SUFFOLK NEW COLLEGE

Report and Financial Statements
For the Year Ended 31 July 2022

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Suffolk New College

Reference and administrative details

Board of Governors as at 31 July 2022

Ms A Beech

Ms H Clements

Mr M Cole

Ms S Davis

Mr R England

Mrs A Gordon

Mr P Harrison

Mr G Jagpal

Mr B Keaney

Ms S McGregor

Mr J Legh-Smith

Dr M Lyne

Mr S Pugh

Mr S Sheppard

Mr A Stevenson

Mr S Wingrove

Clerk

Ms R Robson (Resigned 13 October 2022)

Ms E Attwell (Commenced 14 October 2022)

Executive Team

Mrs V Gillespie	Principal and Accounting Officer
Mr A Pease	Deputy Principal
Mrs M Gleave	Vice Principal

Principal Office Rope Walk, Ipswich, Suffolk, IP4 1LT

Professional Advisors

External auditors	RSM UK Audit LLP, Bury St Edmunds
Bankers	Barclays Bank, Cambridge
Solicitors	Leathes Prior, Norwich
	Gotelee, Ipswich
	Birketts, Ipswich
Advisors	Scrutton Bland LLP, Ipswich,

OBJECTIVES AND STRATEGY

The members of the Corporation of Suffolk New College present their report and the audited financial statements for the year ended 31 July 2022.

Legal Status

The Corporation was established under the Further and Higher Education Act 1992 for the purposes of conducting Suffolk New College. The College is an exempt charity for the purposes of Part 3 of the Charities Act 2011.

The Corporation was incorporated as Suffolk College Corporation. The Secretary of State granted consent to the Corporation to change the College's name to Suffolk New College with effect from 1 August 2007.

The College maintains a single overall name but operates specific campus names to help with the identification of the multiple campuses, these include 'Ipswich', 'Suffolk Rural' for Otley, and 'on the coast' for Leiston and Halesworth.

Mission, Vision, and Strategy

Suffolk New College is committed to playing an active and vital role in the area's skills transformation that is required to fuel a more productive and high value economy.

Suffolk is an area of growth and is predicted to continue to increase its population and economy. The College has many opportunities to support this and the key areas for development are articulated in the Strategic Plan. We have a clear sense of direction, and our plan, under its five strategic focus areas, sets out how we will fulfil the Strategic Aims of the College. As a multi-campus College across a number of locations, we service a wide-ranging community, with complementary aspects of urban, rural and coastal communities.

Suffolk New College commits to treating everyone with dignity and respect. We wish the ethos of the College to reflect a community that is free from discrimination, valuing all members of our College community equally and fairly.

The Values of Suffolk New College are:

- openness and trust; having a learning culture to support all staff;
- providing platforms for expressing opinions, concerns and views for all staff at all levels;
- involvement in decision making;
- recognising, appreciating and celebrating achievement and success areas;
- actively encouraging and finding time for continued professional development, creating time to generate new ideas and experiment;
- valuing and respecting differences and views of others, promoting diversity'.

The strapline for the college for 21/22 was, 'Exceptional Student Experience'.

Implementation of Strategic Plan

In January 2016, the College adopted a strategic plan for the period to 2020, which was updated in 2019 to 2024, and in 2021 to 2026. This strategic plan includes property and financial plans. The Corporation monitors the performance of the College against these plans. The plans are reviewed and updated each year. It is a rolling five year strategic plan and therefore, on an annual basis the next five years are planned.

The College's continuing strategic focus areas are:

- Raising Standards and Aspirations
- Linking with Employers and Promoting Employability
- Responding to Local and Regional Priorities
- Seeking Involvement with Staff, Learners and The College's Community
- Growth and Sustainability

The College is on target for achieving these objectives.

The plan has been expanded to include the multi-site approach and the strategic action plans have been updated accordingly. There are a number of specific strategic action plans that sit below the overall strategic plan which set out the ways in which the College will achieve these strategic focus areas. These plans are kept up to date and reviewed regularly. There is an annual process of signing off the previous year and agreeing the next year for each area.

Within the strategic plan, analysis on the local labour market drives the key projects and priorities. This shows how the College will support projects such as the Sizewell C Nuclear if it proceeds. There are plans to develop partnerships along the East Anglian Coast with the University of Suffolk and East Coast College in the provision of qualifications relevant to, for example, food and food production, and wind farm provision. Tech Campus, a building specifically focussed on delivering a digital curriculum adjacent to the Ipswich Campus, which was being constructed throughout 2020/21, and successfully opened as planned in September 2021, is another indicator of the College's response to employer need. The College commenced a Net Zero Skills Centre as part of the Town Fund grant for Ipswich, with a focus on sustainable construction, renewable approaches in engineering and construction, along with hybrid and electric vehicle training. The new Health Science Campus also commenced and is a new build project due to conclude in the spring of 2023. This project is partly funded by the College along with a grant from the Department of Education Post-16 Capacity Building funding.

These projects are all focussed on achieving the College's strategic plan which is aligned to the local, regional, and national priorities.

CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE

Student Numbers

The College had increased 16-18 funded student numbers for the past five years, but suffered a small decline in 2021/22 which is in line with the national picture following the pandemic. The College increased from 2,062 in 2016/17, to 2,096 in 2017/18, 2,221 in 2018/19, 2,721 in 2019/20, and 2,950 in 2020/21, which includes the Rural Campus and growth in 16-18 year old students, however in 2021-22 the College 16-18 numbers slightly reduced to 2865.

The slight reduction in these student numbers is directly attributed to young people wishing to earn money either through jobs, with such a demand for staff nationally, or an apprenticeship, and is also aligned with the number of young people who have struggled to return to education following the pandemic. The College has plans to reinstate these numbers for 22/23 including the focus on key skills as part of the various projects that are underway in priority areas. Student numbers at the Suffolk Rural site have significantly expanded as a result of some courses increasing recruitment, along with the movement of some provision out of Ipswich to Suffolk Rural. This took place in 21/22 with the aims of putting similar provision together, to utilise the workshops at Rural, and also to make space for provision that needs to be in Ipswich. The student numbers at Halesworth grew slightly in 21/22 as the facility developed and was available for prospective students to see.

Curriculum Developments

The College focuses upon providing a curriculum that meets the needs of students, employers and the wider community. The offer takes into account the needs of providing a skilled workforce for the future. The College's curriculum provides an extensive range of learning across a broad number of areas, which are Science and Digital Industries; Care Industries; Creative Arts; Engineering and Construction; Land Based, Animal and Equine; Service Industries; Sport and Public Services; Inclusive Learning; English and Mathematics; ESOL (English for Speakers of Other Languages) and Apprenticeships.

The College implemented a number of enhancements to the teaching and learning experience in 2021/22 and continued to focus on integrating the Suffolk Rural Campus into the College as this process had been affected by the pandemic as the merger took place from January 2020, a matter of weeks before the first lockdown. The first full year for the College as a whole including Suffolk Rural was 2020/21 but it was significantly disrupted by COVID-19. As part of the merger integration plans, the College developed the curriculum plans for the Rural site and land-based curriculum. As the integration took place mid-year these plans came into effect from September 2020, rather than during 19/20, but were still being impacted by the pandemic. Therefore, the experience of 21/22 is the most closely aligned with the plan envisaged for the site. All of the buildings are now fully operational and have a focus on aspects of the curriculum delivered on site. A number of enhancements and investments have taken place across all of the College's sites to ensure that suitable equipment and spaces are available for the curriculum requirements. The College now delivers a number of T-Levels with new ones that started during 21/22 and further ones due to commence in 22/23.

The College continued in 21/22 to maximise data from the systems available. During the year the College achieved Cyber Essentials. Core systems which supported the College's operations during the year included dashboard reporting systems, online safeguarding platforms, e-portfolios, which enabled the curriculum teams to have real-time and integrated data on student progress, attendance and performance. The teaching teams continue to focus on delivering an Exceptional Student Experience. Adjustments, as a consequence of the now larger College and the pandemic situations that occurred in-year, were also made to curriculum planning, enrolment and recruitment.

Throughout 21/22, the College has responded well to the demands to maintain the student experience. There was no break in learning for any students, the College never closed and we continued to operate on a daily and weekly basis for all students. Staff have continued to work from College sites and there is little or no hybrid working taking place as a reflection of the College's business which is delivering face-to-face education.

All staff are proud of what the College achieved during 21/22 and considered that the open and encouraging style from top-down engendered the ongoing 'can do' mentality during what has been as ongoing uncertain time.

With the focus on ensuring that the students would not be negatively affected if further lockdowns occurred, the teaching teams front loaded the practical aspects of the courses into the first part of the year. This then helped to manage the risk of needing to move to virtual learning during the year as that is easier with the theory aspects. The use of a variety of digital systems during the pandemic helped to transform how the College approaches teaching and learning and many of these approaches have been maintained.

Awarding bodies returned to exams and that meant that students who had not experienced exams at school had to be supported with this for the first time. A whole college mock exam week for maths and English took place to support students re-taking their GCSEs, and additional exam support and early help was arranged. Resources were widely shared with students to help them with handling the stress of exams.

An internal restructure took place which resulted in a directorate with a sole focus on foundation and inclusive learning, and a cross college focus on students with complex educational needs.

The College has continued to work in partnership with Inspire Ltd on the Prince's Trust, tailored for young people who are not in education, employment or training (NEETs) within the local community, and worked with Needham Market Football Club to offer high quality sports qualifications which support players with progressing into relevant careers and higher education.

The partnership with the University of Suffolk for the delivery of higher education courses in Civil Engineering continued, along with initial teacher training for College staff. The College took on the lead role for initial teacher training for the Further Education Colleges in the partnership in 21/22, supporting the University with achieving a Good from Ofsted for this provision.

Current Year

The College has a strong financial track record as demonstrated by previous financial health performance. The College has continued to maintain strong reserves, whilst making investments into equipment and facilities with a particular focus on the Government priority of Science, Technology, Engineering and Mathematics (STEM) curriculum. Despite the challenges of COVID-19 and cost of living increases in 21/22, the College was able to make investments into equipment and provision at Ipswich, Rural and Halesworth. The project of Tech Campus, which is the new Digital Hub, opened as planned in September 2021.

The College had an Ofsted Inspection in November 2018 and the overall result was 'Requires Improvement,' despite being considered 'Good' in five of the eight areas.

Inspectors found the College needed to promote better personal development in its students, improve its leadership and management, and provide a better service for learners with additional needs. The categories considered to be 'good' were programmes of learning for both young people and adults, with significant investment in apprenticeships for plumbing and domestic gas training.

Inspectors commended the College's friendly learning environment, and the work of teachers in helping students grasp an understanding of their potential careers.

The quality of education was also rated 'good', with Ofsted including in their report that teachers' plans for lessons mean 'most learners build their skills and knowledge in a logical manner'. Teachers also make sure students have learned one topic before moving onto the next part of a curriculum, but they were not using assessments to help students further their education, leading to students 'not knowing how to achieve the grades they aspire to'.

The inspectors confirmed that safeguarding arrangements are effective. Leaders and managers have taken a range of actions to improve safeguarding arrangements. Leaders have strengthened arrangements for checking the safety of vulnerable learners. Learners feel safe and are safe at College.

Two visits by Ofsted took place in 20/21, including a COVID-19 specific visit and the first monitoring visit post full inspection. Both of these went well with positive feedback from Ofsted on the progress the College has made. No official visits took place in 21/22, however the College did voluntarily take part in a pilot inspection for the new Ofsted Framework, and supported the University of Suffolk with the inspection of initial teacher training which achieved a Good.

The College was successful with re-accreditation of Matrix, which is the assessment of the independent advice and guidance approaches that are in place. This was achieved College-wide including all of the campuses.

The College is actively involved in the New Anglia Local Enterprise Partnership (NALEP) and with key groups who are leading the strategic vision for Suffolk. The College was successful in 2018/19 with a bid of £1.6m towards a new digital hub, called Tech Campus, which was built during 20/21 and opened in September 2021. The College was also successful with achieving c£940k from the Town Fund for sustainable construction, Net Zero and Tech Campus, and c£1.1m of Department of Education funding for the new Health Science Campus building project. Both of these are due to complete in 22/23.

The College worked jointly with City College Norwich to de-merge Easton & Otley College so that Easton merged into City College Norwich, and Otley into Suffolk New College from January 2020. This has increased the size of the College and supported the growth and expansion plans whilst securing land based provision for Suffolk. The addition of this campus enabled the College to grow considerably. The College has further growth plans and despite a small reduction in 16-18 year olds in 21/22 these are on track, which makes the multi-campus approach more sustainable and cost-effective.

Despite the challenges of COVID-19 and cost of living increases during 20/21, the College was still able to make investments and to progress planned capital works. The College received c£930k of FE Capital Allocation (FECA) funding towards essential maintenance and conditions issues, and these works were concluded in 21/22. The majority of this funding was spent at the Rural Campus, which is a much older campus with poorer condition, as rated by both the FECA survey and the College's condition survey. These works are part of the College's new estates strategy which was developed in 20/21.

Future Prospects

The College is targeting the completion of the Health Science Campus and Net Zero Skills Centre projects during 22/23. These will facilitate not only full-time curriculum in those areas, but also the upskilling and support for local employers. The College has some planned projects at the Suffolk Rural site and is pursuing grant opportunities to help make them possible.

