CITY COLLEGE NORWICH

Annual Report and Financial Statements for the year ended 31 July 2025

Contents

Reference and Administrative Details

Key Management Personnel
Key management personnel are defined as members of the College Leadership Team and were represented by the following in 2024/25:

- **Jerry White**, Principal and CEO; Accounting Officer
- **Martin Colbourne,** Deputy CEO
- **Jennifer Eaves,** Chief Operating Officer (started 04/11/2024)
- **Hilary Bright**, Director of Human Resources (left 03/05/2025)
- **Sebastian Gasse**, Vice Principal Student and College Services
- **Joanne Kershaw**, Vice Principal Curriculum and Quality

Board of Governors
A full list of Governors is given on pages 23 and 24 of these financial statements.
Jodie Mitchell, Director of Governance and Legal, undertook the duties of Clerk to the Corporation for 2024/25.

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

Professional advisers

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

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

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

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

Strategic Report

Nature, Objectives and Strategies

The governing body present their annual report together with the financial statements and the auditor's report for City College Norwich for the year ended 31 July 2025.

Legal status

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

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

EOC Enterprises Ltd operated the sports and conference centre at the Easton campus of City College Norwich. On 1 January 2024, following a decision to use the sports and conference centre for greater further educational activities, the Company's trade, assets and liabilities were integrated into the College. Therefore, since 1 January 2024, EOC Enterprises Ltd has not been trading and has been dormant.

EOC SPV Limited holds City College Norwich's interest in the joint venture arrangement, ELC JV LLP, and was set up for the purpose of dealing with any tax matters arising on the sale of the land options at Easton, to the west of Norwich, by ELC JV LLP (a joint partnership). The Company fulfilled its purpose and objectives and the sale of the land options at Easton was fully completed in 2022/23. Since 1 August 2023, the Company has not been trading and has been dormant. The Directors have agreed that the Company will be wound-up following the wind up of the ELC JV LLP joint venture arrangement. This will take place once the partnership and College is in a position to assess the overage rights and release any obligations in relation to the development of the land sold.

Vision and Mission

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

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

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

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

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

Public Benefit

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

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

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

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

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

Context

The 2024/25 academic and financial year began against a backdrop of political change following the general election in July 2024. This saw some quick changes of approach, for example with the launch of the Curriculum and Assessment Review, the commitment to reform the Apprenticeship Levy and the strong commitment to skills within the 5 "missions" of government and associated plan for change.

The change in the national political landscape also altered the direction of key aspects of local politics. The impending Norfolk devolution deal was superseded by new Norfolk and Suffolk configurations, with plans for Local Government Review leading to unitary councils being announced. This combination of national and local political change, including far reaching structural change, is almost unprecedented and the College has worked hard to engage with stakeholders locally, regionally and nationally. This has included visits from Ministerial colleagues, DfE officials, MPs (many of whom were new in July 2024) and the continuation of good relations with local authority politicians and officers.

Whilst the strong position of skills within many national and local strategies is welcome, there has been moderate investment to realise these ambitions. The wider financial pressures of stubborn inflation, uncompensated rises in National Insurance and the continued failure to address issues such as College's VAT status have meant that the pressures on the sector have only eased marginally.

Strategy

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

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

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

Performance indicators

In 2024/25 the College has seen our performance in securing educational funding vary across funding streams.

For 16-18 provision, we recruited to around our allocation (R14 = 6,031), which provided a small increased allocation for 2025/26.

Apprenticeship provision has finally emerged from the last of the pandemic impacts through sustained monitoring and the hard work of the teams. Our final provision at £4,929k was an increase over budgeted levels and achievement rates increased considerably.

Higher Education (HE) continues to be an area of provision which operates at lower activity levels than historically has been the case. The wider changes in the "HE market" continue to impact on the college although recruitment was around planned levels.

Adult Education provision remains an area of strong demand for some key programmes such as English for Speakers of Other Languages (ESOL) and we work hard to tailor our programmes to meet local needs. Good development of commercial adult provision was evident in 2024/25 and the strong work with Norfolk CC ahead of devolution looks to place us in a strong position for 2025/26 and beyond.

Current and Future Development and Performance

Student numbers

The 2024/25 student numbers are presented in table below from internal Individualised Learner Record (ILR) data. For 2022/23 and earlier, the source has been the RCU Vector tool analysing ILR returns.

Year	16-18 Students	19+ Students	Apprentices	HE students (non-apprentices)
2020/21	5,500	1,180	1,650	670
2021/22	5,380	1,130	1,490	640
2022/23	5,474	1,120	1,410	440
2023/24	5,869	1,240	1,350	350
2024/25	6,031	1,403	1,350	294

Student achievements

2024/25 saw some improvement in key headline measures.

16-18 achievement rates are likely to finish around 2% higher than in 2023/24, but retention remains an area for focused improvement work.

GCSE maths and English retakes for younger students had another strong year of performance, and are above national comparators. T Levels continued to grow, and the college exceeds many of the national averages for performance in this qualification type.

In Apprenticeships, we are tracking a 14% increase in achievement rates driven by a very strong focus on reducing the apprentices past planned end date. This improvement was evident across a range of curriculum areas with our largest area of construction seeing a 17% achievement rate increase in 2025/26.

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

Challenges for the next 12 months

The wider Governmental fiscal challenges continue to be a critical backdrop through which to see the investment in colleges. The comprehensive spending review was broadly positive for the skills sector and very recent announcements by the Prime Minister at his Party's conference, that they will make further education the "defining mission" of this government are welcomed if actions follow the warm words.

The Budget in November 2025 will be important for the wider growth prospects for the economy and for employer related costs for the College. The College's transformation programme is underway, to get the College "future ready", more financially resilient and focused on making an even greater positive impact on the communities we serve.

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

- Continuing to recruit and retain great staff in an economy experiencing high levels of employment and significant private sector pay awards;
- Growing income and managing costs so that we create a surplus to ensure the financial strength of the College for future years;
- Continuing to respond to local economic and employer need in curriculum design, against a backdrop of curriculum and local government reform;
- Developing new and innovative ways to increase our working efficiency, streamline processes and reduce workloads; and
- Understanding and responding to national policy developments such as the curriculum and assessment review, the post-16 education and skills white paper and the schools white paper (which is expected to overhaul SEND provision).

Financial Objectives

Given the College set a deficit budget for 2024/25, its primary financial objectives for 2024/25 and performance against these are detailed in the following table:

Financial Objective	Performance against objective
To improve on the budget position set for 2024/25 i.e. reduce the size of the deficit through in-year financial management.	Not Achieved – the College set an operating deficit budget of £1,488k* for 2024/25. The final outturn for this year amounted to a deficit of £1,534k*, resulting in a small adverse variance of £46k. Additional income to that budgeted was received in relation to apprenticeship funding and grants however these weren't sufficient to cover a reduction in HE tuition fees and T-level funding (both due to a decrease in student numbers) and a prior year clawback of growth funding for 16-19 learners. Staffing costs exceeded budget as the cost of living award was 0.5% greater than budgeted for and high levels of cover (which is costly) were required for vacant posts. This was despite a new grant received to assist with the increase in the rate of employer's National Insurance contributions, and a reduction in the employer's local government pension scheme contribution rate due to the Government guarantee afforded to public sector bodies. In relation to non-pay expenditure, additional control measures over purchasing were put in place which had a positive impact on the spend on equipment and materials. In addition, catering and utilities costs were less than anticipated. Greater works than expected were required in building maintenance resulting in an overspend in this area. However, all combined, this resulted in an overall positive variance being seen in relation to non-pay expenditure.

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

Financial Objective	Performance against objective
To continue to monitor the Financial Recovery Plan and where required reforecast the next 1-3 financial years, particularly once the September 2024 student enrolment has concluded.	Achieved - The Financial Recovery Plan, covering the next three financial years, is regularly reviewed and updated where appropriate by the Deputy CEO following budget and forecast finance reviews. Furthermore, the Business Committee regularly reviews the Plan at its meetings. Currently the College is on-track in meeting its Financial Recovery Plan: - The outturn for 2024/25 largely met the budget; - An overall break-even budget has been set for 2025/26. Savings targets have been built into this and a transformation programme is underway to support the achievement of these savings; and - A high level budget for 2026/27 has been modelled with assumptions made over income, pay and non-pay expenditure. This will be refined over the course of the year but is currently projecting a positive operating surplus and a ‘good’ financial health rating.
Continue to monitor, and where required reforecast, College cashflows.	Achieved – during the year, the College has continued to monitor and report its cashflows within its monthly management accounts. In addition, a two year cashflow forecast was made within the College Financial Forecasting Return in July 2025 and cashflows are monitored over 3 years within the Financial Recovery Plan. Healthy cash balances are held – the balances are projected to decrease over the forthcoming years as capital grants received are spent on planned capital projects.
To maintain clear and open dialogue with the ESFA and the Further Education Commissioner. Respond in a timely manner to their requests.	Achieved – the ESFA (now DfE) are aware of the College’s financial position through submitted returns. We continue to have open dialogue with the DfE regional team.
To maintain clear and open dialogue with the College bankers (Lloyds bank) and proactively manage covenant compliance.	In progress – the Deputy Chief Executive Officer has held regular briefing meetings with the College’s relationship manager at Lloyds Bank. The bank is aware of the current financial position and we remain in good and open dialogue with them in relation to financial recovery and covenant compliance.
To continue to achieve clean unqualified statutory Annual Report and Accounts.	Achieved – unqualified opinions have been issued on the 2024/25 accounts.

