CITY COLLEGE NORWICH

Report and Financial Statements for the year ended 31 July 2024

Contents

Reference and Administrative Details

Key Management Personnel
Key management personnel are defined as members of the College Leadership Team and were represented by the following in 2023/24:

- **Jerry White**, Principal and CEO; Accounting Officer
- **Martin Colbourne,** Deputy CEO
- **Hilary Bright**, Director of Human Resources
- **Sebastian Gasse**, Vice Principal Student and College Services
- **Joanne Kershaw**, Vice Principal Curriculum and Quality
- **John Pollitt**, Executive Director IT Services

Board of Governors
A full list of Governors is given on pages 23 and 24 of these financial statements.
Jodie Mitchell, Director of Governance and Legal, undertook the duties of Clerk to the Corporation for 2023/24.

Principal and Registered Office: Ipswich Road, Norwich, Norfolk.

Professional advisers

- **Financial statements and regularity auditor:**
  MHA
  6th Floor
  2 London Wall Place
  London
  EC2Y 5AU

- **Internal auditor:**
  Scrutton Bland
  Fitzroy House
  Crown Street
  Ipswich
  Suffolk
  IP1 3LG

- **Banker:**
  Lloyds
  16 Gentleman’s Walk
  Norwich, Norfolk
  NR2 1LZ

- **Solicitor:**
  Mills & Reeve LLP
  1 St James Court
  Whitefriars
  Norwich
  NR3 1RU

Strategic Report

Nature, Objectives and Strategies

The governing body present their annual report together with the financial statements and the auditor's report for City College Norwich for the year ended 31 July 2024.

Legal status

The Corporation was established under the Further and Higher Education Act 1992 for the purpose of conducting Norwich City College of Further and Higher Education ("City College Norwich"). The College is an exempt charity under Part 3 of the Charities Act 2011 and is regulated by the Secretary of State for Education. Since 29 November 2022, the College has been part of the Central Government Sector.

Since 2017, City College Norwich has merged with two Norfolk colleges. On 1 December 2017, Paston Sixth Form College transferred all of its property, rights and liabilities to City College Norwich. On 1 January 2020, pursuant to the Further and Higher Education Act 1992, the business which related solely to the Easton campus of Easton and Otley College, including all property, assets and liabilities, was transferred to City College Norwich as a going concern. As part of the merger with the Easton campus of Easton and Otley College, the shares in two subsidiary companies, EOC Enterprises Limited (company number 02908222) and EOC SPV Limited (company number 08850415) were transferred in their entirety to City College Norwich.

EOC Enterprises Ltd operates the sports and conference centre at the Easton campus of City College Norwich. Over the last few years, the Directors, in conjunction with the Corporation of City College Norwich, have been considering the Company's corporate structure within the group. Following changes regarding the use of the sports and conference centre for greater further educational activities, the Directors, in conjunction with the Corporation of City College Norwich, made the decision at its meeting of 29 November 2023, to integrate the Company's trade, assets and liabilities into the College. This took place on 1 January 2024 and since then, EOC Enterprises Ltd has been dormant.

EOC SPV Limited holds City College Norwich's interest in the joint venture arrangement, ELC JV LLP, and was set up for the purpose of dealing with any tax matters arising on the sale of the land options at Easton, to the west of Norwich, by ELC JV LLP (a joint partnership). Given the Company has fulfilled its purpose and objectives and the sale of the land options at Easton was fully completed in 2022/23, the Directors, at the Board meeting of 14 December 2023, approved proposals to formally wind-up the company. This was due to take place in 2023/24, however it has been delayed as legal advice is being sought on the wind-up of the partnership, ELC JV LLP. Once the partnership has been wound-up (anticipated to be in 2024/25), the Company will then also be wound-up. The Company has not been trading during 2023/24.

Vision and Mission

In Summer 2024 we published our new Strategic Plan which set out our vision: **To change Norfolk through learning.**

The College's mission is: **Challenging your thinking, inspiring your success, creating your future.**

Challenging your thinking – this is what education is all about; it reinforces our aspirations around stretching students and apprentices; it's about teaching students to think differently; it's about enrichment and extracurricular activities too. It is about vocational, technical and professional skills and behaviours as well academic knowledge.

Inspiring your success – success for all our students and apprentices is our ultimate goal; we want to inspire them to achieve, wherever possible exceeding their goals. We want the curriculum to be inspirational – in its content and its delivery; we want our staff to be inspired and to be inspirational to our students.

Creating your futures– this statement reflects our full commitment to ensuring that students' progress from the college into their desired destinations, recognising that the college is a key step on their journey. It reaffirms our dedication to the support and challenge that is required to create opportunities for all our students, recognising that success in their futures will be individually defined.

Public Benefit

City College Norwich is an exempt charity under Part 3 of the Charities Act 2011 and is regulated by the Secretary of State for Education for all FE Corporations in England.

The members of the Corporation, who are Trustees of the charity, are disclosed on page 23. In setting and reviewing the College's strategic objectives, the Governing Body has had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education. The guidance sets out the requirement that all organisations wishing to be recognised as charities must demonstrate, explicitly, that their aims are for the public benefit.

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

- High-quality teaching;
- Widening participation and tackling social exclusion;
- Excellent employment record for students;
- Strong student support systems;
- Links with employers, industry and commerce; and
- Links with the key stakeholders such as the Local Skills Improvement Plan, local authority partners and the Chambers of Commerce.

The College provides a very broad range of courses that supports the local communities and economies across Norfolk and the wider region. As the largest provider of education in the county for 16–18-year-olds and apprentices, the College has a key role in the county. A large number of adult students engage in provision to upskill themselves, unlock their potential through improving their English skills and access Higher Education provision that can change their lives.

Context

The 2023/24 academic and financial year began against a backdrop of historical and longstanding underinvestment in Further Education (FE) but with an unexpected pay settlement. The Government announced in July 2023 that there would be further investment in the sector for 16-18 funding in 2023/24 and 2024/25. However, due to the timing of the announcement, it was not possible to include that investment within the budget position for 2023/24. The College subsequently received an updated 16-18 funding allocation which awarded an extra £2,280k of revenue funding for 2023/24. The College has used the entirety of this funding to support measures that will enhance staff recruitment and retention, including a 6.5% consolidated pay award for all staff with effect from October 2023. These measures have resulted in local trade union disputes now being settled.

Whilst funding for revenue is insufficient, capital funding has continued to be at record levels both in terms of allocations and a further success in bidding for Post 16 capacity funding for a new Construction Skills building. Whilst welcome and much needed after a decade of minimal capital investment in the sector, managing the many funding streams, each with different audit and reporting requirements and differing rules governing eligible spend and timetables, has become very challenging.

Strategy

The College has created a new Strategic Plan for the period 2024-2028 which will support the College in responding consistently and effectively to the ever-changing external environment. The Strategic Plan identifies five Strategic Themes to help us structure our actions and priorities which are:

- Learning;
- People;
- Systems;
- Sustainability; and
- Partnerships.

The five Strategic Themes provide a framework for the setting of Annual Strategic Targets, outlined within the College's Annual Accountability Agreement. In the Summer of 2024, the 11 new Strategic Targets were launched to guide our work in 2024/25.

Performance indicators

In 2023/24 the College has seen our performance in securing educational funding vary across funding streams.

For 16-18 provision, we over-recruited young people against our funding allocation (allocation = 5,610; 2023/24 R14 = 5,869), which led to an in-year growth allocation being received and resulted in a higher 2024/25 allocation.

Apprenticeship provision was monitored closely throughout the year as concerted efforts continued to "catch up" on learning and achievement disrupted by the pandemic. Our "past planned end dates" apprentice numbers decreased significantly throughout the year which was positively received by the DfE against their new accountability framework. Our final out-turn at £4,807k was an increase over 2022/23 but fell short of our budget target of £5,259k.

Higher Education (HE) continues to be an area of provision which presents challenges in recruitment and that continued in 2023/24. In line with much of the FE College sector, Higher Education provision is being squeezed by the financial pressures in universities encouraging a broader range of offer accompanied by widening participation agendas encouraging recruitment of students who previously would have looked towards colleges to support their higher education needs. In September 2023 we recruited 132 first year students in HE which was below our targeted level.

Adult Education provision continues to be a "fractured" set of funding opportunities but the core Adult Education Budget (AEB) remains a key part of our overall income. Our out-turn of £1,864k is at 109% of our allocation and reflects strong community demand for courses such as ESOL and basic literacy and numeracy provision. However, smaller funding streams such as "free courses for jobs" and the Advanced Learner Loan were under utilised as the College has not been able to develop a compelling offer to our community that will drive students to take up these funding opportunities. This remains an opportunity for the future should we consider we can identify an appropriate curriculum.

Current and Future Development and Performance

Student numbers

The 2023/24 student numbers are presented in table below from internal Individualised Learner Record (ILR) data. For prior years, the source has been the RCU Vector tool analysing ILR returns.

Year	16-18 Students	19+ Students	Apprentices	HE students (non-apprentices)
2019/20	5,420	1,160	1,660	700
2020/21	5,500	1,180	1,650	670
2021/22	5,380	1,130	1,490	640
2022/23	5,474	1,120	1,410	440
2023/24	5,869	1,240	1,350	350

16-18 student numbers were the highest ever at the College and led to the award of in-year growth funding for 2023/24 and a growth in allocated student numbers for 2024/25.

19+ student numbers were also at a recent high, with strong recruitment contributing to exceeding our funding allocation.

Apprenticeship numbers declined slightly although this reduction masks good recruitment as there was considerable efforts given to concluding the records of apprentices for whom the pandemic and other barriers were preventing the completion of their apprenticeship.

Higher Education provision (non-apprenticeship) continues to contract and is the source of considerable focus in terms of re-establishing our place within our local and national market.

Student achievements

In 2023/24 our student outcomes were on the whole improved, but with pockets where retention of students was poorer than we would have liked. This was in part due to a number of circumstances that were outside of our direct control, such as growing mental and physical health needs of students and the relocation of students by the Home Office outside of our catchment area “mid-course”. However, retention requires our continued attention to maximise the success of students and our impact on our community.

GCSE maths and English retakes for younger students had a strong year of performance, however A Level attainment declined. T Levels continued to grow, and the college exceeds many of the emerging national averages for performance in this qualification type.

In Apprenticeships, supporting apprentices who were “beyond their expected end date” (BEED) has been a critical area of focus and has resulted in some strong progress in “catching up” post pandemic.

Within HE, degree classification patterns are in line with our normal patterns.

Challenges for the next 12 months

Despite the change of Government providing some optimism within the FE sector, the broader context of the underinvestment in colleges outlined in the section above, will likely continue for the year ahead due to the wider Governmental fiscal challenges. The Budget in October 2024 announced some additional revenue and capital funding, although the impact on our college is impossible to predict and will only impact from April 25 onwards.

Specifically, there are a number of challenges that the College will have to respond to over the next 12 months:

- Continuing to recruit and retain great staff in an economy experiencing high levels of employment and significant private sector pay awards;
- Growing income that creates a surplus to ensure the financial strength of the College for future years;
- Continuing to respond to local economic and employer need in curriculum design, against a backdrop of curriculum reform; and
- Developing new and innovative ways to increase our working efficiency, streamline processes and reduce workloads.

Financial Objectives

Given the College set a significant deficit budget for 2023/24, its primary financial objectives for 2023/24 and performance against these are detailed in the following table:

Financial Objective	Performance against objective
To improve on the budget position set for 2023/24 i.e. reduce the size of the deficit through in-year financial management.	Achieved – the College set a deficit budget of £3m* for 2023/24. The final outturn for this year amounted to a deficit of £2.3m*. This was a reduction of £700k on the original budget set and the main reason for this favourable variance was due to additional in-year growth funding following increased student numbers plus better than anticipated outturn for Apprenticeships, high needs funding and grant income.
To agree a financial recovery plan which restores the College to a minimum break even position and generate positive cash inflows over the next 2-3 financial years.	In progress - The College has a Financial Recovery Plan in place and aims to break-even by 2026/27.
To maintain clear and open dialogue with the ESFA and the Further Education Commissioner. Respond in a timely manner to their requests.	Achieved – the ESFA are aware of the College's financial position through returns submitted. We continue to have open dialogue with the ESFA regional team.
To maintain clear and open dialogue with the College bankers (Lloyds bank) and proactively manage covenant compliance over the next 2 years.	In progress – the Deputy Chief Executive Officer has held regular briefing meetings with the College's relationship manager at Lloyds Bank. The Bank is aware of the current financial position and we remain in good and open dialogue with them in relation to financial recovery and covenant compliance.
To continue to achieve clean unqualified statutory Annual Report and Accounts.	Achieved – unqualified opinions have been issued on the 2023/24 accounts.

* Excludes any FRS102 pension accounting adjustments as required by the accounting standards – it is not therefore directly comparable to the deficit shown within the financial statements. These budget and actual figures reflects that which the College can "control" and are monitored in its management accounts throughout the year.

Financial results

The financial results of the Group and College are shown below.

The Group deficit for the year, as shown in the Statement of Comprehensive Income and Expenditure, amounted to £710k, (£1,017k deficit in 2022/23). Excluding the FRS 102 accounting for pensions service and net interest, the Group operating deficit for the year as shown within its management accounts amounted to £2,371k (£464k deficit in 2022/23). Whilst disappointing, a significant Group operating deficit was forecast for 2023/24 due to static funding income levels and significant inflation impacting costs, (particularly in relation to utilities costs). Positive performance during the year has assisted the College in minimising the deficit (deficit budget set of £2,995k and actual deficit performance of £2,371k), with receipt of additional in-year growth funding following increased student numbers and better than anticipated outturn for Apprenticeships, high needs funding and grant income.

The main constituent in the Group is the College. The College surplus for the year, as shown in the Statement of Comprehensive Income and Expenditure, is £4,043k, (£869k deficit in 2022/23). The significant difference between the current and prior year deficit is largely due to a one-off transaction, amounting to £4,692k, as a result of the integration of EOC Enterprises Ltd into the College. Excluding the FRS 102 accounting for pensions service and net interest, the College achieved an operating deficit for the year amounted to £2,310k (£316k deficit in 2022/23).

The following table details these transactions and reconciles the deficit for the year to the operating deficit achieved against the Group and College’s controllable budgets which have been monitored throughout the year:

	Group		**College**	
	2023/24 £’000	**2022/23 £’000**	**2023/24 £’000**	**2022/23 £’000**
(Deficit) / surplus for the year as shown in the Statement of Accounts	**(710)**	**(1,017)**	**4,043**	**(869)**
One-off transactions:				
Fair value of the net assets of EOC Enterprises Ltd on transfer to the College (1)	-	-	(4,692)	-
Sub-total	**(710)**	**(1,017)**	**(649)**	**(869)**
Impact of additional FRS 102 pension accounting service and interest charges (2)	(1,661)	553	(1,661)	553
Operating (deficit) for the year as shown in the management accounts	**(2,371)**	**(464)**	**(2,310)**	**(316)**

(1) As EOC Enterprises Ltd was a 100% owned subsidiary of the College and included within the Group already, there is no adjustment required to the Group accounts as a result of the integration of this Company into the College.

(2) FRS 102 credits for the Group and College on the Local Government Pension Scheme amount to £1,661k (FRS102 charge of £553k in 2022/23) – this includes an additional credit of £728k, (costs of £650k in 2022/23) to bring amounts charged as employer pension contributions during the year down to the required level of FRS 102 service cost charges, and additional pension net interest income of £933k, (£97k in 2022/23).

Group total comprehensive income for the year was a deficit of £2,373k, (£465k in 2022/23), and College total comprehensive income for the year was a surplus of £2,380k, (deficit of £317k 2022/23).

As in the prior year, for both the Group and College, significant other comprehensive income and expenditure transactions have occurred during the year – all of which have resulted from the FRS 102 actuarial valuation of the local government pension scheme (LGPS).

There has been actuarial gain of £8,692k in 2023/24 (£15,568k in 2022/23). This has predominantly arisen as a result of a greater than expected increase in the investment returns on the assets within the fund (an actuarial gain of £7,500k). The remaining gain is mainly as a result of a combination of two factors relating to the liabilities. There was an increase in the net discount rate as compared to the prior year (the net discount rate being the discount rate net of CPI inflation, which has increased from 2.05% at 31 July 2023 to 2.75% as at 31 July 2024). This results in the value of liabilities being lower and an actuarial gain of £4,818k. However, this is offset by an actuarial loss as an allowance was required totalling £3,855k, to take account of the impact of the April 2024 pension increase order.

The FRS 102 valuation of the local government pension scheme as at 31 July 2024 showed a net pension asset for the Group and College of £28,470k (£18,117k for 2022/23 which was impaired to £nil). Under the accounting standards, and in line with last year, the Group and College has impaired this net asset to £nil, as following advice from the actuary, the College doesn't consider that any economic benefit will flow from this asset. Therefore, other comprehensive income also includes a transaction which effectively accounts for the movement in the impairment - an impairment loss of £10,353k – this being the movement in the net asset between the current year end of £28,470k, and prior year end, £18,117k.

