

SUFFOLK NEW COLLEGE

**Report and Financial Statements
For the Year Ended 31 July 2024**

Suffolk New College

Report and Financial Statements for the year ended 31 July 2024

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Suffolk New College

Reference and administrative details

Board of Governors

Mr T Baxter

Mr J Coe

Ms S Davis

Mr R England

Mrs A Gordon

Mrs S Hancock

Mr P Harrison

Mr G Jagpal

Mr B Keaney

Mr J Legh-Smith

Dr M Lyne

Ms S McGregor

Mr G Mead

Mr S Sheppard

Mr A Stevenson

Mr S Wingrove

Head of Governance / Clerk to the Corporation

Ms R Witt Head of Governance (Commenced 16 January 2024)

Executive Team

Mr A Pease Principal and Chief Executive Officer (CEO)

Mrs M Gleave Deputy Chief Executive Officer (CEO)

Mrs M Flack Deputy Principal

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

Suffolk New College

Reference and administrative details

Professional Advisors

External auditor	RSM UK Audit LLP, Cambridge
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 2024.

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 2023/24 was, 'Exceptional Student Experience'.

Suffolk New College

Strategic Report for the year ended 31 July 2024

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 track and reports progress against these strategic focus areas.

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 developments such as the Sizewell C Nuclear, Freeport East and other large infrastructure projects. There are plans to develop the College's provision, commercial areas, sites and, also partnerships with other organisations. Tech Campus, a building specifically focussed on delivering a digital curriculum adjacent to the Ipswich Campus which opened in September 2022; the Net Zero Skills Centre, as part of the Town Fund Grant for Ipswich which opened in April 2023; and the Health Science Campus which opened in November 2023, are indications of the College's response to employer needs. The Net Zero Skills Centre has a focus on sustainable construction, renewable approaches to electrical engineering and plumbing, along with hybrid and electric vehicle training. The new Health Science Campus not only meets Department of Education objectives around capacity building for 16-18 year olds, but has also benefited from advice and investment from the NHS locally. The building includes a mock hospital ward, virtual reality lab, occupational therapy rooms, mock children's nursery and an additional science lab. The key focus of this project has been to provide specialist space to enhance the training and skills development in the priority area of health and science.

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

Although the College's current Strategic Plan does not expire until 2026, the College is currently consulting with a range of internal and external stakeholders on an updated plan which will be launched during 2025.

CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE

Student Numbers

The College increased 16-18 numbers from 2,721 in 2019/20 to 2,950 in 2020/21 but there were small declines in 2021/22 where numbers reduced to 2,865, and in 2022/23 to 2,729. This was in line with the national picture following the pandemic. However, in 2023/24 16-18 numbers grew to 2,944. This was a significant increase and led to the College benefiting from some in-year funding.

Adult numbers also grew in 2023/24 to 1,448 (up from c.1,300 in 2022/23), however the cost-of-living crisis impacted on the type of courses that they enrolled onto. These learners chose shorter courses rather than longer and higher-level qualifications. Although the College had bursary and hardship schemes in place, it was clear from feedback that some adults found it hard to reduce or level work during 2023/24 to focus on their studies full time.

The increase to student numbers is attributed to a number of factors including, the College's reputation, broad range of provision, and also demographic increases,

The College is aware that there will be further demographic increases over the next few years and capacity is being built into spaces, staff and provision to accommodate as much growth as possible. 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. The student numbers at Halesworth have settled at c.100 which is big enough to ensure these courses are sustainable, but small enough to retain the offer tailored for this community.

Curriculum Developments

The College focuses upon providing a curriculum that meets the needs of students, employers and the wider community. The offer considers 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; Science and Service Industries; Sport and Public Services; Hair & Beauty; Catering & Hospitality; Inclusive Learning; English and Mathematics; ESOL (English for Speakers of Other Languages) and Apprenticeships.

The curriculum of the College is broad, covering 14 of the 15 subject sector areas, the largest being engineering, construction, digital, arts and media, and health and social care. The College implements a large re-sit programme for learners who do not achieve maths and English GCSE at grade 4 or above at school. These numbers reduced slightly in 2022/23 as a result of the changes to assessment approaches during COVID, and this also impacted on the levels that some students came in at for their main qualification, as more were centre or teacher assessed at grade 4 or above. In 2023/24 the number of students re-sitting one or both GCSEs doubled and on each subject the College had almost 1,000 students. This provides a significant challenge for the College.

The College implemented a number of enhancements, across all sites, to the teaching and learning experience in 2023/24. These included embedding sustainability into the curriculum, piloting AI to support teacher workloads, and new digital immersive environments. The College delivers a number of T Levels and achieved high grades, in the top 5% nationally, in both childcare and health & social care.

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Strategic Report for the year ended 31 July 2024

The College offers a broad curriculum, with provision in all areas apart from A-Levels. With nearby provision in schools and sixth form colleges it has not been felt necessary or appropriate to compete with A-Levels. The College has focussed on vocational, technical and academic provision which meets the community needs across Suffolk from entry level through to degrees in certain subjects.

The College was inspected in November 2022, which resulted in a movement from 'Requires Improvement' (previous inspection in November 2019) to 'Good' across all areas including Quality of Education, and an 'Outstanding' for Personal Development. The College was also assessed as making reasonable contribution to meeting skills need.

Ofsted recognised that 'leaders ensure that the curriculum they offer is inclusive, improves aspiration and increases social mobility.' They also highlighted that 'many employers participate effectively in and influence the design and implementation of the curriculum.'

The College was extremely proud to achieve an 'Outstanding' for Personal Development from Ofsted. This recognises the huge amount of work, and high priority that the College has given this part of the learner experience. The elements that make up Personal Development include employability skills, career development, student support, safeguarding, British Values, and positive destinations. The College continues to offer and has further developed the 'ePass scheme' which supports learners with their route to employability through supporting them to develop their skills in being 'confident', 'resilient', 'work ethic', 'enterprising', and 'professional'. The College developed 'ePass+' in 2023/24 targeted at developing these skills in adults in the workplace.

A broad range of work experience, work related projects, guest speakers, and visits took place during the year to enhance the learning experience and to prepare learners for their next steps.

The College's website has live labour market information, local vacancies and career explorers which staff use as part of their course delivery to show the links between what is delivered in their course and how it will help them achieve their future destinations. The new website was audited in 2023/24 and found to be compliant with Web Content Accessibility Guidelines (WCAG) requirements for accessibility.

The College continued in 2023/24 to maximise data from the systems available, including rolling out new Power BI dashboards. This facilitates real time access to management information and core systems which support the College's operations. There are also IT systems for safeguarding referrals, e-portfolios, tracking student progress and work experience. The curriculum teams are able to access integrated data on student progress, attendance and performance, along with any specifics related to individual needs. The teaching teams continue to focus on delivering an Exceptional Learner Experience.

Throughout 2023/24, the College has responded well to the demands to maintain the student experience. 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.

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. Whilst the majority of the provisions are offered face-to-face, a small number of adult programmes have remained on-line as that meets the needs of those students. This includes part time maths and English in the evenings. The College also has an online course aimed at young people who have struggled to return to education following the pandemic. This was launched in January 2023 and grew considerably during

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2023/24. This was well received by those students, their families and the local authority who have a focus on NEETs. This is now part of the College's ongoing curriculum plans.

The College also welcomed visits from a range of other organisations, including immersion visits from DfE representatives; MPs and Minister visits; LANDEX review; FE Commissioner input into Self-Assessment Review processes; and other colleges. The College welcomed opportunities throughout the year to demonstrate how the College had developed and is now performing. As a result of the 'Outstanding' judgement for Personal Development, the College has supported other providers and colleges with their approach.

The College has continued to work in partnership with Inspire Suffolk Ltd on the Prince's Trust, tailored for young people who are not in education, employment or training (NEETs) within the local community, and with Ipswich Town (Ipswich Town Football Club) Foundation to deliver a combination of education and football to a range of learners.

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 had previously taken on the lead role for initial teacher training for the Further Education Colleges in the partnership in 2021/22, supporting the University with achieving a Good from Ofsted for this provision.

Current Year

The College's Executive Team consisted of Mr A Pease, Principal & CEO; Ms M Gleave, Deputy CEO; and Mrs M Flack, Deputy Principal. Both Mr A Pease and Mrs M Flack have been promoted into these roles (following national recruitment processes) during the latter part of 2022/23, and 2023/24 was the first full year of this Executive Team.

It was an extremely successful year for awards during 2023/24. The College was selected as FE/HE Provider of the Year for Suffolk, and was successful with achieving a Beacon Award for Sustainability Development in the Curriculum. An ESOL learner was also a finalist for AoC (Association of Colleges) Student of Year; and a student from the Suffolk Rural Campus won the LANTRA/LANDEX Florist of the Year. Teams from Catering & Hospitality won 'A Passion to Inspire' culinary contest, and were finalists of Restaurant Team of the Year, Students and apprentices had success at World Skills Competitions, including a number who progressed to the national finals.