Financial results

The surplus for the College for the year, as shown in the Statement of Comprehensive Income and Expenditure, amounted to £615k, (£4,043k surplus in 2023/24). The significant difference between the current and prior year is largely due to a one-off transaction, amounting to £4,692k, as a result of the integration of EOC Enterprises Ltd into the College in the prior year. Excluding the FRS 102 accounting for pensions service and net interest, the operating deficit for the year as shown within its management accounts amounted to £1,534k (£2,310k deficit in 2023/24).

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

	2024/25 £'000	2023/24 £'000
Surplus for the year as shown in the Statement of Accounts	**615**	**4,043**
One-off transactions:		
Fair value of the net assets of EOC Enterprises Ltd on transfer to the College (1)	-	(4,692)
Sub-total	**615**	**(649)**
Impact of additional FRS 102 pension accounting service and interest credits (2)	(2,149)	(1,661)
Operating (Deficit) for the year as shown in the management accounts	**(1,534)**	**(2,310)**

(1) The integration of the net assets of EOC Enterprises Ltd into the College took place on 1 January 2024.

(2) FRS 102 credits on the Local Government Pension Scheme amount to £2,149k (FRS102 credit of £1,661k in 2023/24) – this includes an additional credit of £709k, (credit of £728k in 2023/24) to bring amounts charged as employer pension contributions during the year down to the required level of FRS 102 service cost charges, and additional pension net interest income of £1,440k (£933k in 2023/24).

Total comprehensive income for the year was a deficit of £1,536k, (surplus of £2,380k in 2023/24).

Significant other comprehensive income and expenditure transactions have occurred during the year – all of which have resulted from the FRS 102 actuarial valuation of the local government pension scheme (LGPS).

There has been actuarial gain of £21,082k in 2024/25 (£8,692k in 2023/24). This has predominantly arisen as a result of the following two factors:

(1) Changes in financial assumptions. In particular, the discount rate has increased from 5% at 31 July 2024 to 5.8% at 31 July 2025 - this results in a lower value being placed on the pension liabilities and therefore produces an actuarial gain on the liabilities of £17,366k; and
(2) A greater than expected increase in the investment returns on the assets within the fund which has resulted in an actuarial gain on the assets of £3,054k.

The FRS 102 valuation of the local government pension scheme as at 31 July 2025 showed a net pension asset for the College of £51,701k (£28,470k for 2023/24 which was impaired to £nil). Under the accounting standards, and in line with last year, the College has impaired this net asset to £nil, as following advice from the actuary, the College doesn't consider that any economic benefit will flow from this asset. Therefore, other comprehensive income also includes a transaction which effectively accounts for the movement in the impairment - an impairment loss of £23,231k – this being the movement in the net asset between the current year end of £51,701k, and prior year end, £28,470k.

At 31 July 2025, the College has non-current assets of £83,436k, (£78,366k at 31 July 2024). Over the past couple of years, the College has been undertaking some significant capital projects. During the year, additions totalled £9,528k, offset by depreciation of £4,459k, which largely accounts for the movement between years in non-current assets. Significant additions during the year include:

- Continued works, amounting to £3,055k, on the building of the new Construction Skills Centre, designed to increase opportunities for young people to train in the construction industry, helping to address a key regional skill need. This new building, which cost £4,831k in total, was completed and opened to students in January 2025;
- £922k relating to IT upgrades to implement Windows 11;
- Major refurbishments to the Sports Centre facilities (£807k), on the College's Easton campus and the library (£992k), on the College's Ipswich Road site. Again, both these projects were completed during the year;
- Specialist equipment purchases for T-levels, amounting to £404k; and
- Significant works to the back of the Norwich Building including roofing, window and door replacement works – these works, which have totalled £2,083k during the year, are on-going at the year end and expected to be concluded during the first term of the 2025/26 academic year.

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

Net current assets amount to £5,399k (£8,067k at 31 July 2024), including cash balances of £12,210k (£14,731k at 31 July 2024) and a short term investments balance of £4,000k (£5,000k in 2023/24).

Creditors greater than one year are £37,130k as at 31 July 2025 (£33,101k at 31 July 2024) and these comprise two bank loans, totalling £2,223k, (£2,644k at 31 July 2024), a finance lease creditor for gym equipment purchased during the year of £102k (£nil at 31 July 2024) and deferred government capital grants of £34,805k (£30,457k at 31 July 2024).

Other provisions totalled £1,157k at 31 July 2025 (£1,248k at 31 July 2024).

The College has net assets at 31 July 2025 of £50,548k, (£52,084k net assets at 31 July 2024), which includes an I&E reserve of £44,313k surplus at 31 July 2025 (£45,652k surplus at 31 July 2024), a revaluation reserve of £6,144k (£6,339k at 31 July 2024) and restricted reserves of £91k (£93k at 31 July 2024).

The College is committed to observing the importance of sector measures and monitors quality indicators such as achievement rates. The College is required to complete the College Financial Forecast Return (July) and the annual Finance Record (December) for the Education and Skills Funding Agency. These both produce a financial health grading. The College Financial Forecast Return (July 2025) resulted in a financial health rating of “requires improvement” for 2024/25. The Finance Record (December 2025) has recorded a financial health rating of “requires improvement” for 2024/25. Whilst disappointing, this was not unexpected, as it reflects the second consecutive year of operating with a deficit budget. However, the deficit in 2024/25 represents a notable improvement on the previous year, demonstrating the College’s progress in improving its financial position. Prior to this, the College had consistently maintained a “good” financial health rating. The College’s financial recovery plan remains on track, and it is anticipated that a return to a ‘good’ financial health rating will be achieved in 2025/26.

Cash flows

The College has monitored its cash levels throughout the year. Cash and amounts held as short term investments amount to £16,210k as at 31 July 2025, which compares to cash and short term investments of £19,731k, in the prior year. Within the Cash Flow Statement, the movements in short terms investments during the year are shown as an investing cash in/outflow, so the overall cash balance (i.e. excluding short term deposits of £4,000k as at 31 July 2025 (£5,000k as at 31 July 2024)) has decreased by £2,521k during 2024/25 (£4,527k increase during 2023/24). This movement is comprised:

- Operating cash inflow of £6,845k (£5,543k inflow for 2023/24) – this shows the overall cash movement arising from the operating activities for the year;
- Net cash outflow from investing activities of £8,933k, (£466k outflow for 2023/24). This outflow has occurred primarily due to payments for capital expenditure – for example the significant capital projects detailed above as well as the annual IT equipment expenditure – but is offset by investment income and the movement over the year on short term deposits;
- Net cash outflow from financing activities of £433k, (£550k outflow for 2023/24) – this is the repayment of capital and interest for the College’s bank loans and finance lease offset by the initial finance lease borrowing; and
- Cash at 31 July 2025 was £12,210k, (31 July 2024: £14,731k).

The College has two long-term loans totalling £2,644k at 31 July 2025 (£3,047k at 31 July 2024). The first is being repaid over a remaining period of 3 years and the second over a remaining period of 9 years. Both are on a fixed interest rate.

Sources of Income

The College has significant reliance on the Department for Education (DfE), (previously Education and Skills Funding Agency (ESFA)) for its principal funding source. In 2024/25, the ESFA/DfE provided 79% of the College’s total income (2023/24: 77% excluding the one-off transaction for the integration of EOC Enterprises Ltd into the College). The DfE provide separate funding allocations for different aspects of the College’s education provision, (some of which are based on student intake numbers), as well as one-off allocations/grants for specific educational areas. In all cases, compliance to the terms and conditions of the funding / grant must be adhered to by the College, otherwise funding may be clawed back by the DfE.

Payment performance

The Late Payment of Commercial Debts (Interest) Act 1998, in the absence of agreement to the contrary, requires organisations to make payments within 30 days. During the accounting period 1 August 2024 to 31 July 2025, the College paid approximately 75% of its invoices within 30 days (94% paid within 60 days). The College incurred no significant interest charges in respect of late payment for this period.

Political and charitable contributions

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

Treasury policies and objectives

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

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

Reserves

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

Subsidiary companies

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

- EOC Enterprises Ltd. The College owns 100% of the £1 share capital of this company. Until 1 January 2024, the principal activity of EOC Enterprises Limited was the operation of a sports and conference centre at the Easton campus. On 1 January 2024, the trade and net assets of the Company were transferred to City College Norwich and since then, the Company has been dormant. There has been no transactions within the Company during 2024-25, the Company holds no assets or liabilities and dormant accounts for the year to 31 July 2025 have been prepared for the year.
- EOC SPV Ltd. The College owns 100% of the £1 share capital of this company. The principal activity of EOC SPV Limited is to hold the College's interest in the joint venture arrangement, ELC JV LLP, the purpose of which was to facilitate the sale of land for development. This purpose was achieved and fully completed by 31 July 2023. Since then, the Company has not been trading and was dormant in 2024/25. The Company does not hold any assets or liabilities on its Balance Sheet as at 31 July 2025. The Company will be wound-up following the wind-up of the joint venture arrangement, ELC JV LLP. This will take place once the partnership and College is in a position to assess the overage rights and release any obligations in relation to the development land.

