college paid £29,000 in operating lease rentals. (2023-24 £46,000).

22 CONTINGENT LIABILITIES

There were no contingent liabilities at Statement of Financial Position date.

23 RELATED PARTY TRANSACTIONS

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

The Scottish Funding Council (SFC), is the colleges main funder as reported in the Statement of Comprehensive Income and analysed in note 2. SFC is regarded as a related party. During the year the College had various transactions with SFC and other entities for which they are regarded as the sponsor department, including Student Awards Agency for Scotland and Edinburgh Napier University.

The college had transactions during the year or worked in partnership with the following publicly funded or representative bodies in which members of the Board of Governors hold or held official positions.

2024-25		
Name	**Organisation**	**Position**
Elaine Cook	West Lothian Council	Depute Chief Executive
Michael Greenhalgh	Edinburgh Napier University	Director
Sue Cook	Colleges Scotland	Director
2023-24		
Name	**Organisation**	**Position**
Elaine Cook	West Lothian Council	Depute Chief Executive
Michael Greenhalgh	Edinburgh Napier University	Director
Sue Cook	Colleges Scotland	Director

The value of the transactions due to/by the college for the twelve months ended 31 July 2025, and the amount outstanding at this date was as follows:

Organisation	**Year ended 31 July 2025**		Year ended 31 July 2024	
	Total Value of Transactions	**Balance Outstanding**	Total Value of Transactions	Balance Outstanding
	£'000	**£'000**	£'000	£'000
Due to West Lothian College				
West Lothian Council	**286**	**-**	128	2
Due by West Lothian College				
Colleges Scotland	**30**	**-**	38	8
Edinburgh Napier University	**2**	**1**	1	**-**
West Lothian Council	**107**	**-**	132	-

No expenses were paid to or on behalf of the Governors during the year. (2024: nil).

The Chair of the Board received a salary in accordance with the directions issued by the Scottish Government. The total paid to the Chair over the period was £24,068 (2024: £21,741)

24 FURTHER EDUCATION (FE) BURSARIES AND OTHER STUDENT SUPPORT FUNDS

Residual cash balances and the corresponding creditor / (debtor) are included in the Statement of Financial Position. FE Bursaries and Student Support Funds, including Education Maintenance Allowance (EMA) are available solely for students; the college acts only as paying agent. The grants and related disbursements are therefore excluded from the Statement of Comprehensive Income.

	FE Bursary £'000	FE Discr'y £'000	EMAs £'000	Other £'000	**2024-25 Total £'000**	2023-24 Total £'000
Balance b/fwd	186	-	-	-	**186**	194
Allocations received in year	3,104	1,814	207	64	**5,189**	4,880
Expenditure	(3,088)	(1,814)	(207)	(64)	**(5,173)**	(4,873)
Repaid to SFC	(28)	-	-	-	**(28)**	(35)
Virements	-	-	-	-	**-**	20
Balance c/fwd	**174**	**-**	**-**	**-**	**174**	186
Represented by:						
Repayable to SFC (recovery of funds)	174	-	-	-	174	186
Retained by college for students	-	-	-	-	-	-

25 CHILDCARE FUNDS

	2024-25 £'000	2023-24 £'000
Balance b/fwd	**-**	-
Allocations received in year	**266**	381
Expenditure	**(266)**	(361)
Virements	**-**	(20)
Balance c/fwd	**-**	-
Represented by:		
Repayable to SFC (recovery of funds)	-	-
Retained by college for students	-	-

Residual cash balances and the corresponding creditor are included in the Statement of Financial Position. Childcare Funds are reported gross in the Statement of Comprehensive Income.

26 POST STATEMENT OF FINANCIAL POSITION EVENTS

There have been no significant post Statement of Financial Position events.

27 IMPACT OF DEPRECIATION BUDGET ON STATEMENT OF COMPREHENSIVE INCOME

Following reclassification, colleges received a non-cash budget to cover depreciation but this additional budget is not recognised under the FE/HE SORP accounting rules. Colleges may show a deficit equivalent to net depreciation as a result of having to meet Government accounting rules and the requirement to spend the entire cash allocation.

Under the FE/HE SORP, the college recorded an operating deficit of £496,000 for the year ended 31 July 2025. After adjusting for the non-cash allocation provided under government rules, the college shows an 'adjusted' deficit of £56,000 on a Central Government basis.