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, along with health and land based which are local needs. Along with the new building projects, the College was able to make investments into equipment and provision at Ipswich, Rural and Halesworth. The College is well run financially and this translates into investments into equipment and facilities that are at industry standard and meet the needs of the courses and learners. Where possible the College has pursued grant funding to further support the resources available for investment, and this is an area which the College is now more experienced in and is taking on the role of lead partner to co-ordinate other colleges and training providers. Some donations were also made by employers with materials or equipment to support the delivery of technical curriculum.

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The College is actively involved in a wide range of local networks and with key groups who are leading the strategic vision for Suffolk. This includes the local chamber of commerce (the College is a patron of Suffolk Chamber of Commerce), Local Skills Improvement Plan & Fund, Suffolk County Council, Ipswich Borough Council, Strategic Development Fund, LSIF projects, Ipswich Central & Locus Board, Ipswich Policy Development Panel, Suffolk Agricultural Association, University of Suffolk, LANDEX and the other colleges.

Despite the challenges of the cost-of-living increases during 2023/24, the College was still able to make investments and to progress planned capital works. The College commenced a complete replacement of the Wi-Fi at the Ipswich site and the College received FE Capital Allocation (FECA) funding towards essential maintenance and conditions issues, and energy efficiency, along with equipment funding towards T Levels. This led to the College investing into solar panels for the Ipswich site, which helps meet sustainability targets and also off-set energy costs. Any works to the sites were part of the College's Estates Strategy which was updated in 2023/24. The College has no identified RAAC across any sites or buildings.

Further Education colleges have now been re-classified as part of the public sector. The College Handbook was issued during 2023/24 but was to be implemented from 1st August 2024. The College has taken due consideration of the Government's 'Managing Public Money' and ensured that the expectations of this are being met. Changes have been made to policies and processes to take into consideration the impact of this, and the College Handbook. The College is aware of additional requirements for reporting and seeking permissions. Any returns due have been completed on time.

Future Prospects

The College has built some capacity and also enhanced specialist spaces and equipment through the construction of the Net Zero Skills Centre, Tech Campus, Health Science Campus and also enhancements to the Suffolk Rural facilities. These new spaces with specialist equipment not only support full-time curriculum, but also the upskilling and support for local employers. The College worked on projects at the Suffolk Rural site during 2023/24 including a replacement to the equine outdoor menage, and replacements to conservatories which are now classrooms. Where possible the College pursued grant opportunities to help make them possible.

The Suffolk Rural Shop opened in 2023/24 and facilitates the sales of student made items across the whole college. Products grown and produced on the farm are sold from it. It helps to provide further opportunities for our learners to develop commercial and retail skills, alongside the other commercial areas including Chefs' Whites Restaurant, Zone Hair & Beauty Salons, Sports Centre and Gym, and Dog Grooming.

Further curriculum developments are planned over the next few years and the College will be implementing new T Levels as they are released. The online NEET provision was expanded in 2023/24 to help provide opportunities for learning to harder to reach groups. This provision meets a range of local and government priorities and supports key parts of the community.

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, and the recently announced expansion of Stansted Airport. There are plans to develop further Suffolk New College, 'on the coast' in Leiston and at Halesworth.

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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 2018 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, considering 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.

The previous Government confirmed funding rate increases for 2023/24 and 2024/25 to support staff retention and recruitment. The College benefited from this as most students are 16-18. This additional funding being added to the funding rate helps to mitigate the impact of increases to costs.

The College was not subject to industrial action in 2023/24 despite receiving national pay claims from the three recognised unions. The College did receive some additional funding which meant that the 6.5% pay rise, agreed for the school sector and recommended by Government for FE colleges, could be made. This was well received by college staff.

RESOURCES

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

The College employed an average of 650 staff in 2023/24, split 308 teaching staff and 342 non-teaching staff.

In 2023/24, there were 2,944 16-18 year olds, 1,872 adults and 833 apprenticeships, and 65 HE students in partnership with the University of Suffolk.

The College has £34,181k of net assets (including £nil of pension asset) and long-term debt of £5,516k.

High discount rates have continued which places a significantly lower value on the pension obligations which has resulted in a pension asset. The College, however, has chosen to apply an asset ceiling adjustment as it has not been proven that employers have an unconditional right to a refund in the LGPS. 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 the Local Skills Improvement Board, Energy Skills Board, University

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of Suffolk, Suffolk Chamber of Commerce, Ipswich Chamber of Commerce, Association of Colleges, LANDEX, Felix Thornley Cobbold Agricultural Trust, Suffolk Agricultural Association, Association of Colleges National Apprenticeship Group, Ipswich Central & Locus Board, 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. The College engages with over 400 employers on a regular basis and has almost 100 Industry Partners.

The College has a Directorate with a focus on major projects and business development. They have supported colleagues from across the College to deliver SWAPs with DWP, Bootcamps, and bespoke employer courses. In 2023/24 additional posts were added to the Apprenticeship Team with the aim of growing provision.

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 4,700 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 833 apprentices. The College is committed to providing information, advice and guidance to the students it enrolls and to finding suitable courses for as many students as possible regardless of their educational background.

FINANCIAL POSITION

Financial Review

During the 2023/24 Academic Year, one of the biggest challenges facing the College was the cost of living crisis. This impacted on numbers of students choosing to study, those studying, staff working for the College and non-pay costs. The College worked hard to make efficiencies where possible but not to compromise the quality of delivery. Decisions were taken early in the year to make a pay award to all staff worth 3% for the year, and this was then increased to 6.5% following government announcements of additional funding to support these rises. The College supports staff and students with free breakfasts, and staff with access to a free state-of-the-art gym. Creative ways were found to offer financial support indirectly if direct funding was not available.

There was careful planning and managing of budgets to help with inflated costs, and the College sped up decisions where possible to ensure that prices quoted were held rather than risking further increases as interest rates, inflation and other changes occurred in the year. Investments in capital projects helped in some areas to reduce revenue costs, such as replacement boilers at Suffolk Rural, and the installation of solar panels in Ipswich.

During the whole year, the College has had additional welfare processes in place for vulnerable staff and students, who have been affected by the cost-of-living crisis. The College geared up to provide more mental health support as a result of the long-term impact of the pandemic and used this to support the current issues associated with financial hardship and the wars in Ukraine and the Middle East. For students this included additional resources, more staff being mental health first aid trained, dedicated appointments and specific early help staff. For staff the College widely promoted the support available via the Employee Assistance Programme and offered training for managers on supporting their team members. The College also made additional bursary payments for students and increased the level of free college meal funding per day.

College priority continues to be a return to levels of activity from before the pandemic as the current financial challenges have extended the impact of it. 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 of 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 when compared to during the pandemic period but progress has been slow for some standards where employers are not yet ready to resume taking on apprentices. There is a national situation of more vacancies than the number of people seeking employment, and the College has found it more challenging than ever with some specifically skilled posts. There has been success with other posts, and the College benefitted from a number of leavers returning to the College which meant that their induction into their roles was quicker and meant they were more immediately effective.

The College was particularly successful with grant funding during 2023/24 and this has now led to an expansion in the areas associated with the grants with a number of key roles funded by projects. This is a priority for 2024/25, with the College leading projects on behalf of all of the local colleges.

Financial Results

The College made a surplus in the year of £415k (2022/23: surplus of £334k), with a total comprehensive income surplus of £15k (2022/23: deficit of £4,418k).

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Strategic Report for the year ended 31 July 2024

Developments

Tangible asset additions during the year amounted to £2,680k.

Work has completed on the Health Science Campus, which opened in November 2023, which is part funded by a Department for Education grant. This purpose-built facility includes a mock hospital setting, a mock nursery, as well as science laboratories.

The College opened 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 received LSIF grant funding to focus on LSIP priorities. As the lead partner this has meant co-ordinating the activity of the other colleges to ensure the c.£4m is fully claimed. Several projects were undertaken including the delivery of NEET and adult unemployed support via the Thrive project which is funded by Suffolk councils. The College is also the lead for this and co-ordinates the work of different training providers and colleges towards these objectives.

The College continued to invest in industry standard equipment required for teaching including an agri-tech hub, immersive suites, virtual reality and over 300 replacement PCs and c.30 new digital displays for teaching.

There were intangible asset additions of £7k during the year.

Reserves

The College has unrestricted reserves of £34,149k (2022/23: £34,134k) including cash and short-term investment balances of £11,829k (2022/23: £11,626k).

Sources of Income

The College has significant reliance on the education sector funding bodies for its principal funding source, largely from recurrent grants. In 2023/24, the FE funding bodies provided 84.2% of the College's total income. (2022/23: 85.2% excluding donations).

Financial Plan

The College Corporation approved a financial plan in July 2024, which sets objectives for the period to July 2025.

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.

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Strategic Report for the year ended 31 July 2024

Cash Flows and Liquidity

Net cash inflow from operating activities was £2,844k (2022/23: £2,957k).

