



Newham Sixth Form College

Report and Financial Statements for the year ended:

31 July 2023

Corporation, Key Management Personnel and Professional advisers

The Corporation

A full list of Corporation members is given on page 14

Robin Jones acted as the Clerk to the Corporation throughout the year 2022/23

Key management personnel

Key management personnel are defined as members of the College Leadership Team and were represented by the following in 2022/23:

Mandeep Gill	Principal & Chief Executive: Accounting Officer
Susanne Davies	Interim Principal & Chief Executive from 25/09/23
Magdalena Johnson	Vice Principal Student Achievement & Progress to December 2022
Sue Hadfield	Interim Vice Principal Curriculum & Quality
Michael Gainlall	Vice Principal Finance & Operations to 31/10/23
Miranda Coles	Interim Executive Director of Finance, Estates & Marketing from 30/10/23
Dayo Ogunjobi	Interim Executive Director of CIS, Exams & IT Support from 30/10/23
David Francis	Executive Director Student Services and Wellbeing
Susanne Datta	Executive Director of HR & Organisational Development
Tej Masaun	Interim Coach & Mentor to Directors of Curriculum & Curriculum Managers from 30/10/23

Operating and Financial Review

Professional advisers

Financial statements auditors and reporting accountants:

Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Internal auditors:

Scrutton Bland LLP
Fitzroy House
Crown Street
Ipswich
Suffolk
IP1 3LG

Bankers:

Lloyds Bank plc
4th Floor
25 Gresham Street
London
EC2V 7HN

Solicitors:

Trowers & Hamblins LLP
55 Princess Street
Manchester
M2 4EW

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Strategic Report

NATURE, OBJECTIVES AND STRATEGIES:

The members of the Corporation present their report and the audited financial statements for the year ended 31 July 2023.

Legal status

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

Mission / Vision

The mission, vision and strategic plan were all reviewed and revised for 2022/23.

NewVIc's mission is, to *include, nurture, educate and empower students*. The College's vision is, *for NewVIc students to become successful citizens through excellent education and by celebrating everyone in our diverse community*.

A new three-year strategic plan has been written covering 2022/23 - 2024/25. The strategic plan was written in consultation with staff, students and other stakeholders including employers and education institutions. The plan focuses on eight strategic objectives with a set of KPIs to help monitor progress towards them. The KPIs are tracked and monitored by the Corporation via the Curriculum, Quality and Engagement Committee and the Finance and Resources Committee respectively with the following years KPIs reviewed annually and adjusted if required.

Public Benefit

Newham Sixth Form College is an exempt charity under the Part 3 of the Charities Act 2011 and following the 'Machinery of Government' changes in July 2016 is regulated by the Secretary of State for Education as Principal Regulator for all sixth form colleges in England. The members of the Corporation who are trustees of the charity are disclosed on page 14.

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

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

- High-quality teaching with good student outcomes and progression rates;
- Widening participation and tackling social exclusion;
- Strong student support and student development;
- Links with education partners and employers.

The College adheres to the seven principles of public office: selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

Strategic planning

The Corporation has set the College's strategic objectives and the key performance indicators (KPIs) for the coming academic year and monitors the performance of the College against these. In the medium term, the College is aiming to be outstanding.

Strategic report (continued)

The College's strategic objectives were redrafted in 2022/23 to focus on the ESFA / Ofsted priorities of; quality of provision, student experience and financial stability. The Corporation approved a three-year strategic plan in July 2022 for the period 1 August 2023 to 31 July 2025. The plan was submitted to the ESFA in July 2022.

The College's strategic objectives are:

- Have the best teaching, learning and curriculum;
- Be recognised as an inclusive and supportive college providing a holistic student experience;
- Ensure financial stability to allow continual investment in its resources and estate.

To support the achievement of these objectives the College has set 21 KPIs, which with the QIP (Quality Improvement Plan) are used to inform target setting and action planning a team and individual level

Financial objectives

The College's strategic financial objective is to: "ensure financial stability to allow investment in its resources and estate."

Specifically the College aims to:

- Achieve an annual operating surplus before notional pension charges, exceptional items and disposal of fixed assets;
- Generate sufficient levels of income to support the asset base of the College;
- Pursue sources of funding, on a selective basis, consistent with the College's core competencies, and the need for a financial contribution to the College's overall finances;
- Sustain a strong short term liquidity position;
- Fund continued capital investment in the buildings and other resources

A series of financial KPI's have been agreed to monitor the successful implementation of the policies designed to achieve the strategic objectives.

Strategic report (continued)

Performance Ratios

KEY RATIOS			
	2023 Plan	2023 Actual	2024 Plan
Liquidity - how much of a cash safety net does the College have at its disposal?			
Cash days in hand	280	259	240
Adjusted current ratio	6.01		5.05
Borrowing as a % of income	0%	0%	0%
Margin - how successful is the College being at delivering a balanced budget?			
EBITDA as a % of income – education specific	18.4%	17.0%	10.01%
Income - how reliant is the College on ESFA income?			
Dependency on ESFA income	94.5%	94%	95.1%
Expenditure - how successful is the College at keeping wage costs under control?			
Staff costs (excluding restructuring and including LGPS notional charge) as % of income	62.1%	63.0%	69.8%
Framework for Excellence financial health grade	Outstanding	Outstanding	Outstanding

The above ratios, based on the College's financial plan, forecast a financial health grade of 'Outstanding' as at 31 July 2024.

The College is committed to observing the importance of sector measures and indicators. The College is required to complete the annual Finance Record for the Education and Skills Funding Agency. The Finance Record produces a financial health grading on submission at 31 December.

Although the ESFA continues to measure FE performance in terms of contribution to national targets, individual colleges are now required to submit three-year strategic plan, that are reviewed each year. These plans focus on four headline targets:

- Learner numbers and achievement of ESFA funding targets;
- Learner achievement rates, value added and progression;
- Quality of teaching and learning;
- Stakeholder engagement.

Strategic report (continued)

Performance 2022/23: Overview of college success

Overall College performance

The College achievement rate (of leavers) for 2022/23 was 77.3% (unvalidated), compared to 81.2% in 2021/22. Overall achievement was below the 2019 national average. The overall ALPs value added score for vocational courses which represents the bulk of our provision, was 8 (Poor). For A level, the overall pass rate was 85.4% (2021/22 91.2%). GCSE English high grade achieved remained above the national average. Foundation Learning achievement was 81.6%, 4.4% above the national average.

Quality

The College's last full Ofsted inspection in December 2018 where it was judged 'good' overall, with some outstanding features. The College has continued to focus on improving its quality assurance systems, including highly focused support and challenge at Corporation meetings and during governor link meetings throughout the year.

FINANCIAL POSITION

Financial results

The College returned an operating surplus of £2,564k before the actuarial adjustment and interest costs in respect of pension schemes in the year of £2,412k (2022: £1,606k surplus before actuarial gain of £10,335k).