At 31 July 2024, the Group has non-current assets of £78,366k, (£75,659k at 31 July 2023). The increase over the prior year is mainly due to a number of capital projects being undertaken during the year, including:

- Continued works on the building of the new Construction Skills Centre, designed to increase opportunities for young people to train in the construction industry, helping to address a key regional skill need. This new building is due to open in January 2025;
- Significant flat-roofing replacement works to a number of buildings on the College's Ipswich Road site;
- Major refurbishments to the Sports and Conference Centre facilities on the College's Easton campus and the library on the College's Ipswich Road site; and
- Specialist equipment purchases for T-levels.

The College has received significant grant funding in relation to the above projects and therefore the increase in tangible fixed assets due to the above is matched to a similar increase in deferred capital grants included within creditors greater than one year.

Net current assets of the Group amount to £8,067k (£10,853k at 31 July 2023), including cash balances of £14,731k (£10,280k at 31 July 2023) and a short term investments balance of £5,000k (£10,000k in 2022/23).

Creditors greater than one year are £33,101k as at 31 July 2024 (£30,742k at 31 July 2023) and these comprise two bank loans, totalling £2,644k, and deferred government capital grants of £30,457k (£3,047k and £27,695k respectively as at 31 July 2023).

Other provisions totalled £1,248k at 31 July 2024 (£1,313k at 31 July 2023).

The Group has net assets at 31 July 2024 of £52,084k, (£54,457k net assets at 31 July 2023), which includes an I&E reserve of £45,652k surplus at 31 July 2024 (£47,827k surplus at 31 July 2023), a revaluation reserve of £6,339k (£6,535k at 31 July 2023) and restricted reserves of £93k (£95k at 31 July 2023).

The College is committed to observing the importance of sector measures and monitors quality indicators such as achievement rates. The College is required to complete the College Financial Forecast Return (July) and the annual Finance Record (December) for the Education and Skills Funding Agency. These both produce a financial health grading. The College Financial Forecast Return (July 2024) resulted in a financial health rating of "requires improvement" for 2023/24. The Finance Record (December 2024) has recorded a financial health rating of "requires improvement" for 2023/24. Disappointingly, this is a reduction on the prior year ratings which were "good" in both cases, but the existing rating is effectively as a result of the College having to set a deficit budget in 2023/24. Looking ahead, the College has put a financial recovery plan in place and expects its financial health rating to improve to a "good" rating in 2025/26.

Cash flows

The Group has monitored its cash levels throughout the year. Cash and amounts held as short term investments amount to £19,731k as at 31 July 2024, which compares to cash and short term investments of £20,280k, in the prior year. Within the Cash Flow Statement, the movements in short terms investments during the year are shown as an investing cash in/outflow, so the overall Group cash (i.e. excluding short term deposits of £5,000k as at 31 July 2024 (£10,000k as at 31 July 2023)) balance has increased by £4,451k during 2023/24 (£6,407k decrease during 2022/23). This movement is comprised:

- Operating cash inflow of £5,467k (£8,742k inflow for 2022/23) – this shows the overall cash movement arising from the operating activities for the year;
- Net cash outflow from investing activities £466k, (£14,600k outflow for 2022/23) – this is primarily payments for capital items including the annual IT equipment expenditure and costs incurred in the building of the new Construction Skills Centre offset by investment income and the withdrawal of £5,000k of short term deposits;
- Net cash outflow from financing activities £550k, (£549k outflow for 2022/23) – this is the repayment of capital and interest for the College's bank loans; and
- Cash at 31 July 2024 was £14,731k, (31 July 2023: £10,280k).

The Group has two long-term loans totalling £2,644k at 31 July 2024 (£3,047k at 31 July 2023). The first is being repaid over a remaining period of 4 years and the second over a remaining period of 11 years. Both are on a fixed interest rate.

Political and charitable contributions

The College made no political or charitable contributions during the year.

Sources of Income

The College has significant reliance on the Education and Skills Funding Agency for its principal funding source. In 2023/24 the ESFA provided 77% of the College's total income (2022/23: 77%). The ESFA provide separate funding allocations for different aspects of the College's education provision, (some of which are based on student intake numbers), as well as one-off allocations/grants for specific educational areas. In all cases, compliance to the terms and conditions of the funding / grant must be adhered to by the College, otherwise funding may be clawed back by the ESFA.

Treasury policies and objectives

Treasury management is the management of the College's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

The College has a separate treasury management policy in place. All borrowing requires the authorisation of the Corporation and shall comply with the requirements of the Financial Memorandum. Approval from the Department for Education is also required prior to entering into any borrowing agreements.

Reserves

The College is continuing to review its reserves policy to take into account bank covenant requirements, further education commissioner benchmarks, minimum cash days, existing commitments and capital projects, and the Board's appetite for financial prudence. The College remains satisfied with the level of its cash reserves but is monitoring these closely given the strain on reserves through revenue and capital budgets and ongoing commitments.

Subsidiary companies

The College owns 100% of the shareholdings in the following companies, all incorporated in England and Wales:

- EOC Enterprises Ltd. The College owns 100% of the £1 share capital of this company. The principal activity of EOC Enterprises Limited was the operation of a sports and conference centre at the Easton campus. On 1 January 2024, following approval by the Company Directors in conjunction with the agreement by the College Board, the trade and net assets of the Company were transferred to the College and since then, EOC Enterprises Ltd has been dormant. The surplus of £1k for the 5 month period to 31 December 2023 (£3k for the year 2022/23) was transferred to the College, as parent organisation, under gift aid. Full financial statements for the year to 31 July 2024 have been prepared and the results of the Company are consolidated within these financial statements. The Company's individual accounts show a trading loss of for the Company of £741k (£3k profit of 2022/23) and a nil Balance Sheet. However, these results reflect the transfer of the trade and net assets to the College (of £740k) and therefore, are eliminated as an inter-company transaction within the Group Accounts.
- EOC SPV Ltd. The College owns 100% of the £1 share capital of this company. The principal activity of EOC SPV Limited is to hold the College's interest in the joint venture arrangement, ELC JV LLP, the purpose of which was to facilitate the sale of land for development. This purpose was achieved during 2020/21 – the land and options over the land were sold on 17 May 2021. In 2022/23, all post sale activities were completed and the proceeds from the sale were fully received and distributed to Members. EOC SPV Ltd has not been trading in 2023/24, therefore has no profit/loss and does not hold any assets or liabilities on its Balance Sheet as at 31 July 2024. Advice is being sought in relation to winding up the joint venture arrangement, ELC JV LLP. Once this has been achieved, EOC SPV Ltd will also be wound-up. It is anticipated that this will take place within 2024/25.

Future Developments

The College's new Strategic Plan for the period 2024-2028 provides a clear framework for the developments that will be important for the future.

For 16-18 provision, demographics in our recruitment area are growing over the coming years and we will continue to develop our curriculum offer to address local skills needs and develop new and innovative provision for young people. We are also working hard to make our application and enrolment processes more effective and efficient, to enhance the experience young people and their families/carers have in engaging with the College and maximise the conversion of application to enrolment. Whilst there is considerable competition in some key curriculum sectors, in others the College will need to plan carefully to respond to growing demand where the specialist staffing and accommodation required could be limiting factors.

An example of this type of response is that in Dec 2024, the College will complete the new £4.4m Construction Skills Building on the Norwich site. This is a necessary expansion to support a sector that is of key strategic importance to the region and in which the College has considerable 16-18 and apprenticeship provision. In addition, in the summer of 2024, a new home for our Sports and Public Services courses was created at Easton College, consolidating this curriculum area in a single location and creating the Norfolk Institute of Sport. This also creates some spare capacity on the heavily utilised Norwich campus.

With the new Government in July 2024, the College is well positioned to respond to emerging policy priorities through the extensive work of the senior team within key regional and national forums. However, inevitably this will also result in further volatility in policy direction, (for example the pausing of already announced curriculum reform), which we will need to navigate in the short term as longer term priorities emerge.

Going Concern

The 2024/25 budget has been prepared against a backdrop of one of the most significant changes in national politics over recent decades with the recent General Election ending 14 years of Conservative government. Whilst there are reasons for the Further Education sector to be hopeful of significant changes and possibly some further investment in FE, the budget has had to be mindful that there are no certainties to that and therefore has been prepared with all the current parameters/variables in place. This includes making difficult but sensible assumptions concerning the pay and reward for College staff, reflecting the below inflation percentage increases (or indeed 0% increases) received across most of our main publicly sourced income lines. The College continues to play an active and engaged role nationally, regionally and locally to ensure it is anticipating any changes to levels of investment and managing any risks that might arise from a period of change.

In setting the budget, the College has continued all established budget management practices and has developed the 2024/25 budget based on the solid foundations of the good financial health which it has achieved in previous years. The 2024/25 budget has taken a view on the potential impact of macro-economic factors on the College costs (e.g. inflation), whilst attempting to accurately predict the income lines of an increasingly diverse range of income sources.

The College has set a deficit budget of £1,488k (excluding the impacts of FRS 102 pensions) for 2024/25 – a deficit budget for the second consecutive year. This is in line with the Financial Recovery Plan agreed with Governors.

The Group continues to have sufficient reserves which can be utilised in the short term. In the medium term, a robust financial recovery plan has been put in place and is being monitored regularly by the Business Committee.

2024/25 in year actions being undertaken to manage the budget include:

- Enrolment and a successful student recruitment commencing September 2024, with the aim of seeing better than budgeted 2024/25 income and increased income levels for 2025/26 due to the lagged nature of 16-18 funding;
- Course costings and contributions with a view to obtaining greater curriculum efficiency;
- Appointing and commencing the deep dive systems reviews in HR, Business Data and Registry;
- Commissioning the FEC team to undertake a diagnostic review of the College's apprenticeship delivery model;
- Preparing a plan to show how we can grow our HE delivery in a sustainable and cost efficient way;
- Look for further improvements in budget delegation and training – to include the largest areas of equipment and materials expenditure; and
- Officially launching the new Construction Skills Centre at Norwich and the new Sports Centre at Easton with a view to maximising recruitment and residential accommodation income.

Over the medium term, work will be undertaken which should assist the College in managing future budgets. This includes:

- Increasing 16-19 recruitment given the level of interest at open days, demography and a CPF plan for 6,300 students;
- A re-review of the new HE strategy and focusing on recruiting into higher technical courses;
- Making a success of the deep dive reviews in HR, Business Data and Registry to bring positive and sustainable changes to some of our systems and approaches;
- Completing and launching the new capital projects – most notably the Construction Skills Building, the Easton Sports Centre and the Library refurbishment; and
- Greater scrutiny of non-payroll expenditure to avoid inflationary pressures.

The deficit budget and an expanding capital programme adds both strain and complexity to the College cash position. Cash and short term investment balances as at 1 August 2024 totalled £19.5m. The Group's rolling cash flow forecast over 2024/25 predicts cash balances (including short term investment balances) of c£13.2m at 31 July 2025 and c£10.3m at 31 July 2026. These forecasts take into account the forecast I&E position, some known sensitivities, our planned capital expenditure (both routine annual investment and new and ongoing capital projects), and the cost of bank loan and interest payments. The main reason for the decrease in cash between 31 July 2024 and 31 July 2025 is the spending of FE capital condition monies alongside 2 years of deficit revenue budgets. The College's debt levels and interest costs are considered low risk relative to income and cash levels and also in comparison to the wider FE sector.

The deficit for 2023/24 and the deficit budget set for 2024/25 have impacted on the College's financial health rating and its loan covenant compliance. The financial health rating has declined from "Good" in 2022/23 to "Requires Improvement" in 2023/24 and is forecast to remain at this level for 2024/25. In addition, the College has breached one of its bank loan covenants during 2023/24 and is forecast to breach the same covenant again in 2024/25.

The College has a strong and trusted relationship with the bank, has initiated early discussions and is holding regular briefing meetings/phone calls with the bank in relation to this matter. Initial feedback from the bank has been positive – draft 23/24 financial statements were shared with the bank, to allow it to consider issuing a waiver for the breach covenant. Provided there are no changes between draft and audited financial statements, the bank has indicated that it will be content to issue a waiver for the covenant breach – this is expected in December 2024.

Taking account of the above and after making appropriate enquiries, the Corporation considers that the Group has adequate resources to continue in operational existence for the foreseeable future (going concern assumption requires us to consider the trading position up to 31 December 2025). For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details on the use of the going concern basis of preparation is disclosed in the accounting policies note 1 to the financial statements.

Resources

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

People

The Group and College employs 1,210 people based on average headcount (2022/23: 1,208) of whom 513 (2022/23: 505) are teaching staff.

Financial

The Group has a net asset position on the balance sheet of £52,084k at 31 July 2024 (£54,457 net asset at 31 July 2023). The net position is comprised:

- Income and expenditure account of £45,652k surplus (£47,827k surplus at 31 July 2023);
- Local Government pension scheme – net £nil position, (£nil net position at 31 July 2023).
- Revaluation reserve £6,339k surplus (£6,535k surplus at 31 July 2023); and
- Restricted reserves £93k surplus (£95k surplus at 31 July 2023).

Principal Risks and Uncertainties

During the 2023/24 year the College has continued to operate some well-developed systems of internal control, including financial, operational and risk management which are designed to protect the College's assets and reputation. The systems continue to be under active review to seek further enhancements.

The Executive Team undertakes a comprehensive review of the risks to which the College is exposed. They identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the College. The internal controls are then implemented and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions. In addition to the annual review, the Executive Team will also consider any risks which may arise as a result of a new area of work being undertaken by the College. Each meeting of the Executive team has a standing item to identify new or emerging risks or to alter previous assessments of risk. These risks are included within the College's risk register – this identifies the key risks, the likelihood of those risks occurring, their potential impact on the College and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system. This is supported by a culture of risk management throughout the College with risk regularly discussed in management meetings.

During 2023/24, the College has been reviewing its approach to risk management. Audit and Risk Committee meetings and the Governor Strategy Days have considered the further development of the Corporate Risk Register and the College's strategic and operational risks as well as reviewing the Risk Management Policy.

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

1. **Changes in National Education Policy**

   The new Labour Government has outlined a series of policies aimed at transforming education in the UK. A new body 'Skills England' has been established with the ambition of improving the nation's skills, it's expected that a review of Tertiary Education will take place and 'Technical Excellence Colleges' could be introduced.

   Whilst its recognised that these may bring additional opportunities for the College, there is a risk that changes in national education policy may destabilise the existing local education provision.

2. **Staff recruitment and retention**

   Post pandemic there has been considerable pressure on staff recruitment and retention at the College. A number of external and internal factors have contributed to this, and the impact has been, and continues to be, very challenging. Externally, the initially buoyant job market driving up private sector pay and subsequently the "cost of living" crisis has made staff from the College carefully consider if the package of pay and other benefits they get at the College is comparable to other employers and sectors. Internally, our ability to respond to these challenges has been limited by the inadequate levels of public investment into the post 16 education sector. The result has been higher levels of vacancies than desirable which impacts on students, apprentices and staff. This remains a key priority for us to address, both supporting national lobbying as well as seeking local solutions.

3. **Investment in College Systems**

   Our new Strategic Plan identifies systems as a key Strategic Theme for the forthcoming years. This recognises that the college invests considerable time and expense in our systems but that there is a recognition that there are considerable efficiency gains that could come from further development of "smart" solutions, business process engineering and potentially the use of AI. Finding the resources, both in terms of time and finances to drive forward this work is a key priority of the coming years and failure to do this would result in a risk for the college.

4. **Growth of income**

   Whilst several areas of the colleges "business" are constrained by public policy, the College must continue to grow and develop those areas where opportunities for growth exist such as Higher level study and commercial work. Such business development opportunities require careful consideration and an approach to investment that will need to carefully manage the risks as we are operating against a backdrop of a deficit budget.

5. **Cyber Security**

   Cyber breaches or attacks on the UK education sector have continued to increase over the last year. A wide range of breaches / attacks have been seen and include phishing attacks, impersonation, viruses or other malware, (including ransomware) and unauthorised access of files or networks by outsiders. Typically, following serious breaches/attacks, an organisation is prevented from accessing systems or data held on them – the data is usually encrypted but may also be deleted or stolen, or computers may be made inaccessible. Following the initial attack, those responsible will usually send a ransom note demanding payment to recover the data and may threaten to release sensitive data stolen from the network during the attack, if the ransom is not paid. In recent incidents affecting the education sector, ransomware has led to the loss of student coursework and financial records. Any such successful attack on the College could cause a significant and lengthy disruption to teaching and learning with considerable recovery time required to reinstate critical services.

Over the last year, there has been continued focus on mandatory cyber security training (with over 98% of staff having completed the training). The College has procured and installed a new fire wall technology and continues to remain vigilant as regards cyber security. Work is ongoing to strengthen the College's resilience and mitigate the risks in this area and includes work to achieve the Cyber Essentials accreditation in December 2024.

6. Deficit Budget Set for 2024/25

The College has set a deficit budget for 2024/25 of £1,488k, (see further details on this above within the Going Concern section of the report). Whilst significant and the second year running that a deficit budget has been set, it is not out of step with the broader financial recovery plan that the College has in place.