During 22/23 a new Rural Shop supporting the sales of student made items and products grown/produced on the farm will be opening. This will help provide further opportunities for our learners to develop commercial and retail skills.

Further curriculum developments are planned over the next few years and the College will be implementing new T-Levels as they are released. New online provision is being implemented from 22/23 onwards which will provide opportunities for learning to harder to reach groups.

The College is engaged in active discussions with key stakeholders and partners to support national infrastructure projects in STEM, such as Sizewell C, and Freeport East. There are plans to develop further Suffolk New College 'on the coast' in Leiston and at Halesworth.

Investments are continuing to be made into college sites, assets and equipment. It is important that our estates and facilities are in excellent condition and are adapted to the needs of new developments. Alongside this is the implementation of our Sustainability Strategy which has a commitment to be Net Zero across all sites by 2050 or sooner.

The College considers it appropriate to operate on a 'going concern' basis having due regard to best practice developments in the UK Corporate Governance Code 2016 in respect of going concern and risk management reporting.

The College believes that it will be able to continue in operation and meet its liabilities, taking into account the current position and principal risks for at least the next 18 months, including cash flow and reserves.

The College has a Financial Plan linked with the Strategic Plan, with strong reserves, cash flow, cash days and there has been no risk to the College's bank covenants.

RESOURCES

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

The College employs 279 academic staff, 269 business support staff and 84 learning support practitioners, 632 in total (based on headcount as at 31 July 2022).

In 2021/22, there were 2,865 16-18 year olds, 1,564 part-time adults and 445 apprenticeships, and 125 HE students in partnership with the University of Suffolk.

The College has £38.6 million of net assets (including £4.8 milllion of pension asset) and long-term debt of £6.3 million. Tangible resources include the main college site, which includes the digital hub.

The LGPS pension scheme has moved from a liability of £12.6m in 2020/21 to an asset of £4.8m in 2021/22. This is mainly due to the impact of economic factors, primarily the increase in discount rate which has the effect of reducing the value of the pension scheme liabilities. When the UK and global economy returns to a more stable position there is a likelihood that the discount rate will reduce, resulting in an increase in the value of the pension liabilities, which could result in the LGPS returning to a deficit position.

The College has a strong reputation locally as a community college that focuses on key skills to support positive destinations, with over 97% progressing onto employment or a further course. Regionally the College has a prominent presence and the Principal represents the College on a number of groups. The College has strong links with New Anglia Local Enterprise Partnership (NALEP), Energy Skills Board, University of Suffolk, Suffolk Chamber of Commerce, Ipswich Chamber of Commerce, Association of Colleges in the Eastern Region (ACER), LANDEX, Felix Thornley Cobbold Agricultural Trust, Suffolk Agricultural Association, Association of Colleges National Apprenticeship Group, Ipswich Central, Ipswich Borough Council and Suffolk County Council. Links with employers have grown over the past few years, with an increased emphasis on business development at the College. There are a number of stakeholder groups taking place, engaging with business representatives, along with businesses who have given their support to the College and are represented in the College atrium on logo boards in Ipswich. A new Employer Engagement Strategy has been developed during 21/22 ready for implementation in 22/23.

STAKEHOLDERS

Suffolk New College has many stakeholders including:

- Its current, future and past students
- The employers it works with
- Its staff and the three recognised trade unions of UCU, Unison and NEU Leadership.
- The professional organisations in the sectors where it works
- Its partner schools and universities; the wider college community
- The local borough council, local authority and the Local Enterprise Partnership

The College recognises the importance of these relationships and engages in regular communication with them through the College Internet site and by meetings.

PUBLIC BENEFIT

Suffolk New College is an exempt charity under the 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 page 1. 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 5,000 students, including almost 300 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 almost 1,000 apprentices. The college is committed to providing information, advice and guidance to the students it enrols and to finding suitable courses for as many students as possible regardless of their educational background.

FINANCIAL POSITION

Financial Review

During the 2020/21 Academic Year, the COVID-19 pandemic was still impacting at the start of the year but the College did start to resume more typical ways of working after the first term. Face-to-face delivery of teaching was maintained and there was less impact from staff and student absences once the vaccination regime took effect. The College facilitated vaccines through making the College sites available for the vaccine bus to operate from. Some areas of income resumed pretty quickly, but the reduced carry-in of apprenticeships and some businesses responding more slowly did continue to have some legacy of effect in 21/22. The remaining aspects of the pandemic which are still having some impact are around the supply of some items, particularly IT, from parts of the world which have continued to have lockdowns such as China.

From February the conflict in Ukraine started to impact. The consequences directly for the College have been the supply of some items, the arrival of some refugees and most significantly the affect that this conflict is having on the global economy and utility costs.

As it has been unclear how long the conflict will continue and the longer term effects of it on cost of living increases, the College took some immediate actions in 21/22 but has also continued to include it as a risk and impact as part of the next two financial year's plans. The direct impact has been increases to both gas and electricity costs in year, and this having an impact on the domestic arrangements for staff which resulted in the College management taking an early decision in May 2022 on what the pay award level would be for staff. Whilst this was not paid until 1st August 2022, this was higher than previously paid and the decision taken in 21/22 was with the aim of supporting staff during this challenging time. Other support measures were also put in place for both staff and students during 21/22, with plans to continue them in 22/23 and to have further ones.

During the whole year, the College has had additional welfare processes in place for vulnerable staff and students, who have been affected by the pandemic and/or the conflict.. The College geared up to provide more mental health support as a result of the impact of the pandemic and this has been evidenced by the levels seen over the past few years. This support has also been useful for the impact of the conflict. For students this included additional resources, more staff metal health first aid trained, dedicated appointments and specific early help staff. For staff the College invested into an Employee Assistance Programme and training.

During the year, the College priority was to return to levels of activity from before the pandemic. The areas particularly focussed on were full cost or income-generating areas, which were significantly affected such as apprenticeships, where people pay to use our buildings, leisure learning, hire the sports centre, and client services. The reduction in apprenticeship take-up that the College experienced was recognised during the pandemic across the country as a key issue for all colleges and training providers. The College did see increases in these areas from what took place during the pandemic period but progress has been affected by staff shortages. There is a national situation of more vacancies than the number of people unemployed, and the College has found it more challenging than ever with some specifically skilled posts. This has resulted in a number of new ways to support the recruitment of staff being implemented in 21/22 including an Employee Referral Scheme, new online jobs boards, a review of some market force supplements, and a promotion of the benefits of working for Suffolk New College.

Financial Results

The College generated a deficit before other gains and losses in the year of £1,382,000 (2020/21: Surplus of £2,896,000), with a total comprehensive income surplus of £17,698,000 (2020/21: Surplus of £2,668,000). The surplus in 2020/21 includes the effect of the transfer on merger of £2,946,000.

The total comprehensive income surplus for 21/22 includes the favourable effect of the movement of the valuation of the Local Government Pensions Scheme. See Note 24 for further details.

Developments

Tangible non-current asset additions during the year amounted to £2,740,000.

The College opened a purpose-built facility for advanced technologies in Ipswich part funded by a NALEP grant in September 2021. This provides exclusive access to digital labs and industry standard workshops for specialist courses. Students and Apprentices have access to the latest technologies with support and mentoring from local tech companies and innovators.

Work has started on the Health Science Campus which is due to open during the 22/23 financial year, which is part funded by a Department for Education grant. This purpose-built facility will include mock hospital setting, a mock nursery as well as science labs.

The College commenced a Net Zero Skills Centre as part of the Town Fund grant for Ipswich, with a focus on sustainable construction, renewable approaches in engineering and construction, along with hybrid and electric vehicle training

The College also continued to invest in industry standard equipment required for teaching, maintaining the high level of IT hardware, implementing systems across the College's multi-sites to facilitating working practices and making adaptations along with improvements to the building to provide enhanced teaching facilities in response to student and employer feedback.

There were intangible non-current asset additions of £59,000 during the year, in respect of new software.

Reserves

The College has reserves of £38,584,000 (2021: £20,886,000) including cash and short-term investment balances of £8,251,000 (2021: £7,429,000).

Sources of Income

The College has significant reliance on the education sector funding bodies for its principal funding source, largely from recurrent grants. In 2021/22, the FE funding bodies provided 85.5% of the College's total income. (2020/21: 87.1% excluding donations).

Streamlined Energy and Carbon Reporting

The college is committed to reducing its carbon emissions and has taken the following measures in the year to improve energy efficiency:

- Within building projects, to utilise renewable energy sources as far as possible, as evidenced by the achievement of BREEAM Very Good with Tech Campus.

- A new Net Zero Sustainable Staff and Student Group to focus on organisation and personal targets to reduce the amount of carbon emissions and to focus on green teaching and approaches.

The college's greenhouse gas emissions and energy use for the period are set out below:

Scope	Fuel	Consumption	Emissions CO_2e (metric tonnes) 2021/22	Emissions CO_2e (metric tonnes) 2020/21	Increase / (Decrease) from 2020/21 levels
1 - Direct	Gas	2,943,167 kWh	339.93	539.07	(199.14)
	Gas Oil	6,476 Litres	9.17	17.86	(8.69)
	Propane **	64,797 Litres	347.98	100.02	247.96
	Kerosene	43,133 Litres	94.96	136.96	(42.00)
	Transport Fuel	2,900 Litres	2.05	7.29	(5.24)
	Fuel Card (Diesel)	1,153 Litres	5.92	2.90	3.02
	Fuel Card (Unleaded)	707 Litres	1.24	1.55	(0.31)
Total Scope 1 (Direct)			**801.25**	**805.65**	**(4.40)**
2 - Indirect	Electricity	3,388,931 kWh	658.01	719.57	(61.56)
Total Scope 2 (Indirect)			**658.01**	**719.57**	**(61.56)**
3 - Additional Indirect	Business Mileage	58,782.1 Miles	32.64	16.21	16.43
	Fuel in Rental Vehicles	132 Miles	0.37	0.04	0.33
	Taxis	£1,358.76	0.40	0.37	0.03
Total Scope 3 - Additional Indirect			**33.41**	**16.62**	**16.79**
TOTAL GROSS EMISSIONS (in metric tonnes)			**1,492.67**	**1,541.84**	**(49.17)**
Intensity Ratio (Based on staff as at 31 July 2022 – 632 (2021 – 603)			**2.36**	**2.56**	**(0.20)**

** Approximately 90,000 litres of propane relate to July 21 but were not included in previous figures as no invoices had been received until December 21. They therefore have been included within this year's figures. This equates to approximately 140 tonnes of CO_2e.

Qualification and reporting methodology

The College followed the 2019 HM Government Environmental Reporting Guidelines. The College also used the GHG Reporting Protocol – Corporate Standard and have used the 2022 UK Government's Conversion Factors for Company Reporting.

The College estimated that £2 per mile was paid for taxi fares. The College estimated that the fuel in rental vehicles, business mileage and taxis were used at a rate of 1 gallon per 50 miles. The College has calculated emissions based on an estimate that this fuel was 50% unleaded and 50% diesel and based on the data for an average car.

Intensity ratio

The intensity ratio figure was calculated by taking the total headcount of all staff that were employed by Suffolk New College as at 31 July 2022, and were reported in the year-end accounts at that time.

Financial Plan

The College Corporation approved a financial plan in July 2022, which sets objectives for the period to 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. All other borrowing requires the authority of the Corporation.

Cash Flows and Liquidity

Net cash inflow from operating activities was £2,060,000 (2020/21: £3,636,000).

The net cash flow was a result of maintaining and in some areas growing income levels, along with managing expenditure. There is also a robust strategy in place for debt prevention and credit control.

The College has a £10 million long-term loan, which was put in place as part of the financing sources for the College's new build, of which £6,712,000 remained at the year-end (2021: £7,081,000)

At the year-end, the College had cash at bank and in hand of £8,251,000 (2021: £7,429,000).

Reserves Policy

The College requires reserves for contingency and investment purposes. This enables the College to make investments towards technology and building programmes. Therefore, the technology available for teaching and learning remains current and enhances the student experience. In addition, the College's building is kept in good condition and the internal spaces are conducive to teaching and learning.

The College currently has reserves of £38,584,000 (2021: £20,886,000)

The College has a separate Reserves Policy in place approved by the Corporation. In line with the profile of the funding received, the College maintained a net current asset ratio of at least 1.5 and a minimum of 25 cash days throughout the period to ensure that the College met all its liabilities when due, as required by the policy.

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 Corporation has overall responsibility for risk management and its approach to managing risks and internal controls is explained in the Statement on Corporate Governance.

A risk plan, which includes a register of the College's risks, is maintained at the College level. The Audit & Risk Committee reviews this on a termly basis. 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. A new Risk Management Policy was adopted in 20/21, which sets out the College's approach to risk management and how all levels of the approach link together to provide the reassurance that Governors need.

The register is shared with managers via Senior Management Team and Business Support Managers for their comments and contribution.

The main factors affecting the College are outlined below along with the actions taken to minimise them. Not all the factors are within the College's control. Other factors besides those listed below may also adversely affect the College.