The net cash flow was a result of maintaining and in some areas growing income levels, along with managing expenditure. The College also received an increasing amount of grant funding during the year. 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 £5,929k remained at the year-end (2022/23: £6,327k)

At the year-end, the College had cash at bank and in hand of £11,829k (2022/23: £11,626k). This includes unspent capital grants of £1,771k (2022/23 £3,923k) expected to be spent in 2024/25.

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 total reserves of £34,181k (2022/23: £34,166k)

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 and Governors have 'real-time' access to it outside of those meetings. 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. The Risk Management specific IT system that the College uses is linked into the board paper system. This is a dashboard system which makes reporting on risks much more transparent. This oversight provides the reassurance that Governors need on the status of risks within the College.

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

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Strategic Report for the year ended 31 July 2024

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.

- Political Uncertainty – as during the majority of 2023/24 there was the uncertainty of what a national election would bring and a lack of clarity of the impact on further education during this time, and when the new party took over power.
- Devolution of the Adult Education Budget (now Adult Skills Fund) - the movement of the College's funding associated with this to Suffolk County Council control is a concern to the College as it is unknown. There may be opportunities but there are also risks associated with this change.
- Curriculum Reform – the impact on current provision, which is unknown and unclear in terms of funding, along with the implementation of T Levels.
- 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.
- 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 of further government change such as 'day one employment rights', increases in energy prices, and wage pressures could have on the College's financial health. The College remains towards the upper end of Good, close to Outstanding.

Government Funding

The College has considerable reliance on continued Government funding through the further education funding bodies. In 2023/24, 84.2% (2022/23 85.2%) 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 in some sectors and so employer led projects were implemented to ensure that if there were issues alternatives were in place. The College has made progress during 2023/24 but this is an area that is under constant monitoring as it is affected by the response of local employers and therefore affected by 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 grew in some areas but stayed static in others from levels prior to the pandemic. The College now offers Standards and has moved 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 (now Adult Skills Fund) as much as possible during the year with the overall aim of supporting adults to achieve

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higher level qualifications than they had previously to support social mobility and employment. A range of technical short courses 'tickets' and bootcamps were offered in key areas to meet the specific requirements of groups of employers. There has been positive feedback from the Department for Education, learners, and employers on the impact that these short technical/professional courses have.

The College's High Needs Students, funded directly by the ESFA (Education Skills Funding Agency) for element 2 remained at 288. (2023: 288).

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 are 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 2022, a key objective has been to ensure that the College did not start to slow down or have a negative impact on performance as a result of the more positive result. The College undertook a number of actions to manage this risk. 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.

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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/DfE expectations, but also to support adults with entering education during what has been challenging financial times. The College did make a small increase to tuition fees in 2023/24 but alongside that remission criteria was reviewed to ensure as many learners as possible, on benefits and low incomes, could be supported. 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 'Good', confirmed by the ESFA in July 2024. 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.

Suffolk New College

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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 remainder of the original £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 2023/24 of the college for 2024/25 are:

- Achievement of the approved budget to maintain an operating surplus;
- Minimum levels of cash reserves / cash days in hand;
- Compliance with loan covenants; and
- Maximise opportunities for revenue and capital grant funding.

These have been identified to reflect the challenges facing the college in 2024/25 and will be used to help monitor and review in-year financial performance.

Key Performance Indicators	Target	Actual from accounts for 2023/24	Education and Skills Funding Agency Sector Specific*
EBITDA as % of income	> 6%	10.74%	4.76%
Borrowings as % of income	< 40%	18.11%	19.03%
Current ratio	> 1	1.77	3.55
Financial Health Score	Good	Outstanding	Good

EBITDA is arrived at by taking the surplus (deficit) before other gains and losses £418k, adding back the depreciation and amortisation figure (£3,256k), interest and other finance costs (£159k). This comes to £3,515k, which is expressed as a percentage of the income £32,742k.

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

- EBITDA adjusted by the net return on the pension scheme of (£400k), and by the release of capital grants (£1,582k), EPP adjustments of (£46k) and the movement in the holiday accrual (£152k).
- Income is adjusted for release of capital grants (£1,582k), and return on the pension scheme ((£10k)).
- The current liabilities are adjusted by removing the accrual for holiday pay (£636k), and capital grants (£3,360k), which impacts the current ratio.

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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 2023 to 31 July 2024, the College paid 72% of its invoices within 30 days. The College incurred no interest charges in respect of late payment for this period.

ACHIEVEMENTS

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. Learner numbers were strong and this led to some in-year funding and also additional funding to support increasing staff pay. This resulted in by the end of the year a surplus outturn.

The College's sites are all vibrant, with strong student numbers. There is synergy across them and an integrated management structure. This aids improvements as it is easier to implement change in a cross-college way.

The Suffolk Rural site has continued to improve, both in terms of range and type of courses, but also the physical spaces have seen significant investment and in 2023/24 this included enhancements to mechanical and electrical systems, IT networking and devices, replacement atriums and conservatories. There was investment into the environments to ensure that they meet the learner needs in agriculture with the introduction of an agri-digital hub, a garden design room, and the new shop. Inclusive learning students with complex needs benefit at Suffolk Rural from access to a broad range of environments including outside spaces. The transportation links were changed slightly in 2023/24 to remove some direct bus routes, but to grow free shuttles from the rail and bus stations. These changes alongside support with travel costs, and accessing discounts, has increased the number of learners who are able to access supported travel to the Rural site.

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 limit 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. The College has already started to implement plans to grow and enhance the current provision offered, particularly taking into consideration the future Sizewell C skills need.

Suffolk New College has achieved a status of being the leading provider of Further Education in Suffolk, as recognised by the award achieved in 2023/24, and the geographic reach of the different sites facilitates access to different communities. The College has worked hard to diversify funding streams and to increase the range and breadth of provision to incorporate the needs of 16-18 year olds, full and part time adults, employers and other stakeholders.

The College is very proud of the awards achieved in 2023/24 and the impact that this has had on how the College is viewed and our reputation. To be a Beacon Award winning college was a major achievement, and we are proud of achieving that in the area of green skills and sustainability which is a key priority for our learners and community.

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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 has successfully negotiated support for our students progressing to the University of Suffolk, with guaranteed interviews and reductions in fees.

The College is a T Level pilot provider and rolled out the first T Level in Construction in 2020/21, followed by further T Levels in 2021/22, 2022/23 and 2023/24. Being involved from the beginning has enabled the College to successfully embed the change of approach with these new qualifications and to feedback to government departments on learning points to influence decisions. T Levels have introduced new funding streams into the College and enhance the students' choice of learner pathways. This has led to investment into equipment to support the technical aspects of the qualifications, engagement with employers for extended work placements, and recruiting new teachers with particular specialisms.

During 2023/24, the College had strong cash, reserves and good 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 specific directorate with a focus on business development and major projects in 2022/23, laid the foundation for the success that was achieved in 2023/24. This is anticipated to be a further area of growth for 2024/25.

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.

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Student Achievements

In 2023/24 headline achievement rates for students are;

Key Performance Indicators (KPIs)	2022/23	2023/24	National Average (NA)
Headline Achievement Rates			
<ul style="list-style-type: none"> Classroom Based Learning Apprenticeships Overall 	84.7%	85%	84%
	41.6%	57.7%%	53.4%

The College had a significant number of students taking either or both maths and English at Functional Skills or GCSE level. In 2023/24 the headline achievement rates are:

Key Performance Indicators (KPIs)	2022/23	2023/24	National Average (NA)
Headline English and Maths Achievement Rates			
<ul style="list-style-type: none"> GCSE English 9-1 GCSE English 9-4 GCSE Maths 9-1 GCSE Maths 9-4 	90%	90%	90%
	24%	23.2%	N/A
	94%	90.5%	89%
	21%	13.3%	N/A

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:

- Progression of programme to change lighting from conventional lighting to LED.
- Completion of the new Health Science building including integrated BMS system, full multi-control LED lighting and energy efficient heat and air-cooling systems.
- Progression of annual Display Energy Certificate.
- Removal of dilapidated conservatories and a covered entrance atrium at our Rural site and replacement with modern eco-efficient warm roof structures including LED lighting.
- Installation of 220 kW solar PV system with SolarEdge optimisation at our Ipswich site. This will offset our energy use by approximately 6% with a payback on installation of just over three years.
- Replacement of inverter on solar PV system at Rural to ensure maximum efficiency of installed system.