The College has identified a number of risks associated with the 2024/25 budget including:

- A lack of a Government funded pay award for the FE Sector leading to further pressure on our staffing and challenging discussions with our Union colleagues;
- Allowance for minimum wage increases on pay budgets and inflation assumptions on non-pay budgets being insufficient, leading to overspends in expenditure;
- Learner recruitment targets not being met (particularly in Higher and Adult Education and Teacher Training), ultimately resulting in reduced income levels; and
- Ongoing staff recruitment and retention issues leading to increased cost of using agency staff to fill gaps in curriculum delivery or in the support function.

Again, as noted within the Going Concern section, the College has arrangements in place to mitigate these risks. A medium-term financial recovery plan is in place and is being monitored throughout the year. Actions are currently being taken focussing on income growth through, for example, student recruitment. In relation to expenditure, the College is looking at improvements in budget delegation and training to empower staff to reduce further costs. In addition, close review and monitoring of income and expenditure budgets will be required over the coming months to ensure the College can react appropriately to mitigate, as far as possible, any adverse impacts identified.

7. Maintain adequate funding of pension schemes

The national employer contribution rate increased from 23.68% to 28.68% from 1 April 2024. Whilst Government funding has been received to cover this increase for the period 1 April 2024 to 31 March 2025, the outlook for funding contributions post the next Government Comprehensive Spending Review in March 2025 remains uncertain.

The College's share of the Local Government Pension Scheme (LGPS) is currently fully funded and it is hoped this will have a positive future impact for the College from a reduction in employer contribution rates following the next actuarial valuation of the scheme in March 2025. However, given the rates are set based on a number of factors (for example in relation to inflation, pay increases, membership, mortality rates and expected returns on investments) which are considered over the long term, there remains an underlying risk in funding the LGPS.

In addition to the above risks, the College is still keeping under review the risks and opportunities in relation to potential devolution within Norfolk for the commissioning and delivery of Adult Education.

Stakeholder Relationships

In line with other colleges and with universities, City College Norwich has many stakeholders. These include:

- Students;
- Staff;
- Parents/Carers;
- Education Sector Funding bodies;
- Local employers;
- Local Authorities and local schools;
- The Chambers of Commerce;
- The local community;
- University of East Anglia;
- Norwich University of the Arts;
- Other FE and HE institutions;
- Trade unions; and
- Professional bodies.

The College recognises the importance of these relationships and actively engages with these key partners in a number of formal and informal ways. Senior college staff have formal roles in a number of key local stakeholder boards and committees which, in addition to covering post 16 education, also include specific areas of focus, including safeguarding, SEN and careers guidance.

In 2023/24 the Senior Team of the college made significant efforts to play leading roles in key stakeholder groups. The Principal was a member of the:

- Children and Young People's Strategic Alliance (FE rep for Norfolk; Norfolk County Council);
- Education and Training Strategy Group (FE rep for Norfolk; Norfolk County Council);
- Association of College's Workforce Strategy group (Chair, AoC);
- Association of College's 2030 Group (Member, AoC);
- New Anglia College's Group Principal's meeting (Chair, NACG);
- Norfolk Learning Collaborative (FE rep for Norfolk; Norfolk County Council);
- Towns Deal Board (Board member; Norwich City Council);
- Norfolk Investment Fund Board (Board member; Norfolk County Council);
- Agri-Skills Food Industry Council (Council member; Previously LEP now under Norfolk CC leadership);
- New Anglia Advanced Engineering and Manufacturing (NAAME) Industry Council (Council member; Previously LEP now under Norfolk CC leadership);
- The Forum Trust (Trustee); and
- Food And Farming Discovery Trust (Trustee)

The Deputy CEO held a number of similar roles related predominantly to work on the Easton campus (such as the Broadland & South Norfolk UKSP Advisory Board) and college finances (Landex Finance Group, AOC East Finance Directors, Schools Forum (NCC) - Post 16 Rep).

Other members of the senior team worked locally, regionally and nationally on boards and other sector specific project groups. There are a number of additional engagements via the Department for Education, awarding organisations and other sector bodies such as the Mixed Economy Group and the Education and Training Foundation in which College staff play a formal and active role. This include the Director of SEN support and Nursery leading our work as a Centre for Excellence in Special Educational Needs and Disabilities (SEND) with the ETF / DfE.

Our relationship with our validating University, UEA, remained strong. In 2023/24 the College and UEA signed a new Partnership Agreement to underpin joint working and seek to identify further areas for co-operation and collaboration. This co-operative work in the HE sector underpins the Network for East Anglian Collaborative Outreach, (neaco), project which looks to enhance HE progression for young people from our region. The neaco project works across Norfolk, Suffolk and Cambridgeshire and the Principal formally represented the FE sector on the University of Cambridge led Executive Group of neaco.

The College continues to reflect how to further enhance stakeholder relationships to produce productive outcomes for our students and staff with Partnerships as key strategic theme in our new Strategic Plan.

Equality and Diversity

Equality

The College is committed to ensuring equality of opportunity for all who learn and work here. We respect and value positively differences in race, gender, sexual orientation, disability, religion or belief and age. We strive vigorously to remove conditions which place people at a disadvantage and we will actively combat bigotry. This policy is resourced, implemented and monitored on a planned basis.

The College's equality statement is that we are:

- A College where everyone benefits from the wide diversity of staff and students; and
- A College we can all access with equal ease and dignity, enjoy a sense of belonging, and where learning and working have been designed with each of us in mind.

The College publishes an Annual Equality Report and Equality Objectives to ensure compliance with all relevant equality legislation including the Equality Act 2010. The College undertakes equality impact assessments on all policies and procedures.

The College has committed to the 'Mindful Employer' initiative to assist the mental health wellbeing of staff. In addition, the College has signed the AoC Mental Health Charter in October 2024. The College has also implemented an updated Equality & Diversity training programme which all staff have attended. Refresher training and training for new starters is carried out on an ongoing basis.

The College is working towards Investors in Diversity status which is proving a useful and insightful process.

Disability statement

The College is a 'Positive about Disabled' employer and has committed to the principles and objectives of the Positive about Disabled standard. The College considers all employment applications from disabled persons, bearing in mind the aptitudes of the individuals concerned, and guarantees an interview to any disabled applicant who meets the essential criteria for the post. Where an existing employee becomes disabled, every effort is made to ensure that employment with the College continues. The College's policy is to provide training, career development and opportunities for promotion which, as far as possible, provide identical opportunities to those of non-disabled employees.

Trade Union Facilities Time Reporting

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

For period 1 April 2023 to 31 March 2024:

Relevant Union Officials:

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number of representatives
10	8.3

Percentage of Time Spent on Facility Time:

Percentage of time	Number of employees
0%	-
1-50%	10
51-99%	-
100%	-

Percentage of Pay Bill Spent on Facility Time:

Total cost of facility time	£15,684
Total pay bill	£3,311,259
Percentage of total pay bill spent on facility time.	0.47%

Paid trade union activities:

Total facilities time	656
Time spent on paid trade union activities as a percentage of total paid facility time.	0%

Events after the Reporting Period

There have no been events occurring after the reporting date of 31 July 2024 that impact on the balances included within the Group's financial statements.

Disclosure of Information to Auditors

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

Approved by order of the members of the Corporation on 10 December 2024 and signed on its behalf by

Andrew Barnes

Chair of the Corporation

Statement of Corporate Governance and Internal Control

The following statement is provided to enable readers of the annual report and accounts of the College to obtain a better understanding of its governance and legal structure. This statement covers the period from 1st August 2023 to 31st July 2024 and up to the date of approval of the annual report and financial statements.

Governance Code

The College endeavours to conduct its business:

- in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership);
- in full accordance with the guidance to colleges from the Association of Colleges in The Code of Good Governance for English Colleges; and
- having due regard to the UK Corporate Governance Code ("the Code") insofar as it is applicable to the further education sector.

The College is committed to exhibiting best practice in all aspects of corporate governance. On 17 October 2023, the College/Board adopted and has since complied with the 2023 Association of College's Code of Good Governance. Prior to this, the College had adopted the updated Code of Good Governance for English Colleges issued by the Association of Colleges in 2019. We have not adopted and therefore do not apply the UK Corporate Governance Code. However, we have reported on our Corporate Governance arrangements by drawing upon available best practice, including those aspects of the UK Corporate Governance Code we consider to be relevant to the further education sector and best practice.

In the opinion of the governors, the College complies with all the provisions of the Code of Good Governance for English Colleges and it has complied throughout the year ended 31 July 2024. This opinion is based on both internal and external reviews of compliance with the Code:

- Under the terms of its funding agreement, the College is required to have an external governance review every 3 years. The first review was required to be undertaken between August 2021 and July 2024 and every three years after that. In February 2024, the College underwent an External Board Review of compliance with the Code, which was undertaken by Simon Perryman, Chair of the AoC Governors Council. The Report was finalised in May 2024. No significant issues were raised following this review, as regards the College/Board's compliance with the Code. A Summary of the Report and Action Plan is published on the College's website, having been approved by Simon Perryman.
- The Corporation carried out the annual self-assessment of governance for the year ended 31 July 2024 considering feedback received from all members of the Corporation and taking account of events since 31 July 2024. The results of the annual self-assessment report were considered by the Board at its meeting on 22 October 2024.

In addition, our internal auditors, Scrutton Bland, undertake reviews of the College's compliance with sections of the Code as part of their cyclical programme of audits and report their results to the Audit and Risk Committee. Whilst no specific reviews of Governance were undertaken during 2023/24 (as we had the External Board Review), there has been no significant issues raised in previous years as regards the College/Board's compliance with the Code.

The Governing Body recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times. In carrying out its responsibilities, it takes full account of the 2023 Association of College's Code of Good Governance.

The Corporation

The members who served the Corporation during the year and up to the date of signature of this report were as follows:

Name	Date of appointment	Term of office	Date of resignation	Status of appointment	Committees served	Corporation meeting attendance 2023/24
Mr M Bailey	11/07/2023	4 years		General	Vice Chair of Corporation (from 01/08/2024) A, CS	7/7
Ms S Barker	18/10/2022	4 years		Staff Governor	B	6/6
Mr A Barnes	21/02/2012 Re-appointed 21/02/2016 Appointed as Chair 10/07/2018 Re-appointed 20/02/2020 Extension of 5 months agreed until 31/07/2024 Extension of 12 months agreed until 31/07/2025	4 years		General	Chair of Corporation; B, R	7/7
Mr N Bartram	06/02/2018 Re-appointed 06/02/2022	4 years		General	B, R	6/7
Miss J Fryer	17/10/2023	1 year		Student Governor	CS	6/6
Dr A Blanchflower	06/10/2015 Re-appointed 07/10/2019 Re-appointed 07/10/2023 Extension of 9 months agreed until 31/07/2024	4 years	31/07/2024	General	A, CS, R	6/7
Mr W Easlea	11/07/2023	4 years	28/02/2024	General	B (from 17/10/2023)	4/4
Mr P Gormley	11/07/2023	4 years		General	CS	1/7
Ms N Gray	22/05/2014 (co-opt'd) Re-appointed 10/07/2018 as full board member Re-appointed 10/07/2022	4 years		General	B	4/7
Mr S Green	11/07/2023	4 years		General	A	4/7

Name	Date of appointment	Term of office	Date of resignation	Status of appointment	Committees served	Corporation meeting attendance 2023/24
Ms J Lanning	07/07/2015 Re-appointed 10/07/2019 Extension of 12 months agreed until 31/07/2024	4 years	31/07/2024	General	Vice-Chair of Corporation, A, CS, R	7/7
Mr P Pearce	01/03/2023	4 years		General	A, CS	4/7
Mr L Pepperell	01/07/2022 Reappointed 04/07/2023	1 year	30/06/2024	Student Union Representative	B, CS	5/5
Mr F Simpson	02/07/2024	1 year		Student Union Representative		1/1
Ms C Snudden	28/03/2023	4 years	06/10/2023	General	CS	0/1
Ms L Stewart	18/10/2022	4 Years		Staff Governor	CS	5/6
Mr J White	01/08/2022			Principal / CEO	B, CS	7/7

Key: A = Audit and Risk Committee; B = Business Committee; CS = Curriculum and Standards Committee; R = Remuneration and Governance.

Following the end of the year, the following new Governors have been appointed to the Board in 2024/25:

Name	Date of appointment	Term of office	Status of appointment
Mrs L Sydney	01/08/2024	4 years	General
Mr J Downie	01/08/2024	4 years	General
Mr J McNeill	01/08/2024	4 years	General
Dr K McCullagh	01/08/2024	4 years	General
Miss H Thomas	22/10/2024	1 year	Student Governor

The Governance Framework

It is the Corporation’s responsibility to bring independent judgment to bear on issues of strategy, performance, resources and standards of conduct.

The Corporation is provided with regular and timely information on the overall financial performance of the College together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel related matters such as health and safety and environmental issues. The Corporation meets at least once a term.

The Corporation conducts its business through a number of committees. Each committee has terms of reference, which have been approved by the Corporation. In 2023/24, these committees were Audit and Risk, Business, Remuneration and Governance and Curriculum and Standards.

Minutes of all Board and committee meetings, except those deemed to be confidential by the Corporation, are available on the College website (www.ccn.ac.uk) or from the Director of Governance and Legal at:

City College Norwich
Thetford Building
Ipswich Road
Norwich
NR2 2LJ

All responsibilities of the Clerk to the Corporation are undertaken by the Director of Governance and Legal.

The Director of Governance and Legal, maintains a register of financial and personal interests of the Governors. The register is available for inspection at the above address.

All governors are able to take independent professional advice in furtherance of their duties at the College's expense and have access to the Director of Governance and Legal, who is responsible to the Board, for ensuring that all applicable procedures and regulations are complied with. The appointment, evaluation and removal of the Director of Governance and Legal are matters for the Corporation as a whole.

Formal agendas, papers and reports are supplied to governors in a timely manner except where there are genuine reasons for delayed reporting, prior to Board meetings. Briefings are also provided on an ad-hoc basis.

The Corporation has a strong and independent non-executive element and no individual or group dominates its decision-making process. The Corporation considers that each of its non-executive members is independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgment.

There is a clear division of responsibility in that the roles of the Chair of the Corporation and the Principal and CEO (and Accounting Officer) of the College are separate.

Appointments to the Corporation

Any new appointments to the Corporation are a matter for the consideration of the Corporation. The Corporation's Remuneration and Governance Committee includes a search function and is responsible for monitoring Corporation membership. New appointments are considered by the Remuneration and Governance Committee and recommended for approval to the Corporation. The Corporation is responsible for ensuring that appropriate training is provided as required.

Members of the Corporation are appointed for a term of office not exceeding four years, at which time they could be reappointed. In March 2019, the Corporation approved that members serve a maximum term of twelve years being two terms of four years as a Governor, followed by a further four-year term having been appointed into a more senior role, such as Chair. In May 2022, the Corporation approved that any extension past the two terms of 4 years (or 12 years when appointed to Chair), must be for a specified period of no longer than 12 months at a time and the exceptional circumstances should be in relation to succession planning or specific governor expertise and skills. The Corporation continually assesses the composition of the Board to ensure it continues to have the right mix of skills, gender, race, experience and commitment.

Corporation Performance and Training of Governors

New members of the Governing body are supported by the Director of Governance and Legal and the Governance and Legal Assistant through a specific induction process via a number of meetings and online training sessions to ensure all requirements are met. Governors are asked to confirm they have read and understood various documents, such as, but not limited to:

Corporation Documents
- Code of Conduct for Board Members of Public Bodies
- Responsibilities of the Board
- Role Description for College Governors
- CCN Governance Guide
- CCN Code of Conduct for Governors

Safeguarding:
- College Code of Conduct
- Keeping Children Safe in Education – Full Policy
- CCN Induction Modules covering Further Education, Governance and the online Board Portal used for all Governance meetings
- ETF Governor Induction Training

A safeguarding training session is also provided to new Governors which incorporates Safeguarding, Code of Conduct, Keeping Children Safe in Education, Prevent and County Lines. This training is valid for a 12-month period which then requires updating. This session is normally run annually providing the training for new Governors, those that require renewal and those Governors that request a refresher early.

Governors and Governance Professionals are also encouraged to the attend a number of sessions provided by the Education Training Foundation (ETF) and Association of Colleges (AoC) who provide sessions such as:

- New Governor Training;
- Student Governor Training (UnLoc);
- Staff Governor Training;
- Regional Governance Conference (East);
- Chairs Leadership Programme;
- Governance Professionals Conference;
- AoC Annual Conference;
- AoC East Principals Network; and
- AoC East Clerk's and Governance Professionals' Network.

Numerous training opportunities are offered to the Governing body throughout the year at Strategy Days (2 per year) and at the request of Governors through the 3Corporation self-assessment process.

Governor Training Record – 2023/24

Provided below are a list of events attended by Governors during 2023/24:

- AoC Finance and Audit Chairs Network;
- AoC Quality and Curriculum Chairs Network;
- AoC Chairs and Vice-Chairs Network;
- AoC/ETF Governance Summit;
- AoC/ETF Governors Summit;
- ETF Webinar – College Funding and Finance, Sustainability and Innovation and What Makes an Effective Audit;

- Webinar - DfE formal response to FE funding and accountability reform;
- ETF New Governor Inductions; and
- ETF Governance Development Programme.