The College has total accumulated reserves of £29.8 million (2022: £24.8 million) and cash balances of £15.9 million (2022: £12.6 million). The increase in reserves is attributable to the reduction in the Pension liability as a result of the recent actuarial valuation and an improvement in the college's operational position noted above as there has been a significant improvement in the finances since the previous year.

Tangible fixed asset additions during the year amounted to £2,619k (2022: £1,722k). This was split between land and buildings acquired of £105k (2022: £1,032k) and equipment purchased of £2,514k (2022: £690k).

The College has significant reliance on the ESFA for its principal funding source, largely from recurrent grants. In 2023 the ESFA provided 94% (2022: 97.1%) of the College's total income.

The College wishes to accumulate reserves from operations to fund the next stages of planned campus development over the next five years. The initial investment will come from the college reserves and will have an impact on the college budgets. Reserves are also needed to fund other investments in the student-learning environment and in IT infrastructure.

Treasury policies and objectives

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

The College has a separate treasury management policy in place.

Following the ONS reclassification in November 2022, borrowing for temporary revenue purposes and for the longer term is no longer permitted without DfE approval.

Cash flows and liquidity

At £8.1m (2022: £5.4m) net cash inflows from operating activities were strong enough to provide for further capital to fund the purchase of tangible assets. The college has set a robust budget for 2023/24 and includes the estimates

Strategic report (continued)

for continuation on progress towards implementing the campus strategy, IT resources and requirements and work to implementing our digital strategy cross college.

Reserves

The College has a Treasury Policy, and ensures that there are adequate reserves to support the College's core activities. As at the balance sheet date the Income and Expenditure reserve stands at £24,987k (2022: £19,838k), this is an increase on the previous year helped by the LGPS pension Liability decrease. It is the Corporation's intention to increase reserves over the life of the strategic plan through the generation of annual operating surpluses.

CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE

Student numbers:

In 2022/23 the College delivered activity to justify £19,850k in ESFA main allocation funding. The College had 2,818 ESFA funded learners, a shortfall of 167 on the allocation and target of 2,985.

Curriculum developments

The College continues to engage with, plan for and implement a broad range of curriculum changes introduced by government policy. These include the introduction of additional T levels and L2 T level Transition programmes. The College currently offers a wide range of Foundation Learning programmes, A levels, AS in Maths and Sciences, BTEC Diplomas and Extended Certificates as well as the first T levels. This year the college started delivery of the T Level in Healthcare Science to complement the current offer of T levels. In reviewing the curriculum and the delivery of the T Levels, the decision was made to discontinue the delivery of the Construction T Level and BTEC engineering provision, as these courses were better resourced at our neighbouring college, allowing for a fuller student experience. The college is offering the Digital T Level in 23/24 and planning is underway for the Science T Level in 24/25.

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 or 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. The College incurred no interest charges in respect of late payments for this period.

RESOURCES:

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

The principal tangible resource is the main College site in Prince Regent Lane.

Financial

The College has £29.8m of net assets (2022: £24.8m). There is no pension liability (2022: £1.8m liability), but there are £4.05m of deferred capital grants (2022 £4.55m). The bank loan of £2.05m was repaid in December 2022.

People

The College employs 226 people (expressed as full time equivalents) (2022: 190), of whom 101 are teaching staff (2022: 95).

Strategic report (continued)

Reputation

The College has a good reputation locally and nationally. Maintaining a high quality offer is essential for the College's success in attracting students, especially in view of increasing local competition. The College achieved a 'good' judgement in the 2018 Ofsted inspection and staff have continued to work for further improvement since then.

PRINCIPAL RISKS AND UNCERTAINTIES:

The College continues to develop and embed systems of internal control, including financial, operational and risk management designed to protect the College's assets and reputation.

The College maintains a strategic risk register that is approved by the Corporation. It is reviewed by: senior managers, the Audit & Risk Committee and by the Corporation. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the College and the actions that are taken to reduce / mitigate risks. A consistent scoring system is used to assess the level of risk.

The principal risks are:

1. Static or declining student numbers
2. Significant increase in the Cost of Living could have a major impact on staff and students
3. Serious harm to well-being of students, staff or visitors
4. Increasing risk of existing buildings and resources deteriorating if insufficient capital is allocated
5. Student and Value Added rates fail to improve

Many of these factors are outside the College's control and other factors may adversely affect the College.

The College has considerable reliance on continued government funding through the ESFA. Continual pressure on public funds places a heavy emphasis on the College to increase efficiency. This risk is mitigated via constant scrutiny of the College's cost base and search for efficiencies and by ensuring the College is focused on those priority sectors that will continue to attract public funding.

STAKEHOLDER RELATIONSHIPS

In line with other colleges and with universities, Newham Sixth Form College has many stakeholders. These include:

- Students and their families;
- The Education and Skills Funding Agency (ESFA);
- Further Education and Regional Schools Commissioners;
- Staff and their Trade Unions;
- Local employers and professional bodies;
- Local Authorities, their associations and the Greater London Authority;
- The local community;
- Schools, other colleges and universities;
- Specific partnership organisations – regional and sub-regional;
- Charitable and philanthropic trusts; and
- The Corporation

Strategic report (continued)

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

Equal opportunities and employment of disabled persons

Newham Sixth Form College is committed to ensuring equality of opportunity for all who learn and work here. We respect and value positive differences in race, gender, sexual orientation, ability, class and age. We strive vigorously to remove conditions that place people at a disadvantage and we will actively combat discrimination and advance equality. This policy will be resourced, implemented and monitored on a planned basis.

The College's Equality & Diversity Policy, is published on its website.

The College publishes an Annual Equality Report and Equality Objectives to ensure compliance with all relevant legislation including the Equality Act 2010.

The College carefully considers all applications from persons with protected characteristics as laid down in the Equality Act 2010. Each application is considered on its merits and with a commitment to ensure equality of access and opportunity through the provision of reasonable adjustments.

Where an existing employee becomes disabled, every effort is made to ensure that employment with the College continues where reasonable adjustments can appropriately be made. The College's policy is to provide training, career development and opportunities for promotion, which are, in so far as is possible, identical to those for other employees.

Disability statement

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

- a) As part of its accommodation strategy the College updates its access audit as needed and where necessary management solutions in reasonable adjustments will be applied to ensure equality of access for all.
- b) The College nominates specific staff, who provide information, advice and arrange support where necessary for students with Special Educational Needs and Disabilities (SEND).
- c) The College provides a range of assistive technology for use by students and access to the provision of specialist services where appropriate.
- d) The College is committed to meeting its obligations to students with SEND under the provisions of the 2014 Children and Families Act, and the 2015 Special Educational Needs Code of Practice.
- e) The College has a range of specialist lecturers to support and work with students who have SEND. Learning Support Practitioners provide a wide range of support for learning through our Inclusive Learning department which consults and works with a range of local authorities in ensuring equality of access and opportunity for students with Education, Health & Care Plans.
- f) Specialist programmes are described in College prospectuses, and achievements and destinations are recorded and published in the standard College format.
- g) Counselling and welfare services are made available to all students and widely advertised throughout the College on an on-going basis.
- h) The Complaints Policy is made available to all students on entry to the College.