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

Scope	Fuel	Consumption	Emissions CO ₂ e (metric tonnes) 2023/24	Emissions CO ₂ e (metric tonnes) 2022/23	Increase / (Decrease) from 2022/23 levels
1 - Direct	Gas	1,980,927 kWh	362.31	364.41	(2.1)
	Gas Oil	3,100 Litres	8.54	8.16	0.38
	Propane	113,928 Litres	175.86	155.15	20.71
	Kerosene	31,351 Litres	99.54	84.59	14.95
	Transport Fuel	2,818 Litres	7.08	4.08	3.00
	Fuel Card (Diesel)	3,317 Litres	8.33	8.18	0.15
	Fuel Card (Unleaded)	1,229 Litres	2.56	2.31	0.25
	Total Scope 1 (Direct)			664.22	626.88
2 - Indirect	Electricity	3,760,533 kWh	778.62	702.45	76.17
Total Scope 2 (Indirect)			778.62	702.45	76.17
3 - Additional Indirect	Business Mileage	88,890 Miles	23.75	32.88	(9.13)
	Fuel in Rental Vehicles	277 Miles	0.07	0.11	(0.04)
	Taxis	£1,048.88	0.56	0.50	0.06
Total Scope 3 - Additional Indirect			24.38	33.49	(9.11)
TOTAL GROSS EMISSIONS (in metric tonnes)			1,467.22	1362.82	104.40
Intensity Ratio (Based on staff as at 31 July 2024 – 683 (2023 – 638))			2.15	2.06	0.09

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 2024 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 2024, and were reported in the year-end accounts at that time.

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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 2024.

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
6	1.00

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

The total cost of facility time	£46,475
The total pay bill	£19,942,973
The percentage of the total pay bill spent on facility time	0.2330 %

Time spent on paid trade union activities as a percentage of total paid facility time	3.68%
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Equality & Diversity

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.

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Strategic Report for the year ended 31 July 2024

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 majority of staff have been trained as Mental Health First Aiders, with the aim of supporting both staff and learners with their needs.

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 2023, as required by the government, by the 31st March 2024. Although this set of accounts is 2023/24, the way the data is compiled for gender pay gap reporting, it is important to note that this information relates to March 2023.

The figures in the College Overall table below in italics are the comparison ones for 2022.

Snapshot date 31st March 2023

College Overall

Mean

	Head Count	Mean Hourly rate
Male	268 (266)	£15.06 (£15.06)
Female	426 (415)	£13.58 (£13.58)
	694 (681)	

Median

	Head Count	Median Hourly rate
Male	268 (266)	£15.26 (£14.11)
Female	426 (415)	£13.44 (£12.56)
	694 (681)	

Mean gender pay gap 2023 **7.63%**

Median gender pay gap 2023 **11.93%**

Mean gender pay gap 2022 *9.83%*

Median gender pay gap 2022 *10.99%*

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.

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Strategic Report for the year ended 31 July 2024

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/uD4sxJTj>

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.

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 48 to 49, 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 auditor is 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 auditor is aware of that information.

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



T Baxter
Chair

Suffolk New College

Statement of Corporate Governance and Internal Control

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 2023 to 31 July 2024 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 2023 (“the Code”).

In the opinion of the Governors, the College complies with all the provisions of the Code, and it has complied throughout the year ended 31 July 2024. This opinion is based on an internal review of compliance with the Code and governance evaluation reported to the Governance and Search Committee in February and May 2024 and Corporation in March and July 2024. It is also based on an internal audit of governance undertaken by Scrutton Bland during 3 days dated 29th April to 1st May 2024 and a review of progress made against the recommendations arising from the external governance review which took place towards the end of the previous academic year.

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

The Governing Body acknowledged that the Code (2023) had undergone a thorough review and was now centred around six fundamental principles: determination of organisational aims and strategic oversight, responsibility and accountability, leadership and integrity, collaboration and stakeholder engagement, regulatory compliance, and board and organisational effectiveness. The new Code (2024) was adopted at Corporation on 11th July 2024 for the following academic year (2024/25).

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.

<u>Name of Member</u>	<u>Date of Appointment</u>	<u>Term of office</u>	<u>Date of Resignation</u>	<u>Status of appointment</u>	<u>Committees served</u>	<u>Mtgs Att.</u>	<u>%</u>
Mr T Baxter (Chair)	12 October 2023 Appointed Chair 1 July 2024	4 Years	-	Independent Member	Corporation Governance & Search Remuneration	2 2 1	67 67 100
Mr J Coe	01 August 2022	4 Years	31 July 2024	Staff Member	Corporation Academic Standards & Quality	4 4	100 100

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Statement of Corporate Governance and Internal Control

Ms S Davis	20 January 2022	4 Years	-	Independent Member	Corporation Academic Standards & Quality	4 3	100 75
Mr R England	11 June 2020 Reappointed 11 June 2024	4 Years	-	Independent Member	Corporation Academic Standards & Quality	4 3	100 75
Mrs A Gordon	11 June 2020 Reappointed 11 June 2024	4 Years	-	Independent Member	Corporation Finance & Employment Governance & Search Remuneration	4 4 4 2	100 80 100 100
Ms S Hancock	12 October 2023	4 Years	-	Independent Member	Corporation Finance & Employment	3 3	100 100
Mr P Harrison	20 January 2022	4 Years	-	Independent Member	Corporation Audit & Risk	4 3	100 100
Mr G Jagpal	24 March 2022	4 Years	31 July 2024	Independent Member	Corporation Academic Standards & Quality	2 2	50 50
Mr B Keaney	28 January 2021	4 Years	-	Independent Member	Corporation Academic Standards & Quality	1 2	33 67
Mr J Legh-Smith	1 August 2018 Reappointed 1 August 2022	4 Years	-	Independent Member	Corporation Audit & Risk (Chair) Remuneration	4 2 2	100 67 100
Dr M Lyne	29 July 2015 Reappointed 20 September 2023	2 Years	-	Independent Member	Corporation Academic Standards & Quality (Chair) Audit & Risk Remuneration	3 4 3 2	75 100 100 100
Ms S McGregor	20 January 2022	4 Years	-	Independent Member	Corporation Governance & Search Academic Standards & Quality	3 2 3	75 67 75
Mr G Mead	12 October 2023	4 Years	-	Independent Member	Corporation Audit & Risk Finance & Employment	3 1 4	75 100 80

Suffolk New College

Statement of Corporate Governance and Internal Control

Mr A Pease	Appointed Principal & CEO 3 May 2023	-	-	Principal & CEO	Corporation Finance & Employment Governance & Search Academic Standards & Quality	2 5 4 3	50 100 100 75
Mr S Pugh	12 May 2011 (1 year extension approved by Corporation on 13 July 2023 to 30 June 2024)	4 Years	30 June 2024	Independent Member	Corporation Finance & Employment Remuneration Governance & Search Academic Standards & Quality	3 3 2 4 3	100 75 100 100 75
Mr S Sheppard	28 January 2021	4 Years	-	Independent Member	Corporation Academic Standards & Quality	2 2	50 50
Mr A Stevenson	20 January 2022	4 Years	-	Independent Member	Corporation Finance & Employment	4 5	100 100
Mr S Wingrove	20 January 2022	4 Years	-	Independent Member	Corporation Audit & Risk Governance & Search	3 3 4	75 100 100

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	Mtgs Att.	%
Andy Sparks	1 January 2024	1	-	Academic Standards & Quality	2	100

The Governance Framework

From the period 1 August 2023 to 10 September 2023, the administration duties of the Clerk to the Corporation were undertaken by members of the Executive Administration Team.

From 11 September 2023 to 15 January 2024, Ms Robson undertook the role of the Interim Clerk to the Corporation. Ms Robson had previously worked for the College which assisted the College during this interim period.

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Statement of Corporate Governance and Internal Control

From 16th January 2024, Ms Witt undertook the role of Head of Governance reporting to Corporation.

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 available on the College website at www.suffolk.ac.uk or from the Head of Governance at:

Suffolk New College
Ipswich
Suffolk
IP4 1LT

The Head of Governance 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 governors are able to take independent professional advice in furtherance of their duties at the College's expense and have access to the Head of Governance, who is responsible to the Corporation for ensuring that all applicable procedures and regulations are complied with. The appointment, evaluation and removal of the Head of Governance 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 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 Chairperson 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. The Corporation is responsible for ensuring that appropriate training is provided as required.

Suffolk New College

Statement of Corporate Governance and Internal Control

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.

The coverage of the self-evaluation process was reduced in 2023/24 as an internal audit on governance was undertaken by Scrutton Bland from 29th April to 1st May 2024 focusing on the progress made against the recommendations arising from the external governance review ending in June 2023. The internal audit on governance was graded as green/significant with no recommendations for further improvement.

The self-evaluation process undertaken was:

- An assessment of performance against the values and principal responsibilities set out in the Code of Good Governance 2023.
- The extent to which committees have been effective, have met their term of reference and remain fit for purpose, including committee self-assessment review.
- Meeting strategic objectives and the contribution the board has made to that success.
- Reviewing governor development and succession planning.
- Reflecting on the external review of the College and monitoring the Governance Development Plan 2023/24.
- Reflecting on the Internal Audit of Governance by Scrutton Bland in Summer 24.
- Reviewing the attendance of Governors at Board and committees, benchmarked against other FE colleges.
- Participation in ongoing training and development.

The Corporation graded its performance for the year ended 31 July 2024 'Good' on the Ofsted scale and the outcomes for 2023/24 were reported to Corporation at its 17 December 2024 meeting. The areas for development identified through the self-assessment process and the internal audit of governance will be incorporated into the Governance Development Plan to be progressed through 2024/25.

