

East Coast College
Annual Report and Financial Statements
Year ended 31 July 2024

East Coast College

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East Coast College

Reference and Administrative Details

Board of Governors:

A full list of Governors is given on pages 14 to 17 of these financial statements.

Senior Management Team:

Paul Padda	-	Principal and Chief Executive
Gary Jefferson	-	Deputy Principal
Urmila Rasan	-	Deputy Chief Executive

Principal and Registered Office:

Rotterdam Road
Lowestoft
Suffolk
NR32 2PJ

Professional advisors:

Financial statements auditor and reporting accountants

Sumer AuditCo Limited
Fitzroy House
Crown Street
Ipswich, IP1 3LG

Internal auditors

RSM Risk Assurance Services LLP
The Pinnacle
170 Midsummer Boulevard
Milton Keynes
Bucks, MK9 1BP

Bankers

Lloyds Bank plc
Endeavour House
Chivers Way
Histon
Cambridge, CB24 9ZR

Solicitors

Ashtons Legal
The Long Barn
Fornham Business Park
Bury St Edmunds
IP31 1SL

East Coast College

Strategic Report

OBJECTIVES AND STRATEGY

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

Legal status

The Corporation was established under The Further and Higher Education Act 1992 as Lowestoft College. The purposes of the Corporation have expanded with the merger with Great Yarmouth College in 2017 and Lowestoft Sixth Form College in 2018 and is now known as East Coast College. The College is an exempt charity for the purposes of the Charities Act 2011.

The Corporation has one wholly owned subsidiary, East Coast Energy Training Academy Limited (formerly known as Lowestoft and Waveney Education Services Limited).

Mission, Vision, Strategy and/or Objectives

Our purpose is to transform individuals and build communities through education. Our values are:

Aspirational – being supportive, exploring potential and challenging ourselves daily

Respectful – acting with compassion, being inclusive and welcoming to others in our learning community and to our environment

Professional – putting team first, acting with integrity, developing our expertise and having a focused work ethic

Successful – determining our ambition, achieving excellence and continually raising standards

The East Coast College Group Strategic Plan 2023, has four elements,

Developing our Curriculum

By 2030 we will have:

- At least 800 apprentices each year studying pathways based on local and regional need.
- At least 3,000 students aged 16-18 across a range of academic, technical and inclusive programmes.
- Increased adult student participation to £2.2m per year.
- At least 500 FTE students studying higher education at Level 4, 5, 6 and 7.
- At least 600 students studying at the Lowestoft Sixth Form College annually and development of academic programmes at Level 3 in Great Yarmouth.
- Annually recruited and supported over 200 high needs funded students and developed partnerships to annually increase supported internships.
- Developed commercial training turnover to £3m per year.
- Through project work, engaged 2,500 people in activities to improve their work readiness, job-search activity, and continuing education.

Delivering Student Success

By 2030 we will have:

- 'Exceptional Provision' demonstrated by an Ofsted 'Outstanding' grade for SEND and high needs students and a 'Good' for all other areas.
- Achieved and maintained national and regional respect for our higher education provision as measured through the National Student Survey.
- Achievement rates in the top quartile nationally for all aspects of our provision.
- At least 95% of students agreeing that they get excellent teaching and learning as measured through annual internal and external surveys.
- 30% of 16-18 students progressing into high quality apprenticeship programmes.
- 80% of students leaving having achieved Level 3 qualifications and above.
- An annual increase of 10% in the number of students who attain qualifications at Level 4 or above.
- Progress measures which are in the top 10% nationally demonstrating excellent progress from students' starting points.
- Annually, at least 100 students taking part in educational trips abroad helping develop confidence, understanding of other cultures and becoming global citizens.
- Provided all students with the opportunity to take part in educational visits to broaden their horizons of work and opportunities beyond the college and their locality which strengthens our position and reputation in relation to the "levelling up" agenda.

Improving our Business

By 2030 we will have:

- An annually efficient college curriculum, contributing to an annual surplus to enable investment in staff and resources.
- Achieved a minimum annual capital investment of £500,000 in new infrastructure to support the new curriculum.
- Developed a high-quality estate through investment to provide excellent facilities for our students and staff (100% buildings categorised as good or outstanding).
- Maintained an ESFA financial health performance rating of "Good".

Supporting our People

By 2030 we will have:

- Demonstrated high levels of staff satisfaction where 90% of our staff would recommend the college as a place to work or study.
- Reduced our staff sickness absence rate to below the Association of Colleges' average.
- Reduced the college vacancy rate to below 5%.
- Continued on our inclusion journey and achieved Stage 3: Inclusive Excellence Leader status.

Resources

The College employs 615 people (432.8 expressed as full-time equivalents), of whom 178 (148.5 expressed as full-time equivalents) are teaching staff.

The College enrolled approximately 4,800 students. The college's student population includes 2,777 16-to-18-year-old students, 718 apprentices, 309 higher education students, 135 international students and 1,031 adult learners.

The college has £ 2,293k (2023: £216k) of net current assets and long-term debt of £38.2 million (2023: £40.1 million). The College had an unrecognised defined benefit pension scheme asset at 31 July 2024 of £14,040k (2023: £9,486k). This has not been recognised because the realisation is not sufficiently certain.

Tangible resources include the campuses in Lowestoft, Great Yarmouth and Lound.

The College has a good reputation locally and nationally. In its last Ofsted inspection in February 2020, it was rated Good.

Stakeholders

The College has many stakeholders including:

- Learners and their sponsors
- Education sector funding bodies
- FE Commissioner
- Staff
- Local employers (with specific links)
- Local Authorities
- Government Offices/ Regional Development Agencies/LEPs
- The local community
- Other FE institutions
- Trade unions
- Professional bodies

The College recognises the importance of these relationships and engages in regular communication with them including through the College website and meetings.

Public benefit

East Coast College is an exempt charity under Part 3 of the Charities Act 2011 and is regulated by the Secretary of State for Education. The members of the Governing Body, who are Trustees of the Charity, are disclosed on pages 14 to 17. 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.

In delivering its mission, the College provides identifiable public benefits through the advancement of education to approximately 4,800 students, including 229 students with high needs. The College provides courses without charge to young people, to those who are unemployed and adults taking English and maths courses. The College adjusts its courses to meet the needs of local employers and provides training to 718 apprentices. The College is committed to providing information,

advice and guidance to the students it enrolls and to finding suitable courses for as many students as possible regardless of their educational background.

DEVELOPMENT AND PERFORMANCE

Financial Results

The Group generated a surplus before other gains and losses of £2.8m. This was after release of a capital grant of £2.4m. This was an improvement on 2022/23 from a surplus of £0.2m.

Cash flows and liquidity

At £1.9m (2022/23 £7.2m), net cash flow from operating activities was reduced. The College had an advance payment of project funding of £5m in 2022/23.

The size of the College's total borrowing and its approach to interest rates has been calculated to ensure a reasonable cushion between the total cost of servicing debt and operating cashflow. During the year this margin was comfortably exceeded.

Sources of income

The Group has significant reliance on the education sector funding bodies for its principal funding source, largely from recurrent grants. In 2023/24, the ESFA provided 57% of the Group's total income (compared to 56% in 2022/23).

Group companies

The College has one subsidiary, East Coast Energy Training Academy Limited. The Trading Company is a private company limited by shares and is a wholly owned subsidiary of the College. The Trading Company undertakes commercial and commercially facing training activities for companies working in the region's priority sectors, and management of the Energy Skills Centre. Any surpluses generated by the subsidiary is transferred to the College under a deed of covenant. In the current year, the surpluses generated were £265k (2022/23 £176k).

FUTURE PROSPECTS

Future developments

The DfE is exploring a capital development at the Great Yarmouth campus. Any future investment will offer high quality teaching and learning spaces and allow the College to develop its technical course offering in specifically designed areas.

Financial plan

The College governors approved a financial plan in July 2023 which set objectives for the period to 31 July 2024. The aim was to maintain a health rating of 'Good' and achieve a small surplus in the year to 31 July 2024.

16-19 funding decreased in the year to 31 July 2023.

Treasury policies and objectives

The College has treasury management arrangements in place to manage cash flows, banking arrangements and the risks associated with those activities. Short-term borrowing for temporary revenue purposes is authorised by the Principal/Chief Executive Officer. All other borrowing requires the authorisation of the Corporation.

Reserves

The College has no formal Reserves Policy but recognises the importance of reserves in the financial stability of any organisation and ensures that there are adequate reserves to support the College's core activities. As at the balance sheet date the current year Income and Expenditure reserve stands at a surplus of £8.5m (2023 surplus £6.5m).

The College had an unrecognised defined benefit pension scheme asset at 31 July 2024 of £14,040k (2023: £9,486k). This has not been recognised because the realisation is not sufficiently certain.

It is the Corporation's intention to increase reserves over the life of the strategic plan through the generation of annual operating surpluses.

PRINCIPAL RISKS AND UNCERTAINTIES

The College has well developed strategies for managing risk and strives to embed risk management in all that it does. Risk management processes are designed to protect its assets, reputation and financial stability. The governing body has overall responsibility for risk management and its approach to managing risks and internal controls is explained in the Statement on Corporate Governance.

Risk registers are maintained at the strategic and tactical levels which are reviewed termly by the Audit Committee and at least termly by the Corporation. The tactical risk register is aligned to each committee who review it termly. The risk register 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.

KEY PERFORMANCE INDICATORS

The colleges key performance indicators, targets and results are set out below.