Given both the College's subsidiaries were dormant at the end of the prior year and throughout 2024/25, the College has not included them within its results nor compiled group accounts.

Future Developments

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

For 16-18 provision, demographics in our recruitment area are growing over the coming years and we will continue to develop our curriculum offer to address local skills needs and develop new and innovative provision for young people. A curriculum strategy review is underway to identify key sectors for growth, aligned to national and local needs. We must also recognise that the NEET (Not in Education, Employment or Training) numbers in our area are high and the College could have a role in addressing these.

Our Transformation programme is providing us with a coordinated approach to considering key matters such as a refreshed curriculum strategy, employer engagement strategy, digital strategy and estates strategy. These strategic pieces are interdependent and we are excited to consider how they will shape our work over the coming years. We will also be working to consider how we are even more effective and efficient in delivering our teaching and learning and the support provided to students.

The significant national policy developments expected around SEND, post 16 education and skills and curriculum reform will create opportunities and challenges that the college will need to respond to. We are well positioned to do so, but will need to work hard to mitigate the risks that multiple sources of externally imposed change can bring.

Going Concern

The period leading up to the completion of the 2025/26 budget has been amongst the most volatile the College has known in terms of public funding of further and higher education. Many funding decisions for August 2025 were delayed significantly as a result of the comprehensive spending review in early summer 2025. Therefore, considerable levels of assumptions were required in the budget preparation process which only began to crystallise during the very final days of budget preparation.

It is likely that the 2025/26 year will continue to be volatile in terms of opportunities and challenges for the College. We wait for clarity on the role of colleges within key national policies such as the Industrial Strategy and the Infrastructure Plan. More locally, we expect that 2025/26 will also provide clarity on local devolution and local government reorganisation, with both processes potentially having significant opportunities and risks for the College to manage.

For 2025/26, the College has broadly set a break-even budget - a small deficit budget of £44k (excluding the impacts of FRS 102 pensions). As in previous years, the College has applied its established budget management practices in developing the budget and has carefully considered the potential impact of macro-economic factors on the College costs (e.g. inflation), whilst attempting to accurately predict the income lines of an increasingly diverse range of income sources. The budget is broadly in line with the trajectory of the original 3 year financial recovery plan and reflects the good progress the College has made to date in delivering against that plan. Importantly, this budget also produces an EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation) surplus of £2.2m and if achieved would mean:

- There would be no bank covenant breach;
- Sufficient cash is produced to cover the capital and bank loan commitments; and
- The College would return to a financial health rating of 'good'.

There are however a range of estimates, assumptions and savings included in this budget and the College recognises the risks and challenges it faces in meeting this budget. The key actions in 2025/26, which are already underway are:

- Embedding the Transformation Plan to drive service improvement.
- Identifying and securing the savings that have been assumed in the 25/26 budget.
- Mobilising the wider Curriculum Review required for implementation from September 2026.
- Ensuring a successful enrolment for September 2025 and adjusting groups/delivery patterns based on actual as compared to forecast enrolments.
- Closely monitoring the pay recommendation for the sector and assess its impact on pay award assumptions.
- Undertaking the Curriculum Efficiency and Financial Sustainability Support review with the FE Commissioner team (October 2025).
- Rolling out training and business partnering to improve budget monitoring reviews.
- Continuing close monitoring of cash balances and variances.
- Maintaining and updating the rolling Financial Recovery Plan and routinely report on this to Business Committee.

The latest forecast (as at November 2025) for 2025/26 shows that the College is on track to meet its budget for the year. Forecast results for the year are favourable with an operating surplus of £94k estimated against a budgeted deficit of £44k. The main changes from budget to forecast relate to:

- Income - Additional income as a result of a growth in 16-18 student numbers and high needs support (total £1,628k), offset by a reduction in Apprenticeship numbers and HE tuition fees (£600k);
- Staffing costs – increased costs of £700k as a result of greater agency use and a shortfall in anticipated savings; and
- Non-pay expenditure – increased costs in relation to exam fees (£105k).

As part of its medium-term financial planning, the College has developed a high-level budget for 2026/27, using the 2025/26 budget as a baseline and adjusting for known changes and key assumptions. The draft budget projects an operating surplus of £0.67 million, an EBITDA of £3.1 million, and a financial health rating of ‘Good’. The following main assumptions have been made in creating this budget:

Income:

- Increases in funding income through a growth in student numbers within 16-18 (100 students), Higher Education (35 students) and Adult Learner Support (25 places). In addition, on 16-18 income we have assumed a 2.8% inflation on funding rates on the basis of the estimates made following the Government’s last Comprehensive Spending Review;
- For Apprenticeship and Adult funding, no increases in national funding rates have been assumed but additional delivery has been built into the budget at 2% (£100k) and 8% (£150k) respectively;
- Teachers Pensions and National Insurance grants will increase by 2% in line with budgeted pay awards;
- A growth in commercial income due to increase residential provision (15 students), increased commercial targets (£100k) and a reduction in rent costs in relation to the Aviation Academy.

Expenditure:
- Increases for pay awards and the national minimum wage;
- Transformation plan savings amounting to £900k;
- General inflation on non-pay costs of 2%, increased to 5% in certain areas (e.g. Exams, IT software, Building Maintenance and Utilities);
- Additional depreciation of £250k in line with the College's annual capital expenditure budget of £1.25m.

All of these underlying assumptions and any emerging changes will be reviewed as we progress through the 2025/26 financial year and ahead of budget setting for 2026/27. In addition, regular updates and reporting to the Board on the financial recovery plan will continue.

The College continues to have sufficient reserves which can be utilised in the short term, should this be necessary. Overall, the College's cash position remains good. Cash and short term investment balances as at 1 August 2025 totalled £16.2m. The Group's rolling cash flow forecast over 2025/26 predicts cash balances (including short term investment balances) of c£13.2m at 31 July 2026 and c£13.9m at 31 July 2027. These forecasts take into account the forecast I&E position, some known sensitivities, our planned capital expenditure (both routine annual investment and new and ongoing capital projects), and the cost of bank loan and interest payments. The main reason for the decrease in cash between 31 July 2025 and 31 July 2026 is the spending of FE capital condition monies.

The College's debt levels and interest costs are assessed as low risk when considered against its income, its cash reserves, and in comparison to the broader Further Education (FE) sector. Cash flow forecasts demonstrate that the College maintains sufficient capacity to service its bank debt. While the College breached one of its bank covenants at both 31 July 2024 and 31 July 2025 it continues to maintain a strong and trusted relationship with Lloyds Bank. Regular briefing meetings and phone calls are held with the Bank's relationship manager to ensure transparency and proactive engagement on this matter. Consistent with the prior year, following the covenant breach as at 31 July 2025, Lloyds Bank issued a formal waiver.

Taking account of the above and after making appropriate enquiries, the Corporation considers that the Group has adequate resources to continue in operational existence for the foreseeable future (going concern assumption requires us to consider the trading position up to 31 December 2026). For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details on the use of the going concern basis of preparation are disclosed in the accounting policies note 1 to the financial statements.

Resources

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

People

The College employs 1,265 people based on average headcount (2023/24: 1,210) of whom 532 (2023/24: 513) are teaching staff.

Financial

The College has a net asset position on the balance sheet of £50,548k at 31 July 2025 (£52,084k net asset at 31 July 2024). The net position is comprised:

- Income and expenditure account of £44,313k surplus (£45,652k surplus at 31 July 2024);
- Local Government pension scheme – net £nil position, (£nil net position at 31 July 2024);
- Revaluation reserve £6,144k surplus (£6,339k surplus at 31 July 2024); and

Restricted reserves £91k surplus (£93k surplus at 31 July 2024).

Principal Risks and Uncertainties

During the 2024/25 year, the College has continued to operate some well-developed systems of internal control, including financial, operational and risk management which are designed to protect the College's assets and reputation. The systems continue to be under active review with the Audit & Risk Committee in order to improve and refine our processes.

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

During 2024/25, the College has been reviewing its approach to risk management. Audit and Risk Committee meetings and the Governor Strategy Days have considered the further development of the Corporate Risk Register and the College's strategic and operational risks as well as reviewing the Risk Management Policy.

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

1. National, Regional and Local Political Change

The first year of the Labour Government has seen both a strong recognition of the role of skills and colleges in achieving the Government's key missions, and considerable fiscal pressure on the Treasury. We wait for clarity on the role of colleges within key national policies such as the Industrial Strategy and the Infrastructure Plan. More locally, we expect that 2025/26 will also provide clarity on local devolution and local government reorganisation.

Whilst its recognised that these may bring additional opportunities for the College, there is a risk that changes may destabilise the existing local education provision. To mitigate the risks, the College continues to engage with key local, regional, and national stakeholders to ensure that it has as much foresight as possible into future developments and can, where possible, position the College appropriately to maximise those opportunities.

2. Staff recruitment and retention

There remains considerable pressure on staff recruitment and retention at the College. A number of external and internal factors have contributed to this, and the impact has been, and continues to be, very challenging. Externally, Government pay award recommendations and continued high "cost of living" continues to make staff from the College carefully consider if the package of pay and other benefits they get at the College is comparable to other employers and sectors. Internally, our ability to respond to these challenges has been limited by the inadequate levels of public investment into the post 16 education sector. The result has been higher levels of vacancies than desirable which impacts on students, apprentices and staff. This remains a key priority for us to address, both supporting national lobbying as well as seeking local solutions. The Transformation Programme and the College's new People Strategy will help start to mitigate the risks in this area.