Strategic report (continued)**Trade union facility time**

Number of employees who were relevant period	FTE employee number
4	3.77

Percentage of time	Number of employees
2.46%	4

Total cost of facility time	£18,652.14
Total pay bill	756892.27
Percentage of total bill spent on facility time	2.46%

Time spent on paid trade union activities as a percentage of total paid facility time	6.51%
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Disclosure of information to auditors

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

Approved by order of the members of the Corporation on 13 December 2023 and signed on its behalf by:



Chair of the Corporation

13 December 2023

Governance statement

The following statement is provided to enable readers of the Annual Report and Accounts to obtain a better understanding of the College's governance and legal structure. This statement covers the period from 1 August 2022 to 31 July 2023 and up to the date of approval of the Annual Report and Financial Statements.

The College endeavours to conduct its business:

- i. In full accordance with the guidance to colleges from the Association of Colleges in The Code of Good Governance for English Colleges ("the Code"); and
- ii. Having due regard to the UK Corporate Governance Code insofar as it is applicable to the further education sector.

The College is committed to exhibiting best practice in all aspects of corporate governance and, in particular, the College has adopted and complied with the Code. We have not adopted and therefore do not apply the UK Corporate Governance Code. However, we have reported on our Corporate Governance arrangements by drawing upon best practice available, including those aspects of the UK Corporate Governance Code we consider to be relevant to the further education sector and best practice.

In the opinion of the Governors, the College complies with all the provisions of the Code, and it has complied throughout the year ended 31 July 2023. The Corporation recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times. In carrying out its responsibilities, it takes full account of The Code of Good Governance for English Colleges issued by the Association of Colleges in March 2015, which it formally adopted on 19 May 2015 as well as the subsequent update. At the meeting of the Corporation on 13 December 2023 consideration will be given to the adoption of the new Code of Good Governance as from 1 January 2024.

The College is an exempt charity within the meaning of Part 3 of the Charities Act 2011. The Governors, who are also the Trustees for the purposes of the Charities Act 2011, confirm that they have had due regard for the Charity Commission's guidance on public benefit and that the required statements appear elsewhere in these Financial Statements.

Statement of Responsibilities of the Members of the Corporation

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.

Note: CQ&E = Curriculum, Quality & Engagement Committee which is one of the 5 Standing Committees supporting the Corporation

Name	Date of Appointment	Original Term	Resignation /End date	Status of appointment	Committees served	Attendance (%)
Martin Rosner Chair	01/08/20	4 years	-	Independent	CQ&E Finance & Resources Governance & Search	100%
Joanne Dean Vice-Chair	09/02/16 Re-appointed	4 years	31/12/22	Independent	Governance & Search	100%
Mandeep Gill	01/09/18	Ex-officio	-	Principal & CEO	CQ&E Finance & Resources Governance & Search	100%
Julianne Marriott	03/12/18	4 years	02/12/22	Independent	Audit & Risk	0%
Julia Shelton	16/01/17 Re-appointed	4 years	-	Independent	Governance & Search Remuneration	100%
Kofo Ladele	21/09/20	4 years	-	Independent	Audit & Risk Remuneration	80%
Simon Mayfield	21/09/20	4 years	31/10/22	Independent	Finance & Resources	0%
Mandeep Sahotay	21/09/20	4 years	-	Independent	CQ&E	60%
Elizabeth Scott	21/09/20	4 years	-	Independent	CQ&E	100%
Graham Willson	21/09/20	4 years	-	Independent	Finance & Resources	80%
Jane Lofthouse	01/08/21	4 years	-	Independent	CQ&E	100%
Miklos Sarosi	01/08/21	4 years	9/3/23	Independent	Audit & Risk Remuneration	100%
Ebby Maps	06/10/21 Re-appointed	2 plus 2 years		Parent	CQ&E Audit & Risk	80%
Fiona Clarke	08/11/21	4 years	15/6/23	Teaching Staff	CQ&E	50%
Karen Flanagan	01/06/22	4 years	13/12/22	Support Staff	Finance & Resources	100%
Jadyn Benneh	01/09/22	1 year	31/7/23	Student	CQ&E	80%
Hannah Hajwane	01/09/22	1 year	13/10/22	Student	CQ&E	0%
Emma Bibi	14/10/22	1 year	31/7/23	Student	CQ&E	0%
Muriel Hayman	12/10/22	4 years	19/10/22	Independent	Audit & Risk	0%
Kate Towner	17/10/22	4 years	-	Independent	Finance & Resources	100%
Chris Folorunso	01/11/22	4 years	-	Independent	Audit & Risk	100%
Federico Valori	01/11/22	4 years	-	Independent	Finance & Resources	100%
Yolanda Valery	03/12/22	4 years	-	Independent	CQ&E	100%
Avnesh Pandya	01/1/23	4 years	-	Independent	Audit & Risk	100%
Aleeza Hasaan	01/9/23	1 year	-	Student	CQ&E	N/A
Matthew Odeyemi	01/9/23	1 year	-	Student	CQ&E	N/A
Trevor Harris	27/9/23	4 years	-	Teaching Staff	CQ&E	N/A
Sam Mendy	10/10/23	4 years		Support Staff	Finance & Resources	N/A
Robin Jones acted as the Clerk to the Corporation throughout 2022/23						

In 2022/23 the attendance by Members at meetings of the Corporation was 83%.

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

Statement of Responsibilities of the Members of the Corporation

The Corporation of Newham Sixth Form College Members of the Corporation (including the Student Members) Equality & Diversity Considerations

This a summary of the Equality & Diversity considerations of the Members of the Corporation based on information provided by Members.

Corporation Composition

The current composition of the Corporation is as follows:

Independent Members	14
Parent Member	1
Staff Members	2
Student Members	2
Principal & Chief Executive	1

Note: At this time there are two vacancies for Independent Members – arrangements to fill the two vacancies are being progressed.

Age range

16 - 18	1
19 - 24	1
25 - 34	-
35 - 44	1
45 - 54	10
55 - 64	3
65 - 74	1
75 and over	1
Prefer not to say	-

Gender

Female	10
Male	7
Identifies in another way	1
Prefer not to say	-

Ethnicity

English/Welsh/Scottish/Northern Irish/British	6
Any other white background	1
African	5
Indian	3
Pakistani	1
Any other Mixed / Multiple ethnic background	1
Any other ethnic group	1
Prefer not to say	-

Disability

Yes	3
No	12
Prefer not to say	3

Religion and Belief

Christian	8
Hindu	1

Statement of Responsibilities of the Members of the Corporation

Non-religious	5
Sikh	2
Prefer not to say	2

Sexuality

Bisexual	-
Gay	-
Lesbian	-
Heterosexual/straight	15
Other	-
Prefer not to say	3

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 safeguarding, health & safety and environmental issues. The Corporation met on 4 occasions throughout the year 2022/23.