Training and development are provided for all governors. 5 TES Online training courses are mandatory (A Guide to UK Data Protection: Education, The Prevent Duty, Safeguarding Young People, Equality and Diversity, Cyber Security, and Anti-Fraud, Bribery and Corruption) and all governors have completed all their modules. Feedback has been that these courses had been beneficial. Other training is offered throughout the year to cover areas identified as required or pertinent to the governor role, committee membership, or link responsibility. There is an induction programme for new governors which is comprehensive. Additional training undertaken by governors in 2023/24 included a Governors Annual Safeguarding Update session from the Director of Student Support & Safeguarding, the AoC Chairs Network Conferences, ETF Governor Conferences, and AI training.

During 2023/24, the Head of Governance undertook training and development through the AoC Regional Governance Professionals network meetings, the AoC Governance Professionals conference, the AoC/Education and Training Foundation (ETF) regional governance conference and Just One Thing

Suffolk New College

Statement of Corporate Governance and Internal Control

conferences by the FE Commissioner. The Head of Governance also has a National Leader in Governance Mentor.

Remuneration Committee

Throughout the year ending 31 July 2024 the College's Remuneration Committee comprised five members of the Corporation. The Committee's responsibilities are to consider and make decisions on the remuneration and benefits of the Accounting Officer and other key management personnel and to report those decisions to the Corporation.

The College has adopted the AoC's Senior Staff Remuneration Code, and the required statement is published on the College's website.

Details of remuneration for the year ended 31 July 2024 are set out in note 8 to the financial statements.

Audit and Risk Committee

The Audit and Risk Committee comprised 6 members of the Corporation (excluding the Accounting Officer and Chair) throughout 2023/24. 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.

Suffolk New College

Statement of Corporate Governance and Internal Control

The audit committee met 3 times in the year to 31 July 2024. The members of the committee and their attendance records are show below.

Committee member	Meetings attended
Mr P Harrison	3 out of 3
Mr J Legh-Smith (Chair)	2 out of 3
Mr M Lyne	3 out of 3
Mr G Mead	1 out of 1
Mr S Wingrove	3 out of 3

Finance & Employment Committee

The Finance & Employment Committee comprises five members throughout 2023/24 including the Principal & CEO.

The Finance and Employment Committee met five times in 2023/24 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 five members throughout 2023/24 including the Chair of Corporation, the Vice Chair of Corporation and the Principal & CEO. The Governance & Search Committee met four times in 2023/24.

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

Suffolk New College

Statement of Corporate Governance and Internal Control

- 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

The Committee is comprised of a minimum seven members including the Chair of Corporation (ex officio), the Principal & CEO, the Staff Governor, and independent Corporation members who are linked to individual directorates. The Academic Standards & Quality Committee met four times in 2023/24.

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 & CEO, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives, whilst safeguarding the public funds and assets for which they are personally responsible, in accordance with the responsibilities assigned to them in the Financial Memorandum between 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.

Suffolk New College

Statement of Corporate Governance and 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 2024 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Corporation has reviewed the key risks to which the College is exposed together with the operating, financial and compliance controls and arrangements for compliance with legal and regularity matters including those relating to the regularity and propriety of the use of public funding 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 2024 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Corporation.

The risk and control framework

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

- comprehensive budgeting systems with an annual budget, which is reviewed and agreed by the 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 2024. 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. Scrutton Bland LLP provide an 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:

Suffolk New College

Statement of Corporate Governance and Internal Control

- Budgetary Control and Cash Flow Forecasting
- Governance & Risk Management
- Funding Compliance 16-18 and 19+
- Funding Compliance Apprenticeships
- Business Continuity
- Estates Management
- Curriculum Planning
- 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. The Academic & Quality Standards Committee review any risks associated with the curriculum and learner experience. The Audit & Risk Committee takes 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 2023/24. No actions have then subsequently been taken.

Responsibilities under funding agreements

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

Statement from the Audit and Risk Committee

The Audit and Risk Committee has advised 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 Annual Report:

'In our opinion, for the year ended 31 July 2024 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 seven assignment reports and a follow-up report during 2023/24 academic year. The reports provided seven significant and one reasonable assurance.

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Statement of Corporate Governance and Internal Control

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

Oversight of any fraud or irregularity – these are received in reports to the Committee and nothing was reported in 2023/24 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
- Budgetary Control, Cash Flow Forecasting and General Ledger - significant assurance and reasonable assurance
- Governance & Risk Management – significant assurance
- Funding Compliance 16-18 and 19+ - significant assurance
- Funding Compliance Apprenticeships – significant assurance
- Business Continuity – significant assurance
- Estates Management – significant assurance
- Curriculum Planning, T Level Implementation and Destinations – significant assurance
- Follow-up of previous recommendations – the assurance opinion was that good progress had been made.

All of the actions identified as part of the audits were agreed and immediately tracked. Dates for completing them were agreed, and the majority were completed during 2023/24, although some audits completed later in the year have actions that will be completed at the start of 2024/25.

Review of effectiveness

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

- the work of the 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 its 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.

Suffolk New College

Statement of Corporate Governance and Internal Control

The Audit and Risk Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Corporation's agenda includes a regular item for consideration of risk and control and receives reports thereon from the Executive 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 November 2024 meeting, the Corporation carried out the annual assessment for the year ended 31 July 2024 by considering documentation from the Executive Team and advisors and taking account of events since 31 July 2024.

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 17 December 2024 and signed on its behalf by:



T Baxter
Chair



A Pease
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 framework of authorities governing regularity, priority and compliance, and the requirements of grant funding agreements and contracts with ESFA and has considered its responsibility to notify ESFA of material irregularity, impropriety and non-compliance with those authorities and terms and conditions of funding.

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

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

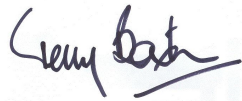
Signed by Accounting Officer



A Pease
Accounting Officer

Date: 17 December 2024

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.



T Baxter
Chair

Date: 17 December 2024

Suffolk New College

Statement of Responsibilities of the Members of the Corporation

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 college's accountability agreement, funding agreements and contracts with Education and Skills Funding Agency (ESFA) and Department for Education (DfE) and any other relevant funding bodies, the corporation is required to prepare financial statements which give a true and fair view of the financial performance and position of the College for that period. Corporations must also prepare a strategic report which includes an operating and financial review for the year. The bases for the preparation of the financial statements and strategic report are the Statement of Recommended Practice – Accounting for Further and Higher Education, ESFA's College Accounts Direction, Accounts Direction issued by the Office for Students and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards.

In preparing the financial statements, the corporation is required to:

- select suitable accounting policies and apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- assess whether the corporation is a going concern, noting the key supporting assumptions, qualifications or mitigating actions, as appropriate
- prepare financial statements on the going concern basis, unless it is inappropriate to assume that the College will continue in operation.

The corporation is also required to prepare a strategic report, in accordance with paragraphs 3.23 to 3.27 of the FE and HE SORP, that describes what it is trying to do and how it is going about it, including information about the legal and administrative status of the corporation.

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

Suffolk New College

Statement of Responsibilities of the Members of the Corporation

Members of the Corporation are responsible for ensuring that expenditure and income are applied for the purposes intended and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from ESFA, DfE and any other public funds, are used only in accordance with the accountability agreement, funding agreements and contracts and any other conditions, that may be prescribed from time to time by ESFA, or any other public funder, including that any transactions entered into by the corporation are within the delegated authorities following the reclassification of college corporations on 29 November 2022. Members of the corporation must ensure that there are appropriate financial and management controls in place to safeguard public and other funds and ensure they are used properly. In addition, members of the corporation are responsible for securing economic, efficient and effective management of the corporation's resources and expenditure so that the benefits that should be derived from the application of public funds from ESFA, DfE and other public bodies are not put at risk.

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



T Baxter
Chair

Suffolk New College

Independent Auditor's Report to the Corporation of Suffolk New College

Opinion

We have audited the financial statements of Suffolk New College (the "College") for the year ended 31 July 2024 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 the Accounts Direction 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 2024 and of the College's surplus 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 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.

Suffolk New College

Independent Auditor's Report to the Corporation of Suffolk New College

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 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 Corporation's Responsibilities set out on pages 38 to 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.

Suffolk New College

Independent Auditor's Report to the Corporation of Suffolk New College

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 framework;
- 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.

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 law and regulations and inspected correspondence 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

Suffolk New College

Independent Auditor's Report to the Corporation of Suffolk New College

transactions entered into outside the normal course of business, challenging judgments and estimates and tests of details 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
1st Floor, Platinum Building
St John's Innovation Park
Cowley Road
Cambridge
CB4 0DS

Date: 19 December 2024

Suffolk New College

Statement of Comprehensive Income for the year ended 31 July 2024

	Notes	2024 £'000	2023 £'000
INCOME			
Funding body grants	3	27,559	25,891
Tuition fees and education contracts	4	2,028	2,098
Other grants and contracts	5	1,026	627
Other income	6	1,641	1,373
Investment income	7	488	413
Total income		32,742	30,402
EXPENDITURE			
Staff costs	8	20,525	19,528
Other operating expenses	9	8,150	7,295
Depreciation and Amortisation	12 & 13	3,256	2,894
Interest and other finance costs	10	393	365
Total expenditure		32,324	30,082
Surplus before other gains and losses		418	320
Profit on disposal of assets		(3)	14
Surplus before tax		415	334
Taxation	11	-	-
Surplus for the year		415	334
Remeasurement of defined benefit liability	24	(400)	(4,752)
Remeasurement of enhanced pension liability	19	-	-
Total comprehensive income for the year		15	(4,418)
Represented by			
Restricted comprehensive income for the year		-	-
Unrestricted comprehensive income for the year		15	(4,418)
		15	(4,418)

All items of income and expenditure relate to continuing activities.