In addition, the following core training was provided:

- Code of Conduct;
- Safeguarding;
- County Lines;
- KCSIE – Full Policy – Declaration;
- Prevent Awareness; and
- Induction Modules.

Training of Governance Professionals – 2023/24

Both the Director of Governance and Legal and the Governance and Legal Assistant are members of the AoC East Clerks Network and Governance Professionals Network. This network held meetings throughout 2023/24 and were attended by the Director of Governance and Legal or the Governance and Legal Assistant. The Director of Governance and Legal completed the ETF Governance Professionals Leadership Programme in November 2023.

Other training undertaken by the Director of Governance and Legal during the year includes the AoC Governance Professionals' Conference 2024. Alongside College core training (e.g. including Safeguarding and Code of Conduct training) and attending a number of external education webinars on different aspects, which included webinars presented by Eversheds, Good Governance Improvement (GGI), the Chartered Governance Institute (CGI) and the ETF Governance Development Programme.

Audit and Risk Committee

In 2023/24, the Audit and Risk Committee comprised of five members. The Committee operates in accordance with written terms of reference approved by the Corporation. Its purpose is to advise the Corporation on the adequacy and effectiveness of the College's system of internal control and its arrangements for risk management, control and governance processes.

The Audit and Risk Committee meets on at least a termly basis and provides a forum for reporting by the College's internal auditors, reporting accountants and financial statement auditors, who have access to the committee for independent discussion, without the presence of College managers. The Committee also receives and considers reports from the main FE funding bodies, as they affect the College's business.

The College's internal auditors review the systems of internal control, risk management controls and governance processes in accordance with an agreed plan of input and report their findings to management and the Audit and Risk Committee.

Managers are responsible for the implementation of agreed recommendations and internal audit undertake periodic follow up reviews to ensure such recommendations have been implemented.

The Audit and Risk Committee also advises the Corporation on the appointment of internal auditors, reporting accountants and financial statements auditors, and their remuneration for both audit and non-audit work as well as reporting annually to the Corporation.

The members of the committee and meetings attended in the year were as follows:

Name	Meetings Attended	Out of Possible
Jill Lanning (Interim Chair for 19/09/2023)	5	5
Andrea Blanchflower (Chair from 17/10/23 to 31/07/24)	5	5
Philip Pearce (Chair from 01/08/24)	4	5
Marcus Bailey	3	5
Sean Green	3	5

In 2023/24, the normal calendar of meetings and schedule of business was implemented with meetings held in person, with the option to attend remotely via Microsoft Teams, if required. An additional Audit and Risk Committee meeting was implemented during 2023/24 to consider and approve the appointment of the Internal Auditors following a procurement process.

Business Committee

The terms of reference for the Business Committee require at least 5 members – these were in place during 2023/24. The Business Committee’s main purpose is to oversee general financial matters of the Board.

The members of the Committee and meetings attended in the year were as follows:

Name	Meetings Attended	Out of Possible
Noel Bartram (Chair)	6	6
Shirley Barker	5	6
Andrew Barnes	4	6
Wayne Easlea (resigned 28/02/2024)	2	2
Nikki Gray	5	5
Lewis Pepperell	3	6
Jerry White	6	6

In 2023/24 the normal calendar of meetings and schedule of business was implemented with meetings held in person with the option to attend remotely via Microsoft Teams, if required. No additional meetings were required for the Business Committee.

Curriculum & Standards Committee

The terms of reference for the Curriculum and Standards Committee require at least 6 members – these were in place during 2023/24. The Committee operates in accordance with written terms of reference approved by the Corporation. Its purpose is to oversee the curriculum and standards matters of the College.

The members of the Committee and meetings attended in the year were as follows:

Name	Meetings Attended	Out of Possible
Jill Lanning (Chair)	6	6
Marcus Bailey	5	5
Andrea Blanchflower	5	6
Josie Fryer	5	5
Philip Gormley	0	5
Philip Pearce	4	6
Lewis Pepperell	6	6
Chris Snudden (resigned 6/10/20203)	0	1
Laura Stewart	4	6
Jerry White	6	6

In 2023/24 the normal calendar of meetings and schedule of business was implemented with meetings held face to face with the option to attend remotely via Microsoft Teams, if required. No additional meetings were required for the Curriculum and Standards committee.

Remuneration and Governance Committee

In 2023/24, the Remuneration Committee comprised of four members. The Committee operates in accordance with written terms of reference approved by the Corporation. The Committee's responsibilities are to make recommendations to the Board on the remuneration and benefits of the Principal & CEO (and Accounting Officer), the College's only senior post holder.

The College has adopted the AoC's Senior Post Holder Remuneration Code (2018). ("The Code"). Adopting the Code assists the Remuneration Committee in rewarding and retaining highly talented and effective Senior Post Holders ("SPH") in order for them to deliver the College's strategy and to achieve the best outcomes for students, key stakeholders and staff while ensuring effective use of resources. SPHs receive an annual salary only - performance-related pay in City College Norwich ceased from the academic year 2018/19 following the approval of the Board. Details of remuneration for the year ended 31 July 2024 are set out in note 8 to the financial statements.

The Committee members and meetings attended in the year were as follows:

Name	Meetings Attended	Out of Possible
Noel Bartram (Chair)	7	7
Andrew Barnes	6	7
Andrea Blanchflower	5	6
Jill Lanning	7	7

In 2023/24 the normal calendar of meetings and schedule of business was implemented with a meetings held face to face with the option to attend remotely via Microsoft Teams, if required. held via Microsoft Teams, with additional meetings arranged throughout 2023/24. The Remuneration and Governance committee meet once a term.

Additional Governance Meetings

Additional to the above mentioned Governance meetings, members of the Corporation will participate in additional meetings throughout the year such as, Curriculum planning meetings, College Self-Assessment Review meetings and Strategic Governor Group Meetings.

Internal Control

Scope of responsibility

The Corporation is ultimately responsible for the College's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Corporation has delegated the day-to-day responsibility to the Principal and CEO, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives, whilst safeguarding the public funds and assets for which they are personally responsible, in accordance with the responsibilities assigned to them in the Financial Memorandum between City College Norwich and the funding bodies. The Principal and CEO is also responsible for reporting to the Corporation any material weaknesses or breakdowns in internal control.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of College policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in City College Norwich for the year ended 31 July 2024 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Corporation has reviewed the key risks to which the College is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Corporation is of the view that there is a formal ongoing process for identifying, evaluating and managing the College's significant risks that has been in place for the period ending 31 July 2024 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Corporation.

The risk and control framework

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

- Comprehensive budgeting systems with an annual budget, which is reviewed and agreed by the Corporation;
- Regular reviews by the Corporation of periodic and annual financial reports which indicate financial performance against forecasts;
- Setting targets to measure financial and other performance;
- Clearly defined capital investment control guidelines; and
- The adoption of formal project management disciplines, where appropriate.

The College has an internal audit service, provided by Scrutton Bland, which operates in accordance with the requirements of the ESFA's *Post 16 Audit Code of Practice*. The work of the internal audit service is informed by an analysis of the risks to which the College is exposed and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the Corporation on the recommendation of the Audit and Risk Committee.

As a minimum, the Head of Internal Audit (HIA) annually provides the Corporation with a report on internal audit activity in the College. The report includes the HIA's independent opinion on the adequacy and effectiveness of the College's system of risk management, controls and governance processes.

Risks faced by the Corporation

The Board confirms that there is an ongoing process for identifying, evaluating and managing significant risks faced by City College Norwich. This process has been in place throughout the year under review, up to the date of the annual report, and is regularly reviewed by the Board.

The Board has an approved Risk Management Policy in place (but continues to keep this under review) and the identification and evaluation of key risks that threaten achievement of the College's objectives are carried out under that Policy. Proportional steps are taken to mitigate the identified risks and a register of these risks including detail of the mitigating action taken, is maintained for the College.

The College holds and maintains a Risk Register which incorporates the organisational and financial risks. The Risk Register lists risks; assesses their impact on a five-point scale: minor, moderate, serious, major and severe; and assesses their likelihood on a five-point scale: unlikely, possible, likely, highly likely and almost certain. The Risk Management Policy sets out the appetite for risk and the Risk Register format, including the scoring of impact.

The Board is responsible for determining the nature and extent of the significant risks they are willing to take in achieving their strategic objectives, taking regard of the overarching risk appetite as set out in the policy. The Board is charged with establishing formal and transparent arrangements for considering how they should apply the risk management and internal control principles and monitoring the effectiveness of those. Audit and Risk Committee also has responsibilities in relation to risk management and during the year has been considering the approach it takes to reviewing the risk register.

Fraud

The Corporation has a zero-tolerance approach to fraud and action is taken to limit the risk of fraud through the system of internal control. A fraud policy and response plan is incorporated in the risk management framework.

Bribery

The Corporation has a zero-tolerance approach to bribery and action is taken to limit the risk of bribery through the system of internal control with the maintenance and monitoring of a register of gifts and hospitality received. The College undertakes regular reviews of the anti-bribery measures in place, ensuring that they remain adequate.

Control weaknesses identified

There are no significant internal control weaknesses that have been identified during 2023/24 and up to the date of the signing of the annual report and accounts 2023/24.

Responsibilities under accountability agreements

The Corporation has funding agreements and contracts in place with a number of organisations including the ESFA and the OfS, which are signed by the Principal and CEO as Accounting Officer.

All funding streams have specific individuals responsible for ensuring that the terms and conditions of funding are met. In addition, the College's funding team, within the central Registry team, will review all funding rules and ensure that these are supported by appropriate learner records. Furthermore, the College has a strong financial management control environment and this ensures regularity and proprietary in the use of funding.

This includes:

- Having approved policies and procedures in place, such as the Financial Regulations. These are available to all staff on the College's intranet and provide the overarching financial rules for staff to abide by;
- Setting and regularly monitoring an annual budget. The budget is set prior to the start of the year and approved by the Board. Management accounts are produced and reviewed by the Principal and CEO on a monthly basis and are presented on a regular basis throughout the year to the Business Committee and the Board;
- A hierarchical authorisation matrix is in place, agreed by the Principal and CEO, for the approval of orders and expenditure. This ensures all proposed expenditure is authorised in advance and approved by the appropriate individuals, thus assisting in maintaining budgetary control;
- Monthly reconciliation and submission of the ILR to the ESFA; and
- Monthly completion and review of key financial reconciliations, such as the bank reconciliation, to confirm the accuracy and validity of financial transactions.

During 2023/24, all returns/claims required under the funding agreements have been submitted in accordance with the deadlines.

The Department for Education and Education and Skills Funding Agency introduced new controls for the College on 29 November 2022 on the day that the Office for National Statistics reclassified colleges as public sector organisations in the national accounts. The ESFA chief executive communicated these changes to all college accounting officers and explained plans to introduce a college financial handbook in 2024. The College has reviewed its policies, procedures and approval processes in line with these new requirements to ensure there are systems in place to identify and handle any transactions for which DfE approval is required.

Statement from the Audit and Risk Committee

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

The specific areas of work undertaken by the Audit and Risk Committee in 2023/24 and up to the date of the approval of the financial statements are:

- Consideration and approval of the Assessment of the Auditors Performance Indicators for 2022/23 and consideration and approval of the Auditors Performance Indicators for 2023/24.
- Consideration and recommendation to the Board for the approval of a 12 month extension of the external audit contract with MHA.
- Review of the External Audit Plan and Strategy for 2023/24.
- Review of the Internal Audit Plan for 2023/24.
- Review of the work of internal audit (Scrutton Bland). The Committee reviewed reports and recommendations from eleven reviews undertaken by internal audit as part of their 2023/24 plan and a further review commissioned by the College on Funding Assurance.

- Reviews were undertaken in the following areas:
  - Apprenticeships compliance - onboarding and control framework;
  - Budget Setting and Control;
  - Business Development: Darwin Project;
  - Capital Projects;
  - Curriculum Planning and Development;
  - Funding Assurance;
  - Human Resources;
  - Payroll;
  - Residential Provision;
  - Treasury Management;
  - Student Voice; and
  - Follow up of previous recommendations.

  All reviews received strong / significant assurance, except two which received reasonable assurance. Reasonable progress had been made on the follow-up review. There were no high risk recommendations and 9 medium risk recommendations made.
- Review of the Internal Audit Annual Report 2023/24 which included the Head of Internal Audit's opinion that, for the year ended 31 July 2024, the College has adequate and effective:
  - Risk management processes;
  - Governance processes;
  - Control processes; and
  - Processes surrounding efficiency and effectiveness.
- Review of the work of the external auditor (MHA). This included unqualified/unmodified audit and regularity opinions for the Group and College. In addition, no significant control weaknesses were identified through the work of external audit.
- Consideration and recommendation to the Board for the re-approval of the Internal Auditors (Scrutton Bland) for the period commencing 1 August 2024, following a robust procurement process.
- Consideration of risks, the Strategic Risk Register and risk management with an agreement to ensure greater scrutiny of risks going forward. The Annual Review of the Risk Management Policy.
- Consideration of the governance of and governing with AI.
- A significant review and revision of the Committee's Terms of Reference, which were approved by the Board in July 2024.
- Annual Review of the Whistleblowing Procedure and the Annual Whistleblowing Complaints Report.
- Review of the Senior Post Holder's Expenses Claims and Credit Card data.
- A review of the ESFA College Financial Handbook, with a compliance self-assessment report presented to the Board in July 2024.

Review of effectiveness

As Accounting Officer, the Principal and CEO has responsibility for reviewing the effectiveness of the system of internal control. Their review of the effectiveness of the system of internal control is informed by:

- The work of the internal auditors;
- The work of the executive managers within the College who have responsibility for the development and maintenance of the internal control framework; and
- Comments made by the College's financial statements auditors and the reporting accountant for regularity assurance, in their management letters and other reports.

The Principal and CEO has been advised on the implications of the result of the HIA's review of the effectiveness of the system of internal control by the Audit Committee which oversees the work of the internal auditor, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Principal and CEO and executive management team receive reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The Principal and CEO, executive management team and Audit and Risk Committee also receive regular reports from internal audit, which include recommendations for improvement.

The Audit and Risk Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Corporation's agenda includes a regular item for consideration of risk and control and receives reports thereon from the executive management team and the Audit and Risk Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its December 2024 meeting, the Corporation carried out the annual assessment for the year ended 31 July 2024. The assessment undertaken considers documentation provided throughout the year from the senior management team and internal audit, feedback received from all members of the Corporation and taking account of events since 31 July 2024.

The Board has received the Audit and Risk Committee annual report, has conducted its annual review of the effectiveness of the system of internal control, and has taken account of any changes needed to maintain the effectiveness of the risk management and control process.

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

Approved by order of the members of the Corporation on 10 December 2024, and signed on its behalf by:

Andrew Barnes	**Jerry White**
Chair of the Corporation	**Principal, CEO and Accounting Officer**

Statement on the College's regularity, propriety and compliance with Funding body terms and conditions of funding

As Accounting Officer, I confirm that the Corporation has had due regard to the framework of authorities governing regularity, priority and compliance, and the requirements of grant funding agreements and contracts with ESFA, and has considered its responsibility to notify ESFA of material irregularity, impropriety and non-compliance with those authorities and terms and conditions of funding.

I confirm on behalf of the Corporation that after due enquiry, and to the best of my knowledge, I am able to identify any material irregular or improper use of funds by the corporation, or material non-compliance with the framework of authorities and the terms and conditions of funding under the corporation's grant funding agreements and contracts with ESFA, or any other public funder. This includes the elements outlined in the "Dear accounting officer" letter of 29 November 2022 and ESFA's bite size guides.

I confirm that no instances of material irregularity, impropriety, funding non-compliance, or non-compliance with the framework of authorities have been discovered to date. If any instances are identified after the date of this statement, these will be notified to ESFA.

Jerry White

Jerry White
Principal, CEO and Accounting Officer

Date: 10 December 2024

Statement of the Chair of Governors

On behalf of the Corporation, I confirm that the Accounting Officer has discussed their Statement of Regularity, Propriety and Compliance with the Board and that I am content that it is materially accurate.

Andrew Barnes
Chair of the Corporation

Date: 10 December 2024

Statement of Responsibilities of the Members of the Corporation

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

Within the terms and conditions of the Corporation's grant funding agreements and contracts with ESFA, the Corporation – through its Accounting Officer – is required to prepare financial statements and an operating and financial review for each financial year in accordance with the Statement of Recommended Practice – Accounting for Further and Higher Education, ESFA's college accounts direction and the UK's Generally Accepted Accounting Practice, and which give a true and fair view of the state of affairs of the Group and Parent College and its surplus / deficit of income over expenditure for the year.

In preparing the Group and parent College financial statements, the Corporation is required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Assess whether the Corporation (Group and Parent College) is a going concern, noting the key supporting assumptions qualifications or mitigating actions as appropriate; and
- Prepare financial statements on the going concern basis, unless it is inappropriate to assume that the Group and Parent College will continue in operation.

The Corporation is also required to prepare an Operating and Financial Review Report which describes what it is trying to do and how it is going about it, including information about the legal and administrative status of the Corporation.