In 2022/23 the Corporation conducted its business both through Corporation meetings with the support of five committees:

- Audit & Risk
- Curriculum, Quality & Engagement
- Finance & Resources
- Governance & Search
- Remuneration

The Corporation has approved comprehensive Terms of Reference for all five Standing Committees.

Full minutes of all meetings of the Corporation and the Standing Committees, except those deemed to be confidential by the Corporation, are available on the College's website at <https://www.newvic.ac.uk/> or from the Head of Governance (new designation for the Clerk to the Corporation as from 1 August 2023) at:

Newham Sixth Form College
Prince Regent Lane
Plaistow
London E13 8SG

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 or via the Corporation section of the College website.

All Corporation Members 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.

Members of the Corporation undertook a range of training and development during the year 2022/23 to support their role and to gain a greater understanding of the further education sector and what was involved in being a Member.

The newly appointed Members were provided with the opportunity to attend the Induction Programme provided by the AoC and the Head of Governance was available to support Members

Statement of Responsibilities of the Members of the Corporation

The SFCA provided a number of webinars during the year and Members were able to join these live or after the event as recordings were made available. These included:

- Quality Assurance and the 2022 results – 7 September 2022
- The Skills Agenda – 12 October 2022
- Audit – 12 December 2022
- External Reviews of Governance – 28 February 2022
- Handling Complaints – 20 March 2023
- Performance Management – 12 June 2023
- SFCA Sector Update – 3 July 2023

Other training and development programmes which were attended by Members of the Corporation included those provided by the AoC such as the Annual Conference and the ETF such as Safeguarding and Prevent.

Members of the Corporation received a training update session on 22 November 2022 on the Ofsted Inspection Framework, on 15 January 2023 on Safeguarding and on 22 March 2023 on T Levels.

Members access the College iHasco system for a range of training and development modules covering such themes as Safeguarding, Prevent, Equality, Diversity & Inclusion, Mental Health and GDPR.

Individual Members participated in a range of training opportunities such as Advancing Equality in FE and Bullying and Harassment.

In addition to the various programmes of training and development the Chair and Vice Chair of the Corporation participate in regional networking sessions through the AoC. Both also have roles within the SFCA and AoC respectively which bring real benefits to their insight in policy initiatives.

The Head of Governance undertook a range of training and development opportunities during 2022/23 including a number of SFCA webinars, updates provided through the ETF and AoC and participation in the networks for Governance Professionals.

Formal agendas, papers and reports are supplied to Corporation Members in a timely manner, prior to Corporation meetings. Briefings are also provided on an ad hoc basis.

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

There is a clear division of responsibility in that the roles of the Chair and the Principal & Chief Executive 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 four members of the Corporation, which is responsible for the selection and nomination of any new Independent Member for the Corporation's consideration. The Corporation is responsible for ensuring that appropriate training is provided as required and has adopted a comprehensive Training Policy.

Members of the Corporation are appointed for a term of office not exceeding four years.

Statement of Responsibilities of the Members of the Corporation

Corporation performance

In December 2018 the College was inspected by Ofsted and the effectiveness of leadership & management and governance was judged as “good”.

The Corporation ensures that a thorough annual review of performance is carried out through a survey completed by Members. This results in a report prepared by the Chair of the Corporation, with the support of the Head of Governance, which is presented to and considered by Members at the annual Corporation Planning & Development Session. A number of actions are then agreed to seek to improve on the arrangements for governance for the following year.

Audit & Risk Committee

The Audit & Risk Committee comprises four members of the Corporation (excluding the Principal & Chief Executive and the Chair of the Corporation). The Committee operates in accordance with written terms of reference approved by the Corporation which has due regard to the provisions of the Audit Code of Practice.

The Audit & Risk Committee meets on at least a termly basis. In 2022/23 the Committee met on 3 occasions (ie 23 November 2022, 8 March 2023 and 27 June 2023) with the following breakdown of attendance:

Name	Possible	Actual	% Attendance
Chris Folorunso	3	3	100%
Kofo Ladele	3	3	100%
Ebby Maps	1	1	100%
Julianne Marriott	1	1	100%
Avnesh Pandya	2	2	100%
Miklos Sarosi	1	1	100%
TOTALS	10	10	100%

Note re membership – Julianne Marriott and Miklos Sarosi resigned from membership of the Corporation during the year and were replaced by Ebby Maps and Avnesh Pandya. In addition the Corporation appointed a co-opted member to join the Committee but he was unable to take up the role because of work related demands.

The Audit & Risk Committee provides a forum for reporting by the College's internal, regularity 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 any letters/reports from the ESFA as they affect the College's business.

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

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

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

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

Statement of Responsibilities of the Members of the Corporation

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 & Chief Executive, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives, whilst safeguarding the public funds and assets for which he is personally responsible, in accordance with the responsibilities assigned to him in the Funding Agreement between Newham Sixth Form College and the ESFA. He is also responsible for reporting to the Corporation any material weaknesses or breakdowns in internal control.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an 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 Newham Sixth Form College for the year ended 31 July 2023 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Corporation has reviewed the key risks to which the College is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Corporation is of the view that there is a formal on-going process for identifying, evaluating and managing the College's significant risks that has been in place for the period ending 31 July 2023 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Corporation.

The risk and control framework

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

- Comprehensive budgeting systems with an annual budget, which is reviewed and agreed by the Corporation;
- Regular reviews by the Corporation through the Finance & Resources Committee 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.

Newham Sixth Form College has an internal audit service, which operates in accordance with the requirements of the ESFA's *Post 16 Audit Code of Practice*. The work of the internal audit service is informed by an analysis of the risks to which the College is exposed, and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the Corporation on the recommendation of the Audit & Risk Committee. At a minimum annually, the appointed internal auditors provide the Corporation with a report on internal audit activity in the College. The report includes the auditor's independent opinion on the adequacy and effectiveness of the College's system of risk management, controls and governance processes.

Review of effectiveness

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

- The work of the internal auditors;
- The work of the executive managers within the College who have responsibility for the development and maintenance of the internal control framework; and

Statement of Responsibilities of the Members of the Corporation

- Comments made by the College's financial statements auditors, the regularity auditors (for colleges in plan-led funding), the ESFA - appointed funding auditors (for colleges outside plan-led funding) in their management letters and other reports.

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

The senior leadership team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The senior leadership team and the Audit & Risk Committee also receive regular reports from internal audit and other sources of assurance, which include recommendations for improvement. The Audit & 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 senior leadership team and the Audit & Risk Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception.

Based on the advice of the Audit & 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."