3. Cyber Security

Cyber breaches or attacks on the UK education sector have continued to increase over the last year. A wide range of breaches / attacks have been seen and include phishing attacks, impersonation, viruses or other malware, (including ransomware) and unauthorised access of files or networks by outsiders. Any such successful attack on the College could cause a significant and lengthy disruption to teaching and learning with considerable recovery time required to reinstate critical services.

Over the last year, there has been continued focus on mandatory cyber security training (with over 99% of staff having completed the training). The College has procured and installed a new fire wall technology and continues to remain vigilant as regards cyber security. The College achieved Cyber Essentials re-accreditation in December 2024.

4. Investment in College Systems

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

5. An Unsustainable Financial Position

Over the past two financial years, the College has outturned deficit budgets, a position that is not sustainable in the long term. This has also resulted in the College’s financial health rating being downgraded from ‘good’ to ‘requires improvement’ and a breach in one of its loan covenants.

A financial recovery plan has been implemented and is currently progressing in line with expectations. In line with the plan, the College has set a near break-even budget for 2025/26, (a small operating deficit of £44k), which, if achieved would see its financial health rating return to ‘good’. However, the achievement of this budget will be challenging and there are a number of risks associated with delivering this position, including:

- Not delivering the savings and transformation improvements built into the budget or not delivering these in the planned timeframe;
- A pay recommendation for the FE Sector being in excess of that budgeted leading to further pressure on our staffing and challenging discussions with our Union colleagues and potential for industrial action;
- Ongoing staff recruitment and retention issues leading to increased cost of using agency staff to fill gaps in curriculum delivery or in the support function.
- Allowance for minimum wage increases on pay budgets and inflation assumptions on non-pay budgets being insufficient, leading to overspends in expenditure;
- Learner recruitment targets not being met (particularly in Apprenticeships, Higher and Adult Education and Teacher Training), ultimately resulting in reduced income levels; and
- The Adult Learner Support top-up being insufficient to fund the budgeted costs of supporting the College’s high needs students.

Arrangements are in place to mitigate these risks and a number of actions are being or will be undertaken during 2025/26. These include embedding the transformation plan, continuing with all staff workshops in October, mobilising the review of the curriculum, ensuring a successful enrolment in September 2025 and improving budget delegation through the rollout of training and business partnering to delegated budget holders. In addition, close review and monitoring of income and expenditure budgets will be required over the coming months to ensure the College can react appropriately to mitigate, as far as possible, any adverse impacts.

6. Reputational and Regulatory Exposure due to Quality, Safeguarding, and Compliance Failures

There is a significant risk that failures in core areas—namely teaching and learning quality, safeguarding practices, and statutory/regulatory compliance—could lead to serious reputational damage, reduced student recruitment, weakened partnerships, and financial or operational instability. In particular:

- Poor teaching quality and/or student outcomes may undermine the College's reputation and impact future enrolment (and related funding) and collaboration opportunities.
- A serious safeguarding failure, whether due to ineffective systems, lack of staff training, poor multi-agency coordination, or insufficient learner education on safety, could result in harm to students and regulatory scrutiny.
- Non-compliance with statutory or regulatory requirements may lead to financial penalties, operational disruption, and reputational harm.

Stakeholder Relationships

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

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

The College recognises the importance of these relationships and actively engages with these key partners in a number of formal and informal ways.

Our relationship with our validating University, UEA, remained strong. In 2024/25 the College and UEA completed the first year of operation of our new Partnership Agreement to underpin joint working, which is already identifying areas for collaboration. This co-operative work in the HE sector underpins the Network for East Anglian Collaborative Outreach, (neaco), project which looks to enhance HE progression for young people from our region. The neaco project works across Norfolk, Suffolk and Cambridgeshire and the Principal formally represented the FE sector on the University of Cambridge led Executive Group of neaco.

Senior college staff have formal roles in a number of key local stakeholder boards and committees which, in addition to covering post 16 education, also include specific areas of focus, including safeguarding, SEN and careers guidance.

In 2024/25 the Senior Team of the College made significant efforts to play leading roles in key stakeholder groups. The Principal was a member of the:

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

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

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

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

Equality and Diversity

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

The College's equality statement is that we are:

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

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

The College has committed to the ‘Mindful Employer’ initiative to assist the mental health wellbeing of staff and signed up to the AoC Mental Health Charter, which supports the College to reflect on its mental health policies and procedures to develop a whole-college approach to mental health and well-being.

In April 2025, the College’s commitment to equality, diversity, and inclusion was formally recognised with the Investors in Diversity Silver Award. Key findings from the assessment highlighted:

- Improved perceptions of accessibility and fairness among staff and students;
- Strong leadership commitment to fostering belonging and inclusion;
- Effective promotion of FREDIE (Fairness, Respect, Equality, Diversity, Inclusion, Engagement) values through the College’s Ways of Working;
- A proactive approach to mental health and wellbeing;
- Robust support for students with a range of disabilities;
- Positive staff feedback on communications around FREDIE and organisational values.

This achievement reflects the College’s efforts to engage staff and students in shaping an inclusive culture and the progress made against its action plan. The College is now working towards Gold accreditation, with key focus areas including:

- Enhancing staff recruitment to better reflect the diversity of the local and student populations;
- Addressing the gender pay gap;
- Embedding FREDIE principles into procurement processes.

Disability statement

The College is a ‘Disability Confident Employer’ – a scheme which encourages employers to think differently about disability and take action to improve how they recruit, retain and develop disabled people.

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

Trade Union Facilities Time Reporting

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

For period 1 August 2024 to 31 July 2025:

Relevant Union Officials:

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number of representatives
6	4.6

Percentage of Time Spent on Facility Time:

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

Percentage of Pay Bill Spent on Facility Time:

Total cost of facility time	£19,790
Total pay bill	£43,638,618
Percentage of total pay bill spent on facility time.	0.05%

Paid trade union activities:

Total facilities time (hours)	773.5
Time spent on paid trade union activities as a percentage of total paid facility time.	0%

Events after the Reporting Period

There have been no events occurring after the reporting date of 31 July 2025 that impact on the balances included within the financial statements.

Disclosure of Information to Auditors

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

Approved by order of the members of the Corporation on 9 December 2025 and signed on its behalf by

Marcus Bailey

Interim Chair of the Corporation

Statement of Corporate Governance and Internal Control

The following statement is provided to enable readers of the annual report and accounts of the College to obtain a better understanding of its governance and legal structure. This statement covers the period from 1 August 2024 to 31 July 2025 and up to the date of approval of the annual report and financial statements.

Governance Code

The College endeavours to conduct its business:

- In accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership); and
- In full accordance with the guidance to colleges from the Association of Colleges in The Code of Good Governance for English Colleges.

The College is committed to exhibiting best practice in all aspects of corporate governance. On 17 October 2023, the College/Board adopted and has since complied with the 2023 Association of College's Code of Good Governance. Prior to this, the College had adopted the updated Code of Good Governance for English Colleges issued by the Association of Colleges in 2019.

In the opinion of the governors, the College complies with all the provisions of the Code of Good Governance for English Colleges, and it has complied throughout the year ended 31 July 2025. This opinion is based on both internal and external reviews of compliance with the Code:

- The Corporation carried out an annual self-assessment of governance for the year ended 31 July 2025 considering feedback received from all members of the Corporation and taking account of events since 31 July 2024. The results of the annual self-assessment report were considered by the Board at its meeting on 21 October 2025.
- Under the terms of its funding agreement, the College is required to have an external governance review every 3 years. The last review was completed in May 2024 (with no significant issues raised) and the next review is due in February 2027. The College has considered the recommendations from the last external governance review, which were included within the Governance Improvement Plan, and these have been completed accordingly.

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

The Corporation

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

Name	Date of Appointment	Term of Office	Date of Resignation	Appointment Status	Committees Served	Corporation Meeting Attendance 2024/25
Mr M Bailey	11/07/2023	4 years		General	Vice Chair of Corporation (until 31/07/2025) Interim Chair of Corporation (from 01/08/2025) A (until 31/07/2025), CQ (until 31/07/2025), R	6/6
Ms S Barker	18/10/2022	4 years		Staff Governor	B	6/6
Mr A Barnes	21/02/2012 Re-appointed 21/02/2016 Appointed as Chair 10/07/2018 Re-appointed 20/02/2020 Extension of 5 months agreed until 31/07/2024 Extension of 12 months agreed until 31/07/2025	4 years	31/07/2025	General	Chair of Corporation B, R	6/6
Mr N Bartram	06/02/2018 Re-appointed 06/02/2022	4 years		General	B, R	5/6
Mr J Downie	01/08/2024	4 years		General	CQ	4/6
Miss J Fryer	17/10/2023 Reappointed 22/10/2024	1 year	31/07/2025	Student Governor	CQ	4/6
Mr P Gormley	11/07/2023	4 years		General	Interim Vice-Chair of Corporation (from 01/08/2025) A (to 01/07/2025), B (from 01/7/2025, CQ (to 27/11/2024)	4/6
Ms N Gray	22/05/2014 (co-opted) Re-	4 years	04/03/2025	General	A, B (until date of resignation)	3/3