	2024-25 **£'000**	2023-24 £'000
Deficit before other gains and losses (FE/HE SORP basis) for academic year	**(496)**	(3,398)
Add: Depreciation budget for government funded assets (net of deferred capital grant) for academic year	**190**	190
Operating deficit on Central Government accounting basis for academic year	**(306)**	(3,208)

The deficit is attributable to other factors reflected in the adjusted operating table and the college is therefore operating sustainably within its funding allocation.

28 PRIOR YEAR ADJUSTMENT

Capital expenditure

During the financial year ended 31 July 2025, a prior year adjustment was made to reflect capital expenditure of £3.786 million relating to the college estate that was incurred in 2024/25 but pertained to the financial year ended 31 July 2024.

This adjustment was necessary to ensure compliance with the accruals concept under FRS 102, whereby expenditure is recognised in the period to which it relates. The capital works were completed prior to the 2023/24 year-end, and the estate was revalued as at 31 July 2024. However, the payment for the works was made in 2024/25.

The following adjustments were made:

- Property, Plant and Equipment (PPE) additions were increased by £3.786 million.
- A corresponding creditor was recognised in 2023/24 to reflect the unpaid capital expenditure.
- The revaluation surplus within PPE was reduced by £3.786 million, ensuring the GBV remained unchanged.
- The Revaluation Reserve was reduced by £3.786 million, with the impact reflected in the Statement of Comprehensive Income (SoCI) as a reduction in the gain on revaluation.

In 2024-25, the creditor was reversed upon payment, resulting in no net movement in the financial statements for that year. This adjustment ensures that the financial statements accurately reflect the timing of the capital expenditure and the valuation of the college estate, in line with the requirements of the HE SORP and FRS 102.

Capital grant

During the 2024/25 financial year, it was identified that a capital grant of £3.786 million, received in 2024/25, related to the capitalisation of an asset in the 2023-24 financial year. In accordance with the accruals basis of accounting and the FE/HE SORP, this income should have been recognised in 2023/24 as a deferred capital grant and matched to the associated capital asset.

As a result, a prior year adjustment has been made to restate the 2023-24 financial statements to reflect the deferred capital grant income as at 31 July 2024.

There is no impact on the Statement of Comprehensive Income for 2023/24, as the grant has been treated as deferred income and will be released to income over the useful life of the asset.

This adjustment ensures alignment of income recognition with the asset capitalisation and compliance with the FE/HE SORP and FRS 102.

Deferred Capital Grant

The release of deferred capital grant was based on a straight line depreciation method in line with the college accounting policies agreed by the Board of Governors as opposed to the external valuer's estimation of remaining economic life. To ensure compliance with accounting standards an updated approach has been re-applied based on the valuer's remaining economic life, resulting in a reduced prior year release of £366k.

The impact of this change on the College's financial position is as follows:

	2023-24
	£'000
Deferred Capital Grant as previously stated	13,927
Additions	3,786
Transfers between deferred capital grant and income and expenditure account - correction to release after adjustment in asset lives	366
Deferred Capital Grant restated	18,079

APPENDIX 1

Accounts Direction

The following note is taken from the 2024-25 SFC Accounts Directions and has been included as required by SFC. It does not form part of the Financial Statements.

Accounts Direction for Scotland's Colleges 2024-25

It is the Scottish Funding Council's direction that institutions comply with the 2019 Statement of Recommended Practice: Accounting for Further and Higher Education (SORP) in preparing their annual report and accounts.

Institutions must comply with the accounts direction in the preparation of their annual report and accounts in accordance with the Financial Memorandum with the Scottish Funding Council (SFC) or the Regional Strategic Body (RSB) (for assigned colleges).

Incorporated colleges and Glasgow Colleges' Regional Board are also required to comply with the Government Financial Reporting Manual 2024-25 (FReM) where applicable. In cases where there is a conflict between the FReM and the SORP, the latter will take precedence.

Incorporated colleges and Glasgow Colleges' Regional Board must send two copies of their annual report and accounts to the Auditor General for Scotland by 31 December 2025.

The annual report and accounts should be signed by the chief executive officer / Executive Director and by the chair, or one other member of the governing body.

Incorporated colleges and Glasgow Colleges' Regional Board should reproduce this Direction as an appendix to the annual report and accounts.

Scottish Funding Council

14 August 2025

west lothian college

Scottish Charity No. SC021216