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Chair's Statement

Our purpose and values are at the heart of who we are. They are not just part of our legacy, they are our compass, guiding our future. Making a difference is what drives our decisions and every step we take. In a world changing faster than ever, the work of The City and Guilds of London Institute remains as relevant today as it was when we were founded in 1878.

For almost 150 years, we've been proud to play a defining role in leading skills development and access to opportunity. From our earliest days, we set the benchmark for excellence in skills. As industries and trades changed, so did we. We adapted to the learning demands of successive generations, innovated skills development and created opportunities transcending geographical boundaries and sustaining economies.

Today, the world continues to evolve and we must evolve with it, adapting to the challenges learners face. Political and economic shifts are reshaping the future of work and redrawing the map of opportunity. Inequities - whether systemic, geographic, or digital - continue to hold people back. In this environment, our duty is to take the decisions that help to break down barriers, open doors, and ensure skills is a gift available to all.

Trustees are mindful of that duty, as custodians of the charity and stewards of its future. In recent years, it has become clear that the funds raised from competing for commercial contracts and selling products and services in a highly competitive marketplace are not sufficient to keep pace with technology requirements and meet learner needs at the scale required in the 21st century. In a highly regulated market, with a mixed economy of competitors who have more flexible models, making money to make a difference as a regulated charity has become harder.

As Chair, I have spent much time with the Board to understand the likely and future situation. In the last few years, the organisation has expanded its digital capability and invested in technical transformation in line with regulatory and commercial requirements, yet there is still more that must be done. The Board has been considerate of the progress already achieved and the scale of investment needed for a sustainable future, both for the charity and for its commercial activities.

That is why this year, Trustees took the decision to divest all of the charity's commercial awarding organisation and skills training activities to the PeopleCert Group, a global leader in certification of professional and language skills. Trustees did not take this decision lightly giving due consideration, over the last two and a half years, to a range of options that would ensure the awarding organisation and skills delivery businesses acquired the right investment in people, technology and AI to remain fit for purpose and world leading. In so doing, Trustees have acted in accordance with the governance and regulatory requirements of the charitable status of The City and Guilds of London Institute by negotiating a sale of the charity's assets on commercial terms at market value. This move secures a sustainable future for the Institute whilst unlocking much needed investment for the organisation's commercial activities under a new owner.

There is much to be proud of and to preserve. In the last year alone, we have seen significant milestones that demonstrate the value created by The City and Guilds of London Institute. Celebrating ten years of the Princess Royal Training Awards was a particular highlight.

Backed by our President, The Princess Royal, this programme has shone a light on the power of high-quality workplace training. Since its inception a decade ago, the programme has recognised 274 organisations for best in class learning and development programmes that have trained over 900,000 people.

These celebrations are more than ceremonies; they are stories of lives changed, futures unlocked, and potential realised. The City and Guilds of London Institute will always have a role in celebrating skills and this programme will continue to provide the support and recognition so deserved by the growing alumni of organisations that are investing in their workforce for the future.

Next year sees the Institute celebrate 25 years of bursaries, a programme that supports those experiencing barriers to learning gain the skills that they need across a range of disciplines, another valuable contribution to skills development over the years that I am keen to see continues. In the future, our potential to offer value back to individuals, industry and society will grow even further as a social change investor and change maker.

City & Guilds is many things to many people. It is an awarding body, a skills provider, a thought leader, a trusted partner, a values-led employer and crucially an enabler of skills and opportunity for many around the world. We have co-designed solutions with industry and government, shaped policy, set standards and ensured people everywhere are equipped with the skills needed through generations.

In securing the sale for the charity, Trustees have had both eyes fixed on the future and the longevity of our purpose which fundamentally contributes to a more inclusive, resilient, and opportunity rich world—where everyone, no matter their background or circumstance, has the chance to succeed through skills.

Finally, the teams at City & Guilds make all this possible and I want to offer my heartfelt thanks for all that has been achieved. I look forward to seeing their impact go from strength to strength as the next chapter in our long history unfolds.

**Dame Ann Limb DBE DL FCGI
Chair**

CEO Statement

As I reflect on the past year and the instability of markets and the policy environment, City & Guilds has managed well, responding with agility and purpose. In a world marked by rapid transformation - technological, economic and social - we have remained focused on the difference we can make by helping people, organisations and economies grow through skills development.

Whilst I am proud of all that we continue to achieve, I know it is only with the right levels of investment that our charitable work and our commercial activities can truly thrive for the benefit of learners. Earlier this year, the World Economic Forum forecast that skills needed by industries of the future is set to increase. Around 170m new jobs will be created this decade and millions will also be displaced through AI and the digital revolution we are living through.

City & Guilds is uniquely positioned to meet both the challenges and opportunities posed. We have a coveted footprint in the UK and our global presence is primed for growth as the world becomes more connected through technological capability.

To date, we have made significant investments in our own learning platforms to meet our business and regulatory needs, yet it has become increasingly clear that to keep pace with future demands, we must consider new ways to invest in future growth and technology platforms that can deliver in the highly competitive marketplace that we operate in.

In the last year, we have made modest growth and improvements in our operating margins in a challenging environment. We've helped thousands more people change their lives through skills. From the UK to the Caribbean to the Middle East and South Asia, our partnerships with governments and businesses are taking people directly into employment, creating real and lasting change.

I am also pleased to report that this year we had another successful summer exam series with teams across the awarding organisation part of the organisation working tirelessly to enable this. A total of 141,057 results and assessments were delivered to learners in the UK across our summer exam series and 68,378 in Jamaica.

We have taken bold steps to future-proof our organisation, including the successful disposal of the Kineo business, as we recognised we were no longer the right strategic owner for its future growth.

More broadly, I have been working with the Board, supporting their endeavours to understand where our business operations could benefit from external investment and how we can continue to fund the vital work of the City & Guilds Foundation, the part of the Institute that has a specific focus on high impact social investment, recognition and advocacy programmes, protecting it from the headwinds that it is exposed to by being reliant on funding drawn from commercial activities.

In a world where values are increasingly tested, we have stayed true to ours. Those values are intrinsically linked to realising opportunity and breaking down barriers. It is in this way, that we contribute to equity both as an employer and as a skills enabler for more people and communities in all that we do. And as CEO, I am committed that the changes we are making

now will enhance equity for generations to come, whether that is through the work of the City & Guilds Foundation or through our commercial activities, both opening doors for more people through increased access to skills.

Our latest Impact Reports show just how important that has been. According to independent and nationally recognised data, we have stayed ahead of the market for progression into jobs for the last three years. City & Guilds courses delivered with partners generated more social and economic value again in the last year, with £15.6bn back in social and economic returns in the UK alone. So skills matter! They matter to people, industry and to future economies.

This is a pivotal year in our almost 150-year history and as we look ahead to the next 150 years, I am energised by the opportunities before us, our ability to meet need and overcome the socio-economic and market challenges that will come our way. With the right investment in our technology, markets, products and people, City & Guilds will be empowered to shape many more futures and impact positively on growth and productivity. I am proud to be leading an organisation that will continue to have a strong impact on the future of work and in doing so, on economies across the world.

Kirstie Donnelly MBE
Chief Executive Officer

CFO Statement

It has been a year of macroeconomic challenges with several policy shifts creating uncertainty in an already challenging market, putting pressure on the cost base through additional tax and compliance costs that the organisation has absorbed into its existing operational costs. Despite this, I am proud that we have continued to grow income and control the cost base to improve operating margins.

Income grew by 6% on a continuing basis. We successfully delivered 11 months of our recently won national bootcamp contract secured in 2023/24. However, we have now also reconfigured our approach to bootcamps as we know that national contract will pivot to locally determined opportunities, following a shift in direction from Government. As ever, our focus is on how we support learners to access the opportunities they deserve, whilst we adapt to changing policy direction. In addition, our focus and investment in quality has delivered incremental income from the higher market value of our qualifications and apprenticeships offer.

We have been focused on the long-term stability of the organisation and divested in non-core assets through the disposal of the Kineo Group whilst working on more significant sustainability options to drive future growth.

The Our Strategy section and the Chair's Statement point to the efforts made to protect and advance the organisation's purpose. The work of the Trustees has been tireless to secure a sustainable future for the charity, whilst simultaneously unlocking investment that will mean that the City & Guilds commercial activities can meet learner demand and be equipped to be fit for the future.

Key financial highlights

Income and expenditure

Income from continuing operations of £162.8m is an increase of 6% on the prior year, driven by delivery of the bootcamps contract through our Training businesses and strong market position of our UK qualifications offer. We have controlled costs stringently with headcount and discretionary spend controls mitigating some impact of increased employer taxes and higher compliance costs, although we have incurred one-off costs for professional fees supporting the transaction. Net surplus, after profit on disposal of operations, of £0.6m is a decrease from £3.6m in the previous year.

Cash flow

Cash flow was an inflow of £1.8m despite a longer working capital cycle from large government contracts. Cash flow also benefitted from the £7.3m net proceeds received from the disposal of the Kineo Group.

Financial investments in funds

Looking at investments, despite global market turbulence our investment portfolio increased from £38.1m to £40.1m, after a liquidation of £1.2m and another year of high returns which saw fair value gains of £3.2m.

Post balance sheet event

The City and Guilds of London Institute completed a transaction on 31 October 2025 with the PeopleCert Group. Further information is available in the Our Strategy section to this report. The transaction followed an extensive competition from the investor and strategic marketplace. With external corporate finance advisors retained throughout the process, the Trustees have secured the best terms possible in exercise of their duties as charity trustees. The chosen investor is a skills organisation and is approved by Ofqual, making this a strategic acquisition.

While operationally distinct and independent, the organisations remain united by a complementary mission and will continue working together post-acquisition to drive long-term skills development.

The Institute will operate its activities under the trademark City & Guilds Foundation. Having divested its commercial activities, the Institute can focus on achieving its charitable objectives without the operational strategic risk from running the businesses. The Institute will continue as a Royal Charter Charity, with its Council and Fellows and close association with Livery Companies. It will continue its coveted Princess Royal Training Awards and programmes of change that support skills development. It will do that with the freedom secured from significant funding available as a result of the transaction, setting up the Institute with the stability required to be sustainable into the next 150 years.

Abid Ismail
Chief Financial Officer

Our Strategy

Steeped in history – focused on the future

As a Royal Chartered Institute and registered charity, our purpose has remained steadfast. Since our founding days, we have been at the forefront of changing lives through skills. We work with governments, organisations, industry and learners to ensure people and organisations have easy access to the right skills so they can grow and thrive. Our history has taken us from post-industrial revolution to the digital revolution, evolving to bring industry and access to skills closer together.

As an organisation we have in many ways been unusual. As a regulated charity, The City and Guilds of London Institute raises funds through competing for commercial contracts and charging for its services. The activity of the charity has been funded by those commercial activities, the primary one of which is the operation of our awarding organisation and then wider activities, such as training delivery.

Over the past year and in fact since the Covid pandemic, it has been clear that the operating environment of the charity in its commercial activities has been challenging. Keeping pace with shifting policy, regulation and a competitive marketplace and being increasingly reliant on technological infrastructure, has meant that significant investment is required to meet our strategic ambition to grow and continue to serve learners at scale. Whilst we have made significant investments in our tech and transformation work over the last year, this does not meet the pace of AI and technology advancement that is needed.

Operating costs have continued to increase for the charity in an unsustainable manner, with the ongoing risk of being reliant on funding from commercial activities and without the flexibility as a regulated charity to generate funding in the ways that our competitors can.

Trustees concluded that the charity would not have a healthy sustainable future if the organisation stays in its present form. The work of the awarding and training businesses would be further compromised too. The Trustees have carefully considered on a strategic basis what is in the best interests of the charity. A number of options were considered from merging to borrowing for the longer term through to scaling back the activities of the charity considerably in its awarding and training provision or seeking to divest assets appropriately.

The Board of Trustees decided that the interests of the charity are best served through the option to divest of its commercial businesses. These too would benefit from an owner that can enable the technology and regulatory infrastructure needed for the learning offers to scale and grow.

Following the divestment, the Institute will operate its future activities under the operating name of The City & Guilds Foundation and it will continue with its charitable programmes and activities. The divestment provides the Institute with additional resources to invest in these activities and to consider its wider impact, with a new interim leadership steering its future strategy.

Seeking growth in a fast-changing world

This year saw the realisation of this strategy, following a decision that a fundamental shift is needed, with the right investment, to help achieve growth, scale and impact. Whilst Trustees continued to take the steps required to leverage funding for the future, the work of the charity rightfully continued, driving impact and ensuring value in a pivotal year.

Purpose in action – highlights from the year

Case study – collaboration with HMP Highpoint

The Rail Centre of Excellence at HMP Highpoint opened on 13 November 2024. Prisoners can transfer to Highpoint to undertake industry-standard rail infrastructure training across three areas, including overhead line and signalling training as well as p-way engineering, before returning to their local prison where they will begin employment locally on release. This work has been life-changing – opening doors for over 130 learners at HMP Highpoint, helping to provide high-quality railway engineering training to prisoners, with 75% securing jobs after release. This is not just about skills training – it's about giving individuals the tools to rebuild their lives, reintegrate into society, and reduce the chances of reoffending.

City & Guilds and HMP Highpoint teams received industry recognition at the annual RailStaff Awards, which recognise industry success, in November 2024. The team won the Learning, Development & Investing in People Award for their innovative work supporting rehabilitation.

Local Community Skills Fund

The City & Guilds Foundation launched its first Local Community Skills Fund, recognising the huge impact that locally-led charitable interventions have in addressing specific skills gaps in their areas, and their ability to unlock the potential of communities. Grants of up to £10,000 were awarded to 20 organisations across the UK where access to training and development opportunities is limited, with dedicated projects ranging from workshops for the homeless in St Helens, to work placements for neurodiverse people in South Tyneside and traineeships for young people with disabilities in the Warwickshire. The new Fund complements established City & Guilds grant giving schemes, including dedicated funding streams for frontline charities supporting individuals with convictions and displaced people to gain skills and find meaningful employment, together with a longstanding bursary scheme to help individuals facing barriers to gain the skills society needs.

Strategic partnerships – leveraging funding, scope and increasing access to skills

For the third year, the City & Guilds Foundation published its trailblazing Neurodiversity Index in partnership with Do-IT solutions, raising awareness of the power of different minds in the workplace and importance of creating environments in which everyone can thrive. This has been used to engage employers in best practice and consider challenges for the neurodivergent workforce. Furthermore, this year a new strategic partnership between City & Guilds commercial teams and Cognassist, one of the UK's leading digital cognitive assessment platforms, was launched to help offer personalised learning at scale and bring focus on neurodiversity to education providers.