Key performance indicator	Measure/Target	Actual for 2023/4
Student number targets	4,260	4,600
Operating surplus/EBITDA as % of income	5.55%	9.56%
Ofsted rating	Good	Good
Financial Health Rating	Good	Good
Staff costs as a percentage of adjusted income	64.72%	56.31%

Payment performance

The Late Payment of Commercial Debts (Interest) Act 1998, in the absence of agreement to the contrary, requires organisations to make payments within 30 days. During the accounting period 1 August 2023 to 31 July 2024, the College paid 95.6 per cent of its invoices within 30 days. The College incurred no interest charges in respect of late payment for this period.

Streamlined Energy and Carbon Reporting

The College's greenhouse gas emissions and energy use are calculated in line with the 2019 HM Government Environmental Reporting Guidelines, the GHG Reporting

Protocol – Corporate Standard and the 2021 UK Government's Conversion Factors for Company Reporting.

It should be noted that only staff travel has been considered within Scope 3, so this results in a smaller representation of the total emissions than typically expected if all aspects of Scope 3 had been considered.

Energy consumption	Lowestoff	Great Yarmouth	Lound	2024 Totals	2023 Totals
Gas (kWh)	1,951,618	1,365,722	0	3,317,340	4,131,574
Electricity (kWh)	1,521,411	730,897	2,520	2,254,827	2,351,121
Travel College Vehicles (miles)				22,286	26,941
Travel Staff Vehicles (miles)				80,908	80,180
Scope 1 Emissions (tCO₂e)					
Gas	356.95	249.79	0	606.74	754.18
Travel College Vehicles				24.65	30.33
Scope 2 Emissions (tCO₂e)					
Electricity	315.05	151.35	0.52	466.92	454.66
Scope 3 Emissions (tCO₂e)					
Travel Staff Vehicles				21.65	22.02
Total Gross Emissions (tCO₂e)				1,120	1261.2
FTE Staff Total				433	450
Intensity Ratio (FTE staff)				2.6	2.8
Emissions per FTE Staff Member (tCO₂e)				2.6	2.8

EQUALITY AND DIVERSITY

Equality

Equality

East Coast College has a Single Equality scheme which includes the following statement of intent:

"We aim to go beyond legislation to actively promote equality, inclusion and value diversity across the community, including the following Protected Characteristics:

- Age
- Disability
- Sex
- Sexual orientation
- Gender reassignment
- Race
- Religion or belief
- Pregnancy and maternity
- Marriage and civil partnership"

The duties of the Single Equality Scheme will be met in the following ways:

- Staff, students, contractors, suppliers and other stakeholders are aware of the value placed upon equal opportunity and that action will be taken in the event of any breach of the scheme
- Governors and staff have access to relevant and appropriate information which assists them to plan, implement and monitor actions to carry out their responsibilities under the scheme
- The College's publicity material aims to present appropriate and positive messages with regards to the 9 characteristics
- Schemes of work, lesson content and teaching resources demonstrate sensitivity and positive promotion of age, disability, gender identity, gender, race, religion or belief, sexual orientation and cultural diversity issues
- All students can access appropriate support and facilities
- Applicants for employment are drawn from a wide pool with positive action to encourage applications from under-represented groups
- Recruitment and promotion procedures are designed and implemented to minimise discrimination
- Staff development schemes are designed to meet the particular needs and enhance the skills of individuals of all under-represented groups
- To consult with staff and students through surveys, focus meetings and student voice forums
- To monitor and review all College policies for their impact on equalities for staff and students
- To actively engage in partnership agreements with groups outside of the College to actively promote community cohesion
- To seek the views of students, staff and stakeholders on how the College is meeting its core values, and act on the findings
- Ensure the development of an effective and diverse workforce
- Continue to work in partnership with local, regional and national employers to identify future labour market demands to ensure the best possible progression opportunities are provided to all our students
- To monitor achievement gaps and ensure that the relevant strategies drive to reduce any possible inequalities

The College undertakes equality impact assessments on all new policies and procedures and publishes the results. Equality impact assessments are also undertaken for existing policies and procedures on a prioritised basis.

The Single Equality Scheme is available on the College's website.

Disability statement

The College seeks to achieve the objectives set down in the Equality Act 2010 and in particular makes the following commitments:

- As part of the redevelopment of the buildings it is installing lifts and ramps so that eventually most of the facilities will allow access to

people with a disability.

- The College has appointed an Access Co-ordinator, who provides information, advice and arranges support where necessary for students with disabilities.
- There is a list of specialist equipment, such as lighting, audio facilities or wheelchairs, which the College can make available for use by students or visitors.
- The admissions policy for all students is described in the College Charter. Appeals against a decision not to offer a place are dealt with under the complaints policy.
- The College has made a significant investment in the appointment of specialist lecturers to support students with learning difficulties and/or disabilities. There are a number of student support assistants who can provide a variety of support for learning. There is a continuing programme of staff development to ensure the provision of a high level of appropriate support for students who have learning difficulties and/or disabilities.
- Specialist programmes are described in programme information guides, and achievements and destinations are recorded and published in the standard College format.
- Counselling and welfare services are described in the College Student Guide, which is issued to students together with the Complaints and Disciplinary Procedure leaflets at induction.

Gender pay gap reporting

	Year ending 31 March 2024
Mean gender pay gap	11.9%
Median gender pay gap	28.2%
Mean bonus gender pay gap	0%
Median gender bonus gap	0%
Proportion of males/females receiving a bonus	0%/0%

The proportion of males and females in each quartile of the pay distribution are:

	Males	Females
1 - Lower quartile	25%	75%
2 - Lower middle quartile	28%	72%
3 - Upper middle quartile	34%	66%
4 - Upper quartile	49%	51%

The college publishes its annual gender pay gap report on its website.

Trade union facility time

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

Number of employees in the relevant period	6
FTE employee number	4.88

Percentage of time	Number of employees
0%	-
1-50%	6
51-99%	-
100%	-

Total cost of facility time	£27,590
Total pay bill	£19,224k
Percentage of total bill spent on facility time	0.14%
Time spent on paid trade union activities as a percentage of total paid facility time	3 hours per week per union per campus

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

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 College, its cash flow, liquidity and borrowings are presented in the Financial Statements and accompanying Notes.

The College currently has £4.6m of loans outstanding with bankers on terms negotiated in 2008. The terms for the existing agreements are for between 3 and 10 years. The College also has a further loan of £865k from the ESFA on terms negotiated in 2017. This is repayable by instalments over the next 3 years.

The College's 2024/25 budget forecasts a surplus that will result in the bank covenants being met during 2024/25. The cashflow forecasts for the next 12 months predict that there are sufficient cash days in hand throughout the period. Subsequent amendments to income and expenditure are reported to the board at each board meeting. The board considers that the College will be able to operate within the existing banking facilities and covenants for at least the next 12 months.

Accordingly, the College has a reasonable expectation that it has adequate resources to continue in operational existence for the next 12 months, and for this reason will continue to adopt the going concern basis in the preparation of its Financial Statements.

EVENTS AFTER THE REPORTING PERIOD

Since the year end, the College has signed the Agreement for Lease for The Place in Great Yarmouth, The University of Suffolk has also signed the Agreement for Underlease with the College for their area at The Place.

The College are awaiting a decision from the Department for Education regarding whether they will enter into a construction contract for the rebuild of much of the College's Great Yarmouth campus.

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 auditor is 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 auditor is aware of that information.

Approved by order of the members of the Corporation on 17th December 2024 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'D. Blake', with a large, stylized initial 'D' and a horizontal line extending to the left.

David Blake

[Chair]

East Coast College

Governance Statement

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 1 August 2023 to 31 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:

1. in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership);
2. in full accordance with the guidance to colleges from the Association of Colleges Further Education Code of Good Governance 2023 ("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 new AOC Code of Good Governance which the Board adopted in October 2023 and assessed against in 2023/24.

In the opinion of the Governors, the College complies with the Code, and it has complied throughout the year ended 31 July 2024. This was partly assessed through the Governance Self-Assessment and reviewed by the Governance Remuneration and Search Committee at its October and November 2024 meetings and by the External Board Review that reported in January 2024.

THE CORPORATION

Members of the Corporation

The members who served on the Corporation during the year and up to the date of signature of this report were as listed in the table below. All terms of office are for between 1 and 4 years, aligned to the academic year.