- Student Recruitment – the College is aware of the impact that COVID has had on increasing numbers of NEETs and also some young people going out to work for financial reasons. Further targeted provision has been offered and is planned for future years to support the skills development of these young people.
- Cyber Security – many actions were taken to mitigate this risk last year culminating in the achievement of Cyber Essentials, and successful tests and reviews of our systems.
- Staff Recruitment challenges – linked with national shortages, which has led the college to diverse strategies, enhance terms and conditions, and to offer staff referral schemes.
- Business Continuity – plans were tested and enhanced during the past few years and further developments are planned to mitigate the risk of interruptions.
- Costs increasing – this is a pay and non-pay risk as we identify cost of living and wage increase impacts. This is an ongoing risk which is being carefully managed.

With regard to the future viability of the College, a number of additional areas are being monitored including the impact that inflation, increases in energy prices, and wage pressures could have on the College's ongoing financial health. There is a chance that it will drop from Outstanding to Good, however there is no risk at this stage that it will be any lower. The College currently has adequate funding for pension liabilities but this is monitored closely.

Government Funding

The College has considerable reliance on continued Government funding through the further education funding bodies. In 2021/22, 85.5% of the College's revenue was ultimately publicly funded and this level of requirement is expected to continue. There can be no assurance that Government policy or practice will remain the same, or that public funding will continue at the same levels or on the same terms.

The College receives Industry Capacity Building Funding to increase the number of students experiencing longer work placements in preparation for the requirements of the new T Levels, where placements are a key component. The funding from this grant enabled the College to gain some experience of these longer placements, which will help with the implementation of T Levels going forwards. It was challenging to meet these requirements, and 20/21 was very affected by the pandemic. The College has made significant progress in 21/22 but this is an area that is under constant monitoring as it is affected by the response of local employers and therefore affected by pandemic and financial challenges that they experience. These are out of the College's direct control. The College was not alone with these challenges and across the sector there was difficulty in meeting them.

Apprenticeship numbers, both levy and non-levy, increased in 2021/22 from levels during the pandemic. The College now offers standards; moving to standards in all the key areas where they are now available.

The College managed to maximise the funding available under the Adult Education Budget as much as possible up to the point of the lockdown but there was some disruption to provision that had been planned in year. The College delivered enough that there will not be a clawback in 2021/22.

The College received a further increase to the number of High Needs Students, funded directly by the ESFA (Education Skills Funding Agency) for element 2. The College's high needs funded numbers increased to 288 (2021: 255).

The College is focussed on utilising the funding levels currently available and to pursue opportunities for further funding. The College has oversight of all the funding streams through the Funding Group, which meets regularly to plan the use of funding and to advise Senior Managers on strategies and information related to funding.

These risks are also mitigated in several ways:

- funding is derived through a number of direct and indirect contractual arrangements;
- ensuring that the College is rigorous in delivering high quality education and training;
- considerable focus and investment is placed on maintaining and managing key relationships with the funding bodies;
- ensuring the College is focused on those priority sectors which will continue to benefit;
- regular dialogue with funding bodies;
- a focus on increasing funding from a range of sources.

Quality

Following the Ofsted inspection in November 2018 a key risk has been to ensure that the quality of the College is continuously improving to meet both student and Ofsted expectations. The College undertook a number of actions to manage this risk, and a re-inspection by Ofsted took place in late November 2022. The outcome will be published on the College's website as soon as it is available. The actions undertaken included having clear targets and reporting on the progress against these targets which were then scrutinised by Governors. Lesson observations and learning walks took place to validate the level of teaching and learning taking place. This was particularly important at the Rural campus to be able to pitch their level of performance at the point of merger and then to work on a plan for any areas which needed to improve over the past two years.

Ofsted carried out a COVID-19 specific visit in November 2020 and a monitoring visit in February 2021. Both visits went well, and the College received positive feedback from them. The College also received a scheduled visit from the FE Commissioners Team following the merger in November 2020, and a follow up visit in October 2021. The first visit resulted in three recommendations which were progressed by the College, and overall, they stated that the College had progressed the integration of Otley (now Suffolk Rural) well. The FE Commissioner's Team signed off these three recommendations in their follow-up visit.

Whilst no formal College visits took place involving Ofsted during 21/22, the College did volunteer to take part in a pilot inspection to provide experience and feedback on the new Ofsted Framework, and as the lead college partner supported the University of Suffolk with achieving a Good Ofsted for initial teacher training provision.

Attendance and retention rates were closely monitored throughout the year and Governors through the Academic Scrutiny Committee, which became a full Committee of Corporation in 20/21. The Governors who attend remain close to the curriculum and individual directorates that they were linked to.

Indications of whether the work in this area was successful are that maths and English GCSE achievement rates were above national average rates.

Tuition Fee Policy

In line with the majority of other Colleges, Suffolk New College balances the need to charge an appropriate level of fee, which is also in line with the ESFA expectations, but also to support adults with entering education during what has been challenging financial times. As a result of this and comparison with other providers, the College maintained tuition fees at the same level for the past few years. The risk for the College if fees are increased too high is that demand falls off. This will impact on the growth strategy of the College.

This risk is mitigated in a number of ways:

- Ensuring the College is rigorous in delivering high quality education and training, thus ensuring value for money for students.
- Close monitoring of the demand for courses as prices change.
- Opportunities for students to pay in instalments but for a first payment to be paid which amounts to a 1/3 of the total fee.
- A proactive management of tuition fee repayments and a strategy to resolve any debts as they occur.

Maintain adequate funding of pension liabilities

The financial statements report the Local Government Pension Scheme (LGPS) in the College's Statement of Financial Position in line with the requirements of FRS102.

This risk is mitigated by an agreed funding plan with Suffolk Pension Fund.

Failure to maintain the financial viability of the College

The College's financial health grade was classified as 'Outstanding', confirmed by the ESFA in July 2021. This was due to income levels, reserves, cash flow, performance against key performance indicators including ratios and strong financial management. Notwithstanding that, the continuing challenge to the College's financial position remains the constraint on further education funding arising from the on-going cuts in public spending whilst maintaining the student experience.

This risk is mitigated in a number of ways:

- By rigorous budget setting procedures and sensitivity analysis.
- Regular in year budget monitoring.
- Robust financial controls.
- Exploring procurement efficiencies.
- Diversifying income streams.

KEY PERFORMANCE INDICATORS

The College's long term financial objectives are:

- To remain financially viable
- To increase income to the College from diverse income streams.
- To remain within the financial covenants as set out in the loan facility terms for the £10 million long-term loan from Barclays Bank.
- To maintain a good level of short-term liquidity.

Performance indicators have been agreed to monitor the success of these objectives.

The short-term financial priorities and objectives, taking into consideration the end of year position for 21/22, of the college for 2022/23 are:

- Achievement of the approved budget deficit;
- Minimum levels of cash reserves / cash days in hand;
- Reduce the staff costs as a % of income KPI to be closer to the benchmark of 65%;
- Compliance with loan covenants; and
- Timely completion of major capital projects, Heath Science Campus which is due to be open for teaching in FY22/23. Net Zero Skills Centre from FY22/23.

These have been identified to reflect the challenges facing the college in 2022/23 and will be used to help monitor and review in-year financial performance.

Key Performance Indicators	**Target**	**Actual from accounts for 21/22**	**Education and Skills Funding Agency Sector Specific***
EBITDA as % of income	> 6%	6.61%	7.45%
Borrowings as % of income	< 40%	23.85%	24.87%
Current ratio	> 1	3.09	4.75
Staff Costs as % of income	< 65%	70.17%	69.28%
Financial Health Score	Good	Outstanding	Outstanding

EBITDA is arrived at by taking the deficit before other gains and losses £1,382k, adding back the depreciation and amortisation figure (£2,719), interest and other finance costs (£523k). This comes to £1,860k, which is expressed as a percentage of the income £28,144k.

* The Education and Skills Funding Agency (ESFA) sector specific KPI's differ from the accounts in the following ways:

- Income and EBITDA are adjusted for release of capital grants (1,159k), and net return on the pension scheme (£-1,309k).
- The current liabilities are adjusted by removing the accrual for holiday pay (£500k), and capital grants (£2,411k), which impacts the current ratio.
- The current assets are adjusted by removing the pension asset (£4,753k), which impacts the current ratio.

ACHIEVEMENTS

The College Senior Management Team and Governors have worked together to analyse areas of the budget affected by COVID-19 as it was anticipated that this would be an ongoing issue for 21/22 and during the year the impact of the conflict in Ukraine was also an issue to manage. At the start of the year, areas of income at risk were identified, risk rated, tracked, additional expenditure incurred where needed to secure funding, and where possible actions were taken. Decisions were taken with regards to delaying or halting vacancies, and making efficiencies through the non-replacement of leavers. A range of courses started in year and the college was successful with receiving two additional advanced learning loan amounts due to high levels of adult recruitment.

The integration of the Otley Campus, with effect from 01/01/2020 has increased the size and number of sites for the college. During 21/22 some provision was relocated with the aim of maximising spaces available and to ensure that learners received the best possible experience. Inclusive learning students with complex needs were relocated to Suffolk Rural where they have access to a much broader range of learning environments. All of the Suffolk Rural buildings are now being used and the numbers of staff and learners on site has significantly increased. This has also freed up space at Ipswich which has been used for the expansion of specialist spaces for students and to meet growth on some courses. The transportation links to Rural have been maintained, with some new ones introduced, along with an arrangement for subsidised buses to support learners with getting to Halesworth and Leiston.

The College has grown provision at Halesworth and Leiston as part of, on the coast. Having access to these different campuses across a wider geographic location has enabled the College to diversify provision and to grow beyond the limited Ipswich facilities can allow within a tight campus. These young people would most likely be NEET if suitable provision was not available for them locally The College has further plans to continue to grow over the next few years. This provides an opportunity for the College to offer a broader range of curriculum and to continue to secure a land based agriculture offer for Suffolk. Although provision has expanded at Rural, the site still has more capacity than has been to date utilised, and the College has already started to implement plans to grow and enhance the current provision offered, particularly taking into consideration the Sizewell skills need.

The College successfully opened Tech Campus, a Digital and Technology Skills Hub in September 2021. The new Health Science Campus and Net Zero Skills Centre are due to open in 22/23. All of these facilities demonstrate investment into key skills areas and grow the college's capacity, and ability to deliver specialist training. They introduce new funding streams and more provision into the College.

The partnership with the University of Suffolk remains in place with accords for student progression, and also links between the capital projects of Suffolk New College and the University. Examples include the digital and health science areas where both organisations have new buildings and investments in these areas. The college provision links directly into the university courses and students are well placed to receive an enhanced educational experience as a result.

The College is a T-Level pilot provider and rolled out the first T Level in Construction in 20/21, followed by further T-levels in 21/22 and more planned over the next few years. Again, this introduces new funding streams into the College and enhances the students' choice of learner pathways.

During 21/22 the college had strong cash, reserves and outstanding financial health. This meant that investments could be made including ones related to buildings, equipment and IT.

The College has been successful with a range of grants, both capital and revenue. The investment into a new Director of Innovation, Strategic Projects and Growth, has provided the resources needed during 21/22. They have been successful with both achieving new grants and ensuring that the college delivers upon existing ones. They have raised the profile of the college and supported internally the focus on this area to ensure opportunities are targeted that benefit the strategic objectives and student experience. A number of grants were successful in 21/22 but will result in the funding being received in 22/23 and beyond. The college has a key focus on targeting a range of revenue streams and to continue to raise the profile locally, regionally and nationally of our achievements.

Student Achievements

In 2021/22 headline achievement rates for students are;

Key Performance Indicators (KPIs)	**2020/21**	**2021/22**	**National Average (NA)**
Headline Achievement Rates			
• Classroom Based Learning	• 88.2%	• 82.7%	• Not yet available
• Apprenticeships Overall	• .65.0%	• 61.0%	• 60.0%

The College had a significant number of students taking either or both maths and English at Functional Skills or GCSE level. In 21/22 the headline achievement rates are:

Key Performance Indicators (KPIs)	**2020/21**	**2021/22**	**National Average (NA)**
Headline English and Maths Achievement Rates			
• GCSE English 9-1	• 97.2%	• 91.1%	• N/A
• GCSE English 9-4	• 48.5%	• 31.3%	• 28.4%
• GCSE Maths 9-1	• 91.7%	• 91.7%	• N/A
• GCSE Maths 9-4	• 45.3%	• 29.9%	• 20.1%

Equality

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

The Single Equality Scheme and Action Plan is updated annually to ensure compliance with all relevant equality legislation including the Equality Act 2010. The Single Equality Scheme is shared with key community stakeholders. 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 as they are reviewed.

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

The College has committed to the ‘Mindful Employer’ initiative to assist the mental health wellbeing of staff. The College has an online Equality & Diversity training programme, which all staff have participated in. Refresher training and training for new starters is carried out on an ongoing basis and regular updates are provided at CPD events.

The College also has CHAD (Challenge Hatred and Discrimination) which provides ways for students and staff to challenge inappropriate behaviour themselves or seek to support as required. It reminds people of what is acceptable behaviour and treatment of others.

Gender Pay Gap Reporting

The College submitted the data for 2021, as required by the government, by the 31st March 2022. Although this set of accounts is 2021/22, the way the data is complied for gender pay gap reporting, it is important to note that this information relates to March 2021.

In summary when comparing the gap in 2020 to the gap in 2021, it has reduced.