It's a great example of how Diversity, Equity & Inclusion forms part of our products and services, making skills and learning as accessible as possible. Too often, learners with diverse cognitive needs are left behind, not because they lack ability, but because the system isn't set up to recognise how they learn best.

A global skills partner

The international market is reliant on skills that can be portable, accessible and help communities and industries be socially mobile. We continue to deepen our international ties through skills. One example is work undertaken with the Abu Dhabi Accountability Authority (ADAA), enabling them to deliver internationally respected leadership and management qualifications, as an ILM Approved Centre. As a government body overseeing public accountability, ADAA's partnership with City & Guilds reflects a strategic commitment to workforce development, boosting the credibility of vocational skills in the public sector, and setting a benchmark for wider government reform through skills-led capacity building.

An £18 million 7-year contract with the Ministry of Justice to deliver qualifications in prisons in England was secured. This contract covers Maths & English, Hospitality, Engineering and Transport, with the potential to expand to qualifications across Construction, Building Services Engineering (BSE), English for Speakers of Other Languages (ESOL) and more.

A positive relationship with the Ministry of Education, Skills, Youth & Information in Jamaica continues, as part of the 10-year contract we have in place to deliver to school children across Jamaica. This City & Guilds provision enables additional opportunities for career and education pathways. In 2024/25 (now in Year 6 of the contract) 48,222 students for English and Maths have been registered plus a further 4,914 Skills Proficiency Awards and over 7,000 Customer Service registrations - a significant increase over the last year. This provision continues to be held in high regard by students, schools and employers with a number of pathways enabled through certification. Links continue with the Ministry to build on a successful employability pilot through the closely aligned HEART NSTA Trust contract (also with the Government of Jamaica), expected to be rolled out to schools in September 2025.

Partnering with major employers to advance green skills

This year, City & Guilds continued work with Shell to deliver a joint programme in partnership with five UK colleges that will train 250 electricians to install domestic electric vehicle charge points and help support UK's electric vehicle infrastructure targets. The co-funded model significantly reduces the financial cost for learners, enabling more qualified electricians to gain new skills that open up opportunities in the growing EV sector. This approach supports greater access to emerging job opportunities and helps future-proof careers in the electrical trade. This is one aspect of our work alongside the energy sector to support in the drive to Net Zero, through access to skills.

Products and services

In a fast-paced, ever-changing skills landscape it's vital that learning comprises of relevant products and services that meet the needs of both employers and learners. As such we updated and refreshed our existing portfolio to ensure our products and services remain fit for the future. In doing so, we are mindful of the technology infrastructure required to meet learner demand and regulatory needs and continue to invest to ensure quality experiences as far as possible.

Initiatives include launching Continuing Professional Development events to support tutors with their professional learning; hitting a milestone of issuing 1 million digital credentials to learners; removing customer pain points in our End Point Assessment workstream, which delivers a large and growing part of our income, and undertaking a review to ensure that the 3,600 qualifications we have in our product portfolio are fit for purpose.

We are investing in training delivery, gearing up to launch a new training centre in Purley, London, which will significantly boost regional skills and employability.

Voice for skills

This year City & Guilds undertook a range of activities as a leading voice in skills development. Highlights include:

- Running the third City & Guilds Construction & Built Environment Conference
- Playing a leading role in key events and moments to mark skills in the consciousness of sectors, industries, learners and governments
- Hosting 43 industry events
- Holding 158 webinars reaching 5,000 attendees
- Launching the first 'paid for' events which we expect to continue to offer into the future.
- Working with the Lord Mayor to shine a light on access to skills in the City with a focus on engineering in partnership with Imperial College
- Welcoming a growing number of employers at our prestigious PRTA skills share event – a unique opportunity for employers with excellence in skills to come together with our President the Princess Royal.

We held our annual Parliamentary Drop In event at the House of Commons to engage with MPs and Peers on the range of work that City & Guilds and Strategic Partners do around the UK and we continued to convene skills partners and industry at the main political party conferences. Pleasingly, a recent YouGov poll found that almost two thirds of MPs surveyed trust City & Guilds as a voice for skills, impacting on the national conversation on skills policy. Engagement with local and regional leaders to champion skills continues.

Our customers

City & Guilds has made great strides in becoming the customer-centric organisation we know we must be if we are to break down barriers and open opportunities to more people around the world. Whilst we are progressing well against our strategic initiatives to optimise processes and modernise technology to serve our learners and customers, we know we could go much further with the digital technology available to reach more learners.

Over the last 2 years we have focussed particularly on End Point Assessment and making the improvements that customers wanted to see. This has resulted in double digit NPS improvements in 3 of the 4 touchpoints being tracked as part of this initiative and overall customer satisfaction with EPA has increased from 80% to 83%. This has been driven by the many improvements designed to deliver for customers, including faster exam booking, improved reporting accuracy (now at 100%) and a reduction in customer complaints and concerns.

Today, City & Guilds initiatives to make it easier for our customers to do business with us are bearing fruit with our Net Promoter Score (NPS, which measures the willingness of customers to recommend City & Guilds) increasing from 12.9 to 14.1.

Our people

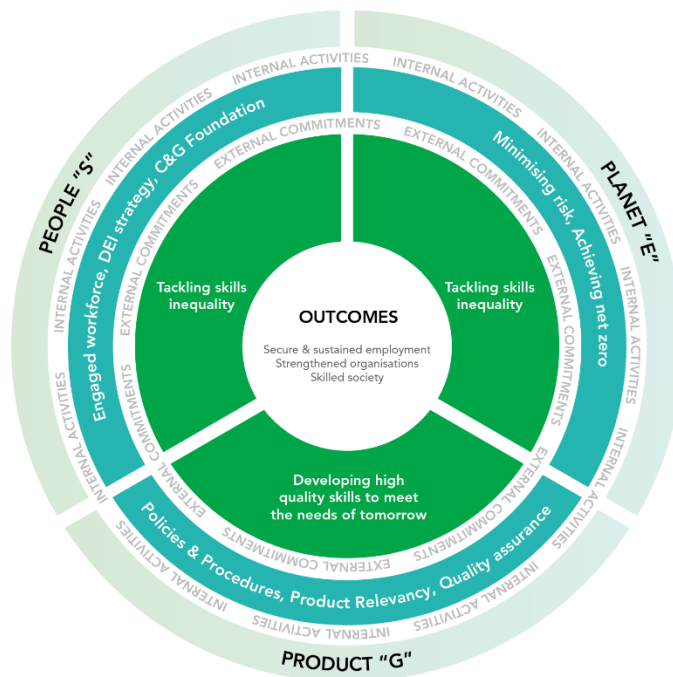
We can only empower our future if we empower our people. As such, we have taken further steps to create a welcoming workplace where employees can thrive and grow with the support, tools and resources needed to excel. Initiatives included launching a new constitution, championed by the City & Guilds Local Feedback Group, to ensure employees are better heard and can inform senior leadership decision-making. We updated our Diversity, Equity and Inclusion strategy and we now have 8 Community Support Groups which are colleague-led, advocating for members across all protected characteristics and supporting an inclusive environment where our diverse workforce can thrive.

As an organisation City & Guilds understands how important great leadership skills are for maximising performance, innovation and growth. This year we invested in our leaders by running a 2-day leadership conference and offering opportunities such as Level 7 apprenticeship and Impact training, ensuring that leaders at every stage could access tools, support and skills to be effective.

In total, there have been over 70 colleagues actively enrolled on apprenticeships – that's 5% of our workforce in England – 39 of those are existing colleagues in our new leadership cohorts, studying for Level 5 and Level 7 qualifications. All new vacancies are now assessed for suitability for an apprenticeship before they are advertised. It's one way we constantly strive to develop talent.

A Responsible Business

City & Guilds' Responsible Business approach is designed to help people, organisations and economies develop their skills for growth – while increasing social impact and social value. The strategy focuses on three core pillars: people, product, and planet.



A full account of our work in this area is available in the Global Reporting Index Report published earlier in the year.

Structure, Governance & Management

The Institute's purposes and administration are regulated by its Royal Charter (RC000117) granted on 26 October 1900, and the associated Supplemental Charters, Statutes, Ordinances and Standing Orders.

As stated in the Royal Charter, the Institute was "instituted exclusively for the purposes of all such branches of Science and the Fine Arts and for the advancement, dissemination, propagation, promotion, culture and application of all such branches of Science and the Fine Arts as benefit or are of use to or may benefit or be of use to productive and technical industries especially and to commerce and industry generally or any branch thereof and for the utilisation of such means as will promote the several exclusive purposes aforesaid." The main activities of the Institute are or relate to vocational education and training.

The Institute is registered as a charity in England and Wales (312832) and in Scotland (SC039576). The Trustees have due regard to the Charity Commission public benefit guidance when exercising any powers or duties to which it is relevant and take the view that the contents of this Report demonstrate that its requirements are met. The Office of the Scottish Charity Regulator (OSCR) expects the Trustees to include some narrative about the Institute's activities in Scotland. They are the same as in the rest of the United Kingdom. In Scotland, City & Guilds continues to support its customers (including approximately 20 colleges, 100 training providers and 5 Employers) through the delivery of a wide portfolio of products and services such as leadership and management, hair, and building services and engineering. Our Scottish customers are supported by a Nations Business Development Manager.

Honorary Officers

Her Royal Highness, The Princess Royal is the President of the Institute. The other Honorary Officers are the Vice President, the Treasurer (who is elected annually by the Members at the Yearly Meeting) and the Honorary Secretary (who is appointed by Council).

Members

The Institute has over 1,500 Members, to whom the board of Trustees ("Trustee Board") is accountable. There are five categories of Member: Ex-officio (the Lord Mayor of London for example), Honorary (including Fellows), Founder (the City of London Corporation and 109 livery companies), Ordinary, and Non-Corporate (holders of the MCGI award).

Council

Council's primary role is to appoint and advise the board of Trustees and, jointly with the Trustees, to act as guardian of the constitution. There are four categories of Councillor: Ex-officio, Appointed (by the City of London Corporation and certain livery companies), Elected (by Members), and Co-opted (by Council itself). Appointed, Elected and Co-opted Councillors serve for limited terms.

Trustees

The Trustees have control of, and responsibility for, the affairs of the Institute. The Trustee Board consists of the Chair and Vice-Chair of Council, the Treasurer, the Honorary Secretary, and other Trustees appointed from and by Council on advice from the Remuneration and Nominations Committee. One quarter of the appointed Trustees retire every year and are eligible for re-appointment. The Trustee Board meets at least five times a

year. Its meetings are presided over by the Chair or Vice-Chair of Council. Trustees undergo an induction process and receive updates and briefings on specific topics during their terms of office.

Under the constitution, the Trustees may be remunerated for professional services. Details of trustee expenses and any other benefits and remuneration can be found in the Financial Statements.

Secretary

The Secretary, who is appointed by the Trustees, is responsible, on behalf of the Trustee Board and Council, for ensuring compliance with the Constitution and is accountable to the Trustee Board and Council.

Committees

There are four Committees of the Trustee Board: the Audit and Risk Committee, the Foundation Committee, the Investment Committee, and the Remuneration and Nominations Committee.

Each Committee meets between two and four times a year, and the Chair of each Committee is a Trustee who reports to the Trustee Board on its activities.

Remuneration policy

The role of the Remuneration and Nominations Committee from a remuneration perspective is to decide remuneration policy, terms of employment and remuneration plan design for the Executive Leadership Team (ELT) including the Chief Executive Officer (CEO) and to confirm their salaries, individual incentive opportunity and pay-outs under the annual bonus plan. The Trustee Board considers the Committee's members to be independent of the ELT. The members of the Committee during the financial year were Jane Gibbon (Chair), Andy Marchant, Ian Ailles and Frank Douglas. The Chair of the Institute Trustees (Dame Ann Limb) and the Vice Chair (Kevin Baughan until 24 October 2024 and Dick Palmer from 24 October 2024) are ex-officio members of the Committee. The Committee meets at least three times during the year, discussing a range of topics. The Committee also receives support from the Executive Director, People. The CEO attends meetings by invitation to provide input on the discussions regarding strategy and performance. No member of management is present when their own remuneration arrangements are discussed.

Details of remuneration paid to the ELT is disclosed in Note 14 to the financial statements. The Institute Trustees are not remunerated providing their services as trustees nor do they receive any other benefits. Details of reimbursed expenses claimed by Trustees is disclosed in Note 15 to the financial statements.

The Institute is non-profit making, and our mission is the achievement of our charitable objectives and fulfilment of our charter. At the same time most of our services are being sold and provided in a highly competitive and commercial marketplace in which we must either develop and grow or lose ground to stronger competitors. We need to make a healthy net surplus to allow reinvestment in the business to maintain the high-quality products for our learners, and to provide investment for growth. We also need to be able to recruit and retain talented staff. Consequently, the Committee has proposed and agreed with the Trustees a clear remuneration philosophy and set of principles to guide its decisions about executive remuneration. These require it to consider both market levels of remuneration and the economic and funding realities of the business and to provide appropriate variable reward to

allow overall employment costs to be managed effectively and continue to enhance the focus on performance.

Gender and ethnicity pay

The Institute published its 2024-25 Gender Pay Gap Report and Ethnicity Pay Gap Report which are available on its website at www.cityandguilds.com/about-us/our-commitments.

Quality and Standards Committee

The Institute is supported by the Quality and Standards Committee ("QSC"). Its role is to monitor and advise on the policies, systems and processes that seek to maintain and enhance confidence in the currency and credibility of the Institute's assessment products and to monitor and advise on the effectiveness of the internal controls, risk identification and mitigation that affect the quality and standards of the Institute's assessment portfolio. It also provides assurance to the Trustee Board of the quality and standards of the Institute's assessment and qualifications and monitors and advises on the Institute's ongoing compliance with the requirements of the United Kingdom awarding regulators and other relevant statutory organisations. It is the final arbiter in appeals against decisions relating to qualification and assessments awarded and, in this activity, is independent of Council, the Trustee Board and the executive. The QSC meets four times a year but, if necessary, holds additional meetings to deal with its annual compliance review, appeals or any other matter.