	Date of Appointment	Term of office expires	Resignation or end of term	Status of appointment	Committees served 2023/24	Corporation Attendance in 2023/24
Tina Ellis	1 8 17 reappointed 1 8 19 reappointed 1 8 23 reappointed from 1 8 24	31 7 25		Independent	Governance Remuneration and Search, People, Quality and Standards	5/5
Rob Evans	1 8 17 reappointed 1 8 20 reappointed 1 8 21	31 7 24	31 7 24	Independent Senior Independent Director	Governance Remuneration and Search, and Audit	4/5

	reappointed 1 8 22 Reappointed from 1 8 23					
Saul Humphrey	1 8 17 Reappointed 31 7 21 Reappointed from 1 8 23	31 7 26	19 12 23	Independent	Curriculum Development, Estates	1/1
Stuart Rimmer	1 8 17	N/A	31 12 23	CEO/Principal	Quality and Standards, Finance and General Purposes, Estates, People, Curriculum Development and Governance Remuneration and Search	1/3
Peter Lavender	19 12 17 Reappointed as of 12 21	31 7 26		Independent	Curriculum Development Governance Remuneration and Search	4/5
Giles Kerkham	1 4 19 Reappointed from 1 8 23	31 7 26		Independent	Audit	5/5
Mike Dowdall	1 2 19 reappointed from 1 8 23	31 7 26		Independent	Finance and General Purposes, Estates and Curriculum Development	5/5
David Blake	1 11 20 Reappointed from 1 8 24	31 7 27		Independent	Finance and General Purposes, Estates and Governance Remuneration and Search	5/5
Kirk Lower	13 4 21 reappointed 1 8 23 Reappointed from 1 8 24	31 7 27		Independent	Quality and Standards Governance Remuneration and Search	5/5
Ian Lomax	13 4 21 Reappointed 21 2 23 Reappointed from 1 8 24	31 7 27		Independent	Finance and General Purposes, Estates and Curriculum Development	4/5

					Governance Remuneration and Search	
Jude Owens	1 8 21 Reappointed 1 8 23 Reappointed from 1 8 24	31 7 27		Independent	People Governance Remuneration and Search	3/5
Nasima Begum	12 10 21	31 7 25	17 1 24	Staff Governor		1/2
Teresa Sharman	21 3 23 Reappointed from 1 8 24	31 7 26		Independent	Audit	4/5
Katie Alexander	20 2 23	31 7 26		Staff Governor	Curriculum Development	4/5
Tia Beresford	31 10 23	31 7 24	31 7 24	Student Governor		2/5
Joe Rahman	31 10 23	31 7 25	7 5 24	Independent	Finance and General Purposes	2/4
Rachel Kirk	31 10 23	31 7 27		Independent	Quality and Standards	5/5
Logan-Jamies Gravells	19 3 24	31 7 25		Student	Finance and General Purposes	0/2
Graham Evans	19 3 24	31 7 25		Independent	Quality and Standards	2/2
Vicki Paterson	19 3 24	31 7 26		Independent	Quality and Standards	1/2
Lynne Doublet	9 2 24	31 7 26		Independent	Finance and General Purposes	1/1
Madeline Moretta	19 3 24	31 7 26		Staff		2/2
Paul Padda	17/04/2024			Principal and CEO	Finance and General Purposes Quality and Standards People Curriculum Development Governance Remuneration and Search	1/1

Appointed as Independent Governors in 2024/25 and in post for consideration of this annual report:

- Robin Jackson
- Mark Buckton and
- Andrew Tovell

The governance framework

It is the Corporation's responsibility to bring independent judgement 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 met monthly during the academic year.

The Corporation conducts its business through a number of committees. Each committee has terms of reference, which have been approved by the Corporation. These committees in 2023/24 were Quality and Standards, Finance and General Purposes, Audit, Governance Remuneration and Search, People, Curriculum Development and a task and finish Estates Committee.

Full minutes of all meetings, except those deemed to be confidential by the Corporation, are available from the Director of Governance at

w.stanger@eastcoast.ac.uk or East Coast College Corporation, East Coast College, Rotterdam Road, Lowestoft, NR32 2PJ

Or on the College's web site at: www.eastcoast.ac.uk

The Director of Governance 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, who is responsible to the Board for ensuring that all applicable procedures and regulations are complied with. As a Senior Post Holder, the appointment, evaluation and removal of the Director of Governance are matters for the Corporation as a whole.

Formal agendas, papers and reports are supplied to Governors in a timely manner using a Governors' portal.

The Director of Governance is a senior post holder and a member of the Senior Leadership Team rather than the traditional 'Clerk to the Corporation' role. The postholder has various relevant qualifications including being a member of the Chartered Institute of Management Accountants, a degree in Politics and Law, a Post Grad Diploma in Business Administration and Fellow of the Chartered Governance Institute. The Board ensures that they receive appropriate development throughout the year including attendance at relevant governance conferences and network events together with relevant training and development. During the 2023/24 this included attendance at AOC Annual Conference, Governance Professional's Development Workshops, Governance Professionals' Leadership Programme Alumni Event, and various sector specific webinars.

The Board ensures that the Director of Governance also works with the sector to help develop Governance through chairing the AOC East Governance Professionals network, Vice Chair of the National Governance Professionals' National Group and various working groups that are developing guidance and support for the sector, this has included review of the Financial Handbook and Development of FE Governance Qualifications. The Director of Governance is a National Leader of Governance and through this work has contributed to and helped facilitate the Just One Thing Conferences to support new Chairs, Governance Professionals and Principals.

The Director of Governance provides the Board with a weekly governance update which includes college and sector briefings.

Governors attended a range of training and development sessions and the topics include:

- Charity trustee duties
- FE Financial Handbook
- Finance and audit masterclasses
- Quality and curriculum masterclasses
- Sector policy and trends
- Safeguarding and Prevent
- EDI developments and trends
- Online safety
- Sexual harassment
- Unloc student leadership – for student governors

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 judgement.

There is a clear division of responsibility in that the roles of the Chair and Accounting Officer are separate.

Appointments to the Corporation and Governor Appointed Roles

Any new appointments to the Corporation are a matter for the consideration of the Corporation as a whole. The Corporation has a Governance Remuneration and Search Committee which is responsible for the selection and nomination of any new member for the Corporation's consideration. The Corporation is responsible for ensuring that appropriate training is provided as required.

Members of the Corporation are appointed for a term of office of between one and four years, aligned to academic year. Additional terms of office are subject to recommendation to the Corporation by the Governance Remuneration and Search Committee and based on the Governance need and succession plan.

Corporation performance

The Corporation annually undertakes a formal and rigorous evaluation of the effectiveness of its performance, and that of its committees and individual Governors.

As required an External Board Review is carried out three yearly. A summary of the External Board Review 2023/24 is available at <https://www.eastcoast.ac.uk/corporation-governors/>

The External Board Review was carried out during 2023/24 by Rob Lawson OBE using the AoC review framework. Rob is the Chair of Hull College and a National Leader of Governance appointed by the office of the FE Commissioner. The review concluded that there is evidence the Board is proficient and has some impact on college strategy, effectiveness and outcomes.

A desk top review of progress against the areas for development set out in the External Board Review has been carried out by the reviewer, this included a review of the action plan and self-assessment documents. It noted that there was

- A thorough and detailed document 'Governance Action Planning' expertly incorporates actions in response to ECC's EBR, the college's own self-governance assessment and the college's committee self-assessment.

This is best practice, and is a holistic approach to improving governance rather than looking at each element separately, as some colleges do and that good progress had been made.

The following were completed as part of the Governance Self-Assessment and reviewed at the Governance Remuneration and Search's October and November 2024 meetings:

1. Annual Review of Committees and Committee Chairs.
2. Annual Attendance Review
3. Annual Governor Training, Development, and Engagement Review
4. Annual Skills and EDI Audit
5. Governor Feedback through review meetings with the Chair and Director of Governance
6. Chairs Appraisal
7. AOC Code of Governance Review
8. Governance Surveys

Governance, Remuneration and Search Committee

For 2023/24 the membership of the Committee was revised and is now made up of the Corporation Chair and Vice Chairs, and the Committee Chairs and was chaired by one of the Vice Chairs.

Members who served during the 2023/24 period were, and their attendance at the main scheduled meetings of the Committees were:

Governor	Attendance
Saul Humphrey (Vice Chair until 19/12/23)	1/1
Kirk Lower (Vice Chair from 19/12/23 & Chair Quality & Standards)	2/4
Tina Ellis (Vice Chair	3/3
David Blake (Corporation Chair)	3/4
Ian Lomax (Chair Finance & General Purposes)	3/4
Jude Owens (Chair People)	3/4
Peter Lavender (Chair Curriculum Development)	3/4
Rob Evans (Senior Independent Director until 31/7/2024)	3/4
Alan Debenham (Associate Governor until 31/7/2024)	4/4
Stuart Rimmer (CEO until 31/12/2023)	1/1
Paul Padda (Principal and CEO from 17/04/2024)	1/1

This gave an overall attendance rate of 82%. The Board's minimum attendance rate is 80%.

The main Committee met on 4 occasions. Additional meetings for Governor recruitment and Senior Post Holder Recruitment were held but have not been included in the attendance review as not all members were scheduled to attend these.

The Committee's responsibilities include making recommendations to the Board on the remuneration and benefits of the Accounting Officer and other Senior Post Holders.

The College adopted AoC's Senior Staff Remuneration Code and annually publish a Senior Staff Remuneration Report, see <https://www.eastcoast.ac.uk/corporation-governors/financial/>.

Details of remuneration for the year ended 31 July 2024 are set out in note 7 to the financial statements.

Audit Committee

The Audit Committee is comprised of independent members, including associates. The following are ineligible to be members of the Committee:

- The Principal and other Senior Post Holders;
- Those with executive responsibilities at senior level;
- Members of the Finance & General Purposes Committee;
- The Chair of the Corporation; and
- Governors who have significant interests in the College.

The Committee operates in accordance with written terms of reference approved by the Corporation.

The Audit Committee meets on a termly basis and provides a forum for reporting by the College's internal, reporting accountants and financial statements auditor, who have access to the Committee for independent discussion, without the presence of College management. 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 Committee.

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

The Audit Committee advises the Corporation on the appointment of internal, reporting accountants and financial statements auditor and their remuneration for audit and non-audit work.

The Audit Committee's annual report to the Corporation is based on the Post-16 Audit Code of Practice requirements.

The Audit Committee met on 3 occasions during 2023/24. These were:

- 5/12/2023
- 7/05/2024
- 2/07/2024.