Suffolk New College

Statement of Financial Position as at 31 July 2024

	Notes	2024 £'000	2023 £'000
Non-current assets			
Intangible fixed assets	12	218	208
Tangible fixed assets	13	64,621	65,216
Investments	14	10	10
		<u>64,849</u>	<u>65,434</u>
Current assets			
Stocks		124	114
Trade and other receivables	15	1,680	2,187
Cash and cash equivalents	20	11,829	11,626
		<u>13,633</u>	<u>13,927</u>
Less: Creditors - amounts falling due within one year	16	(7,697)	(8,705)
		<u>5,936</u>	<u>5,222</u>
Net current assets		<u>5,936</u>	<u>5,222</u>
Total assets less current liabilities		70,785	70,656
Creditors - amounts falling due after more than one year	17	(35,314)	(35,008)
Provisions for liabilities			
Defined benefit pension asset/(liability)	19 & 24	-	-
Other provisions	19	(1,290)	(1,482)
		<u>34,181</u>	<u>34,166</u>
Total net assets		<u>34,181</u>	<u>34,166</u>
Restricted reserves			
Endowment reserve		32	32
Total restricted reserves		<u>32</u>	<u>32</u>
Unrestricted reserves			
Income and expenditure account		33,122	33,107
Revaluation reserve		1,027	1,027
Total unrestricted reserves		<u>34,149</u>	<u>34,134</u>
Total reserves		<u>34,181</u>	<u>34,166</u>

The financial statements on pages 44 to 69 were approved and authorised for issue by the Corporation on 17 December 2024 and were signed on its behalf on that date by:



T Baxter
Chair



A Pease
Accounting Officer

Suffolk New College

Statement of Charges in Reserves for the year ended 31 July 2024

	Income and Expenditure Account £'000	Revaluation Reserve £'000	Restricted Reserves £'000	Total £'000
Balance at 1 August 2022	37,525	1,027	32	38,584
Surplus / (deficit) for the year	334	-	-	334
Other comprehensive income	(4,752)	-	-	(4,752)
Total comprehensive income for the year	(4,418)	-	-	(4,418)
Balance at 31 July 2023	33,107	1,027	32	34,166
Surplus/(deficit) for the year	415	-	-	415
Other comprehensive income	(400)	-	-	(400)
Total comprehensive income for the year	15	-	-	15
Balance at 31 July 2024	33,122	1,027	32	34,181

Suffolk New College

Statements of Cash Flows for the year ended 31 July 2024

	Notes	2024 £'000	2023 £'000
Cash flow from operating activities			
Surplus for the year		415	334
Adjustment for non-cash items			
Depreciation and amortisation		3,256	2,894
Decrease/(increase) in stocks		(10)	4
Decrease in debtors		193	933
Decrease in creditors due within one year		(296)	(937)
Decrease in creditors due after one year		(37)	(292)
Decrease in provisions		(192)	(100)
Pensions costs less contributions payable		(400)	1
Adjustment for investing or financing activities			
Investment income		(478)	(245)
Interest payable		393	365
Net cash flow from operating activities		2,844	2,957
Cash flows from investing activities			
Investment income		478	245
Proceeds from disposal of fixed assets		(3)	3
Proceeds from land sale		303	687
Capital grants received		334	4,002
Payments made to acquire fixed assets		(2,962)	(3,769)
		(1,850)	1,168
Cash flows from financing activities			
Interest paid		(393)	(365)
Repayments of amounts borrowed		(398)	(385)
		(791)	(750)
Increase in cash and cash equivalents in the year		203	3,375
Cash and cash equivalents at the beginning of the year	20	11,626	8,251
Cash and cash equivalents at the end of the year	20	11,829	11,626

Suffolk New College

Notes to the Financial Statements for the year ended 31 July 2024

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 Strategic 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 (the 2019 FE HE SORP), the College Accounts Direction 2023 to 2024 and in accordance with Financial Reporting Standard 102 – "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (FRS 102). The college is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

The 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 Strategic 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 £5,929k 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 resulted in the budget position for 2023/24 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 2026), with an accompanying commentary, are made available to the DfE/ESFA and are approved by Governors.

Suffolk New College

Notes to the Financial Statements for the year ended 31 July 2024

Bank covenants in place with Barclays are carefully monitored and there is no indication that there is any risk to them for 2024/25 or 2025/26.

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.

Suffolk New College

Notes to the Financial Statements for the year ended 31 July 2024

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.

Agency arrangements

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

Accounting for post-employment benefits

Post-employment benefits to employees of the College are 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 and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution plan, 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, the effect of the asset ceiling and the return on scheme assets (excluding amounts included

Suffolk New College

Notes to the Financial Statements for the year ended 31 July 2024

in net interest on the net defined benefit liability) are recognised immediately in other comprehensive income.

The LGPS assets are managed by the scheme trustees at scheme level, and the determination and allocation of assets to each individual employer in the scheme is managed by the scheme actuary. The assets are allocated to each employer for accounting purposes based on the valuation of the assets at the latest triennial valuation as adjusted for subsequent contributions received from the employer, asset returns and benefit payments made (either on a cash basis or actuarial basis).

The retirement benefit obligation recognised represents the deficit or surplus in the defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

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.

Suffolk New College

Notes to the Financial Statements for the year ended 31 July 2024

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 40 Years.
- Refurbishments Between 5 years and 40 years
- Equipment 5 – 15 years
- Furniture 10 – 15 years
- Fixtures & Fitting 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.

Suffolk New College

Notes to the Financial Statements for the year ended 31 July 2024

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 brought 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.

Suffolk New College

Notes to the Financial Statements for the year ended 31 July 2024

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 and contingent liabilities

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

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 considered. 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 obligation 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 obligation. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions obligation at 31 July 2024. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension obligation. Determining the existence of a minimum funding requirement for the Local Government Pension Scheme to including in the asset ceiling in measuring and recognising a surplus in the scheme. This judgement is based on an assessment of the nature of the scheme as a statutory scheme and is the inherent implied continuance of the primary and secondary contributions.

Suffolk New College

Notes to the Financial Statements for the year ended 31 July 2024

3 Funding Body Grants

	2024 £'000	2023 £'000
Recurrent grants		
Education and Skills Funding Agency - Adult	1,846	1,810
Education and Skills Funding Agency - 16-18	19,984	18,637
Education and Skills Funding Agency - Apprenticeships	2,657	2,820
Specific Grants		
Teacher Pension Scheme contribution	875	658
Education Skills Funding Agency	250	228
Education Skills Funding Agency - Tuition Fund	365	375
Release of government capital grants	1,582	1,363
Total	27,559	25,891

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

	2024 £'000	2023 £'000
Adult education fees	327	314
Apprenticeship fees and contracts	49	50
Fees for FE loan supported courses	334	474
Total tuition fees	710	838
Education contracts	1,318	1,260
Total	2,028	2,098

5 Other Grants and Contracts

	2024 £'000	2023 £'000
UK-Based Charities	1	(5)
Other grants and contracts	1,025	632
Total	1,026	627

6 Other Income

	2024 £'000	2023 £'000
Catering income	586	546
Rental, service charge and lease premium	109	109
Trips and materials	152	102
Enhanced pension charge	60	57
Other income generating activities	378	316
Miscellaneous income	356	243
Total	1,641	1,373

7 Investment Income

	2024 £'000	2023 £'000
Income from bank deposits	478	245
Net Interest on defined pension liability	10	168
Total	488	413

Note

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Suffolk New College

Notes to the Financial Statements for the year ended 31 July 2024

8 Staff Costs

	2024	2023	2024	2023
Headcount	FTE	FTE	No. ^a	No. ^a
Teaching staff	253.3	258.6	308	304
Non-teaching staff	221.8	208.3	342	334
	<u>475.1</u>	<u>466.9</u>	<u>650</u>	<u>638</u>

- a. The average number of persons (including key management personnel) employed by the College during the year, expressed as average headcount and calculated on a monthly basis was:

	Note	2024	2023
Staff costs for the above persons		£'000	£'000
Wages and salaries		16,131	14,723
Social security costs		1,419	1,294
Non-cash pension adjustments	24	(390)	169
Other pension costs	24	3,349	3,076
Movement in UoS enhanced pension debtor	15	88	29
Actuarial movement in enhanced pension scheme	19	(120)	(15)
Payroll sub-total		20,477	19,276
Contracted out staffing services		48	245
Total before restructuring costs		20,525	19,521
Restructuring costs - Contractual		-	1
- Non-contractual		-	6
Total Staff Costs		20,525	19,528

Severance Payments

The College did not pay any severance payments in the year. In the previous year one payment was made, disclosed in the following bands:

	2024	2023
	No.	No.
0 - £25,000	-	1

The special severance payment in the prior year was for £6,180.