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

The maintenance and integrity of the College website is the responsibility of the Corporation of the College; 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.

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

Members of the corporation are responsible for ensuring that expenditure and income are applied for the purposes intended and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from ESFA, and any other public funds, are used only in accordance with ESFA’s grant funding agreements and contracts and any other conditions, that may be prescribed from time to time by ESFA, or any other public funder, including that any transactions entered into by the Corporation are within the delegated authorities set out in the “Dear accounting officer” letter of 29 November 2022 and ESFA’s bite size guides. Members of the corporation must ensure that there are appropriate financial and management controls in place to safeguard public and other funds and ensure they are used properly. In addition, members of the corporation are responsible for securing economic, efficient and effective management of the corporation’s resources and expenditure so that the benefits that should be derived from the application of public funds from ESFA and other public bodies are not put at risk.

Approved by order of the members of the Corporation on 10 December 2024 and signed on its behalf by:

Andrew Barnes

Andrew Barnes
Chair of the Corporation

Independent Auditor’s Report to the Corporation of Norwich City College of Further & Higher Education (City College Norwich)

Opinion

We have audited the financial statements of the Corporation of City College Norwich (the ‘College’) and its subsidiaries (the ’Group’) for the year ended 31 July 2024 which comprise the Consolidated and College Statements of Comprehensive Income, the Consolidated and College Statements of Changes in Reserves, the Group and College Balance Sheets, the Consolidated Statement of Cash Flows, the principal accounting policies, and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, including Financial Reporting Standard 102 ‘The Financial Reporting Standard applicable in the UK and Republic of Ireland’ (United Kingdom Generally Accepted Accounting Practice). In our opinion, the financial statements:

- Give a true and fair view of the state of the Group’s and of the College’s affairs as at 31 July 2024 and the Group’s and College’s income over expenditure for the year then ended; and
- have been properly prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education, UK GAAP and the current College Accounts Direction.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Governing Body’s use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and College's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.
We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Post 16 Audit Code of Practice issued by the Education and Skills Funding Agency requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the 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.

Opinions on other matters prescribed in the Office for Students' Accounts Direction (OfS 2019.41)

In our opinion, in all material respects:

- funds from whatever source administered by the College for specific purposes have been properly applied to those purposes and, if relevant, managed in accordance with relevant legislation;
- funds provided by the Office for Students and the Education and Skills Funding Agency have been applied in accordance with the relevant terms and conditions; and
- The requirements of the Office for Students' accounts direction for the relevant year's financial statements have been met.

Under the Office for Students' Accounts Direction, we are required to report to you, if we have anything to report in respect of the following matters:

- The College's grant and fee income, as disclosed in note 2 to the financial statements, has been materially misstated; or
- The College's expenditure on access and participation activities for the financial year, as disclosed in note 10 to the financial statements, has been materially misstated.

We have no matters to report arising from this responsibility.

Responsibilities of the Corporation of City College Norwich

As explained more fully in the Statement of Corporation Responsibilities as set out in the Members' Report, the Members of the Governing Body 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 Governing Body 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 Governing Body is responsible for assessing the Group's and the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governing Body either intends to liquidate the Group or the College or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

- Obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the Group operates in and how the Group is complying with the legal and regulatory frameworks;
- Enquiry of management and those charged with governance to identify any instances of known or suspected instances of fraud;
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of College staff in compliance functions to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness;
- Evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing internal audit reports; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

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

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

Use of our report

This report is made solely to the Governing Body, as a body, in accordance with the Funding Agreement published by the Education and Skills Funding Agency and our engagement letter. Our audit work has been undertaken so that we might state to the Governing Body 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 Governing Body as a body, for our audit work, for this report, or for the opinions we have formed.

MHA

MHA
Chartered Accountants and Registered Auditor
London, United Kingdom

Date: 12/12/2024

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

Independent Reporting Accountant’s Assurance Report on Regularity

To: The Corporation of Norwich City College of Further & Higher Education (City College Norwich) and Secretary of State for Education, acting through Education and Skills Funding Agency (ESFA)

In accordance with the terms of our engagement letter dated 18 November 2024 and further to the requirements and conditions of funding in ESFA’s grant funding agreements and contracts, or those of any other public funder, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by City College Norwich during the period 1 August 2023 to 31 July 2024 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

The framework that has been applied is set out in the Post-16 Audit Code of Practice (the Code) issued by ESFA and in any relevant conditions of funding concerning adult education notified by a relevant funder.

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

Respective responsibilities of the Corporation of City College Norwich and the reporting accountant

The corporation of City College Norwich is responsible, under the requirements of the Further & Higher Education Act 1992, subsequent legislation and related regulations and guidance, for ensuring that expenditure disbursed, and income received, are applied for the purposes intended by Parliament, and the financial transactions conform to the authorities that govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession’s ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Code. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received, during the period 1 August 2023 to 31 July 2024 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Code issued by ESFA. We performed a limited assurance engagement as defined in that framework.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

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

The work undertaken to draw to our conclusion includes:

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects, the expenditure disbursed and income received during the period 1 August 2023 to 31 July 2024 has not been applied to purposes intended by Parliament, that the financial transactions do not conform to the authorities that govern them.

MHA

MHA
Chartered Accountants
London, United Kingdom

Date: 12/12/2024

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

Consolidated Statement of Comprehensive Income and Expenditure

	Notes	Year ended 31 July 2024 Group £000	Year ended 31 July 2024 College £000	Year ended 31 July 2023 Group £000	Year ended 31 July 2023 College £000
INCOME					
Funding body grants	2	51,332	51,332	46,857	46,857
Tuition fees and education contracts	3	3,431	3,431	4,202	4,202
Other grants and contracts	4	994	994	742	742
Other income	5	3,116	3,115	2,879	2,871
Investment income	6	1,409	1,409	286	286
Fair value of the net assets of EOC Enterprises Ltd	7	-	4,692	-	-
Total Income		**60,282**	**64,973**	**54,966**	**54,958**
EXPENDITURE					
Staff costs	8	41,861	41,842	39,147	39,100
Other operating expenses	9	15,017	15,036	13,165	13,203
Depreciation	13	3,951	3,889	3,490	3,343
Interest and other finance costs	11	163	163	181	181
Total Expenditure		**60,992**	**60,930**	**55,983**	**55,827**
Surplus / (Deficit) before other gains and losses		**(710)**	**4,043**	**(1,017)**	**(869)**
Surplus / (Deficit) before tax		**(710)**	**4,043**	**(1,017)**	**(869)**
Taxation	12	-	-	-	-
Surplus / (Deficit) for the year		**(710)**	**4,043**	**(1,017)**	**(869)**
Restricted reserve expenditure		(2)	(2)	(1)	(1)
Actuarial gain/(loss) in respect of pensions schemes	27	8,692	8,692	15,568	15,568
Actuarial gain/(loss) in respect of Suffolk New College pensions reimbursement asset		-	-	1,703	1,703
Impairment of LGPS pension asset	27	(10,353)	(10,353)	(16,718)	(16,718)
Total Comprehensive Income for the year		**(2,373)**	**2,380**	**(465)**	**(317)**
Represented by:					
Unrestricted comprehensive income		**(2,371)**	**2,382**	**(463)**	**(316)**
Restricted comprehensive income		**(2)**	**(2)**	**(2)**	**(1)**
		(2,373)	**2,380**	**(465)**	**(317)**

The statement of comprehensive income is in respect of continuing activities.

The notes on pages 47 to 83 form part of the financial statements.

Consolidated Statement of Changes in Reserves

	Income and Expenditure account	Restricted reserve	Revaluation reserve	Total
	£000	£000	£000	£000
Balance at 1 August 2022	**48,095**	**96**	**6,731**	**54,922**
Surplus from the income and expenditure account	(1,017)	-	-	(1,017)
Other comprehensive income / (expenditure)	553	(1)	-	552
Transfers between revaluation and income and expenditure reserves	196	-	(196)	-
Total comprehensive income for the year	(268)	(1)	(196)	(465)
Balance at 31 July 2023	**47,827**	**95**	**6,535**	**54,457**
Balance at 1 August 2023	**47,827**	**95**	**6,535**	**54,457**
Deficit from the income and expenditure account	(710)	-	-	(710)
Other comprehensive income / (expenditure)	(1,661)	(2)	-	(1,663)
Transfers between revaluation and income and expenditure reserves	196	-	(196)	-
Total comprehensive income for the year	(2,175)	(2)	(196)	(2,373)
Balance at 31 July 2024	**45,652**	**93**	**6,339**	**52,084**

The notes on pages 47 to 83 form part of the financial statements.

College Statement of Changes in Reserves

	Income and Expenditure account	Restricted reserve	Revaluation reserve	Total
	£000	£000	£000	£000
Balance at 1 August 2022	**43,194**	**96**	**6,731**	**50,021**
Surplus from the income and expenditure account	(869)	-	-	(869)
Other comprehensive income / (expenditure)	553	(1)	-	552
Transfers between revaluation and income and expenditure reserves	196	-	(196)	-
Total comprehensive income for the year	(120)	(1)	(196)	(317)
Balance at 31 July 2023	**43,074**	**95**	**6,535**	**49,704**
Balance at 1 August 2023	**43,074**	**95**	**6,535**	**49,704**
Surplus from the income and expenditure account	4,043	-	-	4,043
Other comprehensive income / (expenditure)	(1,661)	(2)	-	(1,663)
Transfers between revaluation and income and expenditure reserves	196	-	(196)	-
Total comprehensive income for the year	2,578	(2)	(196)	2,380
Balance at 31 July 2024	**45,652**	**93**	**6,339**	**52,084**

The notes on pages 47 to 83 form part of the financial statements.

Consolidated and College Balance Sheet

	Notes	As at 31 July 2024 Group £000	As at 31 July 2024 College £000	As at 31 July 2023 Group £000	As at 31 July 2023 College £000
Non-Current Assets					
Tangible fixed assets	13	78,363	78,363	75,657	70,918
Investments	14	3	3	2	2
		78,366	**78,366**	**75,659**	**70,920**
Current assets					
Stock	15	169	169	173	173
Trade and other receivables	16	3,601	3,601	3,339	3,391
Investments	17	5,000	5,000	10,000	10,000
Cash and cash equivalents	23	14,731	14,731	10,280	10,204
		23,501	**23,501**	**23,792**	**23,768**
Less: Creditors – amounts falling due within one year	18	(15,434)	(15,434)	(12,939)	(12,929)
Net current assets		**8,067**	**8,067**	**10,853**	**10,839**
Total assets less current liabilities		**86,433**	**86,433**	**86,512**	**81,759**
Less: Creditors – amounts falling due after more than one year	19	(33,101)	(33,101)	(30,742)	(30,742)
Provisions					
Defined benefit obligations	27	-	-	-	-
Other provisions	22	(1,248)	(1,248)	(1,313)	(1,313)
Total net assets/(liabilities)		**52,084**	**52,084**	**54,457**	**49,704**
Restricted Reserves	21	**93**	**93**	**95**	**95**
Unrestricted reserves					
Income and expenditure account		45,652	45,652	47,827	43,074
Revaluation reserve		6,339	6,339	6,535	6,535
Total reserves		**52,084**	**52,084**	**54,457**	**49,704**

The financial statements on pages 42 to 83 were approved and authorised for issue by the Corporation on 10 December 2024 and were signed on its behalf on that date by:

Andrew Barnes

Andrew Barnes
Chair

Jerry White

Jerry White
Accounting Officer

The notes on pages 47 to 83 form part of the financial statements.

Consolidated and College Statement of Cash Flows

	Notes	2024 Group £000	2024 College £000	2023 Group £000	2023 College £000
Cash flow from operating activities					
(Deficit) / Surplus for the year		**(710)**	**4,043**	**(1,017)**	**(869)**
Adjustment for non-cash items					
Depreciation	13	3,951	3,889	3,490	3,343
Fair value adjustment – EOC Enterprises Ltd	7	-	(4,677)	-	-
(Increase) in investments		(1)	(1)	-	-
Decrease in long term debtors		-	-	1,050	1,050
Decrease / (Increase) in stock		4	4	(11)	(11)
(Increase) / Decrease in debtors		(122)	(70)	2,106	2,142
Increase in creditors due within one year		1,497	1,507	2,115	2,113
Increase in creditors due after one year		2,762	2,762	591	591
(Decrease) in provisions		(65)	(65)	(135)	(135)
(Decrease) in restricted reserves	21	(2)	(2)	(1)	(1)
Pensions costs less contributions payable	27	(1,661)	(1,661)	553	553
Taxation		-	-	9	9
Adjustment for investing or financing activities					
Investment income	6	(476)	(476)	(189)	(189)
Interest payable	11	163	163	181	181
(Profit) /(loss) on the sale of fixed assets		38	38	9	9
Capital grant released on disposal of fixed assets		89	89		
Taxation Paid		-	-	(9)	(9)
Net cash flow from operating activities		**5,467**	**5,543**	**8,742**	**8,777**
Cash flows from investing activities					
Proceeds from sale of fixed assets		-	-	9	9
Investment income		476	476	189	189
Withdrawal of deposits		5,000	5,000	-	-
New deposits		-	-	(10,000)	(10,000)
Payments made to acquire fixed assets		(5,942)	(5,942)	(4,798)	(4,798)
		(466)	**(466)**	**(14,600)**	**(14,600)**
Cash flows from financing activities					
Interest paid		(163)	(163)	(181)	(181)
Repayments of amounts borrowed		(387)	(387)	(368)	(368)
		(550)	**(550)**	**(549)**	**(549)**
Increase in cash and cash equivalents in the year		**4,451**	**4,527**	**(6,407)**	**(6,372)**
Cash and cash equivalents at beginning of the year	23	10,280	10,204	16,687	16,576
Cash and cash equivalents at end of the year	23	14,731	14,731	10,280	10,204

The notes on pages 47 to 83 form part of the financial statements.

Notes to the Accounts

1 Statement of accounting policies

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

Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (the 2019 FE HE SORP), the College Accounts Direction for 2023 to 2024 and in accordance with Financial Reporting Standard 102 – "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (FRS 102). The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102. The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the College's accounting policies. The financial statements are presented in £ sterling, the functional currency, rounded to the nearest £1,000.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention as modified by the use of previous valuations as deemed cost at transition for certain non-current assets.

Basis of consolidation

The Corporation's consolidated financial statements include the financial statements of the College and its subsidiary undertakings in EOC Enterprises Ltd and EOC SPV Ltd, together with the group's share of the profit less losses and reserves of associated undertakings (JV LLP). Intra-group sales and profits are eliminated fully on consolidation.

The Student Union at the College is not consolidated within the Corporation's group accounts in accordance with FRS 102, as it does not have control over the Student Union, its representative members or activities. The President of the Student Union is a paid role, funded by the College. The President is also a member of the Executive and Governing Board of the College. In addition, the College provides executive office support and a small non-pay budget to the Student Union for the year. These costs, in addition to the paid roles of President and Student Liaison Officer, are included within the College's costs for the year.

Going concern

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

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

The budget for 2024/25 remains challenging and, as in the prior year, the College has budgeted for a deficit. A College operating deficit of £1,488k, (excluding the impacts of FRS102 pensions), has been set for 2024/25. The College has sufficient reserves which can be utilised in the short term, and measured and impactful actions are being taken in line with the College's financial recovery plan. This includes both 2024-25 'in-year' actions as well as work which will cover the period 2025/26 and 2026/27.

Statement of accounting policies (cont'd)

The Corporation has prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements. After reviewing these forecasts, the Corporation is of the opinion that the College will have sufficient funds to meet its liabilities as they fall due over the period of 12 months from the date of approval of the financial statements (the going concern assessment period).

In summary:

- The College's budget for 2024/25 is a deficit of £1,488k. The September (month 2) management accounts for the College show a year-to-date College deficit of £341k (compared to year-to-date budget deficit of £184k, so an adverse variance of £158k) and the College's first emerging picture for the year (undertaken in November 2024) shows a projected full year operating deficit of £2,017k (without further in-year mitigation). The main reasons for the variance relate to:
    - Under-recruitment in HE tuition fees; and
    - Adverse variance on building maintenance budgets.

  Mitigating actions will be reviewed to minimise the impact of these variances on the College's finances.
- Our original forecast cash and short term investments as at 31 July 2025 and 31 July 2026 is c£13.8m and c£12.1m respectively. Our revised forecast cash and short term investments, taking into account known sensitivities is £13.2m as at 31 July 2025 and £10.3m as at 31 July 2026. Based on average monthly pay and non-payroll commitments of c£5.1m this produces cash days of c77 and c61 respectively. These cash days remain above the FE Commissioner benchmark of 25 cash days.
- Bank loans totalled £3,047k at 31 July 2024 - this represents less than 5.1% of total group income and is a low gearing level for the sector (sector average is c20%). Servicing the debt (principal and interest) is £552k per annum and is included in the cashflow forecast. Whilst the College has breached one of its loan covenants during 2023/24 due to the I&E budget deficit, early discussions and regular briefing meetings/phonecalls have been held with the bank to keep them apprised of the matter. Initial feedback from the bank has been positive – draft 23/24 financial statements were shared with the bank, to allow it to consider issuing a waiver for the breach covenant. Provided there are no changes between draft and audited financial statements, the bank has indicated that it will be content to issue a waiver for the covenant breach – this is expected in December 2024. In the worst-case scenario, with the cash reserves and short term investments it holds, the College could repay the loan in full should the loan covenant breach lead the bank to request early repayment.