Executive management

The executive management of the Institute is delegated to the Chief Executive Officer, who reports to the Trustees and Council. The Chief Executive Officer has all the powers not expressly reserved to the Trustees or Council or delegated by them to Committees: these powers may be exercised on her behalf by such members of staff as she determines. She works with and through an Executive Leadership Team, which deals with major strategic and operational issues and receives reports from representatives of the Institute's divisions and subsidiaries. The affairs of the other subsidiaries are overseen by a managing director (with or without a senior management team) or by their directors, depending on the extent and nature of their activities. The policies maintained by the Trustees and the governing bodies of the subsidiaries include a policy which sets out the limits of the authority given to people at different levels to commit to transactions by reference to their financial or other value.

Reference and administrative details

On page 25 of this Report are set out the details of the Institute's principal office, and the names of the Trustees as at the date on which this Report was approved, any other Trustees serving during the year ended 31 August 2025, the Secretary, the Chief Executive Officer and other key management personnel as well as the principal bankers, investment managers, solicitors and auditors.

Other Names

The City and Guilds of London Institute has working names of City & Guilds and City & Guilds International. The City & Guilds Foundation is the part of the Institute that has a specific focus on high impact social investment, recognition and advocacy programmes. From 1 November 2025, The City & Guilds Foundation will become the operating name by which the Institute will carry out its activities.

Financial Review

Income and assets

The Group

The Group's income for the year was £174.8m (2023-24: £174.1m), of which £162.9m (2023-24: £153.7m) related to continuing operations. Of total income, 64% (2023-24: 61%) is classed as educational in the Financial Statements. The Group's expenditure was £182.4m (2023-24: £174.6m), of which £167.9m (2023-24: £153.1m) related to continuing operations. Of total expenditure, 66% (2023-24: 61%) is classed as educational in the Financial Statements. The educational components include income and expenditure from the Institute and City and Guilds International Limited. The Institute and City and Guilds International Limited are registered charities specialising in the education sector.

The Group's net income before other recognised gains and losses was £0.6m (2023-24: £3.6m), of which net expenditure of £2.6m (2023-24: net income of £4.6m) related to continuing operations.

Funds decreased by £0.5m (2023-24: decrease of £2.4m). This movement included an actuarial loss in relation to the defined benefit pension scheme of £0.8m (2023-24: loss of £5.7m) and loss on revaluation of foreign currency net investments of £0.3m (2023-24: £0.3m). There is more information about pensions on page 60 in this Report. The decrease in funds is stated after a net gain on investment assets of £2.4m (2023-24: £4.1m).

The balance sheet value of the Group's net assets at 31 August 2025 was £83.6m (31 August 2024: £84.1m). Cash at the end of the year was £16.7m in comparison with £14.9m last year. Cash flows from operations was £0.0m, purchases of fixed assets was £7.2m and there was an inflow in cash from investments in funds of £1.2m. The disposal of operations relating to the Kineo Group resulted in net proceeds, after cash disposed, of £7.3m.

The Institute

The Institute's income was £108.3m (2023-24: £101.6m). Of this 100% (2023-24: 100%) is classed as educational in the Financial Statements. The Institute's expenditure was £115.5m (2023-24: £100.0m). Of this 100% (2023-24: 100%) is classed as educational in the Financial Statements. The Institute's net loss on investment assets and disposal of investments was £8.3m (2023-24: net gain of £4.1m). The Institute's net expenditure was £15.5m (2023-24: net expenditure of £6.8m).

Deductions from net expenditure comprised mostly an actuarial loss in relation to the defined benefit pension scheme of £0.8m (2023-24: £5.7m) to arrive at the net movement in funds, a decrease of £16.6m (2023-24: £12.5m). There is more information about pensions on page 60 in this Report. The balance sheet value of the Institute's net assets at 31 August 2025 was £82.4m (31 August 2024: £99.0m).

Other principal active members of the Group

The results of the other principal active members of the Group can be found in note 7 of the Financial Statements. If the Institute's direct subsidiaries make profits and this is permitted by their constitutions, they normally pay them (either by dividend or qualifying charitable donation) to the Institute.

Capital expenditure

The Group's capital expenditure of £7.2m (2023-24: £7.8m) was largely spent on IT and development assets. The Institute's capital expenditure of £5.3m (2023-24: £6.0m) was largely spent on IT and development assets.

Fundraising statement

Fundraising is defined as "soliciting or otherwise procuring money or other property for charitable purposes". Income of this nature received in the year to 31 August 2025 amounted to £Nil (2023-24: £Nil). We do not undertake fundraising from the public. We are not subject to any undertaking to be bound by any voluntary scheme for regulating fundraising or any voluntary fundraising standard. All solicitations are managed internally, without the involvement of commercial participators, professional fundraisers or third parties. The day-to-day management of all income generation is delegated to the executive team and, since we do not solicit funds from the public and expect our staff to act appropriately at all times, we do not consider it necessary to put in place specific internal procedures to monitor fundraising activities. We have received no complaints in relation to fundraising activities.

Risk management

Understanding the risks we face and managing them appropriately is important to City & Guilds, enabling better decisions and delivery of its purpose, with more impact, to more people.

The risk environment

City & Guilds partners with its customers to deliver work-based learning programmes that build competency, to support better prospects for people, organisations and wider society.

As a leader in global skills development, City & Guilds works with governments, organisations and training providers and colleges to provide work-based learning programmes in industries and sectors which offer the strongest prospects for jobs. City & Guilds operates in multiple markets in the UK, and internationally in educational content, qualifications and training.

City & Guilds' risk profile considers risks associated to our Awarding Organisation, direct technical training businesses, digital learning platforms and leader and manager training activities. Risk factors impacting City & Guilds operating in these markets include considered adoption of artificial intelligence, increased digitisation, political and socioeconomic factors, changing regulatory requirements, qualification change and the required transformation activities needed to address these risks.

How we manage risk

City & Guilds has a robust Risk Management framework that supports the delivery of its objectives and commitments by identifying, assessing, reporting and monitoring risk. Our framework is aligned to the HM Treasury 'Orange book' and augmented by industry best practice tailored to our unique combination of considerations (HE, Charitable and Private sector entities).

The Trustees, supported by the Audit and Risk Committee (ARC), regularly review the risks to which City & Guilds is exposed, the risk appetite, and the risk management processes. The Trustees formally approve the strategic risk register and the risk appetite matrix annually. The ARC monitors risks on a quarterly basis receiving reporting by exception on risks operating outside appetite, slippage of key mitigating activities, and/ or changes in risk landscape. The Executive Leadership Team manage the strategic risk register and operational risk registers, delegating to the Senior Leadership Team where appropriate. The outsourced Internal Auditor provides independent assurance that the risk management, governance, and internal control processes are operating effectively.

Risk identification

Risk identification at an operational level is managed as part of the ongoing day to day activity through a risk management tool ("CoreStream") and local risk registers, with regular risk reporting to senior leadership to provide oversight and support decision-making. All operational risks are mapped, where appropriate, to the strategic risks. Risk management policies and processes are owned and overseen centrally by the Senior Risk & Governance Officer, who forms part of the IS & DP function which is led by the Director of Information Security, Compliance and Risk. To support both operational and project risk management processes within the business, there is dedicated risk resource embedded within the Awarding Organisation and Programme Management Office.

A governance structure is in place within the Awarding Organisation, which includes subcommittees with responsibility for managing risks across this area of the organisation, ensuring accountability and ownership of risk and mitigation plans.

The principal risks and uncertainties facing City & Guilds identified by the Trustees are categorised as six strategic risks.

Strategic risks and key mitigation initiatives are summarised below and monitored by the business through identified milestones:

- **Customer & Market** - We fail to respond on a timely basis to significant changes in our customers' expectations and / or broader market dynamics (Government policy, competitor activity, socioeconomic factors etc), impacting our ability to deliver profitable growth and impact.

Key mitigation activity includes:

- The Customer Success strategic initiative, enhancing customer experience to drive loyalty and new business as well as expansion into new markets.
- A project to evolve the City & Guilds brand to improve market positioning in a competitive landscape.
- A product strategy targeted at revenue and market share growth.
- Ongoing review of government policy to ensure the ongoing compliance and competitiveness of City & Guilds products.

- **Financial** - We do not generate sufficient business cashflow and surplus or identify and secure other funding options to protect our existing business, to fund our growth, support transformation plans and to provide resilience to economic or other shocks and to continue to fund the 1966 DB scheme deficit

Key mitigation activity includes:

- Ongoing review and exploration of investment opportunities to enable City & Guilds to remain competitive.

- Continued monitoring and tracking of reserves and cash to meet commitments and maximise returns on surplus cash and the investment portfolio.
- Improvements to trading outlook and forecasting alongside tighter cost control / management to ensure timely decision-making capability.

- **Technology & Operational** - We do not have the right processes, architecture, data, capabilities, or capacity to deliver secure, resilient, scalable, repeatable services, reflective of industry best practices or to be innovative (e.g. enhanced cyber posture and adopting new technologies, including AI)

Key mitigation activity includes:

- Transformation and replatforming of critical systems for the AO, which will retire legacy technologies that are insecure or failing, to provide operational stability and support compliance with regulatory and customer expectations.
- Development of customer-facing technology (e.g. portals, websites) to support growth initiatives and maintain the C&G reputation.
- Enterprise integration of Finance and People technology platforms to ensure they provide the supporting data capability to deliver the wider transformation and growth initiatives.
- Strong cyber posture backed by relevant certifications (CE+, ISO27001, ISO22301) and an ongoing programme of investment led by a dedicated team of specialists. Introduced AI governance and control framework to support strategic and operational decision making and compliance to the evolving regulatory landscape.

- **Regulatory** - We do not correctly interpret or anticipate Ofqual, Ofsted and other regulatory expectations requirements or expectations, do not have the appropriate structure, systems, and people in place, or are insufficiently prepared to comply with regulatory requirements and expectations that impact our reputation, products and services and could lead to enforcement activity or additional regulatory oversight

Key mitigation activity includes:

- Replatforming of critical AO systems to ensure the stability and sustainability of AO activity in order to meet customer and regulatory requirements.
- Transformation of AO activities and development of a target operating model to ensure ongoing quality, compliance and efficiency.
- Ongoing investment and work to deliver enhancements to cyber controls.

- **People** - We do not have a higher-performance culture with aligned behaviours, do not improve capabilities and talent or drive accountability to right size our organisation design, and we operate with differentiated pay, benefits, and terms (acquisition legacies as an example) which may prevent us executing our Strategic Initiatives (for example delivering One City & Guilds).

Key mitigating activity includes:

- Review of organisational design to identify a Target Operating Model that will support growth initiatives and deliver improved productivity.
- An Organisational Development Strategy that will improve employee engagement and retention of key talent, through development and succession planning.
- Improvements to the performance management model, to enable leaders to manage and deliver a higher performing culture that is linked to organisational goals.
- Improving the robustness and effectiveness of HR technology.
- Aligning reward, compensation and benefits with the Employee Value Proposition.

- Identification and development of key skills required to deliver the growth strategy, including AI.
- **Brand & Reputation - We may face reputational damage and impact to our purpose through our failure to meet our legal, regulatory, and ethical obligations to key stakeholders and our inability to respond to policy changes**

Actions taken to manage this risk include

- Replatforming and transformational activities across the business to ensure ongoing delivery of customer and regulatory expectations and maintain the C&G reputation.
- Delivery of the annual public affairs and stakeholder engagement strategy to maintain C&G value and relevance to the new government, and strengthen relationships.
- Ensuring the ongoing relevance of C&G through a series of roadshows
- Roll-out of the C&G Responsible Business Agenda.

Designated Funds

The Skills Development Fund was created by the Institute and made its first grants in the year ended 31 August 2016. Its aim is to invest in new and innovative activities which have a demonstrable impact, create long-term and sustainable change, deliver real benefit to the education sector, employers and/or learners, and reflect the Group's global profile. The timing of the expenditure depends on the strategies adopted for the Fund's use, and the nature, size and number of opportunities which present themselves. The value of the Fund at 31 August 2025 was £1.4m (2024: £2.0m).

Restricted Funds

City & Guilds Land Based Services (NPTC)

Since 30 June 2010, the Institute has held a fund which supports its land-based activities. The timing of the expenditure depends on the strategies adopted for the Fund's use, and the nature, size and number of opportunities which present themselves. The value of the Fund at 31 August 2025 was £2.6m (2024: £3.1m), invested in bank deposit accounts to limit risk exposure. During the year, £0.6m (2024: £0.2m) was spent.

Brookes Metzger Bursary

The Fund represents a bursary to provide opportunities to pursue a career in engineering through high-level technical qualifications to be provided in partnership with the University of Cumbria. The Fund was established in 2023 and at 31 August 2025 has a value of £0.4m (2024: £0.4m) with £Nil expenditure during the year (2024: £Nil).

Other Funds

Reserves

The Institute adopts a risk-based approach to setting a minimum level of free reserves which the Trustees consider to be appropriate to maintain for the coming year. Factors considered include budget cash flow forecasts, long-term plans, key risks, the timing of major income, expenditure and capital items and potential cash outflows not included in the budget process (such as acquisitions). The Trustees review the policy on an annual basis to ensure it continues to comply with current Charity Commission guidance. The remit of the Audit & Risk Committee includes evaluation of the target for reserve levels and consideration of the use to which reserves should be put.

The level of free reserves deemed appropriate for the Group at 31 August 2025 was £46.6m (2024: £34.3m). The value of the actual free reserves at 31 August 2025 was £46.1m (2024: £38.6m), calculated by adding the net current assets (£12.0m) to the financial investments (£41.3m) and then deducting the value of the Restricted Funds (£3.0m), Designated Fund (£1.4m), long term creditors (£0.9m) and provisions for liabilities and charges (£1.9m). The aggregate free reserves of the Institute's subsidiaries at 31 August 2025 was £4.4m (2024: £1.3m deficit).

Investments

The Institute's investments in cash, securities (including equities and gilts) and property are directed and monitored by the Investment Committee.

Subsidiaries

Investments include shares in companies owned or controlled by the Institute, or loans to those companies. All investments in subsidiaries are deemed to be financial investments given the intention to realise value through financial return. This is a reclassification from prior years, where all investments in subsidiaries were treated as mixed motive investments with the exception of the investment in City and Guilds International Limited, which was programme related. The Trustees' policy is to set up new subsidiaries where it is prudent or desirable for activities to be carried out by a separate legal entity, and to acquire existing companies where this is preferable to creating a product or service in-house.