The annual accounts section of the meeting on 5/12/2023 was held jointly with the Board's Finance and General Purposes Committee, with an Audit meeting held after this section and this will be replicated for the 10/12/2024 meeting.

All meetings were quorate throughout. A report of each meeting was made at the next following meeting of the Corporation.

Members who served on the East Coast College Audit Committee during the period were:

Committee member	Meetings attended
Giles Kerkham (Chair)	3/3
Rob Evans	3/3
Teresa Sharman	3/3

This gave an overall attendance rate of 100%. The Board's minimum target attendance is 80% which the Committee have exceeded in this and previous years.

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, 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 he is personally responsible, in accordance with the responsibilities assigned to him in the Funding Accountability Agreement between East Coast College and the funding bodies. He 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 East Coast College 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 year ended 31 July 2024 and up to the date of approval of the annual report and financial statements. 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, administrative procedures including the segregation of duties, and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting systems with an annual budget, which is reviewed and agreed by the governing body
- regular reviews by the governing body 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, 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 Committee. At minimum, annually, the Head of Internal Audit (HIA) provides the governing body with a report on internal audit activity in the College.

Risks faced by the Corporation

The College has well developed strategies for managing risk and strives to embed risk management in all that it does and these form part of the Board Assurance Framework. Risk management processes are designed to protect its assets, reputation and financial stability. The governing body has overall responsibility for risk management and its approach to managing risks and internal controls is explained in the Statement on Corporate Governance.

Strategic and tactical risk registers are maintained which are reviewed at each Audit Committee. Each Committee reviews the relevant sections of the tactical risk register at their meetings. The risk registers identify 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 which allows post mitigation scores to be compared with an agreed risk appetite score.

The risks included in the Strategic Risk Register are outlined below. Not all the risks are within the College's control and other risks besides those listed below may also adversely affect the College.

- Failure to be financially viable
- Failure to develop a curriculum which meets stakeholder needs
- Failure to maintain a good reputation, student experience and outcomes
- Failure to recruit and retain a high-quality team, including governors
- Failure to implement the Estates Strategy

Responsibilities under accountability agreements

The College governors confirm that they have met all conditions under the accountability agreements.

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 issued 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 Committee

The management of risk is the responsibility of all Board members, but the Audit Committee has a specific duty to assess and provide the corporation with an opinion on the adequacy and effectiveness of the corporation's assurance arrangements, framework of governance, risk management and control processes for the effective and efficient use of resources, solvency, and the safeguarding of assets.

The East Coast College Audit Committees have considered risk through reviewing:

- the strategic and tactical risk registers

- the Committee's reviews of their Committee's risk registers
- the Risk Management Strategy and Policy and Procedure
- the Corporate Governance and Board Assurance Framework
- work carried out and assurances on the College's risk management, control and governance processes given by the internal Auditors and External Auditor and
- Reports from the College's senior management.

The Committee is satisfied that there is a formal ongoing process for identifying, evaluating and managing the College's significant risks and that this has been in place for the period ending 31 July 2024 and up to the date of approval of the annual report and financial statements and that this is ongoing and regularly reviewed.

The Audit Committee considered the

- Solvency of the Corporation through the internal and external audit reports, including the statements relating to cashflow and going concern in the Annual Accounts. Other committees and the Board have also considered solvency and cashflow through the management accounts. These demonstrated that the College was solvent with an adequate cash flow and a going concern.
- Assurance and control processes through the Internal Audit finance and funding assurance reports, the External Audit Management Letter, senior management reports including action plans that updated on progress on audit recommendations.

The Audit Committees opinion is that the adequacy and effectiveness of the corporation's assurance arrangements, framework of governance, risk management and control processes for the effective and efficient use of resources, solvency, and the safeguarding of assets during 2023/24 were effective.

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

- Review of Internal Audits and Advisory Audits on Funding Assurance, and Fraud
- Internal Audit – Follow up Audit which concluded that reasonable progress had been made in implementing Audit Recommendations.
- Revision of Policies
- Annual Accounts – Governance Statement and Management Letter
- Update on College Accounts Direction 2023 to 2024 and Post-16 Audit Code of Practice 2023/24
- Annual Reports on the work of the Audit Committee, Data Protection, Whistleblowing and Freedom of Information and
- Review of Strategic and Tactical risk registers

Review of effectiveness

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

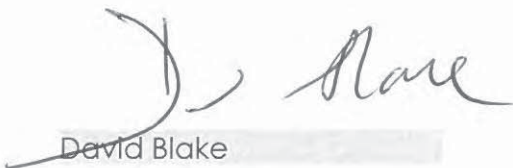
- the work of the internal auditors
- the work of the executive managers within the College who have responsibility for the development and maintenance of the internal control framework
- comments made by the College's financial statements auditor, the reporting accountant for regularity assurance, the appointed funding auditors (for colleges subject to funding audit) in their management letters and other reports.

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

The senior management team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The senior management team and the Audit Committee also receive regular reports from internal audit and other sources of assurance, which include recommendations for improvement. The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control.

Based on the advice of the Audit Committee and the Accounting Officer, 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 17th December 2024 and signed on its behalf by:



David Blake

[Chair]



Paul Padda

[Accounting Officer]

East Coast College

Statement of Regularity, Propriety and Compliance

As accounting officer, I confirm that the corporation has had due regard to the framework of authorities governing regularity, propriety 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 noncompliance, 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.



[Signed]
Paul Padda
Accounting Officer

[Date] 17/12/24

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.



[Signed]
David Blake
Chair of governors

[Date] 17/12/24

East Coast College

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 corporation and its surplus / deficit of income over expenditure for that period.

In preparing the 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 is a going concern, noting the key supporting assumptions qualifications or mitigating actions as appropriate
- prepare financial statements on the going concern basis, unless it is inappropriate to assume that the college will continue in operation.

The corporation is also required to prepare a Members' 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 college and which enable it to ensure that the financial statements are prepared in accordance with relevant legislation including the Further and Higher Education Act 1992 and Charities Act 2011, and relevant accounting standards. It is responsible for taking steps that are reasonably open to it to safeguard its assets and to prevent and detect fraud and other irregularities.

The corporation is responsible for the maintenance and integrity of its website; the work carried out by 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.

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 17th December 2024 and signed on its behalf by:



David Blake

Chair of Governors

Independent auditor's report to the Corporation of East Coast College

Opinion

We have audited the consolidated financial statements of East Coast College (the 'College') and its subsidiary undertaking (together 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 Consolidated and College Balance Sheet, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including; the *Statement of Recommended Practice: Accounting for Further and Higher Education 2019* (the 2019 FE HE SORP), the *College Accounts Direction for 2022 to 2023* and in accordance with 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 College's affairs as at 31 July 2024 and of its surplus of income over expenditure for the year then ended.
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and with the 2019 Statement of Recommended Practice – Accounting for Further and Higher Education.

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 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 Governors' 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 entity'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 Corporation is responsible for the other information. The other information comprises the information included in the College's Report and Financial Statements

other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- all the information and explanations required for the audit were not received; or
- conclusions relating to appropriateness of the use of the going concern basis of accounting and disclosures of material uncertainties, subject to the requirements of ISA 570 Going Concern, and whether the auditor has concluded that there is a material misstatement in other information, subject to the requirements of ISA 720 The Auditor's Responsibilities Relating to Other Information

Responsibilities of the Members of the Corporation of East Coast College

As explained more fully in the Statement of the Responsibilities of the Members of the Corporation set out on Pages 27 and 28 the Corporation is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Corporation determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Corporation is responsible for assessing the Group's and 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 Corporation intend 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:

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the Governors (as required by auditing standards) and senior management, inspection of the College's regulatory and legal correspondence and discussed with the Governors the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the College is subject to laws and regulations that directly affect the financial statements including financial reporting legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the College is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: compliance with the requirements of the Education & Skills Funding Agency, The Charity Commission, Ofsted, health and safety, building regulations, corporate governance including safeguarding and wellbeing, human rights and employment law, anti-bribery and corruption, Food Safety Act 1990 and GDPR. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Governors and other management and inspection of regulatory and legal correspondence, if any.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: enquiries of management and those charged with governance as to whether the College complies with such regulations, enquiries of management and those charged with governance concerning any actual or potential litigation or claims, inspection of any relevant legal documentation, review of board minutes, testing the appropriateness of journal entries and the performance of analytical review to identify any unexpected movements in account balances which may be indicative of fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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

Use of our report

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

Sumer Auditco Limited
Sumer Auditco Limited
Statutory Auditor
820 The Crescent
Colchester Business Park
Colchester
Essex
CO4 9YQ

Date: 19/12/24

Sumer Auditco Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Reporting accountant's assurance report on regularity

To: The Corporation of East Coast College and Secretary of State for Education acting through the Education and Skills Funding Agency (ESFA)

In accordance with the terms of our engagement letter and further to the requirements and conditions of funding in the ESFA's grant funding agreements and contracts, or those of any other public provider, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest that in all material respects the expenditure disbursed and income received by East Coast College 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 the ESFA. In line with this framework, our work has specifically not considered income received from the main funding grants generated through the Individualised Learner Record (ILR) returns, for which the ESFA has other assurance arrangements in place.

This report is made solely to the corporation of East Coast College 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 East Coast College and the 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 East Coast College and the ESFA for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of East Coast College and the reporting accountant

The Corporation of East Coast College 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 is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the 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 the 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 of the College's income and expenditure.