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 & Chief Executive Officer, Deputy Principal and Deputy Chief Executive Officer.

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

	2024	2023
	No.	No.
The number of key management personnel including the Accounting Officer was:	<u>3</u>	<u>3</u>

Suffolk New College

Notes to the Financial Statements for the year ended 31 July 2024

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:

	2024	2023
	No.	No.
£60,001 to £65,000 p.a.	5	-
£65,001 to £70,000 p.a.	2	2
£85,001 to £90,000 p.a.	1	-
£95,001 to £100,000 p.a.		2
£105,001 to £110,000 p.a.	1	-
£120,001 to £125,000 p.a.		1
£150,001 to £155,000 p.a.	1	-
	<u>10</u>	<u>5</u>

Key management personnel (including the Accounting Officer) total compensation is made up as follows:

	2024	2023
	£'000	£'000
Salaries - gross of salary sacrifice	334	316
Employers NI contributions	42	41
Benefits in kind	5	5
Total before pension contributions	<u>381</u>	<u>362</u>
Pension contributions paid - TPS	21	32
Pension contributions paid - LGPS	22	22
Total emoluments	<u>424</u>	<u>416</u>

One member of key management personnel sacrificed £2,916 (2023 £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	2024	2023
	£'000	£'000
<i>Current Accounting Officer - started 4 January 2023</i>		
Salaries	149	80
Benefits in kind	1	1
Total before pension contributions	<u>150</u>	<u>81</u>
Pension contributions		-
Total emoluments	<u>150</u>	<u>81</u>
<i>Former Accounting Officer - left 31 March 2023</i>		
Salaries	-	97
Benefits in kind	-	2
Total before pension contributions	<u>-</u>	<u>99</u>
Pension contributions	-	22
Total emoluments	<u>-</u>	<u>121</u>

Suffolk New College

Notes to the Financial Statements for the year ended 31 July 2024

8 Staff Costs (continued)

The remuneration of the Accounting Officer for 2023-24 was determined on 21 September 2023 by the College's Remuneration Committee. 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 2024 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.

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.

	2024	2023
	No.	No.
Basic salary as a multiple of median basic salary of staff	5.39	5.64
Total remuneration as a multiple of median total remuneration of staff	<u>6.10</u>	<u>6.18</u>

Compensation for loss of office paid to former key management personnel

There were no compensation payments made in either of years ending 31 July 2024 or 31 July 2023.

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 member under contracts of employment and not in respect of their roles as governors. The other members of the Corporation did not receive any payment from the college in respect of the roles as governors.

During the year 4 governors (2023 - 2) with total expenses of £946 (2023 - £704) 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.

Suffolk New College

Notes to the Financial Statements for the year ended 31 July 2024

9 Other Operating Expenses

	2024	As restated 2023
	£'000	£'000
Teaching costs ¹	3,377	2,958
Non-teaching costs ^{1 2}	2,208	1,815
Premises costs ²	2,565	2,522
Total	8,150	7,295

¹ Teaching costs for PY have been restated for £76k of business development costs which have now been reported under non-teaching costs

² Non-teaching costs for PY have been restated for £139k of insurance costs which have now been reported under premises costs

Other operating expenses include:

	2024	2023
	£'000	£'000
Fees payable to RSM UK Audit LLP in respect of both audit and non-audit fees:		
Audit of College	74	58
Other assurance services	3	3
Internal Audit	22	21
Leasehold premises rental	84	79
Hire of other assets held under operating leases	49	71

Included within expenditure are the following transactions, individual transactions exceeding £5,000 are identified separately:

	2024 Items above £5,000	2024 Total	2023 Items above £5,000	2023 Total
	£'000	£'000	£'000	£'000
Compensation payments				
Special severance payment	-	-	8	8
Write off and losses				
Uncollectable student fee debt written off	-	-	10	38
Guarantees, letters of comfort and indemnities	-	-	-	-
The following ex-gratia payments were made:	-	-	-	-

10 Interest and other finance costs

	Note	2024 £'000	2023 £'000
On bank loans, overdrafts and other loans:		319	313
On provisions made in previous years for early retirements	19	74	52
Net interest on defined pension liability	24	-	-
		393	365

11 Taxation

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

Suffolk New College

Notes to the Financial Statements for the year ended 31 July 2024

12 Intangible Fixed Assets

	Software £'000	Total £'000
Cost or Valuation		
At 1 August 2023	439	439
Additions	7	7
Disposals	-	-
Reclassification	66	66
As at 31 July 2024	512	512
Depreciation		
At 1 August 2023	231	231
Charge for the year	63	63
Elimination in respect of disposals	-	-
At 31 July 2024	294	294
Net book value at 31 July 2024	218	218
Net book value at 31 July 2023	208	208

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 2023	89,855	11,751	2,485	104,091
Additions	17	1,272	1,391	2,680
Disposals	(13)	(746)	(4)	(763)
Reclassification	2,680	819	(3,565)	(66)
At 31 July 2024	92,539	13,096	307	105,942
Depreciation				
At 1 August 2023	30,658	8,217	-	38,875
Charge for the year	2,163	1,030	-	3,193
Elimination in respect of disposals	(10)	(737)	-	(747)
At 31 July 2024	32,811	8,510	-	41,321
Net book value at 31 July 2024	59,728	4,586	307	64,621
Net book value at 31 July 2023	59,197	3,534	2,485	65,216

Land purchases totalling £4,411,389 (2023: £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

Suffolk New College

Notes to the Financial Statements for the year ended 31 July 2024

14 Investments

	2024 £'000	2023 £'000
Investments in unlisted subsidiary companies	10	10
Total	10	10

The College owns 100% of the issued share capital

15 Trade and other receivables

	2024 £'000	2023 £'000
Trade receivables	356	242
Prepayments and accrued income	629	786
Amounts owed by ESFA	200	273
Amounts owed by City New College Norwich (Land Deal)	-	303
Other receivables	-	-
Amounts owed by UoS for enhanced pensions	495	583
Total	1,680	2,187

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

16 Creditors: amounts falling due within one year

	2024 £'000	2023 £'000
Bank loans and overdrafts	413	398
Trade payables	1,270	718
Amounts owed to subsidiary undertaking	10	10
Other taxation and social security	332	316
Accruals and deferred income	1,539	1,428
Government grants (capital)	3,360	5,365
Owed to ESFA	92	158
Other creditors	681	312
	7,697	8,705

Accruals and deferred income include:

	2024 £'000	2023 £'000
Holiday pay accrual	636	484
Other accruals	579	544
Deferred income (Inc. lease premium)	324	400
	1,539	1,428

17 Creditors: amounts falling due after one year

	2024 £'000	2023 £'000
Bank loans	5,516	5,929
Government grants (capital)	28,502	27,746
Lease premium received	1,296	1,333
Total	35,314	35,008

Suffolk New College

Notes to the Financial Statements for the year ended 31 July 2024

18 Maturity of debt

	2024	2023
	£'000	£'000
Bank loan		
Bank loans are repayable as follows:		
In one year or less	413	398
Between one and two years	428	413
Between two and five years	1,387	1,334
In five years or more	3,701	4,182
	<u>5,929</u>	<u>6,327</u>
Total	5,929	6,327

Bank loans totalling £4,558k (2023: £4,843k) 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 instalments, ending December 2035 and is unsecured.

A further bank loan totalling £1,371k (2023: £1,484k) 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 2023	-	(1,482)	(1,482)
Payments in the period	1,310	146	1,456
Charged to SoCI	(910)	(74)	(984)
Charged to SoCI in respect of Enhanced Pensions	-	120	120
Actuarial gain/(loss) recognised in year	(400)	-	(400)
	<u>-</u>	<u>(1,290)</u>	<u>(1,290)</u>
At 31 July 2024	-	(1,290)	(1,290)

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.

	2024	2023
Discount rate	4.80 %	5.00 %
Price inflation	2.80 %	2.80 %

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.

Suffolk New College

Notes to the Financial Statements for the year ended 31 July 2024

20 Analysis of changes in net debt

	At 1 August 2023 £'000	Cash flow £'000	Other changes £'000	At 31 July 2024 £'000
Cash in hand, and at bank	11,626	203	-	11,829
	<u>11,626</u>	<u>203</u>	<u>-</u>	<u>11,829</u>
Debt due within 1 year	(398)	398	(413)	(413)
Debt due after 1 year	(5,929)	-	413	(5,516)
	<u>5,299</u>	<u>601</u>	<u>-</u>	<u>5,900</u>

21 Capital and other commitments

	2024 £'000	2023 £'000
Commitments contracted for at 31 July	<u>397</u>	<u>430</u>

22 Lease obligations

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

Future minimum lease payment due	2024 £'000	2023 £'000
Land and buildings		
Not later than one year	82	82
Later than one year and not later than five years	288	288
Later than five years	1,729	1,793
Total land and buildings	<u>2,099</u>	<u>2,163</u>

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 2022 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 will be 31 March 2025 which will come into force in April 2026.