Other investments in companies

Other investments in companies are also financial investments. The Trustees' policy is to become a minority shareholder in existing companies where participation in their management will be more beneficial than contractual arrangements alone. Information about the values of these investments can be found in Note 7(c) to the Financial Statements.

Cash and equities

The Group's investments primarily are in place to act as a source of funds for acquisitions and business development. The Investment Committee reviewed and agreed on a revised strategy the investment strategy in December 2022. This followed professional advice taken with external advisors. In setting the strategy the key considerations for the Investment Committee were:

- Return target: Implementing an "inflation plus" target which equates to a net return target of 6.7% at the time of review.
- Risk: The portfolio has been assessed as a 90% 1-year VAR of £4.9m which is considered by Trustees to be an acceptable risk vs return balance for the Charity.
- Liquidity: The purpose of the invested assets held is to predominantly act as risk reserves and back long-term stable working capital. The profile of expected liquidity realisation should a major risk event occur was reviewed and considered acceptable.
- ESG: There is a desire for the invested assets to mirror the ESG policies in place for the Charity as a whole as far as possible, within the hierarchy of decision making to meet obligations as per current Charities Commission guidance.

In aggregate £40.1m was invested in the following four funds as at 31 August 2025:

- Trojan Fund
- The Partners Fund
- AEGON Fund
- Legal & General Investment Management (LGIM) Fund

At 31 August 2025, the Group's cash amounted to £16.7m (2024: £14.9m) and the Group's investments in funds were valued at £40.1m (2024: £38.1m). £8.0m (2024: £7.4m) was invested in the Trojan Fund, £7.5m (2024: £7.0m) in The Partners Fund, £7.8m (2024: £7.4m) in the AEGON Fund and £16.8m (2024: £16.3m) in the LGIM Fund. During the year the group disposed of investments in the LGIM Fund of £1.2m. The portfolio has returned 8.6% during the year against the Group's target of 6.7%.

Pension Fund

At 31 August 2025, the funding of the defined benefit City and Guilds (1966) Pension Scheme was in deficit by £14.2m (2024: £17.6m). The decrease in the pension deficit was the result of the £16.2m decrease in the value of the liabilities (from £161.6m to £145.4m) and the £12.8m decrease in the value of the scheme assets (from £144.0m to £131.2m). The net of these variances gives the movement in position of £3.4m.

The change in the value of the scheme liabilities was due to a change in the financial assumptions (mainly the discount rate and inflation expectations) used to calculate the liability. The Trustees are aware of the volatile nature of pension surpluses/deficits calculated according to FRS102, which may vary in response to market factors and the actuarial assumptions made. The Trustees have considered the impact of this liability on future cash flow and reserves and believe that it will be funded from normal activities.

Relationships between the Institute and related parties

The Institute provides a range of services to its subsidiaries, for which payment is made. The nature of those services varies according to the subsidiary concerned but may include management and support services such as IT, human resources and development, finance, facilities and legal. A summary of these transactions is shown in Note 20 to the financial statements.

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Trustees' Report and the Consolidated Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales and Scotland requires the Trustees to prepare the financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Institute and of the incoming resources and application of resources, including the income and expenditure, of the Group for that period.

In preparing these Financial Statements, the Trustees are required to:

- a) select suitable accounting policies and apply them consistently;
- b) make judgments and accounting estimates that are reasonable and prudent;
- c) state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- d) prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Institute will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Institute and enable them to ensure that the financial statements comply with the Charities Act 2011, Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the Institute and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- a) there is no relevant audit information of which the Institute's auditor is unaware; and
- b) the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

Auditors

At the Yearly Meeting on 10 April 2025, BDO LLP was re-appointed as the Institute's auditors. It has indicated its willingness to continue in office and it is the current intention that it should do so.

Approval and signature

This report was approved by the Trustees on 16 December 2025 and signed on their behalf by

DocuSigned by:
Ann Limb
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**Dame Ann Limb DBE DL FCGI
Chair**

Administrative information

<p>Trustees</p> <p>Dame Ann Limb DBE CBE DL FCGI Chair of Council</p> <p>Kevin Baughan OBE Vice-Chair of Council and Honorary Secretary (until 24 October 2024)</p> <p>Richard Palmer HonFCGI Vice-Chair of Council and Honorary Secretary (from 24 October 2024)</p> <p>Ian Ailles Treasurer</p> <p>James Alexander (until 1 September 2025)</p> <p>Frank Douglas</p> <p>Chris Fenton (until 1 November 2025)</p> <p>Jane Gibbon</p> <p>Andrew Marchant</p> <p>Stuart Russell</p> <p>Ben Wiseman (until 16 October 2025)</p> <p>Secretary to the Institute</p> <p>Chris Astles (until 31 October 2025)</p> <p>Barbara le Fleming (from 1 November 2025)</p>	<p>Principal Office</p> <p>City & Guilds Giltspur House 5-6 Giltspur Street London EC1A 9DE</p> <p>External Auditors</p> <p>BDO LLP 55 Baker Street London W1U 7EU</p> <p>Investment Managers</p> <p>Partners Group (UK) Limited 33 Charterhouse Street London EC1M 6HA</p> <p>Troy Asset Management Limited 33 Davies Street London W1K 4BP</p> <p>Aegon Asset Management Investment Company (Ireland) plc Citibank Europe Plc 1 North Wall Quay, 3rd floor Transfer Agency - Dublin 1 Ireland</p> <p>Northern Trust International Fund Administration Services (Ireland) Limited City East Plaza, Block A 2nd Floor Towlerton, Ballysimon Limerick - V94 X2N9 Ireland</p>
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<p>Chief Executive Officer</p> <p>Kirstie Donnelly MBE (until 31 October 2025)</p> <p>Interim Chief Executive Officer</p> <p>Mike Adamson CBE (from 1 November 2025)</p> <p>Other Key Management Personnel</p> <p>Nic Barnes, Executive Director, People (until 31 March 2025)</p> <p>Kathryn Bowe, Interim Executive Director, People (from 1 April 2025 and until 31 October 2025)</p> <p>Cecilia Harvey, Chief Operations Officer (until 29 August 2025)</p> <p>Abid Ismail, Chief Financial Officer (until 31 October 2025)</p> <p>Faiza Khan MBE, Executive Director, Corporate Affairs and Foundation (until 31 October 2025)</p> <p>Andy Moss, Chief Customer Officer (until 31 October 2025)</p> <p>Barbara le Fleming, Executive Director of Finance and Operations (from 1 November 2025)</p>	<p>Principal Bankers</p> <p>HSBC UK Bank plc Level 6 71 Queen Victoria Street London EC4V 4AY</p> <p>Actuaries</p> <p>Willis Towers Watson 51 Lime Street London EC3M 7DQ</p> <p>Principal Legal Advisers</p> <p>Charles Russell LLP 5 Fleet Place London EC4M 7RD</p> <p>Bird & Bird LLP 12 New Fetter Lane London EC4A 1JP</p>
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Independent Auditor's Report to the Trustees of The City and Guilds of London Institute

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charity's affairs as at 31 August 2025 and of the Group's incoming resources, application of resources and cash flows 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 Charities Act 2011.

We have audited the financial statements of The City and Guilds of London Institute ("the Parent Charity") and its subsidiaries ("the Group") for the year ended 31 August 2025 which comprise the consolidated statement of financial activities, balance sheets, consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the Parent Charity in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions related to going concern

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

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

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

Independent Auditor's Report to the Trustees of The City and Guilds of London Institute (continued)

Other information

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is inconsistent in any material respect with the financial statements; or
- adequate accounting records have not been kept by the Parent Charity; or
- the Parent Charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

Independent Auditor's Report to the Trustees of The City and Guilds of London Institute (continued)

Extent to which the audit was capable of detecting irregularities, including fraud

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

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group's activities and the sector in which it operates;
- Discussion with management and those charged with governance and members of the legal team; and
- Obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations.

we considered the significant laws and regulations to be the United Kingdom Accounting Standards (Financial Reporting Standard 102), the Statement of Recommended Practice (SORP) Accounting and Reporting by Charities (FRS102), the Charities Act 2011 and Ofqual regulations.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the health and safety legislation, Corporate and VAT legislation, Employment Taxes, and the Bribery Act 2010.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations; and
- Review of financial statement disclosures and agreeing to supporting documentation.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance, the Audit and Risk Committee and internal audit regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be registration income recognition, training and delivery income recognition and management override of controls.

Independent Auditor's Report to the Trustees of The City and Guilds of London Institute (continued)

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias, including estimated dropout rates and average course lengths; and
- Reviewing correspondence with the Charity Commission and serious incident reports submitted during the year.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including component engagement teams and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit. For component engagement teams, we also reviewed the result of their work performed in this regard.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:



Fiona Condron

BDO LLP, statutory auditor

London, UK

Date: 18 December 2025

BDO LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2025

	Note					Year ended					Year ended
		£m	£m	£m	£m	31 August 2025	£m	£m	£m	£m	31 August 2024
		Unrestricted funds	Unrestricted funds	Unrestricted funds	Restricted funds		Unrestricted funds	Unrestricted funds	Unrestricted funds	Restricted funds	
		Continuing operations	Discontinued operations	Total		Total	Continuing operations	Discontinued operations	Total (as restated)		Total (as restated)
Income and endowments from:											
Donations and legacies		0.2	-	0.2	-	0.2	0.3	-	0.3	-	0.3
Charitable activities											
Educational services	2	112.5	-	112.5	-	112.5	106.7	-	106.7	-	106.7
Other trading activities	2	49.6	11.9	61.5	-	61.5	46.0	20.4	66.4	-	66.4
Investments	3	0.5	-	0.5	0.1	0.6	0.5	-	0.5	0.2	0.7
Total income		162.8	11.9	174.7	0.1	174.8	153.5	20.4	173.9	0.2	174.1
Expenditure on:											
Charitable activities											
Educational services		120.9	-	120.9	0.1	121.0	106.0	-	106.0	0.1	106.1
Raising funds											
Trading costs		46.7	14.5	61.2	-	61.2	46.7	21.5	68.2	-	68.2
Other											
Tax on overseas activities		0.2	-	0.2	-	0.2	0.3	-	0.3	-	0.3
Total expenditure	4	167.8	14.5	182.3	0.1	182.4	153.0	21.5	174.5	0.1	174.6
Net (expenditure) / income before investments gains, losses and disposals		(5.0)	(2.6)	(7.6)	-	(7.6)	0.5	(1.1)	(0.6)	0.1	(0.5)
Net gain on investment assets	7	2.4	-	2.4	-	2.4	4.1	-	4.1	-	4.1
Profit on disposal of operations	7	-	5.8	5.8	-	5.8	-	-	-	-	-
Net (expenditure) / income		(2.6)	3.2	0.6	-	0.6	4.6	(1.1)	3.5	0.1	3.6
Attributable to:											
The interest of the parent charity		(2.6)	3.2	0.6	-	0.6	4.6	(1.2)	3.4	0.1	3.5
Non-controlling interest		-	-	-	-	-	-	0.1	0.1	-	0.1
		(2.6)	3.2	0.6	-	0.6	4.6	(1.1)	3.5	0.1	3.6
Transfers between funds											
				0.5	(0.5)	-			0.1	(0.1)	-
Other recognised gains and losses:											
Loss on revaluation of foreign currency net investments				(0.3)	-	(0.3)			(0.3)	-	(0.3)
Actuarial loss on defined benefit pension scheme	18			(0.8)	-	(0.8)			(5.7)	-	(5.7)
Net movement in funds				0.0	(0.5)	(0.5)			(2.4)	-	(2.4)
Accumulated funds brought forward				80.6	3.5	84.1			83.0	3.5	86.5
Accumulated funds carried forward	12			80.6	3.0	83.6			80.6	3.5	84.1

The notes on pages 34 to 65 form part of these Financial Statements.

Discontinued operations result from the disposal of subsidiaries and other trade and assets as detailed in Note 7(b). The prior year's results have been restated accordingly. Income and expenditure have been re-presented between charitable activities and other trading activities as detailed in Notes 2(a) and 4.

BALANCE SHEETS
AS AT 31 AUGUST 2025

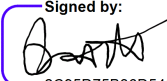
	Note	Group 31 August 2025 £m	Group 31 August 2024 £m	Institute 31 August 2025 £m	Institute 31 August 2024 £m
Intangible fixed assets	5	23.7	30.3	11.6	9.8
Tangible fixed assets	6	23.6	27.3	16.8	20.7
Investments					
Financial investments	7	41.3	39.5	41.3	39.5
Investment in subsidiaries	7	-	-	28.8	43.2
Total investments		41.3	39.5	70.1	82.7
Total fixed assets		88.6	97.1	98.5	113.2
Current assets					
Debtors due within one year	8	26.2	28.6	30.7	31.2
Cash at bank and in hand		16.7	14.9	8.9	6.8
Total current assets		42.9	43.5	39.6	38.0
Current liabilities					
Creditors: amounts falling due within one year	9	(30.9)	(37.1)	(40.7)	(34.0)
Net current assets / (liabilities)		12.0	6.4	(1.1)	4.0
Total assets less current liabilities		100.6	103.5	97.4	117.2
Creditors: amounts falling due after one year	10	(0.9)	(0.9)	-	-
Provisions for liabilities and charges	11	(1.9)	(0.9)	(0.8)	(0.6)
Net assets excluding pension liability		97.8	101.7	96.6	116.6
Defined benefit pension scheme liability	18	(14.2)	(17.6)	(14.2)	(17.6)
Net assets		83.6	84.1	82.4	99.0
The funds of the charity					
Unrestricted funds					
Unrestricted funds excluding pension reserve	12	94.4	97.3	93.2	112.7
Revaluation reserve	12	0.4	0.4	0.4	0.4
Defined benefit pension scheme reserve	18	(14.2)	(17.6)	(14.2)	(17.6)
Total unrestricted funds		80.6	80.1	79.4	95.5
Restricted funds	12	3.0	3.5	3.0	3.5
TOTAL FUNDS OF THE GROUP AND INSTITUTE		83.6	83.6	82.4	99.0
Non-controlling interest		-	0.5	-	-
TOTAL FUNDS		83.6	84.1	82.4	99.0

The notes on pages 34 to 65 form part of these Financial Statements.

The Financial Statements on pages 31 to 65 were approved by the board of Trustees and authorised for issue on 16 December 2025 and signed on its behalf by:

DocuSigned by:
Ann Limb
75FE260D11F24FC...

Dame Ann Limb DBE DL, Chair

Signed by:

2C95D75B36D5461...