Name	Date of Appointment	Term of Office	Date of Resignation	Appointment Status	Committees Served	Corporation Meeting Attendance 2024/25
	appointed 10/07/2018 (full board member) Re-appointed 10/07/2022					
Mr S Green	11/07/2023	4 years		General	A	4/6
Dr K McCullagh	01/08/2024	4 years	31/10/2025	General	CQ	3/6
Mr J McNeill	01/08/2024	4 years		General	B	4/6
Mr P Pearce	01/03/2023	4 years		General	A, CQ	5/6
Ms L Ross	02/07/2025	1 year		Students' Union President	B, CQ (from 02/07/2025)	0/0
Mr F Simpson	02/07/2024	1 year	30/06/2025	Students' Union Representative	B, CQ (until date of resignation)	5/5
Ms L Stewart	18/10/2022	4 years		Staff Governor	CQ	3/6
Mrs L Sydney	01/08/2024	4 years		General	CQ	6/6
Miss H Thomas	22/10/2024	1 year	31/07/2025	Student Governor	B, CQ	6/6
Mr J White	01/08/2022			Principal / CEO	B, CQ	6/6

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

After 31 July 2025 and prior to the signing of this document, the following have been appointed:

Name	Date of Appointment	Term of Office	Appointment Status
Mrs S Appleton	05/09/2025	4 years	Governor
Mrs H Stewart	05/09/2025	1 year	Co-Opted Member of Audit & Risk Committee
Mr F Simpson	21/10/2025	1 year	Student Governor
Miss L Rackham	21/10/2025	1 year	Student Governor

The Governance Framework

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

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

The Corporation conducts its business through a number of committees. Each committee has a terms of reference approved by the Corporation. In 2024/25, these committees were Audit and Risk, Business, Remuneration and Governance and Curriculum and Quality.

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

City College Norwich
Thetford Building
Ipswich Road
Norwich
NR2 2LJ

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

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

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

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

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

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

Appointments to the Corporation

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

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

Corporation Performance and Training of Governors

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

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

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

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

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

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

Numerous training opportunities are offered to the Governing Body throughout the year at Strategy Days (2 per year) and at the request of Governors through the corporation Self-Assessment Review process.

Governor Training Record – 2024/25

Provided below are a list of events attended by Governors during 2024/25:

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

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

In addition, the following core training was provided:

- Code of Conduct
- Safeguarding
- County Lines
- Keeping Children Safe in Education – Full Policy (declaration)
- Prevent Awareness
- Induction Modules

Training of Governance Professionals – 2024/25

The Director of Governance and Legal is a member of the AoC East Clerks Network and Governance Professionals Network. This network held meetings throughout 2024/25 which were attended by the Director of Governance and Legal.

Other training undertaken by the Director of Governance and Legal during the year includes the AoC Governance Professionals' Conference 2025. Alongside College core training (e.g. Safeguarding and Code of Conduct), external courses were attended which included webinars presented by Eversheds, Good Governance Improvement (GGI), the Chartered Governance Institute (CGI) and the ETF Governance Development Programme.

Audit and Risk Committee

In 2024/25, the Audit and Risk Committee terms of reference provide for five members. The Committee operates in accordance with the written terms of reference approved by the Corporation. Its purpose is to advise the Corporation on the adequacy and effectiveness of the College's system of internal control and its arrangements for risk management, control and governance processes.

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

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

Managers are responsible for the implementation of agreed recommendations and Internal Audit undertakes periodic follow-up reviews to ensure recommendations have been implemented.

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

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

Name	Meetings Attended	Out of Possible
Philip Pearce (Chair)	3	4
Marcus Bailey	4	4
Phil Gormley (from 22/10/24 to 01/07/25)	1	3
Nikki Gray (to 04/03/25)	2	3
Sean Green	3	4

In 2024/25, the normal calendar of meetings and schedule of business was implemented.

Business Committee

The terms of reference for the Business Committee require at least 5 members – these were in place during 2024/25. The Business Committee's main purpose is to oversee general financial matters of the Board.

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

Name	Meetings Attended	Out of Possible
Noel Bartram (Chair)	6	6
Shirley Barker	6	6
Andrew Barnes	6	6
Phil Gormley (from 01/07/25)	0	0
Nikki Gray (to 04/03/25)	2	3
Joe McNeill	6	6
Freddie Simpson (to 30/06/25)	5	6
Hazel Thomas (from 10/12/24)	3	4
Jerry White	6	6

In 2024/25 the normal calendar of meetings and schedule of business was implemented. No additional meetings were required for the Business Committee.

Curriculum & Quality Committee

The terms of reference for the Curriculum and Quality Committee require at least 6 members – these were in place during 2024/25. The Committee operates in accordance with the written terms of reference approved by the Corporation. Its purpose is to oversee the curriculum and quality related matters of the College.

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

Name	Meetings Attended	Out of Possible
Marcus Bailey (Interim Chair)	6	6
Jock Downie	4	6
Josie Fryer	4	5
Philip Gormley (until 27/11/2024)	1	2
Karen McCullagh	3	6
Philip Pearce	3	6
Freddie Simpson (until 30/06/2025)	5	6
Laura Stewart	5	6
Lucy Sydney	5	6
Hazel Thomas (from 10/12/2024)	2	4
Jerry White	6	6

In 2024/25 the normal calendar of meetings and schedule of business was implemented. No additional meetings were required for the Curriculum and Quality Committee.

Remuneration and Governance Committee

In 2024/25, the Remuneration Committee comprised four members. The Committee operates in accordance with the written terms of reference approved by the Corporation. The Committee's responsibilities are to make recommendations to the Board on all matters relating to remuneration of the Principal & CEO (and Accounting Officer), the College's only Senior Post Holder ("SPH"), and to oversee and advise on governance matters, including the appointment of Governors.

The College has adopted the AoC's Senior Post Holder Remuneration Code (2018), which supports the Remuneration and Governance Committee in attracting, rewarding, and retaining highly talented and effective SPHs. This enables SPHs to deliver the College's strategic objectives and achieve the best outcomes for students, staff, and stakeholders, while ensuring the efficient use of resources. The College does not offer performance-related pay. Details of the SPH remuneration for the year ended 31 July 2025 is set out in note 8 to the financial statements.

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

Name	Meetings Attended	Out of Possible
Noel Bartram (Chair)	6	6
Marcus Bailey	6	6
Andrew Barnes	6	6
Philip Pearce	6	6

In 2024/25 the normal calendar of meetings and schedule of business was implemented. The Remuneration and Governance Committee meet a minimum of once a term. Additional meetings were held during 2024/25 to discuss the recruitment and appointment of the Chair of the Corporation and SPH performance and remuneration.

Additional Governance Meetings

In addition to the above mentioned governance meetings, members of the Corporation participated in Strategy days, an annual Self-Assessment Review, Risk Management meetings and Strategic Governor Group meetings.

Internal Control

Scope of responsibility

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

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

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of College policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in City College Norwich for the year ended 31 July 2025 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Corporation has reviewed the key risks to which the College is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Corporation is of the view that there is a formal ongoing process for identifying, evaluating and managing the College's significant risks that has been in place for the period ending 31 July 2025 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Corporation.

The risk and control framework

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

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

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

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

Risks faced by the Corporation

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

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

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

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

Fraud

The Corporation has a zero-tolerance approach to fraud and action is taken to limit the risk of fraud through the system of internal control. A fraud policy and response plan is incorporated in the risk management framework. The Economic Crime and Corporate Transparency Act (ECCTA) came into effect on 1 September 2025, introducing significant reforms to corporate accountability, including the new offence of "Failure to Prevent Fraud." In response, the College has updated its fraud risk assessment and action plan, which has been presented to Governors for review and oversight.

Bribery

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

Control weaknesses identified

There are no significant internal control weaknesses that have been identified during 2024/25 and up to the date of the signing of the annual report and accounts 2024/25.

Responsibilities under accountability agreements

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

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

This includes:

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

During 2024/25, all returns/claims required under the funding agreements have been submitted in accordance with the deadlines.

The College has reviewed its policies, procedures and approval processes in line with the 2024/25 College Finance Handbook and its accountability agreement with the DfE to ensure there are systems in place to identify and handle any transactions for which DfE approval is required.

Statement from the Audit and Risk Committee

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

The specific areas of work undertaken by the Audit and Risk Committee in 2024/25 and up to the date of the approval of the financial statements were:

- Consideration and approval of the Assessment of the Auditors Performance Indicators for 2023/24 and consideration and approval of the Auditors Performance Indicators for 2024/25.
- Consideration and recommendation to the Board for the approval of a 12-month extension of the external audit contract with MHA.
- Review of the External Audit Plan and Strategy for 2024/25.
- Review of the Internal Audit Plan for 2024/25 and 2025/26.

- Review of the work of internal audit (Scrutton Bland). The Committee reviewed reports and recommendations from eight reviews undertaken by internal audit as part of their 2024/25 plan:
    - Business Continuity
    - Cyber Security and Asset Management
    - Examinations and Registry
    - GDPR
    - Mental Health and Wellbeing
    - Preparation for Adult Skill Funding Devolution
    - Risk Management
    - Follow up of previous recommendations.