The figures in the College Overall table below in italics are the comparison ones for 2020.
Snapshot date 31st March 2021

College Overall

Mean

	Head Count	**Mean Hourly rate**
Male	263 *(271)*	£14.64 *(£14.24)*
Female	405 *(402)*	£13.23 *(£12.76)*
	668 *(673)*	

Median

	Head Count	**Median Hourly rate**
Male	263 *(271)*	£13.97 *(£13.97)*
Female	405*(402)*	£12.22 *(£11.40)*
	668 *(673)*	

Mean gender pay gap 2021	**9.6%**	**Median gender pay gap 2021**	**12.5%**
Mean gender pay gap 2020	*10.39%*	*Median gender pay gap 2020*	*18.4%*

Overall, the college employs significantly more females than males. The analysis of the pay quarter data shows that there are more women than men at the lower, lower middle, and upper middle, however there are slightly more males to females in the upper quartile

Compared with the FE Sector, as shared by the Association of Colleges, the College's gap is lower than the public sector mean of 14.8% and the median of 18%, as well as the education mean of 17.6% and median of 25.4%.

A copy of the submitted data has been published on the College's website and can be found at https://gender-pay-gap.service.gov.uk/Employer/uD4sxJTy/2020.

Disability Statement

The College seeks to achieve the objectives set down in the Equality Act 2010. We aim to:

- Promote equality of opportunity between disabled people and other people.
- Eliminate discrimination that is unlawful under the Disability Discrimination Act.
- Eliminate harassment of disabled people that is related to their disability.
- Promote positive attitudes towards disabled people.
- Encourage participation by disabled people in public life.
- Take steps to meet disabled people's needs, even if this requires more favourable treatment.

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, based on the year to March 2022.

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
5	0.86

Percentage of time - %	Number of employees
0	0
1 – 50	5
51 – 99	0
100	0

The total cost of facility time	£35,584
The total pay bill	£17,594,120
The percentage of the total pay bill spent on facility time	0.2022 %

Time spent on paid trade union activities as a percentage of total paid facility time	4.08%

Payment Performance

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires Colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods and services or the date on which the invoice was received. The target set by the Treasury for payment to suppliers within 30 days is 95 per cent. During the accounting period 1 August 2021 to 31 July 2022, the College paid 87% of its invoices within 30 days. The College incurred no interest charges in respect of late payment for this period.

Going Concern

After making appropriate enquiries, the Corporation considers that the College has adequate resources to continue in operational existence and meet its liabilities as they fall due for at least the 12-month period following the date of signature of these accounts. For this reason, and as explained further on pages 46 to 47, it continues to adopt the going concern basis in preparing the financial statements.

Disclosure of Information to Auditor

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

Approved by order of the members of the Corporation on 15 December 2022 and signed on its behalf by:

S Pugh

Chair

The following statement is provided to enable readers of the financial statements of the College to obtain a better understanding of its governance and legal structure. This statement covers the period from 1 August 2021 to 31 July 2022 and up to the date of approval of the annual report and financial statements.

The College endeavours to conduct its business:

I. in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership);

II. in full accordance with the guidance to colleges from the Association of Colleges in The Code of Good Governance for English Colleges adopted in 2015 ("the Code");

The Corporation 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 account of the Code of Good Governance for English Colleges issued by the Association of Colleges, which it formally adopted on 16 July 2015. In the opinion of the members of the Corporation, the College complies with all the provisions of the Code, and it has complied throughout the year ended 31 July 2022.

This opinion is based on an external review of compliance with the Code reported to the Corporation undertaken by Scrutton Bland, the College's risk assurance advisors and reported to Corporation on 25 March 2021. This was assessed as part of the Governance Self-Assessment and a draft review was undertaken by the Governance & Search Committee at its October 2022 meeting. The Corporation has assessed its performance against the "must's" as set out within the Code and noted compliance in all areas.

The College has also resolved to adhere to the Association of Colleges Code of Good Governance for 21/22.

Since the pandemic the Corporation committees operate in a combination of face to face and virtual meetings. For some committees continuing to have some virtual meetings has helped, but the full Corporation meetings have benefitted from face to face which has brought all Governors together at both Ipswich and Rural. There has been no interruption to the business of Corporation. All of the scheduled committees and their normal business were able to take place, and Corporation was well placed to provide additional support to the College Senior Managers and Executive Team during 21/22.

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.

Name of Member	Date of Appointment	Term of office	Date of Finish	Status of appointment	Committees served during 2021/22	Mtgs Att.	%
Ms A Beech (Vice Chair)	28 March 2013 (most recently reappointed March 2021)	4 Years	-	Independent Member	Corporation Governance & Search (Chair) Remuneration (Chair) Audit & Risk. Academic Standards & Quality	6 4 2 3 4	100 100 100 100 100

Name of Member	Date of Appointment	Term of office	Date of Finish	Status of appointment	Committees served during 2021/22	Mtgs Att.	%
Ms H Clements	28 January 2021	4 Years	-	Independent Member	Corporation Academic Standards & Quality	1 4	16 100
Mr J Coe	01 August 2022	4 Years	-	Staff Member	Corporation Academic Standards & Quality	0 0	0 0
Mr M Cole	22 July 2010 (most recently reappointed July 2022)	4 Years	-	Independent Member	Corporation Finance & Employment (Chair) Remuneration	3 5 2	50 83 100
Ms S Davis	20 January 2022	4 Years	-	Independent Member	Corporation Academic Standards & Quality	2 1	66 100
Mr R England	11 June 2020	4 Years		Independent Member	Corporation Academic Standards & Quality	3 4	50 100
Mrs V Gillespie	Appointed Principal 1 July 2015	-	-	Principal	Corporation Finance & Employment Governance & Search Academic Standards & Quality	6 6 4 4	100 100 100 100
Mrs A Gordon	11 June 2020	4 Years	-	Independent Member	Corporation Finance & Employment	6 5	100 83
Mr P Harrison	20 January 2022	4 Years	-	Independent Member	Corporation Audit & Risk	3 1	100 100
Mr G Jagpal	24 March 2022	4 Years	-	Independent Member	Corporation Academic Standards & Quality	1 0	50 0
Mr D Jermacenko	15 December 2021	1 Year	31 July 2022	Student Member	Corporation Academic Standards & Quality	3 1	60 50

Name of Member	Date of Appointment	Term of office	Date of Finish	Status of appointment	Committees served during 2021/22	Mtgs Att.	%
Mr B Keaney	28 January 2021	4 Years	-	Independent Member	Corporation Academic Standards & Quality	6 4	100 100
Mr J Legh-Smith	1 August 2018 (reappointed August 22)	4 Years	-	Independent Member	Corporation Audit & Risk (Chair) Remuneration	5 4 1	83 100 50
Dr M Lyne	16 July 2015 (reappointed July 2019)	4 Years	-	Independent Member	Corporation Academic Standards & Quality (Chair) Remuneration	5 4 0	83 100 0
Ms J Martin	27 March 2014 (reappointed March 2018)	4 Years	25 March 22	Member	Corporation Audit & Risk Academic Standards & Quality	4 2 3	100 66 100
Ms S McGregor	20 January 2022	4 Years	-	Independent Member	Corporation Academic Standards & Quality	3 1	100 100
Mr A Prickett	26 November 2015 (reappointed November 2019)	4 Years	06 June 2022	Independent Member	Corporation Audit & Risk	1 1	25 33
Mr S Pugh (Chair)	12 May 2011 (most recently reappointed May 2019)	4 Years	-	Independent Member	Corporation Finance & Employment Remuneration Governance & Search Academic Standards & Quality	6 6 2 4 4	100 100 100 100 100
Ms T Rose-Porter	30 June 2019	4 Years	12 August 2021	Staff Member	Corporation Governance & Search	0 0	0 0
Mr S Sheppard	28 January 2021	4 Years	-	Independent Member	Corporation Academic Standards & Quality	5 3	83 75
Mr D Simons	14 October 2021	4 Years	26 July 2022	Staff Member	Corporation Academic Standards & Quality	5 2	83 66

Name of Member	Date of Appointment	Term of office	Date of Finish	Status of appointment	Committees served during 2021/22	Mtgs Att.	%
Mr A Stevenson	20 January 2022	4 Years	-	Independent Member	Corporation Audit & Risk	2 1	66 100
Mr C Warnes	17 December 2015 (reappointed December 2019)	4 Years	27 June 2022	Independent Member	Corporation Audit & Risk	4 3	80 75
Mr S Wingrove	20 January 2022	4 Years	-	Independent Member	Corporation Audit & Risk	3 1	100 100

Co-opted Members

At no time were those listed below full members of the Corporation.

Name	Date of Appointment	Term of Office	Date of Termination	Committee	Att	%
Mr M Cooper	1 August 2018 (reappointed August 2022)	4 Years	-	Co-opted Finance & Employment	5	83
Mr S Flory (Presiding Ambassador)	24 January 2019	4 Years	-	Co-opted Governance & Search	1	25

The Governance Framework

The Clerk to the Corporation throughout 21/22 to 13 October 2022 was Ms Rachel Robson, Rachel Robson Suffolk Limited, a limited company registered under the Companies Acts, of which Ms Robson is a Director.

The Clerk to the Corporation from 14 October 2022 was Ms Erica Attwell who is an employee of the College.

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, safeguarding, and environmental issues. The Corporation meets at least once each term.

The Corporation conducts its business through a number of committees. Each committee has terms of reference, which has been approved by the Corporation. These committees are Finance & Employment, Remuneration, Governance & Search, Audit & Risk, and Academic Standards & Quality.

Full minutes of all meetings, except those deemed confidential by the Corporation, are posted on the College website at www.suffolk.ac.uk or available from the Clerk to the Corporation at:

Suffolk New College
Ipswich
Suffolk
IP4 1LT

The Clerk to the Corporation maintains a register of financial and personal interests of the members of the Corporation. The register is available for inspection at the above address.

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

Formal agendas, papers and reports are supplied to members of the Corporation in a timely manner, prior to Board meetings. Briefings are also provided on an ad hoc basis. The Corporation has a strong and independent non-executive element and no individual or group dominates its decision-making process.

The Corporation considers that each of its non-executive members is independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement.

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

Appointments to the Corporation

Any new appointments to the Corporation are a matter for the consideration of the Corporation as a whole. The Corporation has a Governance & Search Committee, consisting of up to seven members of the Corporation, which ensures that there is an appropriate balance of skills and experience amongst Corporation members, the committee is responsible for the selection and nomination of any new member for the Corporation's consideration. Recruitment took place in 21/22 with the support of an external recruitment specialist to ensure recruitment of new members with key skills. The Corporation is responsible for ensuring that appropriate training is provided as required. Members of the Corporation are normally appointed for a term of office not exceeding four years. Additional terms of office are subject to recommendation to the Corporation by the Governance & Search Committee and are based on the governance need.

Corporation performance

The Corporation undertakes an annual self-evaluation process to review the effectiveness of its own performance and that of its committees. This evaluation process is undertaken through:

- An assessment of performance against the values and principal responsibilities set out in the Code of Good Governance
- Completing self-evaluation questionnaires and reflecting on the outcomes
- The extent to which committees have been effective, have met their terms of reference and remain fit for purpose, including committee self-assessment
- meeting strategic objectives and the contribution the board has made to that success
- Reflecting on external reviews of the college
- Reviewing the attendance of Governors at Board and committees, benchmarked against other FE colleges
- Reviewing the outcome of an annual skills audit
- Participation in ongoing training and development

The Corporation graded its performance for the year ended 31 July 2022 ‘good’ on the Ofsted scale the outcomes were reported to Corporation at its December 2022 meeting.

The Corporation will undergo an external governance review in 2023.

Training is provided to cover areas identified as requiring development and there is an induction programme for new Governors. Training in 2021/22 included safeguarding, the Ofsted EIF, AoC regional Governor conference, Skills for Jobs White Paper and the Skills and Post 16 Education Bill and audit committee training.

During 21/22 the Clerk undertook training and development through AoC regional clerks’ network meetings, AoC governance professionals conference, AoC/ETF regional governance conference, reflective practice coaching with Dr Ron Hill and AoC update on changes to Ofsted Inspection 22/23.

Remuneration Committee

Throughout the year ending 31 July 2022 the College’s Remuneration Committee comprised of five members of the Corporation. The Committee’s responsibilities are to make recommendations to the Corporation on the remuneration and benefits of the Accounting Officer and other key management personnel.

The College has adopted the AoC’s Senior Staff Remuneration Code, and this is published on the College’s website.

Details of remuneration for the year ended 31 July 2022 are set out in note 9 to the financial statements.

Audit and Risk Committee

The Audit and Risk Committee comprises 6 members of the Corporation (excluding the Accounting Officer and Chair). The Committee operates in accordance with written terms of reference approved by the Corporation.

The Audit and Risk Committee meets at least once a term and provides a forum for reporting by the College's risk assurance advisors, reporting accountants and financial statements auditors, 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, Scrutton Bland LLP review the systems of internal control, risk management controls and governance processes in accordance with an agreed plan of input and report their findings to management and the Audit and Risk Committee.

Management is responsible for the implementation of agreed internal control recommendations and the College's risk assurance advisors undertake periodic follow-up reviews to ensure such recommendations have been implemented.

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

The audit committee met 4 times in the year to 31 July 2022. The members of the committee and their attendance records are show below.