External Review of Governance

The Governance & Search Committee on behalf of the Corporation has engaged the AoC to carry out an External Review of Governance between October and December 2023 with the report to be received in late January 2024. The recommendations set out in the report will be considered and an Action Plan prepared for the following year. A summary statement will be published on the College website.

Going Concern

After making appropriate enquiries, the Corporation considers that the College has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. In making this assessment, the Corporation has considered potential areas of decreased income alongside positive student recruitment, budgets will be regularly monitored for variances and elements of the impact which were not initially forecast. The college has managed its finances well in 2022/23 and as such has been able to improve the level of cash reserves and cash days in hand as well as making an operational profit for the year.

Approved by order of the members of the Corporation on 13 December 2023 and signed on its behalf by:

Chair



13 December 2023

Interim Principal and Chief Executive



13 December 2023

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

The Corporation has considered its responsibility to notify the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of funding, under the College's grant funding agreement and contracts with ESFA. As part of our consideration we have had due regard to the requirements of the grant funding agreements and contracts with ESFA.

We confirm on behalf of the Corporation, that after due enquiry, and to the best of our knowledge, we are able to identify any material irregular or improper use of funds by the College, or material non-compliance with the terms and conditions of funding under the College's grant funding agreements and contract with ESFA, or any other public funders.

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

**Chair**

13 December 2023

**SUSANNE DAVIES****Interim Principal and Chief Executive**

13 December 2023

Statement of Responsibilities of the Members of the Corporation

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

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

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

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

The Corporation is also required to prepare a Members' Report which describes what it is trying to do and how it is going about it, including information about the legal and administrative status of the Corporation.

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

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

Members of the Corporation are responsible for ensuring that expenditure and income are applied for the purposes intended by Parliament and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from the ESFA and any other public funds are used only in accordance with the ESFA's grant funding agreements and contracts and any other conditions that may be prescribed from time to time by the ESFA or any other public funder. 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 economical, 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 the ESFA and other public bodies are not put at risk.

Approved by order of the members of the Corporation on 13 December 2023 and signed on its behalf by:



Martin Rosner
Chair of Corporation

13 December 2023

Independent Auditor's Report to the Corporation of Newham Sixth Form College

Opinion

We have audited the financial statements of Newham Sixth Form College (the 'College') for the year ended 31 July 2023 which comprise the statement of comprehensive income, the statement of changes in reserves, the balance sheet, the statement of cash flows, the principal accounting policies, and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the College's affairs as at 31 July 2023 and of its deficit of income under expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

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 members of the Corporation's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 members of the Corporation with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The members of the Corporation are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Independent Auditor's Report to the Corporation of Newham Sixth Form College

Responsibilities of the Corporation

As explained more fully in the statement of responsibilities of members of the Corporation, the members of the Corporation are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members of 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 members of the Corporation are 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 members of 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.

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the College through discussions with management, and from our knowledge and experience of the sector;
- ◆ we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the College, including the Further and Higher Education Act 1992, funding agreements with the ESFA and associated funding rules, ESFA regulations, data protection legislation, anti-bribery, safeguarding, employment, health and safety legislation;
- ◆ we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- ◆ Identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the College's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions; and

- ◆ tested journal entries to identify unusual transactions; and
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias;

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reading the minutes of Corporation meetings;
- ◆ enquiring of management as to actual and potential litigation and claims; and
- ◆ Reviewing any available correspondence with HMRC and the College's legal advisors (although none was noted as being received by the College).

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the members of the Corporation and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

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



Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

22 December 2023

Independent Auditor's Report on Regularity to the Corporation of Newham Sixth Form College ('the Corporation') and Secretary of State for Education acting through the Department for Education ("the Department")

In accordance with the terms of our engagement letter and further to the requirements and conditions of funding in the ESFA's grant funding agreements and contracts, or those of any other public funder, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by Newham Sixth Form College during the period 1 August 2022 to 31 July 2023 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

The framework that has been applied is set out in the Post-16 Audit Code of Practice (the Code) issued by the ESFA and in any relevant conditions of funding concerning adult education notified by a relevant funder. In line with this framework, our work has specifically not considered income received from the main funding grants generated through the Individualised Learner Record data returns, for which the ESFA has other assurance arrangements in place.

This report is made solely to the Corporation of Newham Sixth Form College and 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 Newham Sixth Form College and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept, or assume, responsibility to anyone other than the Corporation of Newham Sixth Form College and the ESFA for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Newham Sixth Form College and the reporting accountant

The Corporation of Newham Sixth Form College is responsible, under the requirements of the Further & Higher Education Act 1992, subsequent legislation and related regulations and guidance, for ensuring that expenditure disbursed, and income received, are applied for the purposes intended by Parliament, and the financial transactions conform to the authorities that govern them. Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Code. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received, during the period 1 August 2022 to 31 July 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Code issued by the ESFA. We performed a limited assurance engagement as defined in that framework. The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to

Provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion. Our engagement includes examination, on a test basis, of evidence relevant to the regularity of the Corporation's income and expenditure.

The work undertaken to draw to our conclusion includes:

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

Independent Auditor's Report on Regularity to the Corporation of Newham Sixth Form College ('the Corporation') and the Secretary of State for Education acting through Education Funding Agency

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects, the expenditure disbursed and income received during the period 1 August 2022 to 31 July 2023 has not been applied to purposes intended by Parliament, and the financial transactions do not conform to the authorities that govern them.



Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

22 December 2023

Statements of Comprehensive Income and Expenditure

		2023	2022
		£'000	£'000
INCOME			
Funding body grants	2	21,163	19,100
Tuition fees and education contracts	3	977	800
Other grants and contracts	4	192	126
Other income		-	-
Endowment and investment income	5	48	1
Total income		22,380	20,027
EXPENDITURE			
Staff costs	6	14,216	13,470
Other operating expenses	7	4,060	3,355
Depreciation	10	1,439	1,294
Interest and other finance costs	8	101	302
Total expenditure		19,816	18,421
Surplus for the year		2,564	1,606
Actuarial gain in respect of pension schemes		2,412	10,335
Total Comprehensive Income for the year		4,976	11,941

Statement of Changes in Reserves

	Income and Expenditure account	Revaluation reserve	Total
Balance at 31st July 2021	7,724	5,160	12,884
Surplus from the income and expenditure account	1,606	-	1,606
Other comprehensive income	10,335	-	10,335
Transfers between revaluation and income and expenditure reserves	173	(173)	-
	12,114	(173)	11,941
Balance at 31st July 2022	19,838	4,987	24,825
Surplus from the income and expenditure account	2,564	-	2,564
Other comprehensive income	2,412	-	2,412
Transfer between designated and undesignated reserves	-	-	-
Transfers between revaluation and income and expenditure reserves	173	(173)	-
	5,149	(173)	4,976
Total comprehensive income for the year	5,149	(173)	4,976
Balance at 31st July 2023	24,987	4,814	29,801