The work undertaken to draw to our conclusion includes:

- A review of the College's Self-Assessment Questionnaire for the period 1 August 2023 to 31 July 2024.
- A review of the evidence supplied by the College to support the Self-Assessment Questionnaire and discussions with members of the College's staff.
- Tests of detail.

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 and the financial transactions do not conform to the authorities which govern them.

Sumer Auditco Limited

Sumer Auditco Limited
Statutory Auditor
820 The Crescent
Colchester Business Park
Colchester
Essex
CO4 9YQ

Date: 19/12/24

**CONSOLIDATED AND COLLEGE STATEMENTS OF COMPREHENSIVE INCOME AND EXPENDITURE
YEAR ENDED 31 JULY 2024**

	Notes	Group 2024 £000	College 2024 £000	Group 2023 £000	College 2023 £000
Income					
Funding body grants	2	23,485	23,485	21,926	21,926
Tuition fees and education contracts	3	5,081	5,081	5,153	5,153
Other grants and contracts	4	5,057	5,057	2,861	2,861
Other income	5	1,937	1,593	3,697	3,415
Investment income	6	1,007	984	151	151
Total income		36,567	36,200	33,788	33,506
Expenditure					
Staff costs	7	19,224	19,224	18,903	18,903
Other operating expenses	8	10,770	10,404	10,050	9,769
Depreciation	11	3,367	3,366	4,181	4,179
Interest and other finance costs	9	412	412	454	454
Total expenditure		33,773	33,406	33,588	33,305
Surplus for the year		2,794	2,794	200	201
Actuarial (loss)/gain in respect of pension schemes	21	(832)	(832)	215	215
Total Comprehensive income for the year		1,962	1,962	415	416

The total comprehensive income is unrestricted and is in respect of continuing activities.

There are no non-controlling interests.

**CONSOLIDATED AND COLLEGE STATEMENTS OF CHANGES IN RESERVES
YEAR ENDED 31 JULY 2024**

Group	Income and expenditure account £000	Restricted Reserves £000	Revaluation Reserve £000	Total £000
Balance at 1 August 2022	5,953	192	2,768	8,913
Surplus from the income and expenditure account	200	-	-	200
Other comprehensive income	215	-	-	215
Transfers between revaluation and income and expenditure reserves	85	-	(85)	-
Net movement in restricted reserves	-	51	-	51
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	500	51	(85)	466
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 July 2023	6,453	243	2,683	9,379
Surplus from the income and expenditure account	2,794	-	-	2,794
Other comprehensive income	(832)	-	-	(832)
Transfers between revaluation and income and expenditure reserves	91	-	(91)	-
Net movement in restricted reserves	-	(2)	-	(2)
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	2,053	(2)	(91)	1,960
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 July 2024	8,506	241	2,592	11,339
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**CONSOLIDATED AND COLLEGE STATEMENTS OF CHANGES IN RESERVES
YEAR ENDED 31 JULY 2024**

College	Income and expenditure account £000	Restricted Reserves £000	Revaluation Reserve £000	Total £000
Balance at 1 August 2022	5,608	192	2,768	8,568
Surplus from the income and expenditure account	201	-	-	201
Other comprehensive income	215	-	-	215
Transfers between revaluation and income and expenditure reserves	85	-	(85)	-
Net movement in restricted reserves	-	51	-	51
Total comprehensive income for the year	501	51	(85)	467
Balance at 31 July 2023	6,109	243	2,683	9,035
Surplus from the income and expenditure account	2,794	-	-	2,794
Other comprehensive income	(832)	-	-	(832)
Transfers between revaluation and income and expenditure reserves	91	-	(91)	-
Net movement in restricted reserves	-	(2)	-	(2)
Total comprehensive income for the year	2,053	(2)	(91)	1,960
Balance at 31 July 2024	8,162	241	2,592	10,995

**CONSOLIDATED AND COLLEGE BALANCE SHEETS
AS AT 31 JULY 2024**

	Notes	Group 2024 £000	College 2024 £000	Group 2023 £000	College 2023 £000
Non-current assets					
Tangible fixed assets	11	47,420	47,419	49,484	49,482
Investments	12	-	1	-	1
		<u>47,420</u>	<u>47,420</u>	<u>49,484</u>	<u>49,483</u>
Current assets					
Trade and other receivables	13	871	1,472	2,077	3,035
Cash and cash equivalents	18	15,485	14,467	14,054	12,636
		<u>16,356</u>	<u>15,939</u>	<u>16,131</u>	<u>15,671</u>
Creditors - amounts falling due within one year	14	<u>(14,063)</u>	<u>(13,990)</u>	<u>(15,915)</u>	<u>(15,798)</u>
Net current assets/(liabilities)		<u>2,293</u>	<u>1,949</u>	<u>216</u>	<u>(127)</u>
Total assets less current liabilities		<u>49,713</u>	<u>49,369</u>	<u>49,700</u>	<u>49,356</u>
Creditors: amounts falling due after more than one year	15	(38,210)	(38,210)	(40,146)	(40,146)
Provisions					
Defined benefit pension obligations	17	-	-	-	-
Other provisions	17	(164)	(164)	(175)	(175)
		<u>11,339</u>	<u>10,995</u>	<u>9,379</u>	<u>9,035</u>
Net assets		<u><u>11,339</u></u>	<u><u>10,995</u></u>	<u><u>9,379</u></u>	<u><u>9,035</u></u>

**CONSOLIDATED AND COLLEGE BALANCE SHEETS
AS AT 31 JULY 2024**

	Notes	Group 2024 £000	College 2024 £000	Group 2023 £000	College 2023 £000
Restricted reserves		241	241	243	243
Unrestricted reserves					
Income and expenditure account		8,506	8,162	6,453	6,109
Revaluation reserve		2,592	2,592	2,683	2,683
		11,098	10,754	9,136	8,792
Total reserves		11,339	10,995	9,379	9,035

The financial statements on pages 35 to 64 were approved and authorised for issue by the Corporation of East Coast College on 17/12/24 and were signed on its behalf on that date by:



Mr D Blake
Corporation Chair



Mr P Padda
Principal, Chief Executive and
Accounting Officer

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED 31 JULY 2024

	Notes	2024 £000	2023 £000
Cash inflow from operating activities			
Surplus for the year		2,794	200
Adjustment for non-cash items			
Depreciation		3,367	4,181
Decrease/(increase) in debtors		1,206	(1,089)
Decrease/(increase) in creditors		(2,149)	5,791
Pension costs less contributions payable		(364)	286
Release of deferred capital grants		(2,362)	(2,464)
Adjustment for investing and financing activities			
Interest receivable		(1,007)	(151)
Interest payable		412	454
		<hr/>	<hr/>
Net cash flow generated from operating activities		1,897	7,208
Cash flows from investing activities			
Proceeds from sale of tangible fixed assets		33	-
Payments made to acquire tangible fixed assets		(1,281)	(1,884)
Restricted funds (paid)/received		(2)	51
Interest received		519	35
		<hr/>	<hr/>
		(731)	(1,798)
Cash flows from financing activities			
Interest paid		(403)	(489)
Repayment of amounts borrowed		(945)	(867)
Capital grants received		1,613	2,512
		<hr/>	<hr/>
		265	1,156
		<hr/>	<hr/>
Increase in cash and cash equivalents in the year		1,431	6,566
		<hr/> <hr/>	<hr/> <hr/>
Cash and cash equivalents at the beginning of the year	18	14,054	7,488
Cash and cash equivalents at the end of the year	18	15,485	14,054
		<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2024

1 ACCOUNTING POLICIES

Statement of accounting policies and estimation techniques

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

Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (the 2019 FE HE SORP), the College Accounts Direction for 2023/24 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 Group and the College's accounting policies.

Basis of accounting

The financial statements have been prepared under the historical cost convention as modified by the use of previous valuations as deemed cost on transition to FRS 102 for certain tangible fixed assets.

Basis of consolidation

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

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 College, its cash flow, liquidity and borrowings are presented in the Financial Statements and accompanying Notes.

The College currently has £4,590,000 of loans outstanding with bankers on terms negotiated in 2008, secured by fixed charges over the College's freehold properties. The terms for the existing agreements are for between 3 and 9 years. The College also has a further loan of £865,000 from the ESFA on terms negotiated in 2017. This is repayable by instalments over the next 2 years.

The College's 2024/25 budget forecasts a surplus that will result in the bank covenants being met during 2024/25. The cashflow forecasts for the next 12 months predict that there are sufficient cash days in hand throughout the period. Subsequent amendments to income and expenditure are reported to the board each month. Any variance to forecast can be managed to ensure that EBITDA will be at the required level to meet the bank covenants. Whilst not all future events or

conditions can be predicted, management and the Board consider that the budget will be met for 2024/25. Therefore, the Board considers that the College will be able to operate within the existing banking facilities and covenants for at least the next 12 months from the date of approval and for this reason will continue to adopt the going concern basis in the preparation of its Financial Statements.

Recognition of income

Revenue grant funding

Government revenue grants include funding body recurrent grants and other grants and are accounted for under the accruals 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.

Where part of a government grant is deferred, the deferred element is recognised as deferred income within creditors and allocated between creditors due within one year and creditors due after more than one year as appropriate.

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.

Capital grant funding

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

Fee income

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

Investment income

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

Agency arrangements

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

Accounting for post-employment benefits

Post-employment benefits to employees of the College are provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS).