Committee member	**Meetings attended**
Ms A Beech	3 out of 3
Mr P Harrison	1 out of 1
Mr J Legh-Smith (Chair)	4 out of 4
Ms J Martin	2 out of 3
Mr A Prickett	1 out of 1
Mr A Stevenson	1 out of 1
Mr C Warnes	3 out of 4
Mr S Wingrove	1 out of 1

Finance & Employment Committee

The Finance & Employment Committee comprises of five members throughout 21/22 including the Chair of Corporation, the Principal, and a co-opted member.

The Finance and Employment Committee met six times in 21/22 and formulates guidelines for (and advises the Corporation on) its oversight of the discharge of the Corporation's responsibilities for the proper management of the resources and assets of the College.

It is the responsibility of the Finance & Employment Committee to make recommendations to the Corporation on the strategy for:

- Financial management;
- Annual estimates of income and expenditure;
- Fees and charges;
- Conditions of service (except for those of the Senior Post Holders);
- All human resources matters excluding those for Senior Post Holders;
- Health and safety.

The Committee also monitors the achievement of financial performance indicators and advises the Corporation accordingly. It considers monthly management accounts; annual financial statements; and budgets and financial regulations prior to the recommendation for Corporation approval.

Governance & Search Committee

The Governance & Search Committee comprised of four members throughout 21/22 including the Chair of Corporation, the Vice Chair of Corporation, the Principal, the Presiding Ambassador and one other member (vacancy). The Governance & Search Committee met four times in 21/22.

The purpose of the Governance & Search Committee is to advise Corporation on the appointment and reappointment of Members of the Corporation including:

- to determine the process whereby candidates for consideration for Corporation Membership are nominated;
- to advise the Corporation on such matters relating to membership and appointments as the Corporation may remit;
- to evaluate the contribution made by existing individual Members before proposing any re-appointment to the Corporation;
- to monitor the skills and experience of Corporation Members to identify desired areas of expertise to be sought in the appointment of new Members;
- to determine and monitor the Corporation Member Training and Development Policy;
- to advise the Corporation on the appointment of co-opted non-Corporation members to Corporation Committees.

The Governance & Search Committee also advises the Corporation on governance issues including the annual self-evaluation of Governance and monitoring the associated action plans; Corporation and Committee structure and Members; Standing Orders and the Code of Conduct.

Academic Standards & Quality Committee

21/22 was the first full year of operation for this committee, it was previously a non-Corporation meeting attended by Governors, but it was formalised as a full Corporation Committee from November 2020. The committee is comprised of a minimum seven members including the Chair of Corporation (ex officio), the Principal, the Staff Governor, the Student Governor and independent Corporation members who are linked to individual directorates. Governors link to key priority themes of the College and they carry out learning walks, lesson observations and interrogate data showing attendance, retention and achievement. These Governors provide an essential link into the main Corporation meetings where all Governors have an opportunity to receive student data and subject it to scrutiny and challenge.

There is a specific Governor nominated as the College's Safeguarding Governor who attends Strategic Safeguarding Meetings, but reports on safeguarding are presented to all Governors at Corporation at each meeting. There is also a lead Governor for Health & Safety who attends the College's Strategic Health & Safety Meetings.

Internal control

Scope of responsibility

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

The Corporation has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives, whilst safeguarding the public funds and assets for which they are personally responsible, in accordance with the responsibilities assigned to them in the Financial Memorandum between Suffolk New College and the funding bodies. The Accounting Officer 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 on-going 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 Suffolk New College for the year ended 31 July 2022 and up to the date of approval of the annual report and accounts.

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 on-going process for identifying, evaluating and managing the College's significant risks that has been in place for the year ended 31 July 2022 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Corporation.

The risk and control framework

The system of internal control is based on a framework of regular management information, 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 Corporation;
- regular reviews by the Corporation of periodic and annual financial reports which indicate financial performance against forecasts;
- setting targets to measure financial and other performance;
- clearly defined capital investment control guidelines;
- the adoption of formal project management disciplines, where appropriate.

Suffolk New College's arrangement with Scrutton Bland LLP continued during the year ended 31 July 2022. Scrutton Bland LLP along with the College Management and Members of the Corporation have assessed the internal controls and developed a broad assurance framework, clearly showing the mapping of assurance sources against the risks identified. The internal audit service operates in accordance with the requirements of the ESFA's *Post 16 Audit Code of Practice*.

The College analysed the risks to which it was exposed and a programme of assurance was agreed with the Audit & Risk Committee. The report includes Scrutton Bland LLP's independent opinion on the adequacy and effectiveness of the College's system of risk management, controls and governance processes. The Committee was provided with regular reports on this assurance activity in the College which included:

- Credit Control
- Safeguarding and Prevent
- Cyber Security
- Funding assurance – classroom based, and apprenticeships
- Subcontracting
- Human Resources, Recruitment, Retention and Performance Management
- Follow Up

The Corporation is fully aware of the College's risks as set out in the Risk Management Plan, which is scrutinised by Governors. The risks set out in the plan are the key ones facing the College and the Corporation are continually reviewing these within the specific committees. The Finance & Employment Committee review risks associated with finance, funding, staff and property. The Governance & Search Committee manage risks associated with changes to the Corporation, and any replacement Governors needed in key areas. Their oversight of the skills of Corporation is crucial and they have worked during 21/22 on ensuring that new Governors have been appointed to Audit & Risk and with FE experience. The Audit & Risk Committee take overall ownership of the detailed scrutiny of the College's risk management approach, along with obtaining the professional opinions of advisors to the Corporation on any areas of the college which are subject to review.

Control Weaknesses

No internal control weaknesses or failures have arisen in 21/22. No actions have then subsequently been taken.

Responsibilities under funding agreements

The Corporation has determined that the College has met its contractual responsibilities as required by the funding agreements and contracts in place with the ESFA.

Statement from the audit committee

The Audit & Risk committee has advised that the Corporation has an effective framework for governance and risk management in place. The audit and risk committee believes the Corporation has effective internal controls in place.

Scrutton Bland LLP, internal auditors, provided an opinion in their Internal Audit Plan Report:

'In our opinion, for the year ended 31 July 2022 the College:-

- Has adequate and effective risk management processes
- Has adequate and effective governance processes
- Has adequate and effective control processes, and
- Has adequate and effective processes surrounding efficiency and effectiveness.

Scrutton Bland LLP completed six assignment reports and a follow-up report during 2021/22 academic year. The reports provided six significant and one reasonable assurance. It should be noted that one of the audits contained two assurance levels.

The specific areas of work undertaken by the audit committee in 2021/22 and up to the date of the approval of the financial statements are:

- Oversight of any fraud or irregularity – these are received in reports to the committee and nothing was reported in 21/22 which required any action and the Committee was satisfied to receive further details on actions taken to avoid these areas of risks being an issue to the College, including the regular training of staff, and the sharing of intelligence from other colleges and information received from the College's bank.
- College Risk Management Plan
- Credit Control - - the assurance opinion was 'significant' which means that governance, risk management and control arrangements provide strong assurance that the material risks reviewed are managed effectively. Two low risk actions were identified

- Safeguarding and Prevent - - the assurance opinion was 'significant' which means that governance, risk management and control arrangements provide strong assurance that the material risks reviewed are managed effectively. One medium action was identified.
- Cyber Security - - the assurance opinion was 'significant' which means that governance, risk management and control arrangements provide strong assurance that the material risks reviewed are managed effectively. Five low risk actions were identified.
- Funding assurance – classroom based and apprenticeships - - the assurance opinion was 'significant' which means that governance, risk management and control arrangements provide strong assurance that the material risks reviewed are managed effectively. Classroom based, three low risk actions were identified. Apprenticeships, one medium risk and two low risk actions were identified.
- Subcontracting - - the assurance opinion was 'significant' which means that governance, risk management and control arrangements provide strong assurance that the material risks reviewed are managed effectively. Two low risk actions were identified.
- Human Resources, Recruitment, Retention and Performance Management – the assurance opinion for performance management was 'significant' and for recruitment was 'reasonable' which means that governance, risk management and control arrangements provide assurance that the material risks are managed effectively. One medium and 5 low risk actions were identified.
- Follow-up of previous recommendations – the assurance opinion was that good progress had been made.

All of the risk actions were immediately tracked and dates agreed for when they will be completed. The majority were completed during 21/22, although some later ones are due to be completed during 22/23.

Review of effectiveness

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

- the work of the advisors, Scrutton Bland LLP;
- 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 auditors and the reporting accountant for regularity assurance in their management letters and other reports.

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

The Executive 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. These are shared with Governors along with the actions being taken. The Executive Team and Audit and Risk Committee also receive regular reports from advisors and other sources of assurance, which include recommendations for improvement. The Audit and Risk Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Corporations agenda includes a regular item for consideration of risk and control and receives reports thereon from the Executive Team and the Audit and Risk Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its December 2022 meeting, the Corporation carried out the annual assessment for the year ended 31 July 2022 by considering documentation from the Executive Team and advisors, and taking account of events since 31 July 2022.

Based on the advice of the Audit and Risk 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 15 December 2022 and signed on its behalf by:

S Pugh	**V A Gillespie**
Chair	**Accounting Officer**

Suffolk New College

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

As Accounting Officer, I confirm that the Corporation has had due regard to the 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 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 noncompliance with the terms and conditions of funding under the Corporation's grant funding agreements and contracts with the ESFA or any other public funder

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Education and Skills Funding Agency.

Signed by Accounting Officer

V A Gillespie **Date: 15 December 2022**
Accounting Officer

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.

S Pugh **Date: 15 December 2022**
Chair

The members of the Corporation who act as trustees for the charitable activities of the College are required to present audited financial statements for each financial year.

The law applicable to charities in England and the terms and conditions of the Funding Agreement between the Education and Skills Funding Agency and the Corporation of the College, requires the Corporation of the college to prepare financial statements and the Members Report for each financial year in accordance with the Statement of Recommended Practice – Accounting for Further and Higher Education Institutions the annual Accounts Direction issued by the Education and Skills Funding Agency, and in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and which give a true and fair view of the state of affairs of the College and of the College's 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
- prepare financial statements on the going concern basis, unless it is inappropriate to assume that the College will continue in operation.

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

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

Members of the Corporation are responsible for ensuring that funds from the Education and Skills Funding Agency are used only in accordance with the authorities that govern them, as defined by and in accordance with Further & Higher Education Act 1992, subsequent legislation and related regulations and the Funding Agreement with the Education and Skills Funding Agency and any other conditions that may be prescribed from time to time.

Approved by order of the members of the Corporation on 15 December 2022 and signed on its behalf by:

S Pugh
Chair

Opinion

We have audited the financial statements of Suffolk New College (the "College") for the year ended 31 July 2022 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in reserves, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice) and with the Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the College's affairs as at 31 July 2022 and of the College's deficit of income over expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

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 college's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information
The other information comprises the information included in the Report and Financial Statements other than the financial statements and our auditor's report thereon. The Governors are responsible for the other information contained within the Report and Financial Statements. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Post-16 Audit Code of Practice 2021 to 2022 issued by the Education and Skills Funding Agency requires us to report to you if, in our opinion:

- adequate accounting records have not been kept;
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations required for our audit.

Responsibilities of the Corporation of Suffolk New College
As explained more fully in the Statement of the Responsibilities of the Members of the Corporation set out on page 39, the Corporation is responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Corporation determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

The extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the College operates in and how the college are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Further and Higher Education SORP, the College Accounts Direction published by the Education and Skills Funding Agency, and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures and inquiring of management whether the College is in compliance with these laws and regulations.

The most significant laws and regulations that have an indirect impact on the financial statements are those which are in relation to the Education Inspection Framework under the Education and Inspections Act 2006, Keeping Children Safe in Education under the Education Act 2002 and the UK General Data Protection Regulation (UK GDPR) and the Data Protection Act 2018. We performed audit procedures to inquire of management and those charged with governance whether the College is in compliance with these laws and regulations and inspected correspondence with licensing or regulatory authorities.

The audit engagement team identified the risk of management override of controls, existence and valuation of apprenticeship income and completeness of certain other income streams as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates and tests of detail in respect of income.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at http://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 the Funding Agreement published by the Education and Skills Funding Agency and our engagement letter dated 21 October 2021. Our audit work has been undertaken so that we might state to the Corporation, as a body, those matters we are engaged 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.

RSM UK AUDIT LLP

RSM UK AUDIT LLP
Chartered Accountants
Blenheim House
Newmarket Road
Bury St Edmunds
Suffolk
IP33 3SB

Date 19 December 2022

Suffolk New College

Statement of Comprehensive Income for the year ended 31 July 2022

	Notes	2022 £'000	2021 £'000
INCOME			
Funding body grants	3	24,051	23,123
Tuition fees and education contracts	4	2,526	2,468
Other grants and contracts	5	297	161
Other income	6	1,256	780
Investment income	7	14	2
Donations - transfer on merger of Otley College	27	-	2,946
Donations - non-current assets	28	-	116
Total income		**28,144**	**29,596**
EXPENDITURE			
Staff costs	8	19,749	18,180
Other operating expenses	9	6,521	5,501
Depreciation and Amortisation	12 & 13	2,719	2,548
Interest and other finance costs	10	537	490
Total expenditure		**29,526**	**26,719**
Surplus/(deficit) before other gains and losses		**(1,382)**	**2,877**
Profit on disposal of assets		-	19
Surplus/(deficit) before tax		**(1,382)**	**2,896**
Taxation	11	-	-
Surplus/(deficit) for the year		**(1,382)**	**2,896**
Remeasurement of defined benefit liability	24	19,080	(228)
Remeasurement of enhanced pension liability	19	-	-
Total comprehensive income for the year		**17,698**	**2,668**
Represented by			
Restricted comprehensive income for the year		-	-
Unrestricted comprehensive income for the year		17,698	2,668
		17,698	**2,668**

All items of income and expenditure relate to continuing activities.