The College's financial recovery plan outlines a budget for 2025/26 (which is a roll forward of the budget from 2023/24 set in July 2024) which has an operating deficit of £0.6m and for 2026/27 an operating surplus of £0.1m. These are being actively reviewed and remodelled as part of the College's financial recovery planning.

The College has received significant capital condition monies, awarded as part of the ESFA FE Capital Transformation Fund, FE Reclassification Fund, FE Energy Efficiency Fund and post 16 Capacity Fund. We have allowed for the capital cash flows in relation to these awards within the cash flows summarised above. All capital projects are due to be completed ahead of the DfE deadline of 31 March 2026.

Statement of accounting policies (cont'd)

There continues to be a range of financial pressures in the FE sector and we have modelled sensitivities for the 2025/26 financial year in the following areas:

- Student numbers;
- Pay inflation; and
- Non-pay inflation.

Although it is very difficult to predict these factors and therefore forecast a revised 2025/26 budget, the Corporation is confident that the College will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Recognition of income

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

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

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

Government capital grants are capitalised, held as deferred income and recognised in income over the expected useful life of the asset, under the accrual method as permitted by FRS 102. Other capital grants are recognised in income when the College is entitled to the funds subject to any performance related conditions being met.

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

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

Statement of accounting policies (cont'd)

Accounting for post-employment benefits

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

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

The TPS is a multi-employer scheme and the College is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution plan and the contributions recognised as an expense in the income statement in the periods during which services are rendered by employees.

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

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

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

At the year end, the initial actuarial report from the Scheme Actuary reported a net pension asset of £28,470k. When the Scheme gives rise to a potential asset position, the Governors are required to assess the basis for recognising an asset on the balance sheet against the FRS102 criteria, this being "An entity shall recognise the plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or refunds from the plan." In using the word "shall", the emphasis is placed upon the College to consider the value of such an asset, rather than whether an asset should be recognised in the first instance. Accordingly, the College has considered the value at which they can benefit from either (1) refunds from the plan or (2) reduced contributions. As the College intends to continue to participate in the LGPS, the likelihood of a refund being due from the Scheme has been deemed as remote and not practically achievable. Secondly, the College is unlikely to gain economic benefit from a reduction in future contributions. Therefore, the College has made an impairment charge on the asset reducing the net position at the year ended 31 July 2024 to £Nil. Therefore, no defined benefit pension asset has been included in the financial statements.

Statement of accounting policies (cont'd)

Short term Employment benefits

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

Enhanced Pensions

The actual cost of any enhanced ongoing pension to a former member of staff is paid by a college annually. An estimate of the expected future cost of any enhancement to the ongoing pension of a former member of staff is charged in full to the College's income in the year that the member of staff retires.

In subsequent years a charge is made to provisions in the balance sheet using the enhanced pension spreadsheet provided by the funding bodies.

Further details of the pension schemes are given in note 27.

Non-current Assets - Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to the date of transition to the 2015 FE HE SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

Land and buildings

Freehold buildings are depreciated on a straight line basis over their expected useful lives as follows:

- College buildings – 50 years
- College roof – 30 years
- Refurbishments – 25 years
- Staff car park – 15 years

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

Freehold buildings are depreciated over their expected useful economic life to the College of 50 years. The College has a policy of depreciating major adaptations to buildings over the period of their useful economic life of between 25 and 30 years.

Leasehold land and buildings are amortised over the period of the lease.

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

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

Statement of accounting policies (cont'd)

Assets under construction

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

Subsequent expenditure on existing fixed assets

Where significant expenditure is incurred on tangible fixed assets after initial purchase it is charged to expenditure in the period it is incurred, unless it increases the future benefits to the College, in which case it is capitalised and depreciated on the relevant basis.

Equipment

Equipment costing less than £1,000 per individual item (except for computer equipment and some capital grant funded items) is recognised as expenditure in the period of acquisition. All other equipment is capitalised at cost.

Capitalised equipment is depreciated on a straight-line basis over its remaining useful economic life as follows:

- cars 4 years
- minibus 7 years
- computer equipment 3 to 7 years
- furniture, fixtures and fittings 5 years
- lab / kitchen equipment 10 years
- other equipment 5 years

Leased assets

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

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

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

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

Statement of accounting policies (cont'd)

Investments

Listed investments held as non-current assets and current asset investments, which may include listed investments, are stated at fair value, with movements recognised in Comprehensive Income.

Cash and cash equivalents

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

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

Financial liabilities and equity

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

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

Taxation

The College is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the College is potentially exempt from taxation in respect of income or capital gains received within categories covered by sections 478-488 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The College is partially exempt in respect of Value Added Tax, so that it can only recover around 1% of the VAT charged on its inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

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

Provisions and contingent liabilities

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

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

Statement of accounting policies (cont'd)

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

Contingent liabilities are not recognised in the balance sheet but are disclosed in the notes to the financial statements.

For further information on provisions see note 22.

Agency arrangements

The College acts as an agent in the collection and payment of bursary and discretionary support funds and in relation to the Strategic Development Fund II Grant. Related payments received from the main funding bodies and subsequent disbursements to either students or other partner colleges (as appropriate), are excluded from the Income and Expenditure account and are shown separately in notes 30 and 31 except for, where applicable, the 5% of the grant received which is available to the College to cover administration costs relating to the grant. The College's student services team deal with the administration of Learner Support Fund applications and payments. The College's project team deals with the administration of the Strategic Development Fund II Grant.

Judgements in applying accounting policies and key sources of estimation uncertainty

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

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

Other key sources of estimation uncertainty

- *Tangible fixed assets*

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

Statement of accounting policies (cont'd)

- *Local Government Pension Scheme – directly employed College staff*

  The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 July 2024. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

  In determining the valuation of the Norfolk Pension Fund, a number of key assumptions have been made. The key assumptions, which are given below, are largely dependent on factors outside the control of the College such as, the discount rate, inflation rate and life expectancy. The asset values are reported using estimated asset allocations prepared by the scheme Actuary. This asset value is calculated at each triennial valuation. Thereafter it is rolled forward to accounting dates using investment returns, contributions received, and benefits paid out. During each annual reporting period between triennial valuations, asset returns are estimated using 11 months of market experience and one month of extrapolation being assumed.

- *Provision for irrecoverable debts*

  At year end an annual review is completed for the recoverability of individual debtor balances. Our accounting policy is to provide for 100% of all non-student loan company debtor balances that are greater than 3 months.

  Student loan company balances are provided for on the following basis:
  - We provide generally at 50% on debts less than 1 year;
  - 100% for debts over 1 year old; and
  - Where there are indicators of non-recoverability; we will provide on an individual basis.

  For debtor balances due less than one year (excluding student loan company balances), where there are indicators of non-recoverability we will provide on an individual basis.

2 Funding council grants – Group and College

	Year ended 31 July 2024 £000	Year ended 31 July 2023 £000
Recurrent grants		
Education and Skills Funding Agency - adult	1,839	1,680
Education and Skills Funding Agency - 16-18	36,849	33,582
Education and Skills Funding Agency - apprenticeships	4,720	4,639
Local Authority	2,599	2,072
Office for students (OfS)	350	365
Specific Grants		
Education and Skills Funding Agency	1,596	1,567
Teacher Pension Scheme contribution grant	1,413	1,115
Releases of government capital grants	1,966	1,837
Total	**51,332**	**46,857**

2a Analysis of OfS income – Group and College

	Year ended 31 July 2024 £000	Year ended 31 July 2023 £000
Grant income from Office for Students *	350	365
Fee income for taught awards (exclusive of VAT)	2,514	3,124
Total	**2,864**	**3,489**

* Income includes any amounts received indirectly from OfS and through the validating university, UEA.

The disclosures shown above relate only to OfS/Higher Education. The disclosures do not include amounts received from the ESFA for Further Education which are shown in note 2 above. The Office for Students only regulates higher education in colleges – as a result the amounts recorded above relate to courses at Level 4 and above.

In addition to the above, the College has received monies for hardship funding from the OfS – this funding is included within note 30. These monies are available solely for students and the College only acts as a paying agent for these funds.

3 Tuition fees and education contracts – Group and College

	Year ended 31 July 2024 £000	Year ended 31 July 2023 £000
Adult education fees	197	179
Apprenticeship fees and contracts	40	56
Fees for FE loan supported courses	262	400
HE Fees	2,514	3,124
Full cost provision	418	441
Total tuition fees	**3,431**	**4,200**
Education contracts	-	2
Total	**3,431**	**4,202**

4 Other grants and contracts – Group and College

	Year ended 31 July 2024 £000	Year ended 31 July 2023 £000
European Commission	39	230
Other grants and contracts	955	512
Total	**994**	**742**

5 Other income

	Year ended 31 July 2024 Group £000	Year ended 31 July 2024 College £000	Year ended 31 July 2023 Group £000	Year ended 31 July 2023 College £000
Catering and residences	1,245	1,245	1,183	1,183
Farming activities	165	165	240	240
Sports and leisure	426	411	381	338
Other income generating activities	580	580	546	546
Miscellaneous income	700	714	529	564
Total	**3,116**	**3,115**	**2,879**	**2,871**

6 Investment income – Group and College

	Year ended 31 July 2024 £000	Year ended 31 July 2023 £000
Other interest receivable	476	189
Net interest on pension scheme (note 29)	933	97
Total	**1,409**	**286**

7 Fair value of net assets of EOC Enterprises Ltd

	Year ended 31 July 2024 Group £000	Year ended 31 July 2024 College £000	Year ended 31 July 2023 Group £000	Year ended 31 July 2023 College £000
Fair value of the net assets of EOC Enterprises Ltd	-	4,692	-	-

From 1 January 2024, the trade and net assets of EOC Enterprises Ltd, a 100% subsidiary of the College, were integrated into the College and EOC Enterprises Ltd became dormant. Therefore, the fair value of the net assets of EOC Enterprises Ltd as at 31 December 2023, (of £4,692k), was included within the results of the College for 2023/24. As EOC Enterprises Ltd was already included within the Group results, there is therefore no change to the Group figures for 2023/24.

A breakdown of the net assets as at 1 January 2024, (the date of integration), is as follows:

	£000 £000
Tangible Fixed assets – net book value	725
Trade receivables	8
Cash	39
Creditors due within one year	(31)
Total net book value of EOC Enterprises Ltd	**741**
Fair value adjustment relating to tangible fixed assets (1)	3,951
Fair value of the net assets of EOC Enterprises Ltd	**4,692**

Notes

1. The fair value adjustment relates to the Sports and Conference Centre. On 1 January 2020, with the merger of City College Norwich and Easton Campus, the Sports and Conference Centre transferred into the Group at its fair value however, within EOC Enterprises Ltd, the asset remained at its net book value. The transfer of EOC Enterprises Ltd net assets to City College Norwich on 1 January 2024 has resulted in the recognition of the fair value of this asset in the College's accounts.

8 Group and College Staff Numbers and Costs

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

	2023/24 Headcount No.	2022/23 Headcount No.
Teaching staff	513	505
Non teaching staff	697	703
	1,210	**1,208**

Staff costs for the above persons

	Year ended 31 July 2024 Group £000	Year ended 31 July 2024 College £000	Year ended 31 July 2023 Group £000	Year ended 31 July 2023 College £000
Wages and salaries	30,049	30,033	27,557	27,520
Social security costs	2,783	2,782	2,544	2,541
Other pension costs	6,266	6,264	6,816	6,809
Payroll sub-total	**39,098**	**39,079**	**36,917**	**36,870**
Contracted out staffing services	2,763	2,763	2,230	2,230
Restructuring costs	-	-	-	-
Total	**41,861**	**41,842**	**39,147**	**39,100**

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College. In the College, this is defined as the College Leadership Team which comprises Principal and Chief Executive Officer (CEO), Deputy CEO, Vice Principals, Director of HR Services and Executive Director of IT Services. Staff costs include compensation paid to key management personnel for loss of office.

	2024 No.	2023 No.
The number of key management personnel including the Accounting Officer was:	6	6

8 Group and College Staff Numbers and Costs (continued)

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

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

Bandings	Key management personnel (all bandings)		Other Staff (bandings commencing from £60,000)	
	2024	2023	2024	2023
	No.	No.	No.	No.
£60,001 to £65,000	-	-	3	2
£65,001 to £70,000	1	1	4	1
£75,001 to £80,000	-	1	-	-
£80,001 to £85,000	-	2	-	-
£85,001 to £90,000	1	-	-	-
£90,001 to £95,000	2	-	-	-
£105,001 to £110,000	-	1	-	-
£110,001 to £115,000	1	-	-	-
£145,001 to £150,000	-	1	-	-
£160,001 to £165,000	1	-	-	-
	6	**6**	**7**	**3**

In 2023/24, there are no part-time members of key management personnel, (none in 2022/23). In 2023/24, including part time workers grossed up to full time equivalent at their usual rate of pay, 1 member of staff (other) would have been included the £70,001 to £75,000 banding, (2022/23: 1 member of staff (other) would have been included in the £65,001 to £70,000 banding).

Key management personnel emoluments are made up as follows:

	Year ended 31 July 2024 £000	Year ended 31 July 2023 £000
Basic Salary	611	556
Honorarium Payment	5	5
Sub-total	**616**	**561**
Pension contributions	152	127
Total	**768**	**688**

From 2019, the Corporation made the decision not to apply performance related pay or bonuses for any staff.

The remuneration package of key management personnel, excluding the Principal and CEO as Accounting Officer (see below), is subject to annual review by the Business Committee and Principal and CEO. The review takes into account benchmarking information, including the AoC's senior staff pay survey, to provide objective guidance on remuneration. The Business Committee and Accounting Officer justify the remuneration on the grounds that it is commensurate with responsibilities and pay of officers in similar positions at other Colleges.

In addition, the Accounting Officer undertakes an annual review of key management performance against objectives previously agreed with the individual, using both qualitative and quantitative measures of performance.

8 Group and College Staff Numbers and Costs (continued)

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

	Year ended 31 July 2024 £000	Year ended 31 July 2023 £000
Basic Salary	163	149
Benefits in kind	-	-
Sub-total	**163**	**149**
Pension contributions	41	35
Total	**204**	**184**

From 2019, the Corporation made the decision not to apply performance related pay or bonuses for the Accounting Officer.

The Corporation adopted AoC's Senior Staff Remuneration Code in March 2019 and assesses pay in line with its principles. The remuneration package of the Accounting Officer is subject to annual review by the Remuneration Committee of the Corporation who use benchmarking information to provide objective guidance. The Remuneration Committee justify the remuneration on the grounds that it is commensurate with responsibilities and pay of Principals in similar Colleges.

The Accounting Officer reports to the Chair of the Corporation, who undertakes an annual review of their performance against the College's overall objectives using both qualitative and quantitative measures of performance.

In line with the requirements of Managing Public Money, the pay award (totalling 9.4% for 2023/24) for the Accounting Officer was pre-approved by the Department for Education.

Relationship of Accounting Officer's pay and remuneration expressed as a multiple

	Year ended 31 July 2024	Year ended 31 July 2023
Accounting Officer's basic salary as a multiple of the median of all staff (see 1 below)	5.8	5.7
Accounting Officer's total remuneration as a multiple of the median of all staff (see 2 below)	5.8	5.7

Notes

1 The median of the basic salary of establishment staff is calculated on a full-time equivalent basis.

2 The median of the remuneration of all staff is calculated by taking the median of the basic salary of all staff and combining this with the median of annual actual costs for all staff for (i) employer pension contributions (adjusted for full time basis), (ii) benefits-in-kind and (iii) overtime. No further amounts are remunerated to staff (i.e. no bonus/PRP is paid).

8 Group and College Staff Numbers and Costs (continued)

Severance Payments

The Group and College paid/accrued for 5 severance payments in the year (2022/23: 8), disclosed in the following bands:

Bandings	2024 No.	2023 No.
£0 - £25,000	5	8

No special staff severance payments (defined as amounts paid to employees outside of statutory and contractual requirements) were made during the year (2022/23: £nil).

Ex-Gratia Payments

The Group and College made one ex-gratia payment during the year totalling £30k, (one payment totalling £3k in 2022/23) relating to alleged discrimination. Approval from the Department of Education was sought for this payment and received on 10/6/24.