These are defined benefit schemes, which are externally funded and contracted out of the State Second Pension.

Teachers' Pension Scheme (TPS)

The TPS is an unfunded scheme. Contributions to the TPS are calculated so as to spread the cost of pensions over employees' working lives with the 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 there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution plan and the contributions recognised as an expense in the income statement in the period during which services are rendered by employees.

Local Government Pension Scheme (LGPS)

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.

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 the service to the College. Any unused benefits are accrued and measured as an additional amount the College expects to pay as a result of the unused entitlement.

Enhanced Pensions

The actual cost of any enhanced ongoing pensions to former members of staff is paid by the College annually. An estimate of the expected future cost of any enhancement to the ongoing pensions of former members of staff is charged in full to the College's income and expenditure account in the year that the member of staff retires. In subsequent years a charge is made to provisions in the balance sheet.

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 transition.

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

All items considered to be tangible fixed assets are recognised at cost as assets in the course of construction. At each month end they are reviewed to confirm whether they are ready for use. If they are ready for use, they are transferred to freehold land and buildings or equipment. They begin to be depreciated from when they became for use over their useful lives.

Land and buildings

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

Freehold buildings are depreciated on a straight-line basis over their expected useful economic life to the College of between 20 and 50 years. The College has a policy of depreciating major adaptations to buildings over the period of their useful economic life.

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

On adoption of FRS 102, the College followed the transitional provision to retain the book value of land and buildings, which were revalued in 1996, at a deemed cost but not to adopt a policy of revaluations of these properties in the future.

Assets under construction

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

Subsequent expenditure on existing fixed assets

Where significant expenditure is incurred on tangible fixed assets after initial purchase it is charged to income 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 is recognised as expenditure in the Statement of Comprehensive Income and 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:

- Motor vehicles and general equipment - 10% to 20% per year
- Computer equipment - 33.3% per year
- Furniture and fittings - 10% to 20% per year

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

Borrowing Costs

Borrowing costs are recognised as expenditure in the period in which they are incurred.

Leased assets

Costs in respect of operating leases are charged on a straight-line basis over the lease term to the Statement of Comprehensive Income and Expenditure.

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 an obligation under finance leases. Assets held under finance leases are included in tangible fixed assets and depreciated and assessed for impairment losses in the same way as owned assets.

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

Investments

Investment in the subsidiary is accounted for at cost less impairment in the College's financial statements.

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 investment when it has a maturity of 3 months or less from the date of acquisition.

Financial liabilities and equity

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

All loans, investments and short-term deposits held by the Group are classified as basic financial instruments in accordance with FRS 102. These instruments are initially recorded at the transaction price less any transaction cost (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 a minor element of 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 company is subject to corporation tax in the same way as any commercial organisation.

From 1 February 2019 the College and its subsidiary company have been jointly registered for VAT. Consequently, the subsidiary company has also been partially exempt. Prior to the joint registration, the subsidiary company was subject to 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.

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.

Judgements in applying accounting policies and key sources of estimation uncertainty

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

- Determine whether leases entered into by the College either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risk and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the Group'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.

- Determine whether to recognise the defined pension obligation surplus per note 21. Management and the Board have made the judgement to only recognise the actuarial gain arising in the year to the extent that it reduces the actuarial obligation to £Nil. This is on the basis that the unrecognised surplus is not expected to be recovered through either refunds from the schemes or reduced future contributions.

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 programs are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. The actuaries have used a roll forward approach which projects results from the latest full actuarial valuations performed at 31 March 2019 to value the pension liabilities 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.

2 FUNDING BODY GRANTS

	Group 2024 £000	College 2024 £000	Group 2023 £000	College 2023 £000
Recurrent grants				
Education and Skills Funding Agency – adult	1,351	1,351	1,661	1,661
Education and Skills Funding Agency – 16-18	17,800	17,800	15,652	15,652
Education and Skills Funding Agency - apprenticeships	1,776	1,776	1,631	1,631
Specific grants				
Teacher Pension Scheme contribution grant	618	618	518	518
Releases of Government capital grants	1,940	1,940	2,464	2,464
	23,485	23,485	21,926	21,926

3 TUITION FEES AND EDUCATION CONTRACTS

	Group 2024 £000	College 2024 £000	Group 2023 £000	College 2023 £000
Adult education fees	866	866	626	626
Apprenticeship contracts	-	-	168	168
Fees for FE Loan supported courses	388	388	575	575
Fees for HE Loan supported courses	1,966	1,966	2,129	2,129
Total tuition fees	3,220	3,220	3,498	3,498
Education contracts	1,861	1,861	1,655	1,655
Total	5,081	5,081	5,153	5,153

4 OTHER GRANTS AND CONTRACTS

	Group 2024 £000	College 2024 £000	Group 2023 £000	College 2023 £000
Learning support and bursary	875	875	438	438
European Commission	2,377	2,377	2,167	2,167
Other grant income	1,805	1,805	256	256
	5,057	5,057	2,861	2,861

5 OTHER INCOME

	Group 2024 £000	College 2024 £000	Group 2023 £000	College 2023 £000
Catering and residences	694	694	702	702
Other income generating activities	997	388	992	344
Miscellaneous income	246	511	2,003	2,369
	1,937	1,593	3,697	3,415

The College and its subsidiary are part of a VAT group. A partial exemption methodology has been agreed with HMRC. This can be applied retrospectively to historic returns. During the prior year, the Group agreed amended historic and previously unsubmitted returns to HMRC. They included an £1,889,000 receivable by the College and £190,000 net payable by the subsidiary. These amounts are included in miscellaneous income comparatives.

6 INVESTMENT INCOME

	Group 2024 £000	College 2024 £000	Group 2023 £000	College 2023 £000
Other interest receivable	519	496	35	35
Net interest on pension scheme (note 21)	488	488	116	116
	<u>1,007</u>	<u>984</u>	<u>151</u>	<u>151</u>

7 STAFF COSTS – GROUP

Staff numbers

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

	2024 Number	2023 Number
Teaching staff	238	212
Non-teaching staff	377	406
	<u>615</u>	<u>618</u>

Staff costs

	2024 £000	2023 £000
Wages and salaries	14,870	14,311
Social security costs	1,332	1,289
Other pension costs (note 21)	2,657	3,036
	<u>18,859</u>	<u>18,636</u>
Contracted out staffing costs	365	267
Total Staff costs	<u>19,224</u>	<u>18,903</u>

The Group operates the cycle to work scheme. The Group had salary sacrifice arrangements in place for childcare vouchers until August 2022.

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College and are represented by the College Leadership Team which comprises the Principal/CEO, Deputy Principal and Deputy Chief Executive and other senior staff.

Staff costs include any compensation paid to key management personnel for loss of office.

Emoluments of key management personnel, Accounting Officer and other higher paid Staff

	2024	2023
	No.	No.
The number of key management personnel including the Accounting Officer was:	<u>7</u>	<u>6</u>

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

	Key management personnel		Other Staff	
	2024	2023	2024	2023
£40,001 to £45,000	2	1	-	-
£50,001 to £55,000	1	1	-	-
£60,001 to £65,000	-	-	4	4
£80,001 to £85,000	1	-	-	-
£85,001 to £90,000	-	2	-	-
£100,001 to £105,000	1	-	-	-
£130,001 to £135,000	-	1	-	-
£140,001 to £145,000	1	-	-	-
£150,001 to £155,000	1	-	-	-
£180,001 to £185,000	-	1	-	-
	<u>7</u>	<u>6</u>	<u>4</u>	<u>4</u>

There was 1 part-time member of staff who received £55,001 to £60,000 during the year who would have received £60,001 to £65,000 on a full-time basis. There were no part-time members of staff who received less than £60,000 during the year who would have received at least £60,000 on a full-time basis last year.

Key management personnel compensation is made up as follows:

	2024	2023
	£000	£000
Basic salaries	534	567
Performance related pay and bonuses	-	18
Pension contributions	116	129
Contractual severance payment	83	-
Total key management personnel compensation	<u>733</u>	<u>714</u>

The above compensation includes amounts paid to the Accounting Officer. Three persons held the position of Accounting Officer during the year. Their accumulated pay and remuneration was as follows:

	2024	2023
	£000	£000
Basic salaries	145	163
Performance related pay and bonuses	-	18
Pension contributions	35	42
Contractual severance payment	83	-
	<u>263</u>	<u>223</u>

The breakdown of this accumulated pay and remuneration was as follows:

Principal and Accounting Officer, who was the highest paid member of staff during the year and throughout the prior year, 1 August 2023 - 31 December 2023

	2024	2023
	£000	£000
Basic salary	68	163
Performance related pay and bonuses	-	18
Pension contributions	16	42
Contractual severance payment	83	-
	<u>167</u>	<u>223</u>

The interim Accounting Officer 1 January 2024 - 25 February 2024

	2024	2023
	£000	£000
Basic salary	22	-
Performance related pay and bonuses	-	-
Pension contributions	4	-
Contractual severance payment	-	-
	<u>26</u>	<u>-</u>

The new Principal and Accounting Officer (Interim and then permanent) 26 February 2024 - 31 July 2024

	2024	2023
	£000	£000
Basic salary	55	-
Performance related pay and bonuses	-	-
Pension contributions	15	-
Contractual severance payment	-	-
	<u>70</u>	<u>-</u>

The governing body adopted AoC's Senior Staff Remuneration Code in July 2019 and assesses pay in line with its principles and this is set out in the Board's Senior Post Holder Remuneration and Appraisal Policy. The Board annually publishes a Senior Post Holder Remuneration Report.