Suffolk New College

Statement of Financial Position as at 31 July 2022

	Notes	2022 £'000	2021 £'000
Non-current assets			
Intangible fixed assets	12	110	77
Tangible fixed assets	13	64,288	64,241
Investments	14	10	10
		64,408	**64,328**
Current assets			
Stocks		118	87
Trade and other receivables	15	3,807	4,792
Cash and cash equivalents		8,251	7,429
		12,176	**12,308**
Less: Creditors - amounts falling due within one year	16	(5,473)	(6,668)
Net current assets		**6,703**	**5,640**
Total assets less current liabilities		**71,111**	**69,968**
Creditors - amounts falling due after more than one year	17	(35,698)	(34,603)
Provisions for liabilities			
Defined benefit pension asset/(liability)	19 & 24	4,753	(12,608)
Other provisions	19	(1,582)	(1,871)
Total net assets		**38,584**	**20,886**
Restricted reserves			
Endowment reserve		32	32
Total restricted reserves		**32**	**32**
Unrestricted reserves			
Income and expenditure account		37,525	19,827
Revaluation reserve		1,027	1,027
Total unrestricted reserves		**38,552**	**20,854**
Total reserves		**38,584**	**20,886**

The financial statements on pages 43 to 74 were approved and authorised for issue by the Corporation on 15 December 2022 and were signed on its behalf on that date by:

S C Pugh

S Pugh
Chair

V A Gillespie
Accounting Officer

Suffolk New College

Statement of Changes in Reserves for the year ended 31 July 2022

	Income and Expenditure Reserve		Revaluation Reserve	Total
	Restricted	Unrestricted		
	£'000	£'000	£'000	£'000
Balance at 1 August 2020	32	17,159	1,027	**18,218**
Surplus / (deficit) for the year	-	2,896	-	**2,896**
Other comprehensive income	-	(228)	-	**(228)**
Total comprehensive income for the year	**-**	**2,668**	**-**	**2,668**
Balance at 31 July 2021	**32**	**19,827**	**1,027**	**20,886**
Surplus/(deficit) for the year	-	(1,382)	-	**(1,382)**
Other comprehensive income	-	19,080	-	**19,080**
Total comprehensive income for the year	**-**	**17,698**	**-**	**17,698**
Balance at 31 July 2022	**32**	**37,525**	**1,027**	**38,584**

Suffolk New College

Statement of Cash Flows for the year ended 31 July 2022

	Notes	2022 £'000	2021 £'000
Cash flow from operating activities			
Surplus/(deficit) for the year		(1,382)	2,896
Adjustment for non-cash items			
Depreciation and amortisation		2,719	2,548
Decrease/(increase) in stocks		(31)	17
Decrease/(increase) in debtors		(31)	452
(Decrease)/increase in creditors due within one year		(1,481)	281
(Decrease)/increase in creditors due after one year		540	(778)
(Decrease)/increase in provisions		(289)	(144)
Pensions costs less contributions payable		1,719	1,133
Donations transfer on merger of Otley College		-	(2,946)
Donations laptops from ESFA		-	(116)
Adjustment for investing or financing activities			
Investment income		(14)	(2)
Interest payable		310	314
(Profit)/Loss on sale of fixed assets		-	(19)
Net cash flow from operating activities		**2,060**	**3,636**
Cash flows from investing activities			
Investment income		14	2
Proceeds from disposal of fixed assets		-	37
Proceeds from land sale		1,956	-
Capital grants received		-	1,775
Cash received following merger with Otley College		-	28
Payments made to acquire fixed assets		(2,529)	(2,107)
		(559)	(265)
Cash flows from financing activities			
Interest paid		(310)	(314)
Repayments of amounts borrowed		(369)	(358)
		(679)	(672)
Increase in cash and cash equivalents in the year		**822**	**2,699**
Cash and cash equivalents at the beginning of the year	21	7,429	4,730
Cash and cash equivalents at the end of the year	21	**8,251**	**7,429**

1. Accounting Policies

General Information

Suffolk New College is a Corporation established under the Further and Higher Education Act 1992 as an English general college of further education. The address of the College's principal place of business is given on page 1. The nature of the College's operations is set out in the Members' Report.

Basis of accounting

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (F & HE SORP 2019), the College Accounts Direction 2021 to 2022 and in accordance with Financial Reporting Standard FRS102 – "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (FRS102) under the historical cost convention. The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS102.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statements are presented in sterling, which is also the functional currency of the College.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

Going Concern

The activities of the College, together with the factors likely to affect its future development and performance are set out in the Members Report. The financial position of the College, its cash flow, liquidity and borrowings are described in the Financial Statements and accompanying Notes.

The College currently has £6.721 million of unsecured loans in place with Barclays Bank under a facility put in place during 2008 as part of the funding for the college's new building. These loans are repayable by instalments over the period up to 2035. The college's forecasts and financial projections indicate that it will be able to operate within this existing facility and covenants for at least the 12 months following sign off of these Financial Statements.

The uncertainty with the economy/cost of living and the ongoing COVID-19 situation, namely in China, has resulted in the budget position for 21/22 and 22/23 being subject to volatility. Regular reporting to Governors throughout the year is a priority, and the Senior Management Team will be responsive and take actions as appropriate. A number of Government backed funding opportunities have arisen, which the College will actively pursue, alongside realising staff efficiencies as appropriate. The situation continues to be closely monitored on a monthly basis, and projections are changed as appropriate. These are formally reported to Corporation on at least a quarterly basis, but all reports are made available to Governors on a monthly basis. Regular cash flow projections (up to July 2024), with an accompanying commentary, are made available to the ESFA and are approved by Governors.

At no point did the College consider that the bank covenants in place with Barclays were at risk as a result of the COVID-19 situation. These were carefully monitored and the College was in compliance with covenants at 31 July 2022, and there is no indication that there is any risk to them for 22/23 or 23/24.

The Corporation have scrutinised budget plans for the next two years and challenged assumptions regarding income and expenditure. The College's management have planned for different scenarios and shared these with Governors. These along with the College's Risk Management Plan have assured Corporation on the future of the College.

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

Recognition of income

Grants – government and non-government

Revenue Grant Funding

Government revenue grants are accounted for under the accrual model, as permitted by FRS 102, and are recognised where a reliable estimate of the fair value of the asset received or receivable can be made on a systematic basis over the periods in which the related costs for which the grant compensates are recognised.

Adult Education Budget ('AEB') grant funding income recognised is a best estimate of the amount receivable in accordance with the annual main funding guidance published by the ESFA and either determined as part of the reconciliation process or by separate agreement between the College and the ESFA at the reporting period end date. Any subsequent agreement to determination of the AEB funding after the reporting end date, which is not provided for in the annual main funding guidance, is not reflected in the income recognised.

16-18 learner responsive funding is not normally subject to reconciliation and is therefore not subject to contract adjustments and is recognised when receivable.

Levy-funded and ESFA funding for the co-investment model apprenticeships income is measured in line with best estimates of the provision delivered in the year.

Grants from non-government sources, including grants relating to assets, are recognised in income when the performance-related conditions have been met and the grant will be received. Income received in advance of performance related conditions being met is recognised as a liability.

Capital grant Funding – government grants

Government capital grants for assets, other than land, are accounted for under the accrual model and for land the performance model. The grant income received or receivable will be recognised over the expected useful life of the asset, with any amount of the asset-related grant that is deferred being recognised as deferred income. The deferred income is allocated between creditors due within one year and those due after more than one year. Government capital grants for land are recognised in income when the performance related conditions have been met.

Other income

Income from the supply of services is recognised at fair value of the consideration received or receivable and represents the value of services to the extent there is a right to consideration.

Income from tuition fees, including employer funding for co-investment funded apprenticeships is recognised over the period for which it is received. All income from short-term deposits is credited to the Statement of Comprehensive Income in the period in which it is earned on a receivable basis.

The College acts as an agent in the collection and payment of certain discretionary support funds and Apprenticeship Employer Incentive Payments. Related payments received from the funding bodies and subsequent disbursements to students or employers 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.

Retirement benefits

Retirement benefits to employees of the College are principally provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS), which are multi-employer defined benefit plans.

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 the Government Actuary on the basis of valuations using a projected unit method. The TPS is a multi-employer scheme but sufficient information is not available to use defined benefit accounting and therefore it is accounted for as a defined contribution scheme, with the amount charged to the Statement of Comprehensive Income being the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

The LGPS is a funded scheme, and the assets of the scheme are held separately. Pension schemes are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. 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. The net interest on the net defined benefit liability/asset is charged to the Statement of Comprehensive Income and included within finance costs. Re-measurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in other comprehensive income.

Short Term Employment Benefits

Short-term employment benefits such as salaries and compensated absences (holiday pay) are recognised as an expense in the year in which the employees render service to the College. The cost of any unused holiday entitlement the College expects to pay in future periods is recognised in the period the employees' services are rendered.

Enhanced Pensions

The actual cost of any enhanced ongoing pension to a former member of staff is paid by a college annually. An estimate of the expected future cost of any enhancement to the ongoing pension of a former member of staff is charged in full to comprehensive income in the year that the member of staff retires. In subsequent years, a charge is made to provisions in the balance sheet using the enhanced pension spreadsheet provided by the funding bodies.

Fixed asset investments

Investments in subsidiaries

Investments in subsidiaries are initially measured at cost, and subsequently measured at cost less any accumulated impairment losses.

The College's subsidiary company, Suffolk Educational and Training Company Limited (SETS Limited) is currently dormant.

Tangible Fixed Assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Land and Buildings

On adoption of FRS102, the College followed the transitional provision to retain the book value of land which was revalued in 1996, as deemed cost but not to adopt a policy of revaluations of these properties in the future.

Equipment

Equipment costing less than £1,000 per individual item or set of items acquired together is recognised as expenditure in the period of acquisition. All other equipment is capitalised and recognised at cost less accumulated depreciation and accumulate impairment losses.

Depreciation and residual values

Freehold land is not depreciated as it is considered to have an indefinite useful life. Depreciation on other assets is calculated, using the straight-line basis, to write off the cost of each asset to its estimated residual value over its expected useful life, as follows:

- Freehold Buildings Between 20-40 Years depending on the nature
- Refurbishments - Between 5 years and 40 years depending on their useful economic life to the College.
- Equipment 5 – 15 years depending on the nature
- Furniture 10 – 15 years depending on the nature
- Fixtures & Fittings 10 years
- Plant & Machinery 10 years

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

Subsequent costs, including replacement parts, are only capitalised when it is probable that such costs will generate future economic benefits. Any replacement parts are then derecognised. All other costs of repairs and maintenance are expensed as incurred.

Intangible fixed assets

Intangible assets are initially recognised at cost, are subsequently measured at cost less accumulated amortisation, and accumulated impairment losses. Intangible assets are amortised to the statement of comprehensive income on a straight-line basis over their useful lives, and for purchased computer software, this is 5 years.

Impairment of fixed assets

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, an estimate is made of the recoverable amount of the asset.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairment of revalued assets is treated as a revaluation loss. All other impairment losses are recognised in comprehensive income.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in comprehensive income or, for revalued assets as a revaluation gain. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the assets revised carrying amount (less any residual value) over its remaining useful life.

Borrowing Costs

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

Assets in the Course of Construction

Assets in the course of construction are accounted for at cost, based on architect's certificates and other direct costs incurred to 31 July. They are not depreciated until they are bought into use.

Leased Assets

Operating Leases

Operating leases and annual rents are charged to comprehensive income on a straight line basis over the term.

Stock

Stock is valued at the lower of cost (using the FIFO method) and net realisable value. Where necessary, provision is made for obsolete and defective items.

Farm stock is valued at net realisable value.

Financial instruments

The College has chosen to adopt sections 11 and 12 of FRS 102 in full in respect of financial instruments.

Financial assets and liabilities

Financial assets and financial liabilities are recognised when the College becomes a party to the contractual provisions of the instrument.

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 financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets measured at fair value measured through the Statement of Comprehensive Income, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. A financial asset or financial liability that is payable or receivable within one year is measured at the undiscounted amount expected to be received or paid net of impairment, unless it is a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and financial liabilities are offset only when there is a current legally enforceable right to set off the recognised amounts and the intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially, all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Taxation

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

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

Provisions for 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 the amount of the obligation can be reliably measured.

Where the effect of 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 that reflects the risks specific to the liability. The unwinding of the discount is recognised as 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.

Agency arrangements

The College acts as an agent in distributing bursary support funds and apprenticeship employer incentive payments from the funding body. Payments received from the funding bodies and subsequent disbursements to students and their employers are excluded from the income and expenditure of the College where the College does not have control over the economic benefit related to the transaction.

2. Critical accounting judgements and estimation uncertainty

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

Critical accounting estimates and assumptions

- 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, maintenance programmes, economic utilisation and physical condition of the assets are taken into account. Residual value assessments consider issues such as future market conditions and the remaining life of the asset.