Salary Sacrifice Arrangements

The Group participates in two salary sacrifice arrangements:

1. Cycle to Work Scheme - this is a Government backed initiative that enables Group staff members to obtain a bike and/or cycling accessories to use for riding to work – the equipment is hired and a salary sacrifice arrangement is entered into for paying back the loan on the bike/accessories and safety equipment. Deductions are made from gross rather than net pay for the hire period, allowing staff to benefit from income tax and NI relief. Limits are in place, depending on monthly gross pay, as to the value of bike/accessories which can be hired, and loan agreements on these are typically for 12 to 18 months.
2. Childcare vouchers – following the Government roll out of the Tax-Free Childcare Scheme on 1 October 2018, the Group's childcare voucher scheme was closed to new entrants. Group staff members that were in the Group's scheme at that time, and remain in that scheme for 2023/24, can sacrifice salary in return for childcare vouchers, as follows:
    - For those earning up to £40k –salary of between £1 and £243 a month can be sacrificed for the equivalent in childcare vouchers; and
    - For those earning £40k and over – salary of £124 a month can be sacrificed for the equivalent in childcare vouchers.

9 Other operating expenses

	Year ended 31 July 2024 Group £000	Year ended 31 July 2024 College £000	Year ended 31 July 2023 Group £000	Year ended 31 July 2023 College £000
Teaching costs	2,877	2,877	2,658	2,658
Non teaching costs	7,178	7,172	6,333	6,324
Premises costs	4,962	4,987	4,174	4,221
Total	**15,017**	**15,036**	**13,165**	**13,203**

9 Other operating expenses (continued)

Other operating expenses include:

	Year ended 31 July 2024 Group £000	Year ended 31 July 2024 College £000	Year ended 31 July 2023 Group £000	Year ended 31 July 2023 College £000
Auditors' remuneration:				
Financial statements audit	45	43	44	41
Other services provided by the financial statements auditors (for certification of grant claims)	15	15	12	12
Internal Audit fees	30	30	26	26
Other services provided by internal auditors	9	9	1	1
Losses on disposal of fixed assets	38	38	9	9
Hire of assets under operating leases	395	395	378	378

10 Access and participation spending – Group and College

	Year ended 31 July 2024 £000	Year ended 31 July 2023 £000
Access investment	54	37
Financial support to students	25	25
Disability support	-	-
Research and evaluation (relating to access and participation)	18	16
Total	**97**	**78**

With the above, staff costs amount to £75k (2022/23: £75k) and are already included within note 9 on staff costs. The College's published access and participation plan can be found on the following links:

Action-and-Participation-Plan-2020-21-to-2024-25.pdf (ccn.ac.uk)

11 Interest and other finance costs – Group and College

	Year ended 31 July 2024 £000	Year ended 31 July 2023 £000
On bank loans, overdrafts and other loans	163	181
Total	**163**	**181**

12 Taxation

The Members do not believe the College was liable for any corporation tax arising out of its activities during this period.

Within the Group, the profit made by EOC Enterprises Ltd for the period to 31 December 2023 was distributed to the College under gift aid thus sheltering the profits from incurring any tax charges. On 1 January 2024, EOC Enterprises Ltd's trade and net assets were integrated into the College and since 1 January 2024, EOC Enterprises Ltd has been dormant. Therefore it has incurred no further profit/loss for the period to 31 July 2024. No profit/loss was made by EOC SPV Ltd during 2023/24 (none 2022/23).

13 Tangible fixed assets

Group

	Land & Buildings - Freehold £000	Equipment £000	Assets in the course of construction £000	Total £000
Cost or valuation				
At 1 August 2023	93,291	14,620	55	107,966
Additions	-	2,858	3,926	6,784
Disposals	(240)	(1,569)	-	(1,809)
At 31 July 2024	**93,051**	**15,909**	**3,981**	**112,941**
Depreciation				
At 1 August 2023	(23,837)	(8,472)	-	(32,309)
Charge for the year	(2,381)	(1,570)	-	(3,951)
Elimination in respect of disposals	114	1,568	-	1,682
At 31 July 2024	**(26,104)**	**(8,474)**	**-**	**(34,578)**
Net book value at 31 July 2024	**66,947**	**7,435**	**3,981**	**78,363**
Net book value at 31 July 2023	69,454	6,148	55	75,657

13 Tangible fixed assets (continued)

College

	Land & Buildings – Freehold	Equipment	Assets in the course of construction	Total
	£000	£000	£000	£000
Cost or valuation				
At 1 August 2023	88,026	14,618	55	102,699
Additions	4,675	2,860	3,926	11,461
Disposals	(240)	(1,569)	-	(1,809)
At 31 July 2024	**92,461**	**15,909**	**3,981**	**112,351**
Depreciation				
At 1 August 2023	(23,309)	(8,472)	-	(31,781)
Charge for the year	(2,319)	(1570)	-	(3,889)
Elimination in respect of disposals	114	1,568	-	1,682
At 31 July 2024	**(25,514)**	**(8,474)**	**-**	**(33,988)**
Net book value at 31 July 2024	**66,947**	**7,435**	**3,981**	**78,363**
Net book value at 31 July 2023	64,717	6,146	55	70,918

Fixed Asset Register Review

During the year, the College has continued its cyclical existence review of its fixed asset register – this has resulted in a number of assets being written off, the majority of which were fully depreciated. These have included old IT Equipment assets (original gross value of £1,406k – all fully depreciated) mainly relating to projectors, computers, notebooks and tablets.

Assets under Construction

At the start of the year the College was in the early stages of the construction of a new build – the Construction Skills Centre. The new building, funded by the Department for Education (£4m) and the College (£0.8m) will result in the College being able to offer more places on its construction courses from January 2025, thus increasing the opportunities available to young people to train for careers in the industry and helping to address a key regional skills need. The work on this building has continued during the year and as the asset is not yet complete has been classified as an asset under construction.

In addition, two further capital projects have commenced during the year and are still in the process of being completed:

- Sports and Conference Centre – a major refurbishment of the gym and conference centre facilities on the Easton Campus; and
- Major roofing repairs to a number of the buildings on the Norwich site.

These are both due to be completed within 2024/25.

13 Tangible fixed assets (continued)

Ipswich Road, Norwich

Inherited land and buildings were valued in 1993 by Tim Matthews Associates (a firm of independent chartered surveyors), the value of the land only element being £4,569,749. Other tangible fixed assets inherited from the LEA at incorporation have been valued by the Corporation at depreciated replacement cost. If land and buildings had not been revalued they would have been included at a cost of £nil.

Land and buildings with a net book value of £6,339,221 (2023 - £6,535,221) have been financed by exchequer funds. Should these assets be sold, the College may be liable, under the terms of the Financial Memorandum with the Chief Executive of Skills Funding, to surrender the proceeds.

Paston, North Walsham

Following the merger with Paston Sixth Form College on the 1 December 2017, the following tangible fixed assets were transferred to the College:

Lawns site - Freehold for the Lawns site with net book value of £2,709,000 transferred as at 1 December 2017. On transfer the Lawns site was independently valued by Arnolds Keys LLP. This identified an increase (upwards fair value adjustment) of £1,121,000 to the Lawns freehold (revised total fair value of £3,830,000). The net book value on transfer was funded by deferred ESFA capital grants of £1,877,825.
Equipment – equipment with a net book value of £47,000 transferred as at 1 December 2017. No fair value adjustment was required for this equipment.

Griffons site - in addition to the transfer of the freehold to the Lawns site a lease was signed on 1 December 2017 between The Official Custodian for Charities on Behalf of the Paston Foundation (Landlord) and Norwich City College of Further & Higher Education (Tenant) in relation to the Griffon Campus, North Walsham. The term of the lease is 20 years from 1 December 2017 (with the first break point at 10 years) and is based on a peppercorn rental. Permitted use of the premises is "as a college of general further education, identified as Paston College, with the main purpose and significant majority of provision for 16-19 year old full time students".

The title to the land is vested in The Official Custodian for Charities on Behalf of the Paston Foundation (Landlord). Based on the short term nature of the lease, the permitted use, and that the freehold is retained by the landlord, the Griffons site is not accounted for in the books of City College Norwich.
The Griffons site was valued at depreciated replacement cost by Arnolds Keys LLP at £2,035,681 as at 1 December 2017.

Easton

Following the merger with the Easton campus of Easton and Otley College on 1 January 2020, Easton campus land, buildings and equipment assets transferred to the Group as at 1 January 2020, with a net book value of:

	Group £000	College £000
Land	667	667
Buildings	20,433	19,585
Equipment	234	234
Total	**21,334**	**20,486**

On transfer, land and buildings assets were independently valued by Savills (UK) Ltd. The valuations were undertaken either at market value, where the asset has a commercial value, or at Depreciated Replacement Cost (where the assets are specialised for educational purposes). The revised fair value of these assets amounted to £38,997k and £33,733k for the Group and College respectively – a fair value increase of £17,663k and £13,247k respectively. The net book value on transfer was funded by deferred capital grants of £11,019k (£10,641k of which related to ESFA deferred capital grants).

13 Tangible fixed assets (continued)

Assets valued at market value:

Assets valued at market value were:
- Farm, residential properties and land;
- Equestrian Centre, stables and facilities and surrounding land;
- Student accommodation;
- Rural sports centre, sports and 3G pitches, changing rooms and tennis facilities; and
- Horticultural store.

The total net book value of these properties as at 1 January 2020 amounted to £7,780k. On transfer these were independently valued by Savills (UK) Ltd. This identified an increase (upwards fair value adjustment) of £7,199k to these freeholds (revised total fair value of £14,979k).

Assets valued at depreciated replacement cost:

Jubilee Buildings, David Lawrence Building and Michael Gamble Centre- The total net book value of these properties as at 1 January 2020 amounted to £12,472k. On transfer these were independently valued by Savills (UK) Ltd. This identified an increase (upwards fair value adjustment) of £6,048k to these freeholds (revised total fair value of £18,520k).

Sports Centre - The total net book value of the sport centre as at 1 January 2020 amounted to £848k. This was held at net book value within the EOC Enterprises Ltd accounts. However, at the time of the merger, the asset was independently valued by Savills (UK) Ltd. This identified an increase (upwards fair value adjustment) of £4,416k to this freehold (revised total fair value of £5,264k). This is included within the consolidated results. Following the integration of the business and net assets of EOC Enterprises Ltd into the College on 1 January 2024, an adjustment has been made to the College results to include the fair value of the Sports Centre into the College results (see note 8).

Assets transferred at net book value:

Equipment with respective net book value of £234k also transferred to the Group as at 1 January 2020. No fair value adjustments were required to be made for these.

14 Non-current investments – Group and College

	Year ended 31 July 2024 £000	Year ended 31 July 2023 £000
Investment – Other	3	2
Total	**3**	**2**

Investment – Other - Subsidiary Undertakings

EOC Enterprises Ltd

The College owns 100 per cent of the issued ordinary £1 shares of EOC Enterprises Limited, a company incorporated in England and Wales. The principal business activity of EOC Enterprises Limited was the provision of sporting and conference facilities. On 1 January 2024, the trade and net assets of the Company were integrated into the College and following this the Company became dormant. For the 5 months to transfer, the profit generated after taxation but before gift aid payments by the company was £1k (year to 31 July 2023: profit of £3k). Net assets to the point of transfer amounted to £741k (year to 31 July 2023: £754k). From 1 January 2024 to 31 July 2024, other than the transfer of its trade and net assets to the College, no transactions occurred and the company has been dormant. Further details on the transfer of assets from EOC Enterprises Ltd to the College is provided within note 8.

14 Non-current investments – Group and College (continued)

EOC SPV Ltd

The College owns 100 per cent of the issued ordinary £1 shares of EOC SPV Limited, a company incorporated in England and Wales. EOC SPV Limited is a member of ELC JV LLP, a joint partnership arrangement established to facilitate the sale of land for development. The company is not trading and therefore no profit or loss has been made by the Company during the year, (year to 31 July 2023: no profit or loss). Net assets were £nil (year to 31 July 2023: £nil).

The above subsidiary undertakings are all fully consolidated within these financial statements.

15 Stock – Group and College

	Year ended 31 July 2024 £000	Year ended 31 July 2023 £000
Farm	169	173
Total	**169**	**173**

16 Trade and other receivables

	Year ended 31 July 2024 Group £000	Year ended 31 July 2024 College £000	Year ended 31 July 2023 Group £000	Year ended 31 July 2023 College £000
Amounts falling due within one year:				
Trade receivables (1)	215	215	1,278	1,277
Amounts owed by subsidiary undertakings	-	-	-	53
Prepayments and accrued income	2,044	2,044	1,563	1,563
Amounts owed by the ESFA/DfE (2)	1,340	1,340	497	497
Other Debtors	2	2	1	1
Total	**3,601**	**3,601**	**3,339**	**3,391**

During the year, the College has not written off debts any debts, (£65k during 2022/23, which included two debts over £5k. These specific debts were for £5.6k and £5.3k and related to course fees for higher education students).

Action to write off all debtors is only taken after all avenues for debt recovery have been exhausted (which where appropriate has included the involvement of debt recovery legal practice), and approval from the Business Committee is obtained prior to write-off.

Notes

1 In the prior year, trade receivables included £1,050k due from the sale of the land at Easton, which was received in May 2024. This accounts for the majority of the decrease in this balance from the prior year.
2 The majority of the increase in the amounts owed by the ESFA/DfE is due to funding (£837k) owed in respect of the Construction Skills Centre, a new building being created on the Ipswich Road site. The building is being funded by a grant from the DfE with a smaller contribution from the College – amounts owed reflect the difference between expenditure on the building to date and funding received to date.

17 Current Investments – Group and College

	Year ended 31 July 2024 £000	Year ended 31 July 2023 £000
Short term deposits	5,000	10,000
Total	**5,000**	**10,000**

Cash term deposits are held with banks and building societies licensed by the Financial Conduct Authority with more than three months maturity at the balance sheet date. The interest rates for these deposits are fixed for the duration of the deposit at time of placement.

18 Creditors: amounts falling due within one year

	Year ended 31 July 2024 Group £000	Year ended 31 July 2024 College £000	Year ended 31 July 2023 Group £000	Year ended 31 July 2023 College £000
Bank loans and overdrafts	403	403	387	387
Trade payables (1)	2,063	2,063	1,492	1,492
Other taxation and social security	647	647	618	618
Accruals and deferred income (2)	2,735	2,735	1,788	1,778
Holiday pay accrual	52	52	44	44
Deferred income – government capital grants	2,241	2,241	1,961	1,961
Amounts owed to the ESFA / DfE (3)	6,285	6,285	5,423	5,423
Other Creditors (4)	1,008	1,008	1,226	1,226
Total	**15,434**	**15,434**	**12,939**	**12,929**

Notes

1 Amounts owed in relation to the refurbishment of the sports centre at Easton and the upgrades required in relation to technology has resulted in the increase in the trade payables balance over the prior year.
2 The accruals and deferred income balance has increased mainly as a result of accruals at the year end relating to the building of the Construction Skills Centre and the refurbishment of the Sports Centre. These total £818k.
3 The increase in amounts owed to the ESFA / DfE relates to capital grants received from these bodies but which have not yet been utilised. These grants are to be spent over differing periods up to 31 March 2026 and will be recognised as deferred capital grants once matched against future related capital expenditure.
4 In the prior year, the other creditors balance included £350k due to Suffolk New College in relation to the sale of land at Easton. This amount was paid to Suffolk New College in June 2024 and this therefore accounts for the reduction in the other creditors balance between the current and prior year end.

19 Creditors: amounts falling due after one year – Group and College

	Year ended 31 July 2024 £000	Year ended 31 July 2023 £000
Bank loans	2,644	3,047
Deferred income – government capital grants	30,457	27,695
Total	**33,101**	**30,742**

20 Maturity of Debt – Group and College

Bank loans and overdrafts

Bank loans and overdrafts are repayable as follows:

	Year ended 31 July 2024 £000	Year ended 31 July 2023 £000
In one year or less	403	387
Between one and two years	421	403
Between two and five years	1,058	1,256
In five years or more	1,165	1,388
Total	**3,047**	**3,434**

The College has 2 loans – one with European Investment Bank (EIB) loan and one with Lloyds Bank plc.

The unsecured EIB loan was initially for £2,850k with 58 quarterly repayments over 14.5 years. The loan was taken out to fund the new roof and windows in the Norwich building. Interest is calculated on the balance of the loan for each applicable interest period at the aggregate rate of 3.862% (up to September 2022) and a rate of 3.14% (from September 2022 to March 2028), and capital repayments commenced from September 2013.

Following the merger of Easton, the College took on the long term bank loan previously held by Easton and Otley College with Lloyds Bank plc. The value of the loan at the point of transfer (1 January 2020) was £2,872k. The interest on the loan is 5.84% and it is repayable by instalments falling due until January 2034. The loan is secured on a portion of the freehold land at the Easton campus of the College.

21 Restricted Reserves – Group and College

	2024 £000	2023 £000
At 1 August	95	96
Expenditure	(2)	(1)
At 31 July	**93**	**95**

The funds represent donations for prize funds, and the movement in the year represents amounts used for prizes awarded and specific earmarked schemes relating to certain building work which are being released over the useful life of the asset.

22 Provisions – Group and College

	Defined benefit Obligations	Enhanced pensions	Total
	£000	£000	£000
At 1 August 2023	-	1,313	1,313
Expenditure in the period	(3,367)	(156)	(3,523)
Transferred from Income and Expenditure account	3,367	91	3,458
At 31 July 2024	**-**	**1,248**	**1,248**

Defined benefit obligations - these relate to the liabilities under the Group' and College's membership of the Local Government Pension Scheme. Further details are given in note 27.