The remuneration package of Senior Post Holders, including the Principal and Chief Executive, is subject to annual review by the Governance Remuneration and Search Committee of the governing body who use AOC benchmarking information to

provide objective guidance and where required legal HR advice. This is signed off by the Corporation and the process is set out in the Board's Senior Post Holder Remuneration and Appraisal Policy.

The Principal and Chief Executive reports to the Board with day to day management through the Chair. The Chair in conjunction with another committee chair undertakes an annual review on behalf on behalf of the Corporation of performance against the Principal and Chief Executive's objectives and the College's overall objectives using both qualitative and quantitative measures of performance. This is signed off by the Corporation following review by Governance Remuneration and Search Committee.

Relationship of the Accounting Officers' pay and remuneration expressed as a multiple

	2024	2023
Accounting Officers' basic salaries as a multiple of the median of all staff	<u>5.3</u>	<u>6.6</u>
Accounting Officers' total remuneration as a multiple of the median of all staff	<u>5.1</u>	<u>7.3</u>

The figures used to calculate the multiples are all on a full-time equivalent basis. The calculation of the total remuneration multiple assumes that all employees were paid pension contributions at 24.1% of their basic salaries. Both medians were determined based on the staff employed at the year end. Three persons held the position of Accounting Officer during the current year. The current year multiples reflect the remuneration of the three persons for the time they were in post, excluding the contractual severance payment to the original Principal.

Severance payments

The College/Group paid severance payments during the year, in the following bands:

	Key management personnel		Other Staff	
	2024	2023	2024	2023
£0 to £25,000	-	-	3	5
£80,001 to £85,000	1	-	-	-
	<u>1</u>	<u>-</u>	<u>3</u>	<u>5</u>

Severance payments include contractual payments, statutory payments and special staff severance payments. Special staff severance payments are amounts paid to employees outside of statutory and contractual requirements.

	2024 £000	2023 £000
Contractual and statutory	87	46
Special	10	-
	<u>97</u>	<u>46</u>

The special severance payments were made to 2 (2023: None) members of staff. Individually, the special severance payments were: £4,000 and £6,000.

The contractual severance paid to the former Principal was approved by the Corporation at its December Board meeting.

Corporation members

The members of the Corporation other than the Accounting Officer and the staff members did not receive any payment from the College other than the reimbursement of travel and subsistence expenses incurred in the course of their duties in either the current or prior year.

8 OTHER OPERATING EXPENSES

	Group 2024 £000	College 2024 £000	Group 2023 £000	College 2023 £000
Teaching costs	2,885	2,531	2,395	2,160
Non-teaching costs	4,860	4,848	4,895	4,849
Premises costs	3,025	3,025	2,760	2,760
	<u>10,770</u>	<u>10,404</u>	<u>10,050</u>	<u>9,769</u>

Other operating expenses include:

	2024 £000	2023 £000
Auditor's remuneration:		
- Financial statements audit	43	43
- Other services provided by the financial statements auditor	4	3
Hire of assets under operating leases	97	98
	<u>144</u>	<u>144</u>

9 INTEREST AND OTHER FINANCE COSTS

	2024 £000	2023 £000
On bank loans, overdrafts and other loans	403	447
Net interest on defined pension liability (note 21)	-	-
Net interest on enhanced pension provision	9	7
	<u>412</u>	<u>454</u>

10 TAXATION

The members do not believe the College was liable for any UK corporation tax arising out of its activities during either year. There is a Deed of Covenant between the College and its subsidiary company, which requires the subsidiary company to make Gift Aid payments within nine months of the year end equal to its distributable profits for each financial year. Consequently, the members do not believe the subsidiary undertaking incurred any corporation tax liabilities during either year.

11 TANGIBLE FIXED ASSETS

Group

	Freehold Land and Buildings	Equipment	Assets in the course of construction	Total
	£000	£000	£000	£000
Cost or valuation				
At 1 August 2023	68,126	16,342	154	84,622
Additions	-	-	1,336	1,336
Disposals	-	(474)	-	(474)
Transfers	-	823	(823)	-
	<u>68,126</u>	<u>16,691</u>	<u>667</u>	<u>85,484</u>
At 31 July 2024	68,126	16,691	667	85,484
Depreciation				
At 1 August 2023	23,666	11,472	-	35,138
Charge for the year	1,739	1,628	-	3,367
Disposals	-	(441)	-	(441)
	<u>25,405</u>	<u>12,659</u>	<u>-</u>	<u>38,064</u>
At 31 July 2024	25,405	12,659	-	38,064
Net book values				
At 31 July 2024	<u>42,721</u>	<u>4,032</u>	<u>667</u>	<u>47,420</u>
At 31 July 2023	<u>44,460</u>	<u>4,870</u>	<u>154</u>	<u>49,484</u>

College

	Freehold Land and Buildings	Equipment	Assets in the course of construction	Total
	£000	£000	£000	£000
Cost or valuation				
At 1 August 2023	68,126	16,183	154	84,463
Additions	-	-	1,336	1,336
Disposals	-	(474)	-	(474)
Transfers	-	823	(823)	-
At 31 July 2024	<u>68,126</u>	<u>16,532</u>	<u>667</u>	<u>85,325</u>
Depreciation				
At 1 August 2023	23,666	11,315	-	34,981
Charge for the year	1,739	1,627	-	3,366
Disposals	-	(441)	-	(441)
At 31 July 2024	<u>25,405</u>	<u>12,501</u>	<u>-</u>	<u>37,906</u>
Net book values				
At 31 July 2024	<u>42,721</u>	<u>4,031</u>	<u>667</u>	<u>47,419</u>
At 31 July 2023	<u>44,460</u>	<u>4,868</u>	<u>154</u>	<u>49,482</u>

Land and buildings inherited from the local education authority were valued in 1996 at depreciated replacement cost by Suffolk County Council Surveyors, a firm of independent chartered surveyors, in accordance with the RICS Statement of Asset Valuation Practice and Guideline notes. Other tangible fixed assets inherited from the local education authority at incorporation have been valued by the Group on a depreciated replacement cost basis with the assistance of independent professional advice.

12 INVESTMENTS – College only

	2024 £000	2023 £000
Amounts falling due within one year:		
Investment in subsidiary undertaking	<u>1</u>	<u>1</u>

The College owns 100% of the issued share capital of East Coast Energy Training Academy Limited, a company incorporated in England and Wales. The principal business activity of the company is the provision of education and training services.

13 DEBTORS

	Group 2024 £000	College 2024 £000	Group 2023 £000	College 2023 £000
Amounts falling due within one year:				
Trade receivables	251	177	419	278
VAT recoverable	21	20	1,269	1,269
Amounts owed by subsidiary undertakings	-	697	-	1,123
Prepayments and accrued income	599	578	389	365
	<u>871</u>	<u>1,472</u>	<u>2,077</u>	<u>3,035</u>

The prior year VAT recoverable reflects the unrecovered balance of the VAT adjustment per note 5. The balance was received in full during the current year.

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2024 £000	College 2024 £000	Group 2023 £000	College 2023 £000
Bank loans	479	479	450	450
Other loan	493	493	493	493
Trade creditors	775	762	763	684
Other taxation and social security	317	317	293	293
Other creditors	443	443	305	305
Holiday pay accrual	160	160	138	138
Deferred income – Government capital grants	2,038	2,038	1,825	1,825
Accruals and deferred income	9,358	9,298	11,648	11,610
	<u>14,063</u>	<u>13,990</u>	<u>15,915</u>	<u>15,798</u>

15 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2024 £000	College 2024 £000	Group 2023 £000	College 2023 £000
Bank loans	4,111	4,111	4,590	4,590
Deferred income – Government capital grants	33,727	33,727	34,689	34,689
Other loan	372	372	867	867
	<u>38,210</u>	<u>38,210</u>	<u>40,146</u>	<u>40,146</u>

16 MATURITY OF DEBT

Bank loans and overdrafts

Bank loans are repayable as follows:

	Group	College	Group	College
	2024	2024	2023	2023
	£000	£000	£000	£000
In one year or less	479	479	450	450
Between one and two years	507	507	476	476
Between two and five years	1,529	1,529	1,500	1,500
In five years or more	2,075	2,075	2,614	2,614
	4,590	4,590	5,040	5,040

The bank loans are secured by charges over the College's freehold properties and repayable by instalments as follows:

Loan 1 - £136,000 repayable by instalments falling due between 1 August 2024 and 30 September 2026 and subject to interest of 6.6% per annum.

Loan 2 - £2,320,000 repayable by instalments falling due between 1 August 2024 and 1 September 2033 and subject to interest of 6.19% per annum.

Loan 3 - £2,134,000 repayable by instalments falling due between 1 August 2024 and 1 September 2033 and subject to interest of 6.38% per annum.

Other loan

The other loan is repayable as follows:

	Group	College	Group	College
	2024	2024	2023	2023
	£000	£000	£000	£000
In one year or less	493	493	493	493
Between one and two years	372	372	493	493
Between two and five years	-	-	374	374
In five years or more	-	-	-	-
	865	865	1,360	1,360

The loan is repayable by instalments falling due between 18 October 2024 and 18 April 2026 and subject to a variable rate of interest based on the gross redemption yield of Treasury 4.25% 2027 stock.