Balance sheet as at 31 July

	Notes	2023 £'000	2022 £'000
Fixed assets			
Tangible fixed assets	10	23,719	22,539
		<u>23,719</u>	<u>22,539</u>
Current assets			
Trade and other receivables	11	229	2,448
Cash and cash equivalents		15,916	12,619
		<u>16,145</u>	<u>15,067</u>
Less: Creditors – amounts falling due within one year	12	(6,008)	(4,340)
Net current assets		<u>10,137</u>	<u>10,727</u>
Total assets less current liabilities		33,856	33,266
Less: Creditors – amounts falling due after more than one year	13	(4,055)	(6,610)
Provisions			
Defined benefit obligations	21	-	(1,831)
Total net assets		<u>29,801</u>	<u>24,825</u>
Unrestricted reserves			
Income and expenditure account		24,987	19,838
Revaluation reserve		4,814	4,987
		<u>29,801</u>	<u>24,825</u>

The financial statements on pages 28 to 50 were approved and authorised for issue by the Corporation on 15 December 2023 and were signed on its behalf on that date by:



Martin Rosner
Chair



Susanne Davies
Interim Accounting Officer

Statement of Cash Flows

	Notes	2023 £'000	2022 £'000
Cash inflow from operating activities			
Surplus for the year		2,564	1,606
Adjustment for non-cash items			
Depreciation		1,439	1,294
(Increase)/decrease in debtors		2,219	(2,064)
Increase/(decrease) in creditors due within one year		1,851	1,261
Increase/(decrease) in creditors due after one year		(497)	1,755
Pensions costs less contributions payable		511	1,246
Taxation		-	-
Investment income		(48)	(1)
Interest payable		101	302
Taxation paid		-	-
Net cash flow from operating activities		<u>8,140</u>	<u>5,399</u>
Cash flows from investing activities			
Interest income		48	1
Payments made to acquire fixed assets		(2,619)	(1,722)
		<u>(2,571)</u>	<u>(1,721)</u>
Cash flows from financing activities			
Interest paid		(31)	(118)
Repayments of amounts borrowed		(2,241)	(178)
		<u>(2,272)</u>	<u>(296)</u>
Increase in cash and cash equivalents in the year		<u>3,297</u>	<u>3,382</u>
Cash and cash equivalents at beginning of the year		12,619	9,237
Cash and cash equivalents at end of the year		15,916	12,619

Notes to the Accounts:**1. Statement of accounting policies and estimation techniques**

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

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (the 2019 FE HE SORP), the College Accounts Direction for 2022 to 2023 and in accordance with Financial Reporting Standard 102 – “The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland” (FRS 102). The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

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

Basis of accounting

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

Going concern

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

In March 2016 the College entered into an agreement for a committed loan facility with Lloyds Bank Plc. In December 2017 the amount of £3 million was drawn down on that facility and converted into a five year term loan. The loan was repaid in December 2022.

The College's forecasts and financial projections indicate that it will be able to operate in compliance with its Reserves policy for the foreseeable future. In making this assessment, the Corporation considered potential areas of decreased income resulting from lower student recruitment. Budgets will be regularly monitored for variances which were not initially forecast.

Accordingly the College has a reasonable expectation that it is generally financially viable and has adequate resources to continue in operational existence for the foreseeable future and for this reason will continue to adopt the going concern basis in the preparation of its Financial Statements.

Recognition of income

Government revenue grants include funding body recurrent grants and other grants and are accounted for under the accrual model as permitted by FRS 102. Funding body recurrent grants are measured in line with best estimates for the period of what is receivable and depend on the particular income stream involved.

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

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

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

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

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

Teachers' Pension Scheme (TPS)

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

The TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution plan and the contributions recognised as an expense in the income statement in the periods during which services are rendered by employees.

London Borough of Newham Local Government Pension Scheme

The LGPS is a funded scheme. The assets of the LGPS are measured using closing fair values. LGPS liabilities are measured using the projected unit credit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Comprehensive Income and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The return on pension plan assets and changes in assumptions underlying the present value of plan liabilities is recognised in other recognised gains and losses. **Actuarial gains and losses are recognised immediately in other recognised gains and losses.**

Short term Employment benefits

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

Non-current assets - Tangible fixed assets

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

Land and buildings

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

- Freehold Buildings 20-50 Years
- Refurbishments/Building Improvements -10- 20 Years

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

Freehold buildings are depreciated over their expected useful economic life to the College of between 20 and 50 years. The College has a policy of depreciating major adaptations to buildings over the period of their useful economic life of between 10 and 50 years.

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

On adoption of FRS 102, the College followed the transitional provision to retain the book value of land and buildings, which were revalued prior to 31 July 1999, as deemed cost but not to adopt a policy of revaluations of these properties in the future.

Subsequent expenditure on existing fixed assets

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

Equipment

Equipment costing less than £1,000 per individual item is recognised as expenditure in the period of acquisition. All other equipment is capitalised at cost.

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

- computer software - 3 Years ·
- computer equipment - 5 Years
- furniture, fixtures and fittings and Equipment - 5 Years

Borrowing costs

Borrowing costs which are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised. Otherwise they are recognised as expenditure in the period in which they are incurred.

Leased assets

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Any lease premiums or incentives relating to leases signed after 1st August 2014 are spread over the minimum lease term.

Investments

Current investments comprise cash deposits which are held with banks and building societies operating in the London market and licensed by the Financial Conduct Authority with more than three months maturity at the balance sheet date. Investments are stated at cost.

Cash and cash equivalents

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

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

Financial liabilities and equity

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

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

Foreign currency translation

Transactions denominated in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the end of the financial period with all resulting exchange differences being taken to income in the period in which they arise.

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 exempt in respect of Value Added Tax, so that it cannot recover 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 a reliable estimate can be made of the amount of the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as 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.

Other key sources of estimation uncertainty

- Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. The actuary has used a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 to value the pensions liability at 31 July 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Notes to the Accounts (continued)**2. Funding council grants**

	2023 £'000	2022 £'000
Recurrent grants		
Education and Skills Funding Agency – 16 -18	19,850	17,984
Specific Grants		
Teacher Pension Scheme contribution grant	477	336
Releases of government capital grants	464	350
Education and Skills Funding Agency - other grants	372	430
	<u>21,163</u>	<u>19,100</u>

3. Tuition fees and education contracts

	2023 £'000	2022 £'000
Education contracts		
Adult skills grant (GLA)	112	104
High needs students	865	696
	<u>977</u>	<u>800</u>

4. Other grants and contracts

	2023 £'000	2022 £'000
Other Income generating Activities	35	30
Other Grant Income	-	12
Non-Government Capital Grants	-	-
Miscellaneous Income	156	84
	<u>192</u>	<u>126</u>

5. Investment income

	2023 £'000	2022 £'000
Other investment income	-	-
Other interest receivable	48	1
	<u>48</u>	<u>1</u>
Net return on pension scheme (note 21)	0	0
	<u>48</u>	<u>1</u>

Notes to the Accounts (continued)