- Local Government Pension Scheme
  The present value of the Local Government Pension Scheme (LGPS) 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 24, will impact the carrying amount of the pension asset/liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions asset/liability at 31 July 2022. 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 asset/liability.

3 Funding Body Grants

	2022	2021
	£'000	£'000
Recurrent grants		
Education and Skills Funding Agency - Adult	1,854	1,826
Education and Skills Funding Agency - 16-18	17,154	16,459
Education and Skills Funding Agency - Apprenticeships	2,657	2,204
Specific Grants		
Education Skills Funding Agency	801	1,038
Education Skills Funding Agency - Tuition Fund	426	445
Education Skills Funding Agency - Covid 19 Testing	-	48
Education Skills Funding Agency - T Level Specialist Equipment Allocation	-	33
Release of government capital grants	1,159	1,070
Total	**24,051**	**23,123**

The College received specific grant funding during the year from the ESFA. These amounts were fully spent in the year.

4 Tuition Fees and Education Contracts

	2022	2021
	£'000	£'000
Adult education fees	387	318
Apprenticeship fees and contracts	46	40
Fees for FE loan supported courses	601	534
Total tuition fees	1,034	892
Education contracts	1,492	1,576
Total	**2,526**	**2,468**

5 Other Grants and Contracts

	2022	2021
	£'000	£'000
UK-Based Charities	35	74
Other grants and contracts	262	87
	297	**161**

6 Other Income

	2022	2021
	£'000	£'000
Catering income	426	223
Rental, service charge and lease premium	109	103
Trips and materials	80	24
Enhanced pension charge	57	58
Other income generating activities	309	165
Coronavirus Job Retention Scheme grant	-	55
Miscellaneous income	275	152
Total	**1,256**	**780**

The Corporation furloughed no staff under the governments Coronavirus Job Retention Scheme in the 21/22 financial year.

7 Investment Income

	2022	2021
	£'000	£'000
Interest receivable	**14**	**2**

8 Staff Costs

The average number of persons (including key management personnel) employed by the College during the year was:

		2022	2021
		No.	No.
Teaching staff		302	295
Non-teaching staff		319	308
		621	603
Staff costs for the above persons			
Wages and salaries		13,925	13,048
Social security costs		1,209	1,096
Other pension costs (including non-cash pension adjustments of £1,492,000 debit - 2021 £957,000 debit)	25	4,488	3,891
Movement in UoS enhanced pension debtor		107	70
Actuarial movement in enhanced pension scheme		(183)	(32)
Payroll sub-total		**19,546**	**18,073**
Contracted out staffing services		196	102
		19,742	**18,175**
Restructuring costs - Contractual		7	5
Total Staff Costs		**19,749**	**18,180**

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 Executive team which comprises the Principal, Deputy Principal and Vice Principal.

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

	2022	2021
	No.	No.
The number of key management personnel including the Accounting Officer was:	3	3

8 Staff Costs (continued)

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

	Key Management Personnel		Other Staff	
	2022	**2021**	**2022**	**2021**
	No.	**No.**	**No.**	**No.**
£60,001 to £65,000 p.a	-	-	3	1
£70,001 to £75,000 p.a	-	-	-	-
£80,001 to £85,000 p.a	-	-	-	-
£85,001 to £90,000 p.a	1	1	-	-
£90,001 to £95,000 p.a	1	1	-	-
£135,001 to £140,000 p.a	-	-	-	-
£140,001 to £145,000 p.a	1	1	-	-
	3	3	3	1

Key management personnel emoluments are made up as follows:

	2022	**2021**
	£'000	**£'000**
Salaries - gross of salary sacrifice	317	313
Employers NI contributions	41	39
Benefits in kind	5	4
	363	356
Pension contributions paid - TPS	54	53
Pension contributions paid - LGPS	22	23
Total emoluments	**439**	**432**

One member of key management personnel sacrifices £2,916 of salary.

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

Accounting Officer	**2022**	**2021**
	£'000	**£'000**
Salaries	141	138
Benefits in kind	3	3
	144	141
Pension contributions	33	33
Total emoluments	**177**	**174**

8 Staff Costs (continued)

The remuneration of the Accounting Officer for 2021-22 was determined on 14 January 21 by the College's Remuneration Committee. This was reviewed on 01 November 21 and confirmed at the meeting on 29 April 22 that no further review was necessary at this time. The Accounting Officer was not involved in setting their remuneration. The factors taken into account by the Committee in determining the Accounting Officer's remuneration for the year to 31 July 2022 included: previous increases, components of pay in prior year, pay increases for other staff, performance against personal objectives, performance of the organisation, sector data on pay of accounting officers and benchmarking (or other means of comparison to the broader market). Performance was measured by the review of the targets set, undertaken by the Chair of Corporation, with evidence to support achievement and subsequent report of the outcome to Remuneration Committee ahead of the decision on salary.

A similar approach was used to determine the remuneration of the other key management personnel.

The relationship between the accounting officer's emoluments, expressed as a multiple of all other employees based on full-time equivalents is set out below for both salary and total remuneration. This calculation excludes any contracted out staffing services.

	2022	2021
	No.	No.
Basic salary as a multiple of median basic salary of staff	5.63	5.90
Total remuneration as a multiple of median total remuneration of staff	5.63	5.90

Compensation for loss of office paid to former key management personnel

There were no compensation payments made in either of years ending 31 July 2022 or 31 July 2021.

Governors' Remuneration

The Accounting Officer and the staff member only receive remuneration in respect of services they provide undertaking their roles of Principal and staff members under contracts of employment and not in respect of their roles as governors. The other members of the Corporation did not receive any payments for the College in respect of their roles as governors.

During the year 1 governor (2021 - £Nil) with total expenses of £358 (2021 - £Nil) were paid to or on their behalf in respect of travel and subsistence and other out of pocket expenses incurred in the course of their duties.

9 Other Operating Expenses

	2022 £'000	2021 £'000
Teaching costs	2,910	2,605
Non-teaching costs	1,604	1,156
Premises costs	2,007	1,740
Total	**6,521**	**5,501**

Other operating expenses include:

	2022 £'000	2021 £'000
Fees payable to RSM UK LLP in respect of both audit and non-audit fees:		
Audit of College	46	47
Other assurance services	1	1
Internal Audit	21	20
Leasehold premises rental	74	71
Hire of other assets held under operating leases	84	56

10 Interest and other finance costs

		2022 £'000	2021 £'000
On bank loans, overdrafts and other loans:		280	287
		280	287
On provisions made in previous years for early retirements	20	30	27
Net interest on defined pension liability	25	227	176
		537	**490**

11 Taxation

The members do not believe that the College was liable for any corporation tax arising from its activities during either year.

12 Intangible Fixed Assets

	Software £'000	Total £'000
Cost or Valuation		
At 1 August 2021	248	**248**
Additions	59	**59**
As at 31 July 2022	**307**	**307**
Depreciation		
At 1 August 2021	171	**171**
Charge for the year	26	**26**
At 31 July 2022	**197**	**197**
Net book value at 31 July 2022	**110**	**110**
Net book value at 31 July 2021	77	**77**

13 Tangible Fixed Assets

	Land and Buildings £'000	Equipment £'000	Assets in the course of construction £'000	Total £'000
Cost or Valuation				
At 1 August 2021	87,112	10,828	1,369	**99,309**
Additions	958	1,272	510	**2,740**
Disposals	-	(18)	-	**(18)**
Reclassification	1,362	7	(1,369)	**-**
At 31 July 2022	**89,432**	**12,089**	**510**	**102,031**
Depreciation				
At 1 August 2021	26,542	8,526	-	**35,068**
Charge for the year	2,043	650	-	**2,693**
Elimination in respect of disposals	-	(18)	-	**(18)**
At 31 July 2022	**28,585**	**9,158**	**-**	**37,743**
Net book value at 31 July 2022	**60,847**	**2,931**	**510**	**64,288**
Net book value at 31 July 2021	60,570	2,302	1,369	**64,241**

Land purchases totalling £4,411,389 (2021: £4,411,389) have not been depreciated.

If fixed assets had not been revalued before being deemed as cost on transition they would have been included at the following historical cost amounts:

Freehold land (net book value £1,026,893)	**£000**
Cost	Nil
Aggregate depreciation based on cost	Nil
Net book value based on cost	Nil

14 Investments

	2022 £'000	2021 £'000
Investments in unlisted subsidiary companies	10	10
Total	**10**	**10**

The College owns 100% of the issued share capital of Suffolk Education and Training Services Limited, a company incorporated in England and Wales. The company was dormant throughout the year.

15 Trade and other receivables

	2022 £'000	2021 £'000
Trade receivables	69	109
Prepayments and accrued income	1,744	517
Amounts owed by ESFA	275	179
Other receivables	1,107	3,268
Amounts owed by UoS for enhanced pensions	612	719
Total	**3,807**	**4,792**

The amount due from the University of Suffolk (UoS) in respect of enhanced pensions is recoverable after more than 1 year

Other receivables includes £990k (2021 £2,946k) in respect of the land deal due from City College Norwich.
Of this £548k is due in less than 1 year (May 2023), and £442k is due in more than 1 year, amounts payable in May 2024.

16 Creditors: amounts falling due within one year

	2022	2021
	£'000	£'000
Bank loans and overdrafts	385	369
Trade payables	623	419
Amounts owed to subsidiary undertaking	10	10
Other taxation and social security	302	284
Accruals and deferred income	1,417	2,392
Government grants (capital)	2,411	2,886
Other creditors	325	308
	5,473	**6,668**

Accruals and deferred income include:	**2022**	**2021**
	£'000	**£'000**
Holiday pay accrual	500	407
Other accruals	677	716
Income received from ESFA		
- ESFA Grant	-	735
- ALL Bursary Clawback	2	97
- T-Level Employer Incentive Clawback	16	-
- Employer Support fund Clawback	-	114
- Covid-19 Skills Fund Clawback	30	50
Deferred income (inc lease premium)	192	273
	1,417	**2,392**

17 Creditors: amounts falling due after one year

	2022	2021
	£'000	£'000
Bank loans	6,327	6,712
Government grants (capital)	28,001	26,484
Lease premium received	1,370	1,407
Total	**35,698**	**34,603**

18 Maturity of debt

	2022	2021
	£'000	£'000
Bank loan		
Bank loans are repayable as follows:		
In one year or less	385	369
Between one and two years	398	385
Between two and five years	1,286	1,240
In five years or more	4,643	5,087
Total	**6,712**	**7,081**

Bank loans totalling £5.114 million are repayable at a fixed rate of 5.10 per cent inclusive of a borrowing margin of 0.35 per cent. This is repayable by quarterly instaments, ending December 2035 and is unsecured.

A further bank loan totalling £1.598 million is repayable at a variable rate of 0.43 per cent above Base Rate (previously LIBOR) including a credit adjustment spread. This is repayable by annual instalments ending December 2035 and is also unsecured.

19 Provisions

	Defined benefit obligations £'000	Enhanced pensions £'000	Total £'000
At 1 August 2021	(12,608)	(1,871)	**(14,479)**
Payments in the period	1,156	136	**1,292**
Charged to SoCI	(2,875)	(30)	**(2,905)**
Charged to SoCI in respect of Enhanced Pensions	-	183	**183**
Actuarial gain/(loss) recognised in year	19,080	-	**19,080**
At 31 July 2022	**4,753**	**(1,582)**	**3,171**

Defined benefit obligations relate to the liabilities under the College's membership of the Local Government pension Scheme. Further details are given in note 24.

The enhanced pension provision relates to the cost of staff who have already left the College's employment. This provision has been recalculated in accordance with guidance issued by the funding bodies.

	2022	2021
Discount rate	3.30%	1.60%
Price inflation	2.90%	2.60%

Under the terms of the separation agreement between University of Suffolk (UoS) and Suffolk New College, UoS has undertaken to pay on an ongoing basis 50% of the annual cost of the enhanced pension payment back to the College. This amount is recognised as a debtor in these accounts.

20 Analysis of changes in net debt

	At 1 August 2021 £'000	Cash flow £'000	Other changes £'000	At 31 July 2022 £'000
Cash in hand, and at bank	7,429	822	-	**8,251**
	7,429	**822**	**-**	**8,251**
Debt due within 1 year	(369)	369	(385)	**(385)**
Debt due after 1 year	(6,712)	-	385	**(6,327)**
	348	**1,191**	**-**	**1,539**

21 Capital and other commitments

	2022 £'000	2021 £'000
Commitments contracted for at 31 July	**528**	**358**

22 Lease obligations

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

Future minimum lease payment due	2022 £'000	2021 £'000
Land and buildings		
Not later than one year	65	73
Later than one year and not later than five years	235	238
Later than five years	1,537	1,589
	1,837	**1,900**

23 Contingent liabilities

Following the demerger of Easton and Otley College on 31 December 2019, it was agreed by Suffolk New College and City College Norwich that only current staff would transfer from the Norfolk Local Government Pension Scheme (LGPS) to the Suffolk LGPS. All other pensioners and deferred pensioners stayed within the Norfolk LGPS. These members comprise of the Easton and the Otley pre-2012 merger (both pensioners and deferred pensioners) and the pensioners and deferred pensioners of the combined Easton and Otley College up to the date of the de-merger.