Suffolk New College

Notes to the Financial Statements for the year ended 31 July 2024

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

	2024	2023
	£'000	£'000
Teachers' Pension Scheme: contributions paid		
Contributions paid	2,039	1,880
Local Government Pension Scheme:		
Contributions paid	1,310	1,196
FRS 102 (28) charge	(390)	169
Charge to the Statement of Comprehensive Income	<u>920</u>	<u>1,365</u>
Enhanced pension		
Charge to the Statement of Comprehensive Income	121	14
Total Pension Cost for Year within Staff Costs	<u>3,080</u>	<u>3,259</u>

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 2020 and of the LGPS 31 March 2022.

Contributions amounting to £397,117 (2023: £336,463) 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.

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 2020 and in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2023 and the Employer Contribution Rate was assessed using agreed assumptions in line with the Directions and was accepted at the original assessed rate as there was no cost control mechanism breach.

The valuation report was published on 26 October 2023. The key results of the valuation are:

- Total scheme liabilities for service (the capital sum needed at 31 March 2020 to meet the stream of future cash flows in respect of benefits earned) of £262 billion.
- Value of notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) of £222 billion.
- Notional past service deficit of £39.8 billion (2016: £22 billion).
- Discount rate is 1.7% in excess of CPI (2016: 2.4% in excess of CPI - this change has had the greatest financial significance)

24 Defined benefit obligations (continued)

As a result of the valuation, new employer contribution rates have been set at 28.6% of pensionable pay from 1 April 2024 until 31 March 2027 (compared to 23.68% under the previous valuation including a 0.08% administration Levy). The DfE agreed to pay a Teachers Pensions employer contribution grant to cover the additional costs during the 2021/22 academic year and this has continued through to July 25.

The pension cost paid to TPS in the year amounted to £2,710,497 (2023: £1,880,030)

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 2024 were £1,694k (2023: £1,493k) of which employer's contributions totalled £1,310k (2023: £1,163k) and employees' contributions totalled £384k (2023: £330k). From 1st April 2024 the agreed contribution rates for future years reduced to 20.6% (previously 21.6%) for employers. There was no change to the employee contribution rates, which are salary dependant, and range from 5.5% to 12.5%.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an FE body in the statutory sector closure, where there is no transfer or merger, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 12 November 2024.

Principal Actuarial Assumption

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

	At 31 July 2024	At 31 July 2023
Rate of increase in salaries	3.75 %	4.00 %
Future pensions increases	2.75 %	2.80 %
Discount rate for scheme liabilities	5.00 %	5.15 %
Inflation assumption (CPI)	2.75 %	2.80 %

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 2024	At 31 July 2023
<i>Retiring today</i>		
Males	20.90	20.90
Females	24.30	24.40
 <i>Retiring in 20 years</i>		
Males	21.50	21.60
Females	25.50	25.50

24 Defined benefit obligations (continued)

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 2024 £'000	Fair value at 31 July 2023 £'000
Equity instruments	30,810	27,705
Debt instruments	12,798	10,494
Property	3,318	3,358
Cash	474	420
Fair value of plan assets	47,400	41,977
Actual return on plan assets	4,941	848

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

	2024 £'000	2023 £'000
Amounts included in staff costs		
Current service cost	920	1,365
Total	920	1,365

	2024 £'000	2023 £'000
Amounts included in investment income		
Net interest on the net defined benefit pension liability	10	168
	10	168

	2024 £'000	2023 £'000
Amount recognised in Other Comprehensive Income		
Return on pension plan assets	2,767	(634)
Experience losses arising on defined benefit obligations	-	(331)
Changes in demographic assumptions	66	911
Changes in assumptions underlying the present value of the plan	(1,632)	7,648
Interest on the effect of the asset ceiling	636	-
Change in asset ceiling adjustment	(2,237)	(12,346)
Amount recognised in Other Comprehensive Income	(400)	(4,752)

Asset and Liability Reconciliation

	2024 £'000	2023 £'000
Changes in the present value of defined benefit obligations		
Defined benefit obligations at start of period	29,631	36,196
Current service cost	920	1,365
Interest cost	1,528	1,314
Interest cost on the effect of the asset ceiling	-	-
Contributions by Scheme participants	384	330
Changes in financial assumptions	589	(8,549)
Estimated benefits paid	(1,212)	(1,015)
Changes in demographic assumptions	(66)	(911)
Other experience adjustments	1,043	901
Defined benefit obligations at end of period	32,817	29,631

Suffolk New College

Notes to the Financial Statements for the year ended 31 July 2024

24 Defined benefit obligations (continued)

Changes in fair value of plan assets	2024 £'000	2023 £'000
Fair value of plan assets at start of period	41,977	40,949
Interest on plan assets	2,174	1,482
Return on plan assets	2,767	(634)
Employer contributions	1,310	1,196
Contributions by scheme participants	384	330
Estimated benefits paid	(1,212)	(1,015)
Other experience adjustments	-	(331)
Fair value of plan assets at end of period	47,400	41,977

Amounts recognised in the Statement of Financial Position in respect of the defined benefit pension plan are as follows:

	2024 £'000	2023 £'000
Present value of defined benefit obligations	(32,817)	(29,631)
Fair value of plan assets	47,400	41,977
Net asset	14,583	12,346
Restriction to level of asset ceiling	(14,583)	(12,346)
Net asset recognised in the balance sheet	-	-

The value of the college's share of net assets has been restricted

The College is aware that the Court of Appeal has recently upheld the decision in the Virgin Media vs NTL Pension Trustees II Limited case. The decision puts into question the validity of any amendments made in respect of the rules of a contracted-out pension scheme between 6 April 1997 and 5 April 2016. The judgment means that some historic amendments affecting s.9(2B) rights could be void if the necessary actuarial confirmation under s.37 of the Pension Schemes Act 1993 was not obtained. Until further investigations have been completed by the UK Government's Actuary's Department and/or any legislative action taken by the government, the potential impact if any, on the valuation of scheme liabilities remains unknown.

25 Related party transactions

Due 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.

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

The total expenses paid to or on behalf of the Corporation during the year was £946 ; 4 governors (2023: £704; 2 governors). This represents travel and subsistence expenses incurred in attending Corporation meetings and other events in their official capacity. No governor has received any remuneration or waived payment from the College during the year.

Suffolk New College

Notes to the Financial Statements for the year ended 31 July 2024

25 Related party transactions (continued)

	Sales Transactions £'000	Receivables Balance Outstanding £'000	Purchase Transactions £'000	Payables Balance Outstanding £'000
Year ended 31 July 2024				
Essex County Council	34	14	-	-
Sizewell C	5	1	-	-
University of Suffolk	546	111	97	42
Suffolk Agricultural Association	-	-	17	-
Landex Ltd	4	2	1	-
	<u>589</u>	<u>128</u>	<u>115</u>	<u>42</u>
Year ended 31 July 2023				
University of Suffolk	252	57	24	40
Hudson Signs	-	-	35	1
Hudson Media Partnership	-	-	18	-
Essex County Council	25	-	-	-
	<u>277</u>	<u>57</u>	<u>77</u>	<u>41</u>

26 Amounts disbursed as agent

Discretionary support funds	2024	2023
	£'000	£'000
Funding body grants - 16-18 bursary	977	812
Funding body grants - Advanced Learner Loans	161	256
Disbursed to students	(850)	(828)
Administration costs	(32)	(32)
	<u>256</u>	<u>208</u>
Balance unspent as at 31 July, included in creditors		
Employer Incentive Payments	2024	2023
	£'000	£'000
Funding body grants - Apprenticeships	125	171
Funding body grants - T-Levels	65	65
Disbursed to Employers	(133)	(161)
	<u>57</u>	<u>75</u>
Balance unspent as at 31 July, included in creditors		
As lead on grant funding projects	2024	2023
	£'000	£'000
Funding body grants	2,044	-
Disbursed to project partners	(2,052)	-
	<u>(8)</u>	<u>-</u>
Balance unspent as at 31 July, included in creditors		

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

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 accountability agreement, grant funding agreements and contracts with the Education and Skills Funding Agency (the "ESFA") and the Department for Education (the "DfE") 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 2023 to 31 July 2024 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 2023 to 31 July 2024 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 have complied with the independence and other ethical requirements of the FRC's Ethical Standard and the ethical pronouncements of the ICAEW. We also apply International Standard on Quality Management (UK) 1 Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements and accordingly maintain comprehensive systems of continuing quality management. 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 Governing Body's 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

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

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 2023 to 31 July 2024 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

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

RSM UK Audit LLP

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Date: 19 December 2024