  All internal audit reviews received significant assurance, and good progress had been made in following up previous recommendations. There were no high-risk recommendations and only 5 medium risk recommendations.
- Review of the Internal Audit Annual Report 2024/25 which included the Head of Internal Audit's opinion that, for the year ended 31 July 2025, the College has adequate and effective:
    - Risk management processes
    - Governance processes
    - Control processes
    - Processes surrounding efficiency and effectiveness.
- Review of the work of the external auditor (MHA). This included an unqualified/unmodified audit and regularity opinion for the College. In addition, no significant control weaknesses were identified through the work of external audit.
- Consideration of risks, the Strategic Risk Register, risk action plan and risk management including conversations surrounding updates to the Risk Management Policy and the consideration of cyber risk relating to critical systems.
- Consideration of the College's Artificial Intelligence Framework.
- Consideration of the Contracts and High Value Suppliers Register.
- Consideration of the College's Transformation Plan.
- Annual review of the Whistleblowing Procedure and Annual Whistleblowing Complaints Report.
- Annual review of the Reserves Policy.
- Consideration of an update to the Conflicts of Interest Policy and receipt of the Register of Interests for 2025/26.
- Review of Senior Post Holder expenses claims and credit card data.
- Review of the DFE College Financial Handbook, with a compliance self-assessment report presented to the Board in July 2025.
- Consideration of the requirements of the Economic Crime and Corporate Transparency Act 2023 and the College self-assessment checklist.
- Annual review of the Committee's Terms of Reference and review of the Committee's membership.
- Self-assessment of the Committee's work throughout 2024/25.

Review of effectiveness

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

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

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

The Audit and Risk Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Corporation's agenda includes a regular item for consideration of risk and control and receives reports thereon from the executive management team and the Audit and Risk Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its December 2025 meeting, the Corporation carried out the annual assessment for the year ended 31 July 2025. The assessment undertaken considers documentation provided throughout the year from the senior management team and internal audit, feedback received from all members of the Corporation and taking account of events since 31 July 2025.

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

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

Approved by order of the members of the Corporation on 9 December 2025, and signed on its behalf by:

Marcus Bailey	**Jerry White**
Interim Chair of the Corporation	**Principal, CEO and Accounting Officer**

Statement on Regularity, Propriety and Compliance

As Accounting Officer of the Corporation of City College Norwich, I confirm that I have had due regard to the framework of authorities governing regularity, propriety and compliance, including the College's accountability agreement with the Department for Education (DfE) and the requirements of the College Financial Handbook. I have also considered my responsibility to notify the Corporation's board of governors and DfE of material irregularity, impropriety and non-compliance with terms and conditions of all funding.

I confirm that I, and the Board of governors, are able to identify any material irregular or improper use of all funds by the Corporation, or material non-compliance with the framework of authorities.

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

Jerry White
Principal, CEO and Accounting Officer

Date: 9 December 2025

Statement of Responsibilities of the Members of the Corporation

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

Within the terms and conditions of the College's accountability agreement, funding agreements and contracts with ESFA and DfE and any other relevant funding bodies, the Corporation is required to prepare financial statements which give a true and fair view of the financial performance and position of the Corporation for the relevant period. Corporations must also prepare a strategic report which includes an operating and financial review for the year. The bases for the preparation of the financial statements and strategic report are the Statement of Recommended Practice – Accounting for Further and Higher Education, DfE's College Accounts Direction and the UK's Generally Accepted Accounting Practice.

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 (which must be consistent with other disclosures in the accounts and auditor's report); and
- Prepare financial statements on the going concern basis unless it is inappropriate to assume that the Corporation will continue in operation.

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

The Corporation is responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the Corporation and 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 (as amended), 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(s); the work carried out by auditors does not involve consideration of these matters and, accordingly, auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the Corporation are responsible for ensuring that expenditure and income are applied for the purposes intended and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from the DfE, and any other public funds, are used only in accordance with the accountability agreement, funding agreements and contracts and any other conditions, that may be prescribed from time to time by DfE, or any other public funder, including that any transactions entered into by the Corporation are within the delegated authorities set out in the College Financial Handbook. On behalf of the Corporation, the Chair of the Board of governors is responsible for discussing the accounting officer's statement of regularity, propriety and compliance with the accounting officer.

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

Members of the Corporation must ensure that there are appropriate financial and management controls in place to safeguard public and other funds and ensure they are used properly. In addition, members of the Corporation are responsible for securing economic, efficient and effective management of the Corporation's resources and expenditure so that the benefits that should be derived from the application of public funds from the DfE, and other public bodies are not put at risk.

Approved by order of the members of the Corporation on 9 December 2025 and signed on its behalf by:

Marcus Bailey
Interim Chair of the Corporation

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

Opinion

We have audited the financial statements of the Corporation of City College Norwich (the 'College') for the year ended 31 July 2025 which comprise the Statement of Comprehensive Income and Expenditure, the Statement of Changes in Reserves, the Balance Sheet, the Statement of Cash Flows, and notes to the financial statements, including material accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the College's affairs as at 31 July 2025 and the College's surplus of income over expenditure for the year then ended; and
- Have been properly prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education, UK GAAP and the current College Accounts Direction.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor 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 Governing Body's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 Governing Body 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 Governing Body is 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 Framework and Guide for External Auditors and Reporting Accountants of Colleges issued by the Department for Education requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept; or
- The financial statements are not in agreement with the accounting records and returns; or
- We have not received all the information and explanations we require for our audit.

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

In our opinion, in all material respects:

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

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

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

We have no matters to report arising from this responsibility.

Responsibilities of the Corporation of City College Norwich

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

In preparing the financial statements, the Governing Body is responsible for assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governing Body either intends 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:

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

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

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

Use of our report

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

MHA

MHA
Chartered Accountants and Registered Auditor
London, United Kingdom

Date: 19/12/2025

MHA is the trading name of MHA Audit Services LLP, a limited liability partnership in England and Wales (registered number OC455542).

Independent Reporting Accountant's Assurance Report on Regularity

To: The Corporation of Norwich City College of Further & Higher Education (City College Norwich) and Secretary of State for Education

In accordance with the terms of our engagement letter dated 21 August 2025 and further to the requirements of Department for Education (DfE), as included in the extant Framework and Guide for External Auditors and Reporting Accountants of Colleges, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by City College Norwich during the period 1 August 2024 to 31 July 2025 have not been applied to the purposes intended by Parliament or the financial transactions do not conform to the authorities which govern them.

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

Respective responsibilities of the accounting officer of City College Norwich and the reporting accountant

The accounting officer is responsible, under the requirements of the corporation's accountability agreement with the Secretary of State for Education and the College Financial Handbook, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament, and that the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the extant Framework and Guide for External Auditors and Reporting Accountants of Colleges. 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 2024 to 31 July 2025 have not been applied for the 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 Framework and Guide for External Auditors and Reporting Accountants of Colleges issued by DfE, which requires a limited assurance engagement, as set out in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the corporation's income and expenditure. The work undertaken to draw to our conclusion includes:

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects, the expenditure disbursed and income received during the period 1 August 2024 to 31 July 2025 has not been applied for the purposes intended by Parliament, or that the financial transactions do not conform to the authorities which govern them.

MHA

MHA
Chartered Accountants and Registered Auditor
London, United Kingdom

Date: 19/12/2025

MHA is the trading name of MHA Audit Services LLP, a limited liability partnership in England and Wales (registered number OC455542).

Statement of Comprehensive Income and Expenditure

	Notes	Year ended 31 July 2025 £000	Year ended 31 July 2024 £000
INCOME			
Funding body grants	2	55,675	51,332
Tuition fees and education contracts	3	2,940	3,431
Other grants and contracts	4	810	994
Other income	5	3,054	3,115
Investment income	6	1,763	1,409
Fair value of the net assets of EOC Enterprises Ltd	7	-	4,692
Total Income		**64,242**	**64,973**
EXPENDITURE			
Staff costs	8	45,683	41,842
Other operating expenses	9	13,326	15,036
Depreciation	13	4,459	3,889
Interest and other finance costs	11	159	163
Total Expenditure		**63,627**	**60,930**
Surplus / (Deficit) before other gains and losses		**615**	**4,043**
Surplus / (Deficit) before tax		**615**	**4,043**
Taxation	12	-	-
Surplus / (Deficit) for the year		**615**	**4,043**
Restricted reserve expenditure		(2)	(2)
Actuarial gain/(loss) in respect of pensions schemes	26	21,082	8,692
Impairment of LGPS pension asset	26	(23,231)	(10,353)
Total Comprehensive Income for the year		**(1,536)**	**2,380**
Represented by:			
Unrestricted comprehensive income		**(1,534)**	**2,382**
Restricted comprehensive income		**(2)**	**(2)**
		(1,536)	**2,380**

The Statement of Comprehensive Income and Expenditure is in respect of continuing activities.

The notes on pages 48 to 80 form part of the financial statements.

Statement of Changes in Reserves

	Income and Expenditure account	Restricted reserve	Revaluation reserve	Total
	£000	£000	£000	£000
Balance at 1 August 2023	**43,074**	**95**	**6,535**	**49,704**
Surplus from the income and expenditure account	4,043	-	-	4,043
Other comprehensive income / (expenditure)	(1,661)	(2)	-	(1,663)
Transfers between revaluation and income and expenditure reserves	196	-	(196)	-
Total comprehensive income for the year	2,578	(2)	(196)	2,380
Balance at 31 July 2024	**45,652**	**93**	**6,339**	**52,084**
Balance at 1 August 2024	**45,652**	**93**	**6,339**	**52,084**
Surplus from the income and expenditure account	615	-	-	615
Other comprehensive income / (expenditure)	(2,149)	(2)	-	(2,151)
Transfers between revaluation and income and expenditure reserves	195	-	(195)	-
Total comprehensive income for the year	(1,339)	(2)	(195)	(1,536)
Balance at 31 July 2025	**44,313**	**91**	**6,144**	**50,548**

The notes on pages 48 to 80 form part of the financial statements.