At the point of the 31 March 2019 triennial valuation these members were fully funded within the Norfolk LGPS and therefore no provision has been made with these accounts in respect of these. Legal agreements are in place to determine the percentages of any future contributions to funding agreements with Norfolk LGPS that the College may incur.

The next valuation of the pension scheme was at 31 March 2022, but the result of this is not known at the moment, as any change does not come into force until April 2023. At this point the College will review its decision as to whether or not a provision is necessary.

24 Defined benefit obligations

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

Total pension cost for the year		**2022**		**2021**
		£'000		**£'000**
Teachers' Pension Scheme:				
contributions paid		1,840		1,719
Local Government Pension Scheme:				
Contributions paid	1,156		1,215	
FRS 102 (28) charge	1,492		957	
Charge to the Statement of Comprehensive Income		2,648		2,172
Enhanced pension charge to the Statement of Comprehensive Income		(76)		38
Total Pension Cost for Year within Staff Costs		**4,412**		**3,929**

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 2016 and of the LGPS 31 March 2019.

Contributions amounting to £329,347 (2021: £319,316) were payable to the schemes at 31 July, and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. 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. The TPS is a multi-employer pension plan and there is insufficient information to account for the scheme on as a defined benefit plan so it is accounted for as a defined contribution plan.

24 Defined benefit obligations (continued)

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

The latest actuarial valuation was carried out as at 31 March 2016 and in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 except it has been prepared following the Government's decision to pause the operation of the cost control mechanisms at the time when legal challenges were still pending.

The valuation report was published in April 2019. The key results of the valuation and subsequent consultation are:

- Total scheme liabilities for service (pensions currently payable and the estimated cost of future benefits) of £218 billion
- Value of notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) of £196 billion
- Notional past service deficit of £22 billion
- Discount rate is 2.4% in excess of CPI

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2021 onwards (Increased from 16.48%). DfE agreed to pay a Teachers Pensions employer contribution grant to cover the additional costs during the 2021-22 academic year and currently through to March 23. The next valuation (2020) result is due to be implemented from 1 April 2024.

The pension cost paid to TPS in the year amounted to £1,823,066.88 (2021: £1,718,766)

Local Government Pension Scheme

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by Suffolk County Council. The total contributions made for the year ended 31 July 2022 were £1,424,000 of which employer's contributions totalled £1,127,000 and employees' contributions totalled £297,000. The agreed contribution rates for future years are 23.2% for employers and range from 5.5% to 12.5% for employees, depending on salary.

The College has chosen to recognise the 2023 PI Order as this is significantly higher than the CPI assumption that was set originally set by the College as at 31 July 2022. The PI Order is typically set with reference to the change in CPI inflation over the 12 months to the previous September (announced in October), so the 2023 PI Order is expected to be set with reference to the September 2022 CPI. The change in CPI over the 12 months to August 2022 was 9.9% and so a similar increase over the 12 months to September 2022 is expected (i.e. pensions are expected to increase by c. 9.9% in April 2023). The actual 2023 PI Order is not automatically set with reference to the September CPI. This is only known with certainty in March, once this has been approved by Parliament.

24 Defined benefit obligations (continued)

Principal Actuarial Assumption

The following information is based upon a full actuarial valuation of the fund at 31 March 2019 updated to 31 July 2022 by a qualified independent actuary.

	At 31 July 2022*	At 31 July 2021
Rate of increase in salaries	3.40%	3.50%
Future pensions increases	2.50%	2.60%
Discount rate for scheme liabilities	3.60%	1.70%
Inflation assumption (CPI)	2.50%	2.60%

*Based on original assumptions, before implementation of the PI Order 2023.

Commutation

An allowance is included for future retirements to elect to take 25% of the maximum additional tax-free cash up to HMRC limits for pre-April 2008 service and 63% of the maximum tax-free cash for post April 2008 service.

The average life expectancy for a pensioner retiring at 65 on the reporting date is:

	At 31 July 2022*	At 31 July 2021
Retiring today		
Males	21.90	22.10
Females	24.30	24.50
Retiring in 20 years		
Males	22.90	23.20
Females	26.10	26.40

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

	Fair Value at 31 July 2022	Fair Value at 31 July 2021
	£'000	**£'000**
Equity instruments	27,026	24,760
Debt instruments	9,828	9,523
Property	4,095	3,047
Cash	-	763
Fair value of plan assets	**40,949**	**38,093**
Actual return on plan assets	2,297	5,599

24 Defined benefit obligations (continued)

The amount included in the statement of financial position in respect of the defined benefit pension plan and

		2022	2021
		£'000	£'000
Fair value of plan assets		40,949	38,093
Present value of liabilities		(35,859)	(50,282)
Present value of unfunded liabilities		(337)	(419)
Net pensions (liability)	19	**4,753**	**(12,608)**

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

	2022	2021
Amounts included in staff costs	**£'000**	**£'000**
Current service cost	(2,648)	(2,215)
Total	**(2,648)**	**(2,215)**

Amounts included in investment income	**2022**	**2021**
	£'000	**£'000**
Net interest expense	(227)	(176)
	(227)	**(176)**

Amount recognised in Other Comprehensive Income	**2022**	**2021**
	£'000	**£'000**
Return on pension plan assets	1,645	5,117
Experience losses arising on defined benefit obligations	(181)	549
Changes in demographic assumptions	183	(700)
Changes in assumptions underlying the present value of the plan	17,433	(5,194)
Amount recognised in Other Comprehensive Income	**19,080**	**(228)**

Asset and Liability Reconciliation

Changes in the present value of defined benefit obligations	**2022**	**2021**
	£'000	**£'000**
Defined benefit obligations at start of period	50,701	43,071
Current service cost	2,648	2,215
Interest cost	879	658
Contributions by Scheme participants	297	288
Changes in financial assumptions	(17,433)	5,194
Estimated benefits paid	(894)	(876)
Changes in demographic assumptions	(183)	700
Other experience adjustments	181	(549)
Effect of business combinations	-	-
Defined benefit obligations at end of period	**36,196**	**50,701**

24 Defined benefit obligations (continued)

Changes in fair value of plan assets	2022	2021
	£'000	£'000
Fair value of plan assets at start of period	38,093	31,824
Interest on plan assets	652	482
Return on plan assets	1,645	5,117
Employer contributions	1,156	1,258
Contributions by scheme participants	297	288
Estimated benefits paid	(894)	(876)
Effect of business combinations	-	-
Fair value of plan assets at end of period	**40,949**	**38,093**

The College undertook a further valuation using the original 31 July 2022 FRS102 assumptions, calculating the net present value of future service costs as at 31 July 2022.

The amount recognised as an asset has been based on the lower of the original valuation, including the subsequent 2023 Pension Increase order, and the net present value of future service costs. Accordingly an asset of £4,753k has been recognised.

25 Related party transactions

Owing to the nature of the College's operations and the composition of the Corporation 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 Corporation may have an interest. All transactions involving such organisations are conducted in accordance with the College's financial regulations and normal procurement procedures.

The College has dealings with the Chamber of Commerce of which Mrs Viv Gillespie, (Principal and Accounting Officer) was a Director. During the year the College purchased Services to the value of £8,916 (2021: £8,814) and provided services to the value of £2,400 (2021: £150)

At the end of the year the College owed Chamber of Commerce £8,874 (2021: £8,814) and the Chamber of Commerce owed the College £Nil (2021: £Nil)

The College has dealings with Ben Elvin Planning Consultant Limited of which Mary Gleave (Vice Principal) is a Spouse of the Director of the company. During the year the College purchased Services to the value of £4,282 (2021: £1,641)

At the end of the year there was no balance outstanding. (2021: £Nil)

The College has dealings with the University of Suffolk of which Professor Jagpal Gurpreet, (Corporation Member) was Pro Vice Chancellor, Business & Entrepreneurship. During the year the College purchased services to the value of £23,061 (2021: £20,850) and provided services to the value of £333,146 (2021: £408,636)

At the end of the year The University of Suffolk owed the College £56,710 (2021: £59,782) and the College owed the University £22,181 (2021: £18,200)

25 Related party transactions (continued)

The College has dealings with Hudson Sign Solutions of which Mr Stephen Flory (Co-opted Corporation Member) is a Director of the company. During the year the College purchased Services to the value of £35,020 (2021: £11,217)

At the year end the College owed Hudson Sign Solutions £897 (2021: £3,181)

The College has dealings with the Essex Pig Company of which Mr Stevie Shepherd (Corporation Member) is a General Manager. During the year the Essex Pig Company provided Services to the value of £7,000 (2021: £141)

At the year end the College owed the Essex Pig Company £Nil (2021: £50)

The College has dealings with Essex County Council of which Ms Suzanne Davis (Corporation Member) is a High Needs Funding and Targeted Employment Manager. During the year the College provided Services to the value of £42,331 (2021: £38,412)

At the year end Essex County Council owed the College £Nil (2021: £Nil)

Transactions under £1,000 in total have been ignored as they are not considered material in relation to Related Party Transactions.

26 Amounts disbursed as agent

Discretionary support funds

	2022	**2021**
	£'000	**£'000**
Funding body grants - 16-18 bursary	760	760
Funding body grants - Advanced Learner Loan	162	283
	922	1,043
Disbursed to students	(873)	(839)
Administration costs	(35)	(36)
Balance unspent as at 31 July, included in creditors	**14**	**168**

26 Amounts disbursed as agent (continued)

Employer Incentive Payments

	2022	2021
	£'000	£'000
Funding body grants - Apprenticeships	171	157
Funding body grants - T-Levels	57	-
Disbursed to Employers	(202)	(156)
Balance unspent as at 31 July, included in creditors	**26**	**1**

Funding body grants are available solely for students or their employers. 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.

27 Merger with Otley College

On 1 January 2020 Easton and Otley College ceased to exist. The former assets and liabilities of Easton and Otley College were split between Suffolk New College and City College Norwich. The former Otley College assets and liabilities were transferred to Suffolk New College for £Nil consideration.

A land deal, linked to the transfer was completed in May 2021. The amount of £2,946k was recognised in the 21/22 accounts. A cash payment was received in July 2022 with further payments due to be paid in May 2023 and May 2024.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of the recognition in the Statement of Financial Position.

Net assets transferred:	2022	2021
	£'000	£'000
Leasehold land and buildings	-	-
Other tangible fixed assets	-	-
Cash	-	2,946
Other debtors and creditors	-	-
Pension scheme deficit	-	-
	-	**2,946**

28 Donations of Assets

	2022	2021
	£'000	£'000
Donations of Laptops from DfE at valuation	-	116
	-	**116**

29 Events after the Reporting Period

On 29th November 2022, the ONS reclassified FE Colleges, including Suffolk New College, as public sector organisations. This does not change the charitable status of the College, nor does it change the status around the ability to recover VAT.

The College has outstanding commercial loans with Barclays Bank as the counterparty, however, DfE guidance states that Colleges existing debt commitments do not need to change. The College is not seeking to re-finance or to take out further commercial loans in the foreseeable future.

The College does not have any existing overdraft or revolving credit facilities and has no plans to change this in the near future.

With effect from 29th November 2022, the College is now complying with the Managing Public Money rules.

The College believes that the above does not have any impact on its going concern position.

The following pages do not
form part of the
Financial Statements

Suffolk New College

Independent Reporting Accountant's Report on Regularity to the Corporation of Suffolk New College and the Secretary of State for Education acting through the Education and Skills Funding Agency

Conclusion

We have carried out an engagement, in accordance with the terms of our engagement letter dated 21 October 2021 and further to the requirements of the grant funding agreements and contracts with the Education and Skills Funding Agency (the "ESFA") or those of any other public funder, to obtain limited assurance about whether the expenditure disbursed and income received by Suffolk New College during the period 1 August 2021 to 31 July 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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 2021 to 31 July 2022 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Basis for conclusion

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

We are independent of Suffolk New College in accordance with the ethical requirements that are applicable to this engagement and we have fulfilled our ethical requirements in accordance with these requirements. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion.

Responsibilities of Corporation of Suffolk New College for regularity

The Corporation of Suffolk New College is responsible, under the grant funding agreements and contracts with the ESFA and the requirements of the Further & Higher Education Act 1992, subsequent legislation and related regulations and guidance, for ensuring that expenditure disbursed and income received are applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. The Corporation of Suffolk New College is also responsible for preparing the Statement of Regularity, Propriety and Compliance.

Reporting accountant's responsibilities for reporting on regularity

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.

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 the procedures performed vary in nature and timing from, and are less in extent than for a reasonable assurance engagement; consequently a limited assurance engagement 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.

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 2021 to 31 July 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including the specific requirements of the grant funding agreements and contracts with the ESFA and those of any other public funder and high level financial control areas where we identified a material irregularity is likely to arise. We undertook detailed testing, on a sample basis, on the identified areas where a material irregularity is likely to arise where such areas are in respect of controls, policies and procedures that apply to classes of transactions.

This work was integrated with our audit of the financial statements and evidence was also derived from the conduct of that audit to the extent it supports the regularity conclusion.

Use of our report

This report is made solely to the Corporation of Suffolk New College and the Secretary of State for Education acting through the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Corporation of Suffolk New College and the Secretary of State for Education acting through 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 Suffolk New College and the Secretary of State for Education acting through the ESFA for our work, for this report, or for the conclusion we have formed.

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Date 19 December 2022