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

The principal assumptions for this calculation are:

	2024	2023
Price inflation	2.8%	2.8%
Discount rate	4.8%	5.0%

23 Analysis of changes in net debt

Group

	At 1 August 2023	Cash Flows	Other changes	At 31 July 2024
	£000	£000	£000	£000
Cash and cash equivalents	10,280	4,451	-	14,731
Total cash and cash equivalents	**10,280**	**4,451**	**-**	**14,731**
Borrowings				
Debt due within one year	(387)	387	(403)	(403)
Debts due after one year	(3,047)	-	403	(2,644)
Total Borrowings	**(3,434)**	**387**	**-**	**(3,047)**
Total	**6,846**	**4,838**	**-**	**11,684**

23 Analysis of changes in net debt (continued)

College

	At 1 August 2023 £000	Cash Flows £000	Other Changes £000	At 31 July 2024 £000
Cash and cash equivalents	10,204	4,527	-	14,731
Total cash and cash equivalents	**10,204**	**4,527**	**-**	**14,731**
Borrowings				
Debt due within one year	(387)	387	(403)	(403)
Debts due after one year	(3,047)	-	403	(2,644)
Total Borrowings	**(3,434)**	**387**	**-**	**(3,047)**
Total	**6,770**	**4,914**	**-**	**11,684**

24 Capital commitments – Group and College

	At 31 July 2024 £000	At 31 July 2023 £000
Commitments contracted for at 31 July	5,625	1,899

The College is undertaking a number of capital projects currently for which works have commenced and were on-going as at 31 July 2024. Commitments include works on the Construction Skill Centre new build (£2,906k), the refurbishment of the Easton Sports and Conference Centre (£651k), flat roofing works and works to the Norwich building (£688k) and library refurbishment works (£661k).

25 Lease obligations – Group and College

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

	At 31 July 2024 £000	At 31 July 2023 £000
Future minimum lease payments due		
Land and buildings		
Not later than one year	267	250
Later than one year and not later than five years	379	604
Later than five years	-	-
	646	854
Other		
Not later than one year	82	61
Later than one year and not later than five years	226	57
Later than five years		-
	308	118
Total lease payments due	**954**	**972**

26 Contingent liabilities – Group and College

There were no contingent liabilities at 31 July 2024 (31 July 2023: none).

27 Defined benefit obligations

The College's employees belong to two principal post-employment benefit plans: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Norfolk County Council. Both are multi-employer defined-benefit plans.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of the TPS was as at 31 March 2020 and of the LGPS 31 March 2022.

Group

Total pension cost for the year	**2023/24**		**2022/23**	
	£000	**£000**	**£000**	**£000**
Teachers Pension Scheme: contributions paid		3,519		3,092
Local Government Pension Scheme:				
Contributions paid	3,367		3,066	
FRS 102 (28) charge	(728)		650	
Charge to the Statement of Comprehensive Income		2,639		3,716
LGPS revision in year		-		(21)
Enhanced pension charge to Statement of Comprehensive Income		91		12
Added years pension payments for Easton staff		17		17
Total Pension Cost for Year within staff costs		**6,266**		**6,816**

College

Total pension cost for the year	**2023/24**		**2022/23**	
	£000	**£000**	**£000**	**£000**
Teachers Pension Scheme: contributions paid		3,519		3,092
Local Government Pension Scheme:				
Contributions paid	3,367		3,066	
FRS 102 (28) charge	(728)		650	
Charge to the Statement of Comprehensive Income		2,639		3,716
LGPS revision in year				(21)
Enhanced pension charge to Statement of Comprehensive Income		91		12
Added years pension payments for Easton staff		17		17
Recharge of pension costs to Easton Enterprises Ltd.		(2)		(7)
Total Pension Cost for Year within staff costs		**6,264**		**6,809**

Contributions amounting to £824k (2023: £691k) were payable to both schemes at the year end and are included in creditors.

27 Defined benefit obligations

Teachers' Pension Scheme

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

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

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

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

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

As a result of the valuation, new employer contribution rates rose to 28.68% from April 2024 (compared to 23.68% which has applied since September 2019).

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website.

The pension costs paid to TPS in the year amounted to £3,519k (2022/23: £3,092k).

Local Government Pension Scheme

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by Norfolk County Council.

The total Group (and College) contribution made for the year ended 31 July 2024 was £4,207k, (£3,829k in 2022-23), of which employer's contributions totalled £3,367k (£3,066k in 2022-23) and employees' contributions totalled £840k (£763k in 2022-23).

27 Defined benefit obligations (continued)

The agreed contribution rate for future years is currently 25.6%, for the year to 31 March 2025, for the College and range from 5.5% to 12.5% for employees, depending on salary according to a national scale. No deficit payment is required for the period to 31 March 2025.

In calculating the FRS 102 pension liabilities, the actuary has made allowances for the following:

- **Guaranteed Minimum Pension (GMP)** – On 26 October 2018, the High Court handed down a judgment involving the Lloyds Banking Group's defined benefit pension schemes. The judgment concluded the schemes should be amended to equalize pension benefits for men and women in relation to guaranteed minimum pension benefits, "GMP". The last formal funding valuation in March 2022 made allowance for full GMP indexation within the Local Government Pension Scheme. The actuary's rolled forward position to 31 July 2024 therefore includes this allowance in its assessment of the pension costs and liabilities.
- **McCloud Judgement (Public Service Pensions Age Discrimination Cases)** – When the LGPS Pension Scheme benefit structures were reformed, transitional protections were applied to certain older members close to normal retirement age. The benefits accrued from 1 April 2014 by these members are subject to an 'underpin' which means that they cannot be lower than what they would have received under the previous benefit structure. The underpin ensures that these members do not lose out from the introduction of the new scheme, by effectively giving them the better of the benefits from the old and new schemes. In December 2018 the Court of Appeal upheld a ruling ("McCloud/Sargeant") that similar transitional protections in the Judges' and Firefighters' Pension Schemes were unlawful on the grounds of age discrimination. The UK Government's application for leave to appeal to the Supreme Court was refused and subsequently, the Government confirmed that all main public service pension schemes, including the LGPS, would be changed to remove the age discrimination. During the year, LGPS funds have been identifying members that sit within the scope of the McCloud ruling and reviewing the benefits they have paid to eligible members since 1 April 2014. As a result of this case, in 2019/20, the College requested the actuary to estimate of the cost of the impact of this judgement and make an allowance for McCloud within its results. The allowance previously made in 2019/20 has been rolled forward since this date and therefore the FRS 102 valuation as at 31 July 2024 takes account of expected costs of the McCloud ruling.

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2022 updated to 31 July 2024 by a qualified independent actuary, (Hymans Robertson LLP).

	At 31 July 2024	At 31 July 2023
Group and College:		
Rate of increase in salaries	3.45%	3.70%
Future pensions increases	2.75%	3.00%
Discount rate for scheme liabilities	5.00%	5.05%
Inflation assumption (CPI)	2.75%	3.00%

Commutation of pensions to lump sums

An allowance is included for future retirements to elect to take 45% of the maximum additional tax-free cash up to HMRC limits.

27 Defined benefit obligations (continued)

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65, within the Group and College, are:

Group and College	**At 31 July 2024**	**At 31 July 2023**
	Years	**Years**
Retiring today		
Males	20.7	20.7
Females	24.0	24.0
Retiring in 20 years		
Males	21.8	21.9
Females	25.6	25.6

The Group and College's share of the assets in the plan and the expected rates of return were:

	Long-term rate of return expected at 31 July 2024	**Fair Value at 31 July 2024**	**Long-term rate of return expected at 31 July 2023**	**Fair Value at 31 July 2023**
		£000		**£000**
Equities	5.00%	75,093	5.05%	67,088
Bonds	5.00%	49,100	5.05%	43,865
Property	5.00%	15,885	5.05%	14,192
Cash	5.00%	4,332	5.05%	3,870
Total fair value of plan assets		**144,410**		**129,015**
Weighted average expected long term rate of return	5.00%		5.05%	
Actual return on plan assets		**14,049**		**3,724**

27 Defined benefit obligations (continued)

The amount included in the Balance Sheet in respect of the defined benefit pension plan and enhanced pensions benefits is as follows:

Group and College	2024 £000	2023 £000
Fair value of plan assets	144,410	129,015
Present value of plan liabilities	(115,893)	(110,849)
Present value of unfunded liabilities	(47)	(49)
Sub-total [(1)]	**28,470**	**18,117**
Impairment of pension asset [(1)]	(28,470)	(18,117)
Net pensions (liability)	**-**	**-**

Notes

1. The FRS 102 valuation of the Group and College's LGPS pension obligations identified a net pension asset of £28,470k as at 31 July 2024, (£18,117k as at 31 July 2023). The fair value of the plan assets and present value of the liabilities making up this net valuation is shown in greater detail below. However, following a review to consider whether any of the net asset can be recognised in Balance Sheet in accordance with accounting standards, the Group and College has decided to impair the net asset in full. No net pension asset will be recognised in the Balance Sheet as at 31 July 2024 (£nil as at 31 July 2023), as it is not certain that future economic benefits will flow to the Group or College from the asset. As a result, an adjustment has been made to impair the net pension asset to £nil. An impairment of £10,353k has been recognised within Other Comprehensive Income in the Statement of Comprehensive Income in 2023/24, £16,718k was recognised in 2022/23 and £1,399k in 2021/22 (total £28,470k).

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

Group and College	2024 £000	2023 £000
Amounts included in staff costs		
Current service cost	2,639	3,716
Past service cost	-	-
Total	**2,639**	**3,716**

Amounts included in investment income

Group and College	2024 £000	2023 £000
Net pension finance income	**933**	**97**

27 Defined benefit obligations (continued)

Amounts recognised in Other Comprehensive Income

Group and College	2024 £000	2023 £000
Return on pension plan assets	7,500	(940)
Experience losses arising on defined benefit obligations	(3,626)	(8,993)
Changes in assumptions underlying the present value of plan liabilities	-	(8,739)
Changes in assumptions underlying the present value of plan assets	4,818	34,240
Actuarial gain/(loss) arising from movement in pensions liability/asset due to/from Suffolk New College	-	1,703
Impairment of pension asset	(10,353)	(16,718)
Amount recognised in Other Comprehensive Income	**(1,661)**	**553**

Movement in net defined benefit (liability)/asset during the year

Group and College	2024 £000	2023 £000
Deficit in scheme at 1 August	-	-
Movement in year:		
Current service cost	(2,639)	(3,716)
Employer contributions	3,360	3,060
Contribution in respect of unfunded benefits	7	6
Net interest on the defined (liability)/asset	933	97
Actuarial gain / (loss)	8,692	15,568
Sub-total	**10,353**	**15,015**
Movement in year:		
Long term pensions liability due to Suffolk New College	-	1,703
Impairment of pension asset	(10,353)	(16,718)
Net defined benefit pension asset / (liability) as at 31 July	**-**	**-**

27 Defined benefit obligations (continued)

Asset and Liability Reconciliation

Changes in the present value of defined benefit obligations

Group and College	2024 £000	2023 £000
Defined benefit obligations at start of period	**110,898**	**129,577**
Current service cost	2,639	3,716
Interest cost	5,616	4,567
Contributions by Scheme participants	840	763
Experience gains and losses on defined benefit obligations	3,626	8,993
Changes in financial assumptions	(4,818)	(34,240)
Estimated unfunded benefits paid	(7)	(6)
Estimated benefits paid	(2,854)	(2,472)
Defined benefit obligations at end of period	**115,940**	**110,898**

Changes in the fair value of plan assets

Group and College	2024 £000	2023 £000
Fair value of plan assets at start of period	**129,015**	**132,679**
Interest on plan assets	6,549	4,664
Return on plan assets	7,500	(940)
Employer contributions	3,360	3,060
Experience gains and losses on assets	-	(8,739)
Contributions by Scheme participants	840	763
Contribution in respect of unfunded benefits	7	6
Estimated unfunded benefits paid	(7)	(6)
Estimated benefits paid	(2,854)	(2,472)
Fair value of plan assets at the end of period	**144,410**	**129,015**

28 Related party transactions

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

Name of related party	Relationship	Transaction Description	Amounts 2023/24	Balance outstanding at 31 July 2024	Amounts 2022/23	Balance outstanding at 31 July 2023
			£000	£000	£000	£000
Food and Farming Discovery Trust	Connected Business (1)	Subscription	-	-	10	10
RCU Ltd	Connected Business (1)	IT software licence	4	-	4	-
Norwich City Council (Towns Deal)	Connected Business (1)	Capital grant funding	(84)	-	(1,771)	(184)
UEA	Connected Business (2)	Higher Apprenticeship Income, Funding for HE delivery, validation charge, staff training, hire of facilities	259	13	323	(56)
Advance HE	Connected Business (3)	Membership payments	3	-	-	-
KLM UK Engineering Ltd	Connected Business (4)	HE delivery, Apprenticeship incentive payments & fees	455	134	547	29
Broad Horizons Education Trust	Connected Business (5)	Apprenticeship incentive payments	-	-	1	-
Norfolk and Norwich University Hospital	Connected Business (6)	Apprenticeship incentive payments, Occupational Health payments, tuition fees	77	13	N/A	N/A
Key management personnel family members	Employees of the College	Gross Pay, Benefits and Employers Pensions Contributions	36	-	32	3
Norfolk CC Pension Fund	Charity SORP standard related party - Provision of LGPS		See disclosures in note 27.			
Teachers' Pension Scheme	Charity SORP standard related party - Provision of TPS		See disclosures in note 27.			

Amounts include accounting adjustments (accruals/prepayments)
Amounts shown in brackets are income/debtors

28 Related party transactions (continued)

Notes

1. J White (Principal and CEO, Governor) is a Director of RCU Ltd and a Trustee of Food and Farming Discovery Trust. He is also Norwich City Council Towns Deal Board Member.
2. S Green (Governor) is a Director of Digital and Data at UEA.
3. A Blanchflower (Governor) is an associate of Advance HE.
4. W Easlea (Governor) is Managing Director of KLM UK Engineering Ltd.
5. C Snudden (Governor) is a Trustee of the Broad Horizons Education Trust.
6. N Gray (Governor) became a Non-Executive Director of the Norfolk and Norwich University Hospital in January 2024.

The total expenses paid to or on behalf of the Governors during the year was £0; 0 governors (2022: £nil; 0 governors). No Governor has received any remuneration or waived payments from the college or its subsidiaries during the year (2022: None).

29 Controlling Party

The College is the ultimate parent undertaking of the City College Norwich Group, which includes EOC Enterprises Ltd and EOC SPV Ltd.

30 Amounts disbursed to students – Group and College

Learner support funds / Hardship Funds

	2024	2023
	£000	£000
Balance brought forward	**692**	**384**
Funding body grants – 16-19 bursary support	1,593	1,398
Funding body grants – Advanced learner loans bursary support	142	84
Funding body grants – 16-19 residential	103	108
Funding body grants – Care leaver bursary support	3	-
Other Funding body grants (1)	62	194
OfS – Hardship Fund	-	10
	1,903	**1,794**
Disbursed to students	(1,531)	(1,371)
Administration costs	(70)	(64)
Amount consolidated in financial statements	(25)	(60)
Amount returned to funding body	(22)	9
	(1,648)	**(1,486)**
Balance unspent as at 31 July, included in creditors	**947**	**692**

Notes

1 Funding body grants are available solely for students. In the majority of instances, the College only acts as a paying agent (agency basis for 16-19 and advanced learner loans bursaries). In these circumstances, the grants and related disbursements are therefore excluded from the Statement of Comprehensive Income. In addition, other funding body grants includes a transfer of the free school meals balance.

31 Amounts disbursed to partner colleges – Group and College

SDF II Resource/Capital Partner Activity

	2024	2023
	£000	£000
Balance brought forward	32	-
Received by the College for its partners:		
Capital Grant	-	1,187
Revenue Grant	-	973
		2,160
Disbursed to partners:		
Capital	-	(1,172)
Revenue	-	(956)
		(2,128)
Balance unspent as at 31 July, included in creditors	**32**	**32**

In 2022/23, the College, along with 4 other colleges - Suffolk New College, East Coast College, West Suffolk College and College of West Anglia – collaborated on the New Anglia Green Skills project. The project was designed to embed sustainability across the 5 colleges in teaching, learning and facilities through:

- Reviewing the green skills curriculum, identifying skills, needs, gaps and training requirements;
- Undertaking training to enhance green skills; and
- Developing new and deeper links with key businesses within the green skills industry, enabling staff placement days, business involvement in shaping curriculum and/or maximising effective use of new green skills equipment.

In 2022/23, as lead partner, the College received a grant from the Department for Education for the project, amounting to £2,735k, and was responsible for disbursing the grant to all partners, once the grant terms and conditions set by the Department for Education had been met. The College recognised its own share of this grant as either income in the year or as fixed asset additions as grant conditions were met. In relation to the remainder of the grant, the College acts a paying agent, and therefore the remaining grant and related disbursements to partners are therefore excluded from the Statement of Comprehensive Income. The project concluded within 2022/23 and therefore there has been no activity in relation to this project within 2023/24.