6. Staff Costs

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

	2023	2022
	No.	No.
Teaching staff	112	104
Non-teaching staff	142	112
	<u>254</u>	<u>216</u>

The average number of persons (including key management personnel) employed by the College during the year expressed on a FTE basis was:

	2023	2022
	No.	No.
Teaching staff	101.0	94.7
Non-teaching staff	125.1	94.7
	<u>226.1</u>	<u>189.4</u>

Staff costs for the above persons

	2023	2022
	£'000	£'000
Wages and salaries	9,161	8,912
Social security costs	965	930
Other pension costs	<u>1,964</u>	<u>2,660</u>
Payroll sub total	12,090	12,502
Contracted out staffing services	2,092	953
	<u>14,182</u>	<u>13,455</u>
Fundamental restructuring costs -	0	0
contractual	34	15
non contractual	0	0
	<u>14,216</u>	<u>13,470</u>

Notes to the Accounts (continued)

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 Senior Leadership Team which comprised the Principal, Vice Principals, Assistant Principals and Associate Principals. Staff costs include compensation paid to key management personnel for loss of office.

	2023 No.	2022 No.
The number of key management personnel including the Accounting Officer was:	5	5

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

	Senior post-holders		Other staff	
	2023 No.	2022 No.	2023 No.	2022 No.
£10,001 to £15,000	-	-	-	-
£15,001 to £20,000	-	-	-	-
£25,001 to £30,000	1	1	-	-
£30,001 to £35,000	-	-	-	-
£40,001 to £45,000	-	-	-	-
£60,001 to £65,000	-	-	2	1
£65,001 to £70,000	-	-	-	-
£70,001 to £75,000	-	-	2	1
£80,001 to £85,000	-	-	1	1
£85,001 to £90,000	1	-	-	-
£90,001 to £95,000	-	-	-	-
£95,001 to £100,000	1	2	-	-
£120,001 to £125,000	-	-	-	-
£130,001 to £135,000	-	-	-	-
£135,001 to £140,000	1	1	-	-
	<u>4</u>	<u>4</u>	<u>5</u>	<u>3</u>

Notes to the Accounts (continued)

Key management personnel compensation is made up as follows:

	2023	2022
	£'000	£'000
Salaries - gross of salary sacrifice and waived emoluments	477	423
Employers National Insurance	58	62
	<u>535</u>	<u>485</u>
Pension contributions	67	84
Total emoluments	<u>602</u>	<u>569</u>

The above compensation includes amounts payable to the Principal and Chief Executive who is also the Accounting Officer and is also the highest paid member of staff: Their pay and remuneration is as follows:

	2023	2022
	£'000	£'000
Salaries	137	130
Pension contributions	33	31
	<u>137</u>	<u>130</u>
	2023	2022
	£'000	£'000
Basic salary as a multiple of the median of all staff	4.0	4.6
Total remuneration as a multiple of the median of all staff	5.0	5.1

The members of the Corporation other than the **Accounting Officer** and the staff member did not receive any payment from the institution other than the reimbursement of travel and subsistence expenses incurred in the course of their duties.

The Corporation has adopted the Senior Staff Remuneration Code and established a Remuneration Committee of Members to consider and make Recommendations to the Corporation on Pay including Incremental progression having regard to performance against targets.

Notes to the Accounts (continued)**7. Other operating expenses**

	2023	2022
Teaching costs	115	102
Non-teaching costs	2,615	2,064
Premises costs	1,330	1,189
	<u>4,060</u>	<u>3,355</u>

Other operating expenses include:

	2023	2022
	£'000	£'000
Auditors' remuneration:		
Financial statements audit	22	22
Internal audit	15	15
Hire of assets under operating leases	80	99
	<u> </u>	<u> </u>

8. Interest payable

	2023	2022
On bank loans, overdrafts and other loans:	31	118
	<u>31</u>	<u>118</u>
Net interest on defined pension liability (note 21)	70	184
	<u>101</u>	<u>302</u>
Total	101	302

9. Taxation

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

Notes to the Accounts (continued)

10. Tangible fixed assets

	Land and buildings	Equipment	Total
	£'000	£'000	£'000
Cost or valuation			
At 1 August 2022	36,655	5,461	42,116
Additions	105	2,514	2,619
Disposals	-	-	-
At 31 July 2023	36,760	7,975	44,735
Depreciation			
At 1 August 2022	15,159	4,418	19,577
Charge for the year	1,067	372	1,439
At 31 July 2023	16,226	4,790	21,016
Net book value at 31 July 2023	20,534	3,185	23,719
Net book value at 31 July 2022	21,496	1,043	22,539

The College's policy is to carry all assets at historic cost, except for inherited assets which are included on the balance sheet at valuations existing at 31 July 1999. The assets were valued on Incorporation and have not been updated since.

If inherited land and buildings had not been valued, they would have been included at zero cost and zero net value based on cost.

No assets are held under finance leases.

Notes to the Accounts (continued)**11. Trade debtors and other receivables**

	2023	2022
	£'000	£'000
Amounts falling due within one year:		
Trade receivables	2	181
Prepayments and accrued income	227	2,267
Other Debtors	-	-
Total	229	2,448

12. Creditors: amounts falling due within one year

	2023	2022
	£'000	£'000
Bank Loans repayable within one year	-	183
Trade payables	844	512
Other taxation and social security	372	422
Other creditors	454	457
Accruals and deferred income	1,138	1,481
Accruals - holiday pay	529	529
Deferred income - government capital grants	1,500	375
Amounts owed to the ESFA	1,170	381
Total	6,008	4,340

13. Creditors: amounts falling due after one year

	2023	2022
	£'000	£'000
Bank loans	-	2,058
Deferred income - government capital grants	4,055	4,552
Total	4,055	6,610

Notes to the Accounts (continued)**14. Maturity of debt****Bank loans and overdrafts**

	2023	2022
	£'000	£'000
In one year or less	-	172
Between one and two years	-	178
Between two and five years	-	1,892
Total	<u>-</u>	<u>2,242</u>

An unsecured bank loan was taken out with Lloyds Bank in 2017 to support the phase one of the college campus re development strategy, the total availability at that date was £3,000,000. The loan was repaid in December 2022.