Balance Sheet

	Notes	As at 31 July 2025 £000	As at 31 July 2024 £000
Non-Current Assets			
Tangible fixed assets	13	83,432	78,363
Investments		4	3
		83,436	**78,366**
Current assets			
Stock	14	156	169
Trade and other receivables	15	2,620	3,601
Investments	16	4,000	5,000
Cash and cash equivalents	22	12,210	14,731
		18,986	**23,501**
Less: Creditors – amounts falling due within one year	17	(13,587)	(15,434)
Net current assets		**5,399**	**8,067**
Total assets less current liabilities		**88,835**	**86,433**
Less: Creditors – amounts falling due after more than one year	18	(37,130)	(33,101)
Provisions			
Defined benefit obligations	26	-	-
Other provisions	21	(1,157)	(1,248)
Total net assets/(liabilities)		**50,548**	**52,084**
Restricted Reserves	20	**91**	**93**
Unrestricted reserves			
Income and expenditure account		44,313	45,652
Revaluation reserve		6,144	6,339
Total reserves		**50,548**	**52,084**

The financial statements on pages 44 to 80 were approved and authorised for issue by the Corporation on 9 December 2025 and were signed on its behalf on that date by:

Marcus Bailey
Interim Chair of the Corporation

Jerry White
Accounting Officer

The notes on pages 48 to 80 form part of the financial statements.

Statement of Cash Flows

	Notes	Year ended 31 July 2025 £000	Year ended 31 July 2024 £000
Cash flow from operating activities			
(Deficit) / Surplus for the year		**615**	**4,043**
Adjustment for non-cash items			
Depreciation	13	4,459	3,889
Fair value adjustment – EOC Enterprises Ltd	7	-	(4,677)
(Increase) in investments		(1)	(1)
Decrease in stock		13	4
Decrease / (Increase) in debtors		841	(70)
(Decrease) / Increase in creditors due within one year		(1,021)	1,507
Increase in creditors due after one year		4,348	2,762
(Decrease) in provisions	21	(91)	(65)
(Decrease) in restricted reserves	20	(2)	(2)
Pensions costs less contributions payable	26	(2,149)	(1,661)
Adjustment for investing or financing activities			
Investment income	6	(323)	(476)
Interest payable	11	159	163
(Profit) / Loss on the sale of fixed assets		(3)	38
Capital grant released on disposal of fixed assets		-	89
Net cash flow from operating activities		**6,845**	**5,543**
Cash flows from investing activities			
Proceeds from sale of fixed assets		3	-
Investment income		323	476
Withdrawal of deposits		1,000	5,000
Payments made to acquire fixed assets		(10,259)	(5,942)
		(8,933)	**(466)**
Cash flows from financing activities			
Interest paid		(146)	(163)
Interest element of finance lease rental payments		(13)	-
New finance leases		152	-
Capital element of finance lease rental payments		(23)	-
Repayments of amounts borrowed		(403)	(387)
		(433)	**(550)**
Increase in cash and cash equivalents in the year		**(2,521)**	**4,527**
Cash and cash equivalents at beginning of the year	22	14,731	10,204
Cash and cash equivalents at end of the year	22	12,210	14,731

The notes on pages 48 to 80 form part of the financial statements.

Notes to the Accounts

1 Statement of accounting policies

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

Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (the 2019 FE HE SORP), the College Accounts Direction for 2024 to 2025 and in accordance with Financial Reporting Standard 102 – "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (FRS 102). The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102. The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the College's accounting policies. The financial statements are presented in £ sterling, the functional currency, rounded to the nearest £1,000.

Basis of accounting

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

Basis of consolidation

The Corporation's financial statements include the financial statements of the College only.

The College's 100% subsidiary undertakings in EOC Enterprises Ltd and EOC SPV Ltd have not been consolidated into these financial statements on the grounds of materiality and on the basis that they are dormant and do not hold any net assets.

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

Going concern

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

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

The budget for 2025/26 remains challenging - the College has budgeted for a small operating deficit of £44k, (excluding the impacts of FRS102 pensions). The College has sufficient reserves which can be utilised in the short term, and measured and impactful actions are being taken in line with the College's financial recovery plan.

Statement of accounting policies (cont'd)

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

In summary:

- The College's budget for 2025/26 is an operating deficit of £44k. The October (month 3) management accounts for the College show a year-to-date College deficit of £64k (compared to year-to-date budget surplus of £67k, so an adverse variance of £131k). The main reasons for the variances to date relate to:
    - Reduction in HE income of £69k following the application of withdrawal rates and future estimations of commercial income; and
    - Additional building maintenance works which have been required - £78k (net of flood damage insurance cover); but
    - Offset by favourable variances of £34k in relation to IT software and equipment costs.
- The College's first emerging picture for the year (undertaken in November 2024) shows a projected full year operating surplus of £94k (a favourable variance of £138k). The main changes from budget to forecast relate to:
    - Income - Additional income as a result of a growth in 16-18 student numbers and high needs support (total £1,628k), offset by a reduction in Apprenticeship numbers and HE tuition fees (£600k);
    - Staffing costs – increased costs of £700k as a result of greater agency use and a shortfall in anticipated savings; and
    - Non-pay expenditure – increased costs in relation to exam fees (£105k).
- At the time we set the budget, our forecast cash and short term investments as at 31 July 2026 was c£13.2m, with the balance as at 31 July 2027 being c13.9m. Based on average monthly pay and non-payroll commitments of c£5m this produces cash days of c78 and c81 respectively. These cash days remain above the FE Commissioner benchmark of 40 cash days at each month end.
- Bank loans totalled £2,644k at 31 July 2025 - this represents less than 4.2% of total income and is a low gearing level for the sector (sector average is c20%). Servicing the debt (principal and interest) is £552k per annum and is included in the cashflow forecast. Whilst the College has breached one of its loan covenants during 2024/25 due to the I&E budget deficit, early discussions and regular briefing meetings/phone calls have been held with the bank to keep them apprised of the matter. Initial feedback from the bank has been positive – draft 2024/25 financial statements were shared with the bank, to allow it to consider issuing a waiver for the breach covenant. In the worst-case scenario, with the cash reserves and short term investments it holds, the College could repay the loan in full should the loan covenant breach lead the bank to request early repayment.

The College's current financial recovery plan outlines a budget for 2026/27 (which is a roll forward of the budget from 2025/26 set in July 2025) which has an operating surplus of £0.8m and a further potential operating surplus of £2.1m for 2027/28. These are being actively reviewed and remodelled as part of the College's financial recovery planning.

The College has received significant capital condition monies, awarded as part of the FE Capital Transformation Fund, Post-16 Capacity bid and FE College Condition Allocation. We have allowed for the capital cash flows in relation to these awards within the cash flows summarised above. All capital projects are due to be completed ahead of the DfE deadlines, with the latest being of 31 March 2028.

Statement of accounting policies (cont'd)

There continues to be a range of financial pressures in the FE sector and we have modelled sensitivities for the 2026/27 financial year in the following areas:

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

Although it is very difficult to predict these factors and therefore forecast a revised 2026/27 budget, the Corporation is confident that the College will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Recognition of income

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

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

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

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

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

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

Statement of accounting policies (cont'd)

Accounting for post-employment benefits

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

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

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

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

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

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

At the year end, the initial actuarial report from the Scheme Actuary reported a net pension asset of £51,701k. When the Scheme gives rise to a potential asset position, the Governors are required to assess the basis for recognising an asset on the balance sheet against the FRS102 criteria, this being "An entity shall recognise the plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or refunds from the plan." In using the word "shall", the emphasis is placed upon the College to consider the value of such an asset, rather than whether an asset should be recognised in the first instance. Accordingly, the College has considered the value at which they can benefit from either (1) refunds from the plan or (2) reduced contributions. As the College intends to continue to participate in the LGPS, the likelihood of a refund being due from the Scheme has been deemed as remote and not practically achievable. Secondly, the College is unlikely to gain economic benefit from a reduction in future contributions. Therefore, the College has made an impairment charge on the asset reducing the net position at the year ended 31 July 2025 to £Nil. Therefore, no defined benefit pension asset has been included in the financial statements.

Statement of accounting policies (cont'd)

Short term Employment benefits

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

Enhanced Pensions

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

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

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

Non-current Assets - Tangible fixed assets

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

Land and buildings

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

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

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

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

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

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

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

Statement of accounting policies (cont'd)

Assets under construction

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

Subsequent expenditure on existing fixed assets

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

Equipment

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

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

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

Leased assets

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

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

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

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

Investments

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

Statement of accounting policies (cont'd)

Cash and cash equivalents

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

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

Financial liabilities and equity

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

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

Taxation

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

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

Provisions and contingent liabilities

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

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in the Statement of Comprehensive Income and Expenditure in the period it arises. For further information on provisions see note 22.

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.

Statement of accounting policies (cont'd)

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

Agency arrangements

The College acts as an agent in the collection and payment of bursary and discretionary support funds and in relation to the Strategic Development Fund II Grant. Related payments received from the main funding bodies and subsequent disbursements to either students or other partner colleges (as appropriate), are excluded from the income and expenditure of the College where the College is exposed to minimal risk or enjoys minimal economic benefit related to the transaction. Where applicable, the 5% of the grant received which is available to the College to cover administration costs relating to the grant is included in income within the Comprehensive Income and Expenditure Statement.

During the year, the College has reassessed its role and now considers it acts as an agent in the collection and payment of free college meals funding. As a result, in 2024-25, free college meals funding and payments have not been included within the College's income and expenditure, (except for the 5% grant available to cover administration costs). There has been no restatement of prior year balances on the grounds of materiality and as the net impact on the prior year Statement of Comprehensive Income and Expenditure balances is £nil.

Details of learner support funds, including free college meals for 2024-25 and the Strategic Development Fund II Grant are shown in notes 29 and 30.

The College's student services team deal with the administration of Learner Support Fund applications and payments. The College's project team deals with the administration of the Strategic Development Fund II Grant.

Judgements in applying accounting policies and key sources of estimation uncertainty

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

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

Other key sources of estimation uncertainty

- *Tangible fixed assets*

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

Statement of accounting policies (cont'd)

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

  The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 July 2025. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

  In determining the valuation of the Norfolk Pension Fund, a number of key assumptions have been made. The key assumptions, which are given in note 27, are largely dependent on factors outside the control of the College such as, the discount rate, inflation rate and life expectancy. The asset values are reported using estimated asset allocations prepared by the scheme Actuary. This asset value is calculated at each triennial valuation. Thereafter it is rolled forward to accounting dates using investment returns, contributions received, and benefits paid out. During each annual reporting period between triennial valuations, asset returns are estimated using 11 months of market experience and one month of extrapolation being assumed.

- *Provision for irrecoverable debts*

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

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

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

2. Government Grants

	Year ended 31 July 2025 £000	Year ended 31 July 2024 £000
Recurrent grants		
Education and Skills Funding Agency - adult	1,934	1,839
Education and Skills Funding Agency - 16-18	40,707	36,849
Education and Skills Funding Agency - apprenticeships	4,929	4,720
Local Authority	2,452	2,599
Office for students (OfS)	300	350
Specific Grants		
Education and Skills Funding Agency	758	1,596
Teacher Pension Scheme contribution grant	1,962	1,413
Post 16 National Insurance Grant	262	-
Releases of government capital grants	2,371	1,966
Total	**55,675**	**51,332**

2a. Analysis of OfS income

	Year ended 31 July 2025 £000	Year ended 31 July 2024 £000
Grant income from Office for Students *	300	350
Fee income for taught awards (exclusive of VAT)	2,105	2,514
Total	**2,405**	**2,864**

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

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

In addition to the above, the College has received monies for hardship funding from the OfS – this funding is included within note 29. These monies are available solely for students and the College only acts as a paying agent for these funds.

3. Tuition fees and education contracts

	Year ended 31 July 2025 £000	Year ended 31 July 2024 £000
Adult education fees	61	197
Apprenticeship fees and contracts	23	40
Fees for FE loan supported courses	261	262
HE Fees	2,105	2,514
Full cost provision	490	418
Total	**2,940**	**3,431**

4. Other grants and contracts

	Year ended 31 July 2025 £000	Year ended 31 July 2024 £000
European Commission	-	39
Non-government capital grants	6	-
Other grants and contracts	804	955
Total	**810**	**994**

5. Other Income

	Year ended 31 July 2025 £000	Year ended 31 July 2024 £000
Catering and residences	1,278	1,245
Farming activities	152	165
Sports and leisure	402	411
Other income generating activities	678	580
Miscellaneous income	544	714
Total	**3,054**	**3,115**

6. Investment Income

	Year ended 31 July 2025 £000	Year ended 31 July 2024 £000
Other interest receivable	323	476
Net interest on pension scheme (note 26)	1,440	933
Total	**1,763**	**1,409**

7. Fair Value of Net Assets of EOC Enterprises Ltd

	Year ended 31 July 2025 £000	Year ended 31 July 2024 £000
Fair value of the net assets of EOC Enterprises Ltd	-	4,692
Total	-	4,692

In the prior year, from 1 January 2024, the trade and net assets of EOC Enterprises Ltd, a 100% subsidiary of the College, were integrated into the College and EOC Enterprises Ltd became dormant. Therefore, the fair value of the net assets of EOC Enterprises Ltd as at 31 December 2023, (of £4,692k), was included within the results of the College for 2023/24. A breakdown of the net assets as at 1 January 2024, (the date of integration), was as follows:

	As at 1 January 2024 £000
Tangible Fixed assets – net book value	725
Trade receivables	8
Cash	39
Creditors due within one year	(31)
Total net book value of EOC Enterprises Ltd	**741**
Fair value adjustment relating to tangible fixed assets (1)	3,951
Fair value of the net assets of EOC Enterprises Ltd	**4,692**

Notes

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

8. Staff Numbers and Costs

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

	2024/25 Headcount No.	2023/24 Headcount No.
Teaching staff	532	513
Non teaching staff	733	697
Total	**1,265**	**1,210**

Staff costs for the above persons

	Year ended 31 July 2025 £000	Year ended 31 July 2024 £000
Wages and salaries	32,398	30,033
Social security costs	3,395	2,782
Other pension costs	7,074	6,264
Payroll sub-total	**42,867**	**39,079**
Contracted out staffing services	2,816	2,763
Restructuring costs	-	-
Total	**45,683**	**41,842**

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College. In the College, this is defined as the College Leadership Team which comprises Principal and Chief Executive Officer (CEO), Deputy CEO, Vice Principals, Director of HR Services and a new role for 2024-25, the Chief Operating Officer, (in the prior year, the College Leadership Team also included the Executive Director of IT Services). Staff costs include compensation paid to key management personnel for loss of office.

	2024/25 No.	2023/24 No.
The number of key management personnel including the Accounting Officer was:	6	6

8. Staff Numbers and Costs (continued)

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

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

Bandings	**Key management personnel (all bandings)**		**Other Staff (bandings commencing from £60,000)**	
	2025	**2024**	**2025**	**2024**
	No.	**No.**	**No.**	**No.**
£60,001 to £65,000	-	-	1	3
£65,001 to £70,000	-	1	6	4
£70,001 to £75,000	2	-	2	-
£85,001 to £90,000	-	1	-	-
£90,001 to £95,000	2	2	-	-
£110,001 to £115,000	-	1	-	-
£115,001 to £120,000	1	-	-	-
£160,001 to £165,000	-	1		
£165,001 to £170,000	1	-	-	-
	6	**6**	**9**	**7**

In 2024/25, there are no part-time members of key management personnel, (none in 2023/24). In 2024/25, including part time workers grossed up to full time equivalent at their usual rate of pay, 1 member of staff (other) would have been included the £70,001 to £75,000 banding, (2023/24: 1 member of staff (other) would have been included in the £70,001 to £75,000 banding).

Key management personnel emoluments are made up as follows:

	Year ended 31 July 2025	**Year ended 31 July 2024**
	£000	**£000**
Basic Salary	599	611
Other emoluments [(1)]	7	5
Sub-total	**606**	**616**
Pension contributions	153	152
Total	**759**	**768**

Notes

1. Other emoluments include relocation expenses and honorarium payments.

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

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

8. Staff Numbers and Costs (continued)

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

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

	Year ended 31 July 2025	Year ended 31 July 2024
	£000	£000
Basic Salary	168	163
Benefits in kind	-	-
Sub-total	**168**	**163**
Pension contributions	48	41
Total	**216**	**204**

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

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

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

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

	Year ended 31 July 2025	Year ended 31 July 2024
Accounting Officer's basic salary as a multiple of the median of all staff (see 1 below)	5.6	5.8
Accounting Officer's total remuneration as a multiple of the median of all staff (see 2 below)	5.9	5.8

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

8. Staff Numbers and Costs (continued)

Severance Payments

The College paid/accrued for 5 severance payments in the year (2023/24: 5), disclosed in the following bands:

Bandings	**2025 No.**	**2024 No.**
£0 - £25,000	**5**	**5**

One special staff severance payment (defined as amounts paid to employees outside of statutory and contractual requirements) was made in 2024/25 for £18k (2023/24: £nil). This payment did not require any Department of Education approval.

Ex-Gratia Payments

The College has not made any ex-gratia payments in 2024/25, (one payment totalling £30k in 2023/24, for which Department of Education approval was obtained).

Salary Sacrifice Arrangements

The Group participates in two salary sacrifice arrangements:

1. Cycle to Work Scheme - this is a Government backed initiative that enables Group staff members to obtain a bike and/or cycling accessories to use for riding to work – the equipment is hired and a salary sacrifice arrangement is entered into for paying back the loan on the bike/accessories and safety equipment. Deductions are made from gross rather than net pay for the hire period, allowing staff to benefit from income tax and NI relief. Limits are in place, depending on monthly gross pay, as to the value of bike/accessories which can be hired, and loan agreements on these are typically for 12 to 18 months.
2. Childcare vouchers – following the Government roll out of the Tax-Free Childcare Scheme on 1 October 2018, the College's childcare voucher scheme was closed to new entrants. Staff members that were in the scheme at that time, and remain in that scheme for 2024/25, can sacrifice salary in return for childcare vouchers, as follows:
   - For those