17 PROVISIONS – GROUP AND COLLEGE

	Defined benefit obligations	Enhanced pensions	Total
	£000	£000	£000
At 1 August 2023	-	175	175
Utilised in the year	-	(11)	(11)
At 31 July 2024	-	164	164

Defined benefit obligations relate to the liabilities under the College's membership of the Local Government Pension Scheme. Further details are given in note 21.

The enhanced pension provision relates to the cost of staff that have already left the College's employ.

The principal assumptions for this calculation are:

	2024	2023
Price inflation (CPI)	2.80%	2.80%
Discount rate	4.80%	5.00%

18 CASH AND CASH EQUIVALENTS - GROUP

	At 1 August 2023 £000	Cashflows £000	Other Changes £000	At 31 July 2024 £000
Cash and cash equivalents	<u>14,054</u>	<u>1,431</u>	<u>-</u>	<u>15,485</u>

19 CAPITAL AND OTHER COMMITMENTS – GROUP AND COLLEGE

	2024 £000	2023 £000
Commitments contracted for at 31 July	<u>669</u>	<u>154</u>

20 LEASE OBLIGATIONS - GROUP

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

Future minimum lease payments due	2024 £000	2023 £000
Other		
Not later than one year	67	97
Later than one year and not more than five years	<u>110</u>	<u>174</u>
	<u>177</u>	<u>271</u>

21 DEFINED BENEFIT OBLIGATIONS – GROUP

The Group'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 split into two further plans managed by Suffolk County Council and Norfolk County Council respectively. Both schemes 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 31 March 2019 and the LGPS 31 March 2019.

Total pension cost for the year

	2024	2024	2023	2023
	£000	£000	£000	£000
TPS: Contributions payable		1,501		1,256
LGPS: Contributions paid	1,520		1,494	
FRS 102 (credit)/charge	(344)		331	
	<hr/>	1,176	<hr/>	1,825
Enhanced pension provision		(20)		(45)
		<hr/>		<hr/>
Total pension cost for the year within staff costs		2,657		3,036
		<hr/> <hr/>		<hr/> <hr/>

Teachers' Pension Scheme

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

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

Under the definitions set out in FRS 102 (28.11), the TPS is a multi-employer pension plan. The 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 above 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 to the effective date of £262 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222 billion giving a notional past service deficit of £40 billion (compared to £22 billion in the 2016 valuation).

As a result of the valuation, new employer contribution rates were set at 28.68% of pensionable pay from April 2024 (compared to 23.68% during 2018/19).

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 £1,501,000 (2023: £1,256,000).

Local Government Pension Scheme

The LGPS is two funded defined benefit plans, with the assets held in separate funds administered by Norfolk County Council and Suffolk County Council. The total contribution payable for the year ended 31 July 2024 was £1,940,000 (2023: £1,874,000) of which employer's contributions totalled £1,520,000 (2023: £1,494,000) and employees' contributions totalled £420,000 (2023: £380,000). The agreed contribution rates for future years are between 22% and 26.5% for employers and range from 5.5% to 12.5% for employees depending on salary according to a national scale.

The following information is based upon the latest actuarial valuation of the Funds as at 31 March 2019, updated to 31 July 2023, by a qualified independent actuary.

Norfolk County Council

	At 31.7.24	At 31.7.23
Rate of increase in salaries	3.45%	3.70%
Future pension increases	2.75%	3.00%
Discount rate for scheme liabilities	5.00%	5.05%
Inflation assumptions (CPI)	2.75%	3.00%
Commutation of pensions to lump sums – pre-April 2008 service	45%	45%
Commutation of pensions to lump sums – post April 2008 service	45%	45%

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

	At 31.7.24	At 31.7.23
Retiring today:		
Males	21.10	21.20
Females	23.40	23.50
Retiring in 20 years:		
Males	21.40	21.50
Females	25.40	25.40

The College's share of the assets in the plan at the balance sheet date were:

	% total plan assets at 31 July 2024	Fair Value at 31.7.24 £000	% total plan assets at 31 July 2023	Fair Value at 31.7.23 £000
Equities	52%	13,651	51%	11,947
Other bonds	34%	8,926	35%	8,199
Property	11%	2,888	12%	2,811
Cash	3%	787	2%	469
Total market value of assets		26,252		23,426

Suffolk County Council

	At 31.7.24	At 31.7.23
Rate of increase in salaries	3.75%	4.00%
Future pension increases	2.75%	3.00%
Discount rate for scheme liabilities	5.00%	5.05%
Inflation assumptions (CPI)	2.75%	3.00%
Commutation of pensions to lump sums – pre-April 2008 service	55%	55%
Commutation of pensions to lump sums – post April 2008 service	55%	55%

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

	At 31.7.24	At 31.7.23
Retiring today:		
Males	20.30	20.40
Females	23.80	23.80
Retiring in 20 years:		
Males	21.80	21.90
Females	25.60	25.60

The College's share of the assets in the plan at the balance sheet date were:

	% total plan assets at 31 July 2024	Fair Value at 31.7.24 £000	% total plan assets at 31 July 2023	Fair Value at 31.7.23 £000
Equities	65%	21,237	66%	19,155
Other bonds	27%	8,821	25%	7,256
Property	7%	2,287	8%	2,322
Cash	1%	327	1%	289
Total market value of assets		32,672		29,022

The amount included in the balance sheet in respect of the two defined benefit pension plans is as follows:

	2024 £000	2023 £000
Fair value of plan assets	58,924	52,448
Present value of plan liabilities	(44,884)	(42,962)
Restriction on pension surplus	(14,040)	(9,486)
Net pensions liability (Note 17)	-	-

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

	2024 £000	2023 £000
Amounts included in staff costs		
Current service cost	1,173	1,825
Past service cost	3	-
Total	<u>1,176</u>	<u>1,825</u>
Amounts included in interest and other finance costs		
Net interest cost	<u>-</u>	<u>-</u>
Amounts included in investment income		
Net interest income	<u>488</u>	<u>116</u>
Amounts recognised in Other Comprehensive Income		
Return on pension plan assets	3,316	(587)
Experience losses	(1,475)	(6,252)
Changes in assumptions	1,881	12,458
Restriction on pension surplus	(4,554)	(5,404)
Amount recognised in Other Comprehensive Income	<u>(832)</u>	<u>215</u>
Movement in net defined benefit asset/ (liability)		
Net defined benefit asset in scheme at 1 August	9,486	-
Movement in year:		
Current service cost	(1,173)	(1,825)
Past service cost	(3)	-
Employer contributions	1,412	1,393
Contributions in respect of unfunded benefits	108	101
Net interest on the defined liability	488	116
Gross actuarial gain	3,722	5,619
Restriction on pension surplus	(14,040)	(5,404)
Net defined benefit liability at 31 July	<u>-</u>	<u>-</u>

Local Government Pension Scheme

Asset and liability reconciliation

	2024 £000	2023 £000
Changes in the present value of defined benefit obligation		
Defined benefit obligation at start of period	42,962	51,970
Current service cost	1,173	1,825
Past service cost	3	-
Interest cost	2,173	1,691
Contributions by scheme participants	420	380
Change in financial assumptions	(1,791)	(12,251)

Change in demographic assumptions	(90)	(207)
Experience losses	1,475	4,912
Estimated benefits paid	(1,441)	(1,276)
Defined benefit obligation at end of period	44,884	47,044

Changes to fair value of plan assets

Fair value of assets at start of period	52,448	51,970
Interest on plan assets	2,661	1,807
Return on plan assets	3,316	(587)
Other experience	-	(1,340)
Employer contributions	1,412	1,393
Contributions by scheme participants	420	380
Estimated benefits paid	(1,333)	(1,175)
Restriction on pension surplus	(14,040)	(5,404)
Fair value of plan assets at end of period	44,884	47,044

22 RELATED PARTY TRANSACTIONS - GROUP

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

The total expenses paid to or on behalf of the Governors during the year was £3,566 (2023: £2,428). This represents travel and subsistence expenses and other out of pocket expenses incurred in attending Governor Meetings and charity events in their official capacity. Not all Governors claim the allowed expenses.

No Governor has received any remuneration or waived payments from the College During the year (2023: None).

23 AMOUNTS DISBURSED AS AGENT

Learner support funds

	2024	2023
	£000	£000
Access Funds		
Funding body grants	611	556
Disbursed to and on behalf of students	(550)	(590)
Administration costs	(31)	(27)
Balance for year	30	(61)
Balance as at 1 August 2023	138	199
Balance as at 31 July 2024	168	138

Funding body grants are available solely for students. In the majority of instances, the College only acts as a paying agent. In these circumstances, the grants and related disbursements are therefore excluded from the Statement of Comprehensive Income.

24 POST BALANCE SHEET EVENTS

The College is awaiting a decision from the Department for Education regarding whether they will enter into a construction contract for the rebuild of much of the College's Great Yarmouth campus. If approval is obtained for the project, the College has agreed a clawback agreement with and agreed to give a legal charge to the Secretary of State for Education. It has also agreed a licence and under lease for three parcels of land on the site with The Norfolk County Council and Ormiston Academies Trust.

The College has signed the Agreement for Lease for The Place in Great Yarmouth, The University of Suffolk has also signed the Agreement for Underlease with the College for their area at The Place.

The lease with Great Yarmouth Borough Council is for 125 years with a break option after 40 years. A peppercorn rent is payable for the first 40 years. The College is required to make a contribution towards the cost of refurbishment of £2,855,200 payable in the first year. The sublease with the University of Suffolk is for 40 years. A peppercorn rent is payable for the duration.