15. Provisions

	Defined benefit Obligations	Total
	£'000	£'000
At 1 August 2022	1,831	1,831
Expenditure in the period		
Transferred from income and expenditure account	<u>(5,628)</u>	<u>(5,628)</u>
At 31 July 2023	<u>(3,797)</u>	<u>(3,797)</u>

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

16. Cash and cash equivalents

	At 1 August 2022	Cash flows	At 31 July 2023
	£'000	£'000	£'000
Cash and cash equivalents	12,619	3,297	15,917
Total	<u>12,619</u>	<u>3,297</u>	<u>15,917</u>

Notes to the Accounts (continued)**17. Capital commitments**

	2023 £'000	2022 £'000
Commitments contracted for at 31 July	-	-
	<hr/>	<hr/>

18. Lease Obligations

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

	2023 £'000	2022 £'000
Future minimum lease payments due		
Other		
Not later than one year	47	47
Later than one year and not later than five years	28	48
Total lease payments due	<hr/> 75	<hr/> 95
	<hr/>	<hr/>

19**Contingent liabilities**

The Corporation has assessed that there are contingent liabilities at the year end

20**Events after the reporting period**

There are no events after the reporting period which require disclosure

Notes to the Accounts (continued)

21. Defined benefit obligations

The College's employees belong to two principal post-employment benefit plans: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by London Borough of Newham. Both are multi-employer defined-benefit plans. The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of the TPS was 31 March 2016 and of the LGPS 31 March 2019.

Total pension cost for the year

	2023 £'000	2022 £'000
Teachers' Pension Scheme: contributions paid	1,034	1,048
Local Government Pension Scheme:		
Contributions paid	419	366
FRS 102 (28) charge	511	1,246
	930	1,612
Charge to the Statement of Comprehensive Income	1,964	2,660
Total Pension Cost for Year within staff costs	1,964	2,660

There were no outstanding or prepaid contributions at either the beginning or end of the financial year. Contributions amounting to £153k (2022: £172k) were paid to TPS in the year and are included in creditors.

Teachers' Pension Scheme

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

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act. Retirement and other pension benefits are paid by public funds provided by Parliament. Under the definitions set out in FRS 102 (28.11), the TPS is a multi-employer pension plan. The college is unable to identify its share of the underlying assets and liabilities of the plan. Accordingly, the college has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The college has set out above the information available on the plan and the implications for the college in terms of the anticipated contribution rates.

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

The latest actuarial review of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education (the Department in April 2019). The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £198 billion giving a notional past service deficit of £22 billion.

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/9). DfE has agreed to pay a teacher pension Employer contribution grant to cover the additional costs during the 2022-23 academic year.

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

Notes to the Accounts (continued)

The DfE has published the outcome of the valuation based on 2020 data, which confirms the need to increase the employer contribution rate by 5% from April 2024. The DfE will provide additional funding to cover this increase for the 2024/25 financial year.

FRS 102 (28)

Under the definitions set out in FRS 102 (28.11), the TPS is a multi-employer pension scheme. The College is unable to identify its share of the underlying assets and liabilities of the scheme.

Accordingly, the College has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The College has set out above the information available on the plan and the implications for the College in terms of the anticipated contribution rates.

Local Government Pension Scheme

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by London Borough of Newham. The total contribution made for the year ended 31 July 2023 was £419k, of which employer's contributions totalled £289k and employees' contributions totalled £130k. The agreed contribution rates for future years are 17.3% for employers and range from 5.5% to 12.5% cent for employees, depending on salary.

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2016 updated to 31 July 2021 by a qualified independent actuary

	At 31 July 2023	At 31 July 2022
Rate of increase in salaries	3.85%	3.80%
Future pensions increases	2.85%	2.80%
Discount rate for scheme liabilities	5.15%	1.60%
Inflation assumption (CPI)	2.80%	2.80%
Commutation of pensions to lump sums	50%	50%

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

	At 31 July 2023 years	At 31 July 2022 years
<i>Retiring today</i>		
Males	19.60	21.00
Females	23.00	23.80
<i>Retiring in 20 years</i>		
Males	21.00	21.00
Females	24.50	23.80

Notes to the Accounts (continued)

	At 31 July 2023	At 31 July 2022
Sensitivity analysis		
	£'000	£'000
Discount rate +0.1%	(503)	(445)
Discount rate -0.1%	536	457
Mortality assumption – 1 year decrease	(499)	(423)
Mortality assumption – 1 year increase	539	580
Pension increases +0.1%	536	434
Pension increases -0.1%	(503)	(423)
Salary Increases +0.1%	519	25
Salary Increases -0.1%	(519)	(25)

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

	Fair Value at 31 July 2023 £'000	Fair Value at 31 July 2022 £'000
Equities	9,860	10,869
Bonds	2,086	2,717
Property	1,702	1,598
Cash	383	799
Alternative Assets	1,919	
Total market value of assets	15,950	15,983
Actual return on plan assets	(433)	1,021

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

	2023 £'000	2022 £'000
Fair value of plan assets	15,950	15,984
Present value of plan liabilities	(12,153)	(17,815)
Net pensions (liability)/asset	3,797	(1,831)

Notes to the Accounts (continued)

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

	2023	2022
	£'000	£'000
Amounts included in staff costs		
Current service cost	930	1,612
Past service cost	-	-
Total	930	1,612
Amounts included in investment income		
Net interest cost	70	184
	70	184
Amounts recognised in Other Comprehensive Income		
Return on pension plan assets	(968)	799
Changes in assumptions underlying the present value of plan liabilities	7,177	9,536
Amount recognised in Other Comprehensive Income	6,209	10,335
Movement in net defined benefit (liability/asset) during the year		
	2023	2022
	£'000	£'000
Surplus/(deficit) in scheme at 1 August	(1,831)	(10,736)
Movement in year:		
Current service cost	(930)	(1,612)
Employer contributions	419	366
Net interest on the defined (liability)/asset	(70)	(184)
Actuarial gain or(loss)	2,412	10,335
Net defined benefit (liability)/asset at 31 July	-	(1,831)

Notes to the Accounts (continued)**Asset and Liability Reconciliation**

	2023	2022
	£'000	£'000
Changes in the present value of defined benefit obligations	17,815	25,445
Defined benefit obligations at start of period	930	1,612
Current Service cost	605	406
Interest cost	200	176
Contributions by Scheme participants	(1,346)	1,604
Experience gains and losses on defined benefit obligations	(4,988)	(11,140)
Changes in financial assumptions	(843)	-
Changes in demographic assumptions	(220)	(288)
Estimated benefits paid		
Past Service cost		
Defined benefit obligations at start of period	<u>12,153</u>	<u>17,815</u>
Reconciliation of Assets		
Fair value of plan assets at start of period	15,984	14,709
Interest on plan assets	535	222
Return on plan assets	(968)	799
Employer contributions	419	366
Contributions by Scheme participants	200	176
Estimated benefits paid	(220)	(288)
Fair value of plan assets at end of period	<u>15,950</u>	<u>15,984</u>

Notes to the Accounts (continued)**22 Related party transactions**

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

The total expenses paid to or on behalf of the Governors during the year was £nil (2021/22 £nil). No Governor has received any remuneration or waived payments from the College.

23 Amounts disbursed as agent**Learner support funds**

	2023	2022
	£'000	£'000
16-18 Bursary Grants	495	515
Other Funding body grants (Free Meals)	-	-
Interest earned	-	-
	<u>495</u>	<u>515</u>
Disbursed to students	(314)	(314)
Administration costs	(25)	(25)
Balance unspent as at 31 July, included in creditors	156	176

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