Ian Ailles, Treasurer

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2025

	Note	£m	Year ended 31 August 2025 £m	£m	Year ended 31 August 2024 £m
Cash flows used in operating activities	13		0.0		(0.6)
Taxation paid		(0.2)		(0.3)	
Net cash used in operating activities			(0.2)		(0.9)
Cash flows from / (used in) investing activities					
Investment income	3	0.6		0.7	
Proceeds from sale of tangible fixed assets		0.7		-	
Purchases of intangible fixed assets	5	(5.3)		(6.6)	
Purchases of tangible fixed assets	6	(1.9)		(1.2)	
Purchases of listed investments	7	-		(20.4)	
Proceeds from sale of listed investments	7	1.2		19.4	
Purchases of other investments	7	(0.6)		(0.4)	
Net cash flow from disposal of operations after selling costs	7	7.3		-	
Net cash from / (used in) investing activities			2.0		(8.5)
Net increase / (decrease) in cash and cash equivalents			1.8		(9.4)
Cash and cash equivalents at beginning of year			14.9		24.3
Cash and cash equivalents at end of the year			16.7		14.9
Cash and cash equivalents comprise:					
Cash at bank and in hand			16.7		14.9
			16.7		14.9

The Group's net debt is considered to be the same as its cash and cash equivalents.

The notes on pages 34 to 65 form part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025

1. Accounting policies

The City and Guilds of London Institute is a Royal Charter company and charity domiciled in England and Wales, registration number RC000117. The registered office is 5-6 Giltspur Street, London, EC1A 9DE.

The following accounting policies have been applied consistently in dealing with items that are considered material to the Group's or Institute's accounts.

1.1 Basis of preparation

The Financial Statements are prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (as revised in 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

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

Going concern is a fundamental accounting concept that underlies the preparation of these accounts. Under the going concern concept it is assumed that the Group and Institute will continue in operation for the foreseeable future, and that there is neither the intention nor the need to either liquidate or cease operations.

Assessment of going concern

- **Review of financial performance:** Management reviews the financial performance of the organisation on a monthly basis, including a review of monthly management accounts and evaluation of actual results compared to budgets and forecasts. The management accounts are shared with the Board of Trustees and the Audit & Risk Committee for their reviews. Management also reviews both financial and non-financial key performance indicators on a monthly basis, including non-financial indicators to ensure early identification of issues.
- **Budgeting and forecasting:** Management undertakes a formal schedule of financial budgeting and forecasting of income, expenses, cash flows and liquidity regularly in each financial year which are taken to the Board of Trustees for their approval. Budgets and forecasts, along with any revisions to them, are reviewed by the Board and the Audit & Risk Committee and are then approved by the Board.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025

1. Accounting policies (continued)

- Timing of cash flows: Management evaluates cash resources and availability of facilities in the funding of operating activities, and includes an assessment of whether the Institute can meet the agreed schedule of contributions into the City and Guilds (1966) Pension Scheme, and whether there is any risk that, within the period under review for going concern, a section 75 debt requiring immediate payment would be triggered.

Following the disposal of the commercial operations of the Group after the year end, as explained in the Trustee's Annual Report and in Note 23, the Institute has received proceeds which will comfortably support its funding needs for the 12 months following the date of this report. The Trustees have therefore determined that there are no material uncertainties that may cast significant doubt about the Group and Institute's ability to continue as going concerns and hence these financial statements have been drawn up on a going concern basis.

Parent entity disclosure exemptions

In preparing the separate financial statements of the parent, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No statement of cash flows has been presented; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent as their remuneration is included in the totals for the Group as a whole.

1.2 Basis of consolidation

The consolidated financial statements include the assets, liabilities and results of The City and Guilds of London Institute ("the Institute") and of its subsidiaries.

All subsidiaries are consolidated on a line-by-line basis from the date of acquisition to the date of disposal.

Despite there being a uniting direction in place between the Institute and City and Guilds International Limited, the Institute figures presented in these accounts solely reflect the assets, liabilities and activities of the Institute. City and Guilds International Limited has been treated as a subsidiary and included within the Group figures.

1.3 Reserves and fund structure

Unrestricted funds comprise accumulated surpluses on general funds and the revaluation reserve which the Trustees are free to use for any purpose in furtherance of the charitable objects.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025

1. Accounting policies (continued)

1.4 Tangible fixed assets and depreciation

The Institute's long leasehold office at 5-6 Giltspur Street is included at deemed cost established on the transition to FRS 102 and derived from an open market valuation, carried out by Daniel Watney, Chartered Surveyor, as at 1 September 2014. Subsequent additions are capitalised at cost and provision is made for any impairment.

Freehold property is depreciated on a straight-line basis over 50 years. Freehold land is not depreciated. Short leasehold properties held by the Group are accounted for as operating leases, but any initial or other major expenditure on improvements is capitalised and written off on a straight-line basis over the life of the leases, subject to a maximum period of 50 years.

Group policy is to capitalise equipment greater than £1,000. Assets which are subject to a period of construction are depreciated from the date they are available for operational use.

Other tangible fixed assets as stated below are depreciated on a straight-line basis over their estimated useful life as follows:

Long leasehold land	Lease term
Long leasehold buildings	50 years
Computer equipment	3-5 years
Furniture and fixtures	4 years
Motor vehicles	3-4 years
Plant	4-20 years

Intra-group arrangements – mixed use property

The Institute leases some floor space in its long leasehold office at 5-6 Giltspur Street to some of its wholly owned subsidiaries. The component of the property that is leased constitutes an investment property which is held under the cost model and presented within tangible fixed assets in the Institute's financial statements in accordance with section 10.48 of the Charities SORP as it is held for operational purposes and not for capital appreciation.

Management has assessed that the fair value of the investment property component cannot be reliably determined and therefore this component has not been separately disclosed and the whole property is presented within leasehold property in the Institute's financial statements.

Rent is charged based on an agreed internal allocation to the relevant subsidiaries who recognise rental expense in their individual financial statements. These transactions are eliminated on consolidation and are disclosed as related party transactions with the Institute in Note 20.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025

1. Accounting policies (continued)

1.5 Intangible fixed assets

Goodwill, being the excess of the purchase price of acquisitions over the fair value of the net assets acquired, is capitalised in accordance with FRS 102 and amortised on a straight-line basis over its estimated useful economic life, which is up to a maximum of 10 years where such a period cannot be measured reliably. For the current subsidiaries of the Group, associated goodwill has been deemed to have an estimated useful life of 10 years. This is based upon an assessment of a given investment at the time of acquisition, taking in to account relevant strategic plans and forecasts.

Other intangible fixed assets consist of intellectual property rights, customer relationships, programme content, trade names, computer software and qualification development, which are capitalised at cost or transaction value and amortised on a straight-line basis over their estimated useful economic lives. Assets which are subject to a period of construction are amortised from the date they are available for operational use.

The intangible assets are amortised over the following useful economic lives:

Intellectual property rights	IPR term	Based on IPR protection period
Customer relationships	various	Based on the estimated life of the cash flows
Programme content	various	Based on the estimated remaining life of the cash flows
Trade name	various	Based on the estimated remaining life of the cash flows
Computer software	3-5 years	
Qualification development	5 years	

When circumstances are identified which give rise to an impairment in the value of any intangible fixed asset, that impairment loss is recognised immediately.

1.6 Taxation

The Institute is a charity within the meaning of Para 1 Schedule 6 Finance Act 2010. Accordingly the Institute is exempt from taxation in respect of income or capital gains within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Trading subsidiaries provide for tax at amounts expected to be paid or recovered using tax rates and laws that have been enacted or substantially enacted at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025

1. Accounting policies (continued)

1.7 Income

Fee income relating to registrations is deferred and recognised over the estimated time taken to complete the relevant qualification as performance obligations are met during the course delivery period. A proportion of registration fee income is recognised immediately to reflect an estimate for learners who do not complete the course, in reference to the performance obligations of the Institute to the colleges, and the nature of the contract. Where assessment and certification income exceeds registration fee income for any qualification, the registration income is not deferred and is recognised when the service is provided. Assessment income is recognised when the assessment is marked and certification income is recognised when the certificate is issued.

Sales of named user licences with indefinite expiry dates are deferred until licence activation and then recognised evenly over the estimated period of use of the licence up to 12 months.

Income receivable from contracts entered into to provide other services or solutions, including e-learning, is recognised on the basis of percentage of contract completed by reference to costs, with credit taken for profit earned to date when the outcome of the contract can be assessed with reasonable certainty.

In accordance with Section 24 of FRS 102, government grant is recognised in income in the period in which it becomes receivable if there are no performance obligations.

1.8 Expenditure

Expenditure is recognised on an accrual basis as a liability is incurred. Irrecoverable VAT is included within expenditure or capitalised with the appropriate asset.

The costs of preparing examinations are written off as they are incurred irrespective of examination dates.

Content development costs are written off in the year they are incurred unless:

- the product has an estimated useful life of more than one year; and
- there is a reasonable expectation that the revenue to be generated over the useful life of the product will exceed the expected total development costs and that those costs are separately identifiable and quantifiable.

If the above criteria are met, the expenditure is capitalised within intangible fixed assets and amortised over five years, which is the typical useful life of a product.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025

1. Accounting policies (continued)

Costs of raising funds include costs incurred in trading activities that raise funds.

Charitable activities include expenditure in respect of education services, and include both direct costs and support costs relating to these activities.

Governance costs include expenditure in respect of the Institute's constitutional requirements. Support costs include central functions and have been allocated to activities on a basis consistent with the use of resources. The allocation is shown in Note 4.

1.9 Foreign currency translation

Transactions denominated in foreign currencies are translated into Sterling at the monthly average rate of exchange. Assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling on the Balance Sheet date.

The Financial Statements of overseas branches and undertakings are translated into Sterling on the following basis:

- Assets and liabilities at the rate of exchange ruling at the Balance Sheet date.
- Statement of Financial Activities items at the average rate of exchange for the year.

Exchange differences arising on the re-translation of the results of overseas entities into Sterling are included in other recognised gains and losses within the Consolidated Statement of Financial Activities.

1.10 Pensions

The defined benefit pension scheme, the City and Guilds (1966) Pension Scheme, is accounted for in accordance with the requirements of FRS 102 and details are shown in note 18. The difference between the fair value of the assets held in the Group's defined benefit pension scheme and the scheme's liabilities measured on an actuarial basis using the projected unit method are recognised in the Group's balance sheet as a pension asset or liability as appropriate. Changes in the defined benefit pension scheme asset or liability arising from factors other than cash contributions by the Group are charged to expenditure or other gains and losses within the Statement of Financial Activities in accordance with FRS 102. Following a period of employee consultation, the scheme was closed to future benefit accrual on 30 June 2018.

Contributions to the defined contribution section are charged to the Consolidated Statement of Financial Activities in the year in which they are made.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025

1. Accounting policies (continued)

1.11 Holiday pay accruals

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

1.12 Operating leases and leased assets

Rentals applicable to operating leases are charged to the Consolidated Statement of Financial Activities on a straight line basis over the term of the lease.

1.13 Investments

Investments in subsidiary companies are held at cost in the parent charity, less provision for impairment where appropriate.

Investments in subsidiary companies can be treated as programme related investments, financial investments or mixed motive investments. Programme related investments are held primarily for their contribution to the charitable objectives of the parent. Financial investments are held for financial return. Mixed motive investments are held partly for a financial return and partly for their contribution to the charitable objectives of the parent. Each year end consideration is given to whether there are any indicators or impairment, based on the future charitable benefit expected to be provided by these entities or the future expected financial contribution to the group or a combination of both factors, depending on the classification of the investment.

Investments in funds are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Consolidated Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year. Contributions to funds are recognised in full when drawn and undrawn commitments are disclosed in Note 22.

Other financial investments are held at cost less impairment.

1.14 Financial instruments

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are classified according to the substance of the contractual arrangements entered into. Financial assets, other than financial investments, are initially measured at transaction price and subsequently held at amortised cost, less any impairment.

Financial liabilities, excluding the defined benefit pension liability, are initially measured at transaction price and subsequently held at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025

1. Accounting policies (continued)

1.15 Cash and cash equivalents

Cash and cash equivalents includes cash in hand and at bank, including cash held in deposits on short-term notice or held at call with banks. Cash held by investment managers is included within financial investments and additions and disposals to investments in funds are shown as movements within net cash from investing activities in the statement of cash flows.

1.16 Judgements in applying accounting policies

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

Indicators of impairment and impairment of assets

Management determines whether there are indicators of impairment of the Group's investments, tangible fixed assets and intangible fixed assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial and social performance of the asset and where it is a component of a larger cash-generating unit, the economic viability and expected future financial and social performance of that unit.

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount which is the higher of its fair value less costs to sell and its value in use, both of which require the use of estimation in their calculation. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing the asset. The value in use calculation is based on a discounted cash flow model, where cash flows are derived from the budget for the next 5 years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows for extrapolation purposes.

The future viability of courses where third party content development costs have been deferred:

Development in new products has many inherent uncertainties, with the future viability being the key risk. The Group mitigates this risk through the use of analytical and tracking tools like regular market research. As at the balance sheet date, management considers the risk of courses with deferred expenditure not being viable in the future to be remote. The Group also has a policy of immediately expensing deferred third-party content development costs when there are indicators that the future viability of the underlying courses is uncertain.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025

1. Accounting policies (continued)

1.17 Other key sources of estimation uncertainty

Actuarial assumptions in respect of defined benefit pension schemes

The application of actuarial assumptions relating to defined benefit pension schemes is incorporated in the financial statements in accordance with FRS 102. In applying FRS 102, advice is taken from independent qualified actuaries. In this context, estimation exists in a number of areas, including future changes in salaries and inflation, mortality rates and the selection of appropriate discount rates.

The assumptions underlying the pension scheme valuation: The principal actuarial assumptions are shown in Note 18. The effect of reasonably possible movements in these assumptions on scheme liabilities are as follows:

- 0.5% pa decrease in discount rate leads to an increase of £9.8m in scheme liabilities.
- 0.5% pa increase in inflation rate leads to an increase of £6.9m in scheme liabilities.
- 1 year increase in member life expectation leads to an increase of £5.1m in scheme liabilities.

Tangible and intangible fixed assets are depreciated or amortised 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, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

For the Institute's leasehold property, its recoverable value has been estimated based on fair value less selling costs expected to be achieved for its disposal, and this forms the basis for an impairment during the year, as explained in Note 6.

The impact on income of the estimated course length: Fee income relating to registrations is deferred and recognised over the estimated time taken to complete the relevant qualification. An increase in course length by 10% during the year would result in a reduction in recognised income by £0.8m (2024: £0.7m) at the existing level of income.

The impact on income of the estimated drop-out rates for students signing up to courses: As a proportion of registration fee income is recognised immediately to reflect an estimate for learners who do not complete (i.e. drop out of the course), an increase in drop-out rates by 10% would result in an increase in recognised income by £0.3m (2024: £0.3m) at the existing level of income.

The assumptions underlying the valuation of intangible assets: The acquired intangible assets that meet the recognition criteria under the revised FRS 102 guidelines are professionally valued using methods such as multi-period excess earnings. Key inputs into the valuations are customer retention rate, growth rates and Weighted Average Cost of Capital.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025

1. Accounting policies (continued)

Determining whether an investment in subsidiary is impaired: This requires an estimation of the recoverable amount of the investment at the end of the financial year.

Refer to 1.16 for indicators of impairment and impairment of assets for factors taken into account when determining the recoverable amount of an investment.

Risk of material adjustment to the carrying value of investment portfolio:

All investments in funds are carried at their fair value. The basis of fair value for quoted investments is equivalent to the market value as explained in Note 1.13.

The main risk to the Group from financial instruments lies in the combination of uncertain investment markets and volatility in yield. Liquidity risk is anticipated to be low as the Group's investments are mainly traded in markets with good liquidity and high trading volumes. The Group has no material investment holdings in markets subject to exchange controls or trading restrictions.

The Group manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchanges. The Group does not make use of derivatives and similar complex financial instruments.

2. (a) Income from charitable activities – educational services

	Year ended 31 August 2025 £m	Year ended 31 August 2024 (Restated) £m
Fee income	112.5	106.7
	112.5	106.7

Prior year figures have been re-presented to correct the split between income from charitable activities and income from other trading activities, with an impact of £0.7m more income attributed to charitable activities than previously reported, following an error identified in the allocation method. Total income is unchanged.

(b) Income from other trading activities

Other trading activities comprise the activities of the trading subsidiaries of the Group, whose activities support direct training delivery across a variety of sectors. These operate under the brands of Gen2, Intertrain, The Oxford Group and Trade Skills 4U as set out in Note 7. The brand of Kineo was disposed from the Group during the year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025

3. Income from investments

	Year ended 31 August 2025 £m	Year ended 31 August 2024 £m
Interest on deposits		
Unrestricted funds	0.5	0.5
Restricted funds	0.1	0.2
	0.6	0.7

4. Expenditure

(a) Analysis of total expenditure

	Staff costs (Note 14) £m	Other direct costs £m	Support costs £m	Year ended 31 August 2025 Total £m
Trading costs	27.7	22.1	11.4	61.2
Educational services	59.6	39.7	21.7	121.0
Tax on overseas activities	-	0.2	-	0.2
	87.3	62.0	33.1	182.4

	Staff costs (Note 14) (Restated) £m	Other direct costs (Restated) £m	Support costs (Restated) £m	Year ended 31 August 2024 Total (Restated) £m
Trading costs	32.8	22.8	12.6	68.2
Educational services	55.2	33.6	17.3	106.1
Tax on overseas activities	-	0.3	-	0.3
	88.0	56.7	29.9	174.6

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025

4. Expenditure (continued)

(b) Analysis of support costs

	Trading costs £m	Educational services £m	Governance £m	Year ended 31 August 2025 £m
Premises and utilities	3.9	3.0	-	6.9
Communication and IT	2.0	9.7	-	11.7
Postage and printing	0.1	0.8	-	0.9
Other	0.1	0.6	-	0.7
Depreciation and impairment	0.9	4.7	-	5.6
Amortisation costs	4.3	2.7	-	7.0
Financial costs	0.1	0.2	-	0.3
	11.4	21.7	-	33.1

	Trading costs (Restated) £m	Educational services (Restated) £m	Governance £m	Year ended 31 August 2024 £m
Premises and utilities	4.1	2.8	-	6.9
Communication and IT	1.7	10.0	-	11.7
Postage and printing	0.2	0.5	-	0.7
Other	0.1	0.4	-	0.5
Depreciation and impairment	1.1	0.9	-	2.0
Amortisation costs	5.3	2.4	-	7.7
Financial costs	0.1	0.3	-	0.4
	12.6	17.3	-	29.9

Support costs are allocated on a basis consistent with the use of resources and apportioned to the respective activity. Total support costs after allocation of staff costs of £0.2m (2024: £0.2m) is £33.3m (2024: £30.1m).

Prior year figures have been re-presented to correct the split between expenditure on educational services and expenditure on trading costs, with an impact of £4.6m more expenditure attributed to educational services than previously reported, of which £0.7m was support costs, following an error identified in the allocation method. Total expenditure is unchanged.

(c) Analysis of governance costs

	Year ended 31 August 2025 £m	Year ended 31 August 2024 £m
Audit fees	0.9	0.9
Allocation of staff costs	0.2	0.2
Apportionment of support costs	-	-
	1.1	1.1

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025

4. Expenditure (continued)

(d) Cost analysis

Included within total expenditure are the following individual items:

	Year ended 31 August 2025 £m	Year ended 31 August 2024 £m
Group auditor's remuneration:		
Audit fees of the parent, group and subsidiaries	0.4	0.3
Other auditors' remuneration:		
Associates of the group auditor - audit fees of subsidiaries	0.1	0.1
Other auditors - audit fees of subsidiaries	0.1	0.1
Taxation and other services	0.1	0.1
Operating lease rentals:		
Land and buildings	3.0	3.0
Plant and equipment	0.6	0.6
Depreciation and impairment of tangible fixed assets (Note 6)	5.6	2.0
Amortisation of intangible fixed assets (Note 5)	7.0	7.7
Net loss on foreign currency transactions	0.2	0.1

5. Intangible fixed assets

	Goodwill	Intellect-ual property rights	Customer relation- ships	Program- me content	Trade name	Computer software	Qualific- ation develop- ment	Assets under construc- tion	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Group:									
Cost or valuation									
At 31 August 2024	55.0	1.7	8.3	3.8	0.6	23.6	9.8	5.6	108.4
Transfers	-	-	-	-	-	2.1	2.1	(4.2)	-
Additions	-	-	-	0.3	-	0.5	-	4.5	5.3
Foreign exchange revaluation	-	-	-	(0.1)	-	(0.2)	-	-	(0.3)
On disposal of operations	(26.4)	-	(6.8)	(2.5)	-	(3.5)	-	-	(39.2)
At 31 August 2025	28.6	1.7	1.5	1.5	0.6	22.5	11.9	5.9	74.2
Amortisation									
At 31 August 2024	39.5	1.7	5.7	3.0	0.2	19.5	8.5	-	78.1
Amortisation for the year	3.1	-	0.5	0.3	0.1	2.0	1.0	-	7.0
Foreign exchange revaluation	-	-	-	(0.1)	-	(0.1)	-	-	(0.2)
On disposal of operations	(25.9)	-	(4.7)	(1.7)	-	(2.1)	-	-	(34.4)
At 31 August 2025	16.7	1.7	1.5	1.5	0.3	19.3	9.5	-	50.5
Net book values									
At 31 August 2024	15.5	-	2.6	0.8	0.4	4.1	1.3	5.6	30.3
At 31 August 2025	11.9	-	-	-	0.3	3.2	2.4	5.9	23.7
Institute:									
Cost or valuation									
At 31 August 2024	-	-	-	-	-	20.0	9.8	5.7	35.5
Transfers	-	-	-	-	-	2.1	2.1	(4.2)	-
Additions	-	-	-	-	-	-	-	4.5	4.5
At 31 August 2025	-	-	-	-	-	22.1	11.9	6.0	40.0
Amortisation									
At 31 August 2024	-	-	-	-	-	17.2	8.5	-	25.7
Amortisation for the year	-	-	-	-	-	1.7	1.0	-	2.7
At 31 August 2025	-	-	-	-	-	18.9	9.5	-	28.4
Net book values									
At 31 August 2024	-	-	-	-	-	2.8	1.3	5.7	9.8
At 31 August 2025	-	-	-	-	-	3.2	2.4	6.0	11.6

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025

5. Intangible fixed assets (continued)

Goodwill is reviewed annually for indications of impairment. If such indications exist, goodwill is additionally tested for impairment. Recoverable amounts are based on discounted cash flow modelling using cash flow projections based on budgets approved by management. The key assumptions used by management in the impairment review calculations were:

Discount rates

The discount rate is based on the risk-free rate for government bonds, adjusted for a risk premium to reflect the specific circumstances of the group. The discount rate used in measuring value in use was 11% (2024: 11%).

Perpetuity growth rates

A perpetuity growth rate of 2.0% (2024: 2.0%) was used.

Cash flow growth rates

Cash flow growth rates are based on management's forecasts of sales, gross operating margins and overheads for the next 5 years.

Customer relationships are core business assets retained through the strong relationship management capability at senior level. The amortisation period for the carrying intangible is 10-12 years. Programme content comprises learning solutions, learning content, training products including the flagship 5 Conversations product that are intrinsic to the business operations. The amortisation period for the carrying intangible is 7.5 years. Trade name is associated with businesses acquired by the Group. The amortisation period for the carrying intangible is 20 years.

No impairment was recognised in the year (2024: £Nil).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025

6. Tangible fixed assets

	Freehold property	Leasehold property	Computer equipment	Plant, fixtures and motor vehicles	Assets under construc- tion	Total
	£m	£m	£m	£m	£m	£m
Group:						
Cost or valuation						
At 31 August 2024	4.3	23.8	7.6	7.9	0.3	43.9
Transfers	-	-	0.2	0.3	(0.5)	-
Additions	-	0.3	0.1	0.7	0.8	1.9
Disposals	-	(0.2)	(0.1)	(1.1)	-	(1.4)
On disposal of operations	-	-	(0.1)	(0.1)	-	(0.2)
At 31 August 2025	4.3	23.9	7.7	7.7	0.6	44.2
Accumulated depreciation						
At 31 August 2024	0.2	3.7	7.0	5.7	-	16.6
Depreciation for the year	0.1	0.5	0.7	0.6	-	1.9
Disposals	-	(0.2)	(0.1)	(1.1)	-	(1.4)
Impairment	-	3.7	-	-	-	3.7
On disposal of operations	-	-	(0.1)	(0.1)	-	(0.2)
At 31 August 2025	0.3	7.7	7.5	5.1	-	20.6
Net book values						
At 31 August 2024	4.1	20.1	0.6	2.2	0.3	27.3
At 31 August 2025	4.0	16.2	0.2	2.6	0.6	23.6
Institute:						
Cost or valuation						
At 31 August 2024	-	23.1	6.6	4.3	-	34.0
Transfers	-	-	0.2	0.3	(0.5)	-
Additions	-	-	-	-	0.8	0.8
At 31 August 2025	-	23.1	6.8	4.6	0.3	34.8
Accumulated depreciation						
At 31 August 2024	-	3.7	6.0	3.6	-	13.3
Charge for the period	-	0.4	0.3	0.3	-	1.0
Impairment	-	3.7	-	-	-	3.7
At 31 August 2025	-	7.8	6.3	3.9	-	18.0
Net book values						
At 31 August 2024	-	19.4	0.6	0.7	-	20.7
At 31 August 2025	-	15.3	0.5	0.7	0.3	16.8

Assets under construction are transferred to the relevant asset category on becoming operational.

The Institute's long leasehold office at 5-6 Giltspur Street has been provided as security to the pension scheme.

An impairment charge of £3.7m was recognised in the year (2024: £Nil). The impairment was in respect of the Giltspur House leasehold property and related assets following a review to assess their recoverable amount. The recoverable amount was based on best estimates of fair value less selling costs.

As detailed in Note 1.4, the Institute leases some floor space in its long leasehold office at 5-6 Giltspur Street to some of its wholly owned subsidiaries. The component of the property that is leased constitutes an investment property which is held under the cost model and presented within leasehold property in the Institute's financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025

7. Investments

(a) Subsidiaries

All investments in subsidiaries are deemed to be financial investments given the intention to realise value through financial return, the background to which is provided in Note 23. This is a reclassification from prior years, where all investments in subsidiaries were treated as mixed motive investments with the exception of the investment in City and Guilds International Limited, which was programme related.

The Group's net movement in funds, a deficit of £0.5m (2024: deficit of £2.4m), includes the results of the following seven fully controlled charitable or wholly owned trading subsidiaries all of which are incorporated in the UK and limited by shares unless otherwise stated:

- City and Guilds International Limited, a limited company and a registered charity within the Institute's registration. With its overseas subsidiaries it delivers examination and award services overseas.
- City and Guilds Kineo Limited, a limited company that, together with its American subsidiaries, helps businesses improve their performance through learning and technology. This subsidiary was disposed of by the Group during the year as set out in Note 7(b) and results are consolidated until the date of disposal.
- Interact Learning Pty Limited, a limited company incorporated in Australia that provides design, development, implementation of training management and compliance solutions, operating under the Kineo brand. The trade and assets of this subsidiary was disposed of by the Group during the year as set out in Note 7(b), with the non-trading subsidiary retained.
- The Oxford Group Consulting and Training Holding Company Limited, a limited company that, together with its UK and US subsidiaries, delivers management development, leadership and executive coaching programmes.
- Gen II Engineering & Technology Training Limited, a company limited by guarantee that, together with its UK subsidiary promotes apprenticeship training and offers training, educational products and services for the engineering, specialist manufacturing, energy and technology sectors.
- Intertrain UK Limited, a limited company that provides training in the construction, rail and health & safety sections.
- Trade Skills 4U Group Limited, a limited company that, together with its UK trading subsidiary, delivers apprenticeship training, skills bootcamps and accredited courses within the electrical sector.

The Group also includes the following dormant subsidiaries: NPTC, City and Guilds Enterprises Limited, Oxford Group Pension Trustees Limited, Intertrain UK (Holdings) Ltd, Digitalme Limited, Radiowaves Schools Limited, E3 Learning Limited and Flexible Learning Network Limited (New Zealand).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025

7. Investments (continued)

(a) Subsidiaries (continued)

The movement in the carrying value of investments in subsidiaries is shown below:

	Institute 31 August 2025 £m	Institute 31 August 2024 £m
At 1 September	43.2	55.7
Disposals	(5.3)	-
Impairments	(9.1)	(12.5)
At 31 August	28.8	43.2

During the year a provision for impairment of £9.1m was recognised in respect of the investment in subsidiary Interact Learning Pty Limited (2024: £12.5m in respect of City and Guilds Kineo Limited and Interact Learning Pty Limited). This resulted from carrying out a review to assess its recoverable amount following the disposal of its trading business and assets, as set out in Note 7(b).

The carrying value as well as the performance of material subsidiaries is summarised below:

	Company number (Charity number)		Investment carrying value £m	Total income £m	Total expenditure £m	Profit / (loss) £m	Assets £m	Liabilities £m	Funds £m
Continuing operations									
City and Guilds International Limited	1894671 (312832)	2025 2024	1.0 1.0	6.8 6.9	(3.4) (3.2)	3.4 3.7	18.5 14.9	(0.7) (0.7)	17.8 14.2
The Oxford Group Consulting and Training Limited	02828084 (N/A)	2025 2024	6.1 6.1	8.4 10.0	(7.9) (8.3)	0.5 1.7	3.0 2.8	(1.3) (1.7)	1.7 1.1
Gen II Engineering & Technology Training Ltd	03804696 (N/A)	2025 2024	8.8 8.8	13.0 11.3	(11.6) (12.6)	1.4 (1.3)	7.5 6.0	(3.2) (3.1)	4.3 2.9
Intertrain UK Limited	04696164 (N/A)	2025 2024	5.6 5.6	18.0 15.5	(17.4) (15.5)	0.6 -	3.6 2.1	(2.6) (1.6)	1.0 0.5
TradeSkills 4U Limited	10910988 (N/A)	2025 2024	6.0 6.0	9.9 9.2	(9.9) (10.2)	- (1.0)	4.1 3.4	(6.6) (5.9)	(2.5) (2.5)
Discontinued operations									
City and Guilds Kineo Limited	07150983 (N/A)	2025 2024	- 5.3	3.6 7.6	(4.8) (7.9)	(1.2) (0.3)	- 2.2	- (2.7)	- (0.5)
Kineo Group Inc	26-4747460 (N/A)	2025 2024	- -	2.5 4.9	(2.7) (4.8)	(0.2) 0.1	- 1.6	- (1.1)	- 0.5
Interact Learning Pty Limited	095674285 (N/A)	2025 2024	1.3 10.4	5.1 7.1	(5.4) (7.0)	(0.3) 0.1	1.4 3.0	- (4.0)	1.4 (1.0)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025

7. Investments (continued)

(b) Disposals

On 9 May 2025, the Group disposed of 100% of the share capital of City and Guilds Kineo Limited, which had wholly owned subsidiaries Kineo Group Inc and Kineo South Africa Pty Ltd. As part of the same transaction, the Group disposed of the trade and assets of Interact Learning Pty Limited and this subsidiary became non-trading from the same date.

Total consideration, net of selling costs, was £8.0m, resulting in a gain on disposal to the Group of £5.8m as calculated below:

Subsidiaries and operations disposed	City and Guilds Kineo Limited and its subsidiaries	Interact Learning Pty Limited
	£m	£m
Assets / (liabilities) at date of disposal		
Goodwill and acquired intangibles	0.2	2.4
Fixed assets	0.2	2.0
Debtors	2.0	1.1
Cash	0.7	-
Creditors	(2.9)	(3.1)
Net assets disposed	0.2	2.4
Total consideration received net of selling costs	5.4	2.6
Adjustment for non-controlling interest	0.4	-
Gain on disposal	5.6	0.2

The results of City and Guilds Kineo Limited and its subsidiaries are consolidated in the Group's results for the year up until the date of disposal. The disposals of the Kineo group of businesses are considered to be discontinued operations, with the results of these operations disclosed separately on the Statement of Financial Activities, including a corresponding restatement of the prior year's results.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025

7. Investments (continued)

(c) Financial investments:

	Group 31 August 2025 £m	Group 31 August 2024 £m	Institute 31 August 2025 £m	Institute 31 August 2024 £m
At 1 September	39.5	34.0	39.5	34.0
Additions	0.6	27.6	0.6	27.6
Disposals	(1.2)	(26.2)	(1.2)	(26.2)
Movements in fair value	3.2	4.1	3.2	4.1
Impairments	(0.8)	-	(0.8)	-
31 August	41.3	39.5	41.3	39.5

Financial investments include £40.1m (2024: £38.1m) investments in funds at year end.

Holdings of investments in funds at 31 August 2025 are as follows: 20.0% (2024: 19.4%) is invested in the Trojan Fund, 18.7% (2024: 18.5%) is invested in The Partners Fund, 19.5% (2024: 19.4%) is invested in the AEGON Fund, 41.8% (2024: 42.7%) is invested in the LGIM Fund.

At 31 August 2025, the historical cost of these investments in funds of the Group and Institute amounted to £32.8m (2024: £34.0m).

Holdings in other investments comprise £1.2m (2024: £1.4m) in New Markets Education Partners Fund. During the year an impairment of £0.8m (2024: £Nil) was recognised against this investment with its recoverable amount determined using the latest available valuation from the fund's general partner.

8. Debtors: Amounts falling due within one year

	Group 31 August 2025 £m	Group 31 August 2024 £m	Institute 31 August 2025 £m	Institute 31 August 2024 £m
Trade debtors	13.8	16.6	8.9	8.5
Amounts owed by subsidiary undertakings	-	-	8.6	10.3
Loans owed by subsidiary undertakings	-	-	8.5	7.9
Other debtors	7.8	7.1	1.3	1.5
Prepayments	4.6	4.9	3.4	3.0
	26.2	28.6	30.7	31.2

The provision recognised in the Group's expenditure for the year in respect of bad and doubtful trade debts was £0.2m (2024: £0.3m). The provision recognised in the Institute's expenditure for the year in respect of bad and doubtful trade debts was £0.2m (2024: £0.1m).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025

9. Creditors: amounts falling due within one year

	Group 31 August 2025 £m	Group 31 August 2024 £m	Institute 31 August 2025 £m	Institute 31 August 2024 £m
Trade creditors	6.8	6.9	4.9	4.2
Amounts owed to subsidiary undertakings	-	-	18.8	14.5
Taxation and social security	3.2	3.7	2.0	1.1
Other creditors	0.8	1.1	1.1	1.6
Accruals	11.2	11.3	7.1	5.6
Deferred income	8.9	14.1	6.8	7.0
	30.9	37.1	40.7	34.0

Deferred income:

	Group Year ended 31 August 2025 £m	Group Year ended 31 August 2024 £m	Institute Year ended 31 August 2025 £m	Institute Year ended 31 August 2024 £m
At 1 September	14.1	14.8	7.0	7.2
Deferred in the year	8.8	13.8	6.8	7.0
Released in the year	(10.1)	(14.5)	(7.0)	(7.2)
On disposal of operations	(3.9)	-	-	-
At 31 August	8.9	14.1	6.8	7.0

Deferred income relates to income that has been billed at the balance sheet date but is recognised over time as performance obligations are met. Fee income relating to registrations is deferred and recognised over the course delivery period. Income receivable from long-term contracts to provide other services or solutions is recognised on the basis of percentage of completion of the contract. Refer to the accounting policy in Note 1.7.

10. Creditors: amounts falling due after one year

	Group 31 August 2025 £m	Group 31 August 2024 £m	Institute 31 August 2025 £m	Institute 31 August 2024 £m
Other creditors	0.9	0.9	-	-
	0.9	0.9	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025

11. Provisions for liabilities and charges

	Group 31 August 2025 £m	Group 31 August 2024 £m	Institute 31 August 2025 £m	Institute 31 August 2024 £m
At 1 September	0.9	0.7	0.6	0.7
Provided in the year	0.5	0.2	0.2	0.1
Reclassified from accruals	0.8	-	-	-
Utilised in the year	(0.2)	-	-	-
Released in the year	(0.1)	-	-	(0.2)
At 31 August	1.9	0.9	0.8	0.6

The above totals contain amounts related to provisions for the dilapidation costs that will crystallise on termination of building leases (Group 2025: £1.9m, 2024: £0.9m; Institute 2025: £0.8m, 2024: £0.6m). The exact cost of these dilapidations will only be known once the leases are terminated.

12. Funds

Analysis of Group net assets between funds:

	Restricted	Unrestricted	At 31 August 2025 £m	Restricted	Unrestricted	At 31 August 2024 £m
Tangible and intangible fixed assets	-	47.3	47.3	-	57.6	57.6
Investments	3.0	38.3	41.3	3.5	36.0	39.5
Net current assets	-	12.0	12.0	-	6.4	6.4
Provisions	-	(1.9)	(1.9)	-	(0.9)	(0.9)
Creditors: amounts falling due after one year	-	(0.9)	(0.9)	-	(0.9)	(0.9)
Defined benefit pension scheme liability	-	(14.2)	(14.2)	-	(17.6)	(17.6)
Net assets at 31 August	3.0	80.6	83.6	3.5	80.6	84.1

Analysis of Institute net assets between funds:

	Restricted	Unrestricted	At 31 August 2025 £m	Restricted	Unrestricted	At 31 August 2024 £m
Tangible and intangible fixed assets	-	28.4	28.4	-	30.5	30.5
Investments	3.0	67.1	70.1	3.5	79.2	82.7
Net current assets	-	(1.1)	(1.1)	-	4.0	4.0
Provisions	-	(0.8)	(0.8)	-	(0.6)	(0.6)
Creditors: amounts falling due after one year	-	-	-	-	-	-
Defined benefit pension scheme liability	-	(14.2)	(14.2)	-	(17.6)	(17.6)
Net assets at 31 August	3.0	79.4	82.4	3.5	95.5	99.0

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025

12. Funds (continued)

Analysis of movement in the funds of the Group and Institute:

	At 1 September 2024 £m	Income £m	Expenditure £m	Other Movements £m	At 31 August 2025 £m
Group:					
Unrestricted					
General	95.3	174.6	(180.3)	3.4	93.0
Revaluation reserve	0.4	-	-	-	0.4
Skills Development Fund (Designated Fund)	2.0	0.1	(0.7)	-	1.4
Defined benefit pension scheme reserve	(17.6)	-	(1.3)	4.7	(14.2)
Total unrestricted funds	80.1	174.7	(182.3)	8.1	80.6
Restricted					
City & Guilds Land Based Services (NPTC)	3.1	0.1	(0.1)	(0.5)	2.6
Brookes Metzger Bursary	0.4	-	-	-	0.4
Total restricted funds	3.5	0.1	(0.1)	(0.5)	3.0
Non-controlling interest	0.5	-	-	(0.5)	-
Total	84.1	174.8	(182.4)	7.1	83.6
Institute:					
Unrestricted					
General	110.7	108.1	(113.4)	(13.6)	91.8
Revaluation reserve	0.4	-	-	-	0.4
Skills Development Fund (Designated Fund)	2.0	0.1	(0.7)	-	1.4
Defined benefit pension scheme reserve	(17.6)	-	(1.3)	4.7	(14.2)
Total unrestricted funds	95.5	108.2	(115.4)	(8.9)	79.4
Restricted					
City & Guilds Land Based Services (NPTC)	3.1	0.1	(0.1)	(0.5)	2.6
Brookes Metzger Bursary	0.4	-	-	-	0.4
Total restricted funds	3.5	0.1	(0.1)	(0.5)	3.0
Total	99.0	108.3	(115.5)	(9.4)	82.4

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025

12. Funds (continued)

Analysis of movement in the funds of the Group and Institute – prior year:

	At 1 September 2023 £m	Income £m	Expenditure £m	Other Movements £m	At 31 August 2024 £m
Group:					
Unrestricted					
General	94.8	173.1	(171.9)	(0.7)	95.3
Revaluation reserve	0.4	-	-	-	0.4
Skills Development Fund (Designated Fund)	2.5	0.1	(0.6)	-	2.0
Defined benefit pension scheme reserve	(15.1)	-	(1.4)	(1.1)	(17.6)
Total unrestricted funds	82.6	173.2	(173.9)	(1.8)	80.1
Restricted					
City & Guilds Land Based Services (NPTC)	3.1	0.2	(0.1)	(0.1)	3.1
Brookes Metzger Bursary	0.4	-	-	-	0.4
Total restricted funds	3.5	0.2	(0.1)	(0.1)	3.5
Non-controlling interest	0.4	0.7	(0.6)	-	0.5
Total	86.5	174.1	(174.6)	(1.9)	84.1
Institute:					
Unrestricted					
General	120.2	101.3	(97.9)	(12.9)	110.7
Revaluation reserve	0.4	-	-	-	0.4
Skills Development Fund (Designated Fund)	2.5	0.1	(0.6)	-	2.0
Defined benefit pension scheme reserve	(15.1)	-	(1.4)	(1.1)	(17.6)
Total unrestricted funds	108.0	101.4	(99.9)	(14.0)	95.5
Restricted					
City & Guilds Land Based Services (NPTC)	3.1	0.2	(0.1)	(0.1)	3.1
Brookes Metzger Bursary	0.4	-	-	-	0.4
Total restricted funds	3.5	0.2	(0.1)	(0.1)	3.5
Total	111.5	101.6	(100.0)	(14.1)	99.0

Unrestricted

Subsidiary charities

The unrestricted funds of each subsidiary are given in Note 7(a).

Designated

The Skills Development Fund was created by the Institute. Its aim is to invest in new and innovative activities which have a demonstrable impact; create long-term and sustainable change; deliver real benefit to the education sector, employers and/or learners; and reflect the Group's global profile.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025

12. Funds (continued)

Restricted

City & Guilds Land Based Services (NPTC)

The City & Guilds Land Based Services (NPTC) Fund relates to assets transferred from City & Guilds Land Based Services (NPTC) whose use is restricted to the advancement of education and training by means of the establishment and/or administration of schemes of Proficiency Tests, Vocational Qualifications, Certificates of Competence, Certificates of Qualification and other such awards in agriculture, horticulture, forestry and other industries as the Institute shall from time to time decide. It is the intention of the Trustees of The City and Guilds of London Institute to continue to support specific land-based activities through such things as research, grants and bursaries, product development and other industry initiatives.

Brookes Metzger Bursary

The Fund represents a bursary to provide opportunities to pursue a career in engineering through high-level technical qualifications to be provided in partnership with the University of Cumbria.

13. Reconciliation of net income to cash flows used in operating activities

	Year ended 31 August 2025 £m	Year ended 31 August 2024 £m
Net income	0.6	3.6
Adjustments for:		
Investment income	(0.6)	(0.7)
Depreciation and impairment	5.6	2.0
Amortisation	7.0	7.7
Taxation	0.2	0.3
Gain on investment assets	(2.4)	(4.1)
Profit on disposal of operations	(5.8)	-
Gain on disposal of fixed assets	(0.7)	0.1
Foreign translation	0.2	(0.3)
Defined benefit pension net expense	1.3	1.4
Increase in debtors	(0.7)	(4.3)
Decrease in creditors	(0.2)	(1.9)
Increase in provisions	1.0	0.2
Defined benefit pension contributions	(5.5)	(4.6)
Cash flows used in operating activities	0.0	(0.6)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025

14. Group staff costs

	Year ended 31 August 2025 £m	Year ended 31 August 2024 £m
Wages and salaries	70.3	71.9
Social security	8.2	8.0
Redundancy payments	1.7	0.8
Pension	7.1	7.3
	87.3	88.0

The above staff costs include bonus and long service award costs. Severance costs totalling £1.7m (2024: £0.8m) were incurred during the year. Pension costs for the defined benefit scheme were £1.3m (2024: £1.4m) and for the defined contribution scheme was £5.8m (2024: £5.9m).

	Year ended 31 August 2025	Year ended 31 August 2024
Average number of staff (headcount):		
Educational services	996	994
Other trading activities	508	614
Governance	2	2
	1,506	1,610
	Year ended 31 August 2025	Year ended 31 August 2024
Number of staff whose emoluments fell within the following bands:		
£60,001 - £70,000	106	138
£70,001 - £80,000	75	76
£80,001 - £90,000	60	46
£90,001 - £100,000	23	32
£100,001 - £110,000	13	20
£110,001 - £120,000	8	12
£120,001 - £130,000	9	4
£130,001 - £140,000	4	7
£140,001 - £150,000	3	3
£150,001 - £160,000	5	5
£160,001 - £170,000	2	3
£170,001 - £180,000	3	-
£180,001 - £190,000	2	1
£190,001 - £200,000	-	1
£210,001 - £220,000	-	1
£240,001 - £250,000	1	1
£250,001 - £260,000	-	1
£270,001 - £280,000	-	2
£280,001 - £290,000	1	-
£290,001 - £300,000	1	-
£400,001 - £410,000	1	-
£440,001 - £450,000	-	1
£460,001 - £470,000	1	-
£520,001 - £530,000	1	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025

14. Group staff costs (continued)

Emoluments in the above bands comprise salaries, bonus and benefits in kind, and severance payments of £0.9m (2024: £0.6m) but exclude employer's pension contributions and employer's national insurance contributions.

None of these staff (2024: Nil) accrued retirement benefits under the defined benefit section of the City and Guilds (1966) Pension Scheme until it was closed on 30 June 2018. 310 of these staff (2024: 345) are accruing retirement benefits under defined contribution arrangements during the year. Contributions to the defined contribution scheme in respect of these staff were £2.5m (2024: £2.6m).

Executive Leadership Team remuneration

Remuneration, defined as including salaries, bonus, taxable benefits-in-kind, severance and employer's pension contributions, of the Executive Leadership Team (including the Chief Executive Officer) during the year was £2,223,113 (2024: £1,810,260). The increase is due to changes in the Executive Leadership Team during the year, which included severance. Members of the Executive Leadership Team participate in the Institute's pension schemes on the same terms as other staff members, except that they may elect to take earned contributions in excess of £10,000 as cash. The total remuneration of the Chief Executive Officer was £525,516, comprising salary of £335,000, benefits of £64,195 and bonus estimate of £126,321 (2024: total remuneration of £448,174, comprising salary of £324,960, benefits of £56,214 and bonus of £67,000).

15. Expenses reimbursed to Trustees

	Year ended 31 August 2025 £000	Year ended 31 August 2024 £000
Travel and subsistence expenses reimbursed	17	10
	Year ended 31 August 2025	Year ended 31 August 2024
Number of Trustees in receipt of expense reimbursements	7	8

16. Emoluments to Trustees

Indemnity insurance is paid on the Trustees' behalf. No remuneration was paid to any Trustee during the year (2024: £Nil) nor did they receive any other benefits from employment with the charity or its subsidiaries during the year (2024: £Nil).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025

17. Operating leases

Total minimum lease payments under non-cancellable operating leases were as follows:

	Group 31 August 2025 £m	Group 31 August 2024 £m	Institute 31 August 2025 £m	Institute 31 August 2024 £m
Land and buildings:				
Within one year	2.3	2.3	0.7	0.8
In two to five years	6.1	4.4	1.8	1.1
Over five years	17.4	17.7	17.3	17.4
Other:				
Within one year	0.5	0.4	0.5	0.4
In two to five years	0.5	0.6	0.5	0.6
Total	26.8	25.4	20.8	20.3

18. Pensions

Defined benefit

The Institute provides a defined benefit pension scheme, the City and Guilds (1966) Pension Scheme. The final salary section of the scheme was closed to new entrants on 30 June 2018. The final salary section of the scheme was closed to future accrual on 1 April 2019. For the Institute and member contributions to the scheme for the year, please refer to Note 18(d). The scheme is approved by HMRC with the assets held separately from those of the Group. A triennial valuation of the City & Guilds (1966) Pension scheme was carried out by independent qualified actuaries Willis Towers Watson at 30 September 2023. This valuation disclosed a funding deficit amounting to £26.3m with deficit recovery plan annual payments of £3.6m from 1 October 2023 to 31 December 2031 increasing annually by CPI inflation.

During the year, following its disposal by the Group, City and Guilds Kineo Limited withdrew from the scheme as an employer, with the Institute taking over responsibilities for the liabilities under a flexible apportionment arrangement. It was agreed under the deed of withdrawal that the Institute would pay an additional one-off contribution to the scheme of £1.8m.

Defined contribution

The Institute provides a defined contribution pension scheme. Employees of the Group pay contributions to an independently administered fund, into which the Group also pays contributions and after which the Group has no further obligation under the scheme. Total Group contributions to the defined contribution scheme as recognised in the consolidated statement of financial activities for the year were £5.8m (2024: £5.9m).

There were no prepaid or outstanding contributions in relation to the defined contribution scheme as at 31 August 2025 (2024: £Nil).

Disclosure below in relation to the defined benefit scheme is in accordance with FRS 102.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025

18. Pensions (continued)

(a) Amounts recognised in the Balance Sheets

	31 August 2025 £m	31 August 2024 £m
Fair value of Scheme assets	131.2	144.0
Present value of funded obligations	(145.4)	(161.6)
Net liability	(14.2)	(17.6)

(b) Amounts recognised in the Statement of Financial Activities

	Year ended 31 August 2025 £m	Year ended 31 August 2024 £m
Administration expenses	(0.5)	(0.7)
Net interest charge	(0.8)	(0.7)
Total included in net income	(1.3)	(1.4)
Actuarial gain / (loss) on scheme obligations	17.4	(3.7)
Return on assets less than discount rate	(18.2)	(2.0)
Total debit in Statement of Financial Activities	(2.1)	(7.1)

(c) Changes in the present value of the Scheme obligations

	Year ended 31 August 2025 £m	Year ended 31 August 2024 £m
At 1 September	161.6	156.8
Administration expenses	0.5	0.7
Interest charge on Scheme liabilities	7.8	8.3
(Gain) / loss on change in assumptions	(17.4)	3.7
Benefit payments including expenses	(7.1)	(7.9)
At 31 August	145.4	161.6

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025

18. Pensions (continued)

(d) Changes in fair value of Scheme assets

	Year ended 31 August 2025 £m	Year ended 31 August 2024 £m
At 1 September	144.0	141.7
Interest on assets	7.0	7.6
Return on assets	(18.2)	(2.0)
Institute contributions	5.5	4.6
Benefit payments including expenses	(7.1)	(7.9)
At 31 August	131.2	144.0

The Group expects to make normal contributions of £Nil (2024: £Nil), deficit payments of £3.8m (2025 actual: £5.5m, including one-off contribution of £1.8m) and have admin expenses of £0.6m (2025 actual: £0.5m) during the next financial year. Some of the Group's tangible fixed assets are provided as further asset security to the Pension Scheme (refer to note 6 for details).

(e) Major categories of assets as % of total assets

	Year ended 31 August 2025 %	Year ended 31 August 2024 %
Equities	-	5.4
Bonds	33.8	54.4
Property	4.5	7.8
Diversified Growth Funds	47.1	31.1
Cash and other	14.6	1.3

(f) Principal actuarial assumptions at the Balance Sheet date

	Year ended 31 August 2025 %	Year ended 31 August 2024 %
Rate of increase in salaries above inflation rate	0.50	0.50
Rate of increase in pensions in payment	2.90	2.90
Discount rate	5.95	4.95
Inflation rate assumption (RPI)	3.00	3.05
Inflation rate assumption (CPI)	2.60	2.65

The post-retirement mortality assumptions adopted at 31 August 2025 are in line with the standard SAPS3 All Pensioners tables with a multiplier of 97% and future improvements based on the CMI 2024 core projections with a long-term trend of 1.50% pa and initial addition of 0.25% (2024: CMI 2023 with same assumptions).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025

18. Pensions (continued)

The Institute is aware of a UK High Court legal ruling in June 2023 between Virgin Media Limited and NTL Pension Trustees II Limited, which decided that certain historic rule amendments in relation to some pension schemes were invalid if they were not accompanied by actuarial certifications. The Court of Appeal upheld the Virgin Media case ruling in August 2024, but in June 2025, the government announced plans to introduce legislation to give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards. In light of this, the Trustees do not consider that an additional liability is likely to arise.

19. Parent charity Income and Expenditure account

The City and Guilds of London Institute has not presented its own Statement of Financial Activities. The income of the parent charity is £108.3m (2024: £101.6m) and the net expenditure for the year to 31 August 2025 is £15.5m (2024: net expenditure of £6.8m).

20. Related party transactions

Transactions with related parties are set out below:

	As at 31 August 2025		Year ended 31 August 2025				As at 31 August 2024		Year ended 31 August 2024			
	Amounts due from	Amounts due to	Sales to	Purchases from	Interest received	Donations received	Amounts due from	Amounts due to	Sales to	Purchases from	Interest received	
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	
Institute:												
Subsidiary undertakings												
City and Guilds International Limited and its subsidiaries	3.2	17.4	1.8	0.1	-	-	2.6	14.2	1.8	-	-	
City and Guilds Kineo Ltd	-	-	0.6	0.2	-	-	0.8	-	1.0	0.1	-	
City and Guilds Enterprises Ltd	-	-	-	-	-	-	-	0.3	-	-	-	
The Oxford Group	0.1	-	-	0.1	-	0.5	0.1	-	-	-	-	
Interact Learning Pty Limited	-	1.4	-	-	-	-	-	-	-	-	-	
Gen II Engineering & Technology Training Ltd	0.5	-	0.5	-	-	-	1.9	-	0.7	-	-	
Intertrain UK Limited	2.1	-	0.5	-	-	-	3.5	-	0.5	-	-	
TradeSkills 4U Group	11.2	-	0.9	-	0.6	-	9.3	-	0.9	-	0.6	
Total	17.1	18.8	4.3	0.4	0.6	0.5	18.2	14.5	4.9	0.1	0.6	

Unless specified otherwise, amounts due from and to subsidiary undertakings are repayable on demand. Transactions with subsidiary undertakings are primarily for intra-group services and cross company recharges. Net amounts due to City and Guilds International Limited and its subsidiaries totalled at £14.2m as at 31 August 2025 (2024: £11.6m).

The total compensation paid to key management personnel for services provided to the Group, including employer's national insurance contributions, was £2.5m (2024: £2.1m). Included within this total are non-contractual amounts of £180,000 in aggregate to the former Chief Operations Officer and the former Executive Director, People in settlements on loss of employment which the Trustees considered to be in the best interests of the Institute.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025

21. Financial instruments

The Group's and Institute's financial instruments measured at fair value may be analysed as follows:

	Group 31 August 2025 £m	Group 31 August 2024 £m	Institute 31 August 2025 £m	Institute 31 August 2024 £m
Financial assets measured at fair value				
Investments in funds	40.1	38.1	40.1	38.1
	40.1	38.1	40.1	38.1

Financial assets measured at fair value through the statement of financial activities comprise investments in a trading portfolio of listed company shares. The basis of determining fair value for these investments is by reference to open market value. For investments in funds, open market value is determined by the fund manager based on the net asset value of the underlying investments.

22. Commitments and contingencies

In 2023 the Institute entered into a subscription agreement to invest in a partnership, New Markets Education Partners Fund, providing opportunities to invest in securities of education and workforce related companies. Funds that have been contracted but not yet drawn down are shown as commitments as follows:

	Year ended 31 August 2025 £m	Year ended 31 August 2024 £m
Institute and Group:		
Within one year	0.7	1.4
In two to five years	1.3	1.2
Total	2.0	2.6

On 21 April 2022, the Institute signed a Deed of Guarantee to become primary obliger in guaranteeing the obligations and liabilities of its subsidiary Intertrain UK Limited in connection with the 2020 ESFA apprenticeship agreement between Intertrain and the Department for Education. The Trustees consider the likelihood of its subsidiary failing to perform its obligations to be not probable and are of the view that no material losses or liabilities will arise in respect of the guarantee.

On 11 September 2023, the Institute provided a standby letter of credit for £350,000 in respect of card payment and banking facilities related to TradeSkills 4U Limited.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025

23. Events after the reporting period

On 31 October 2025, the Institute completed the divestment of its commercial activities through a transaction with the PeopleCert Group, whereby the City & Guilds awarding organisation's trading activities and related trading assets and liabilities of the Institute and its charitable subsidiary, City and Guilds International Limited, were disposed. As part of the same transaction, the Institute's wholly owned subsidiaries operating the skills training businesses were disposed, including The Oxford Group Consulting and Training Holding Company Limited, Gen II Engineering & Technology Training Limited, Intertrain UK Limited and Trade Skills 4U Group Limited. In separate but related transactions, the land and property assets of Giltspur House and the Institute's interest in the New Market Education Partners Fund were also disposed.

As explained further in the Trustees' Annual Report, the divestment of the Group's commercial activities will have material impacts on the Group's and Institute's future activities and its financial statements in the next financial year as its income and expenditure related to commercial activities will cease from 1 November 2025 and assets and liabilities related to those activities will be disposed. Estimated net proceeds for the disposals, after selling costs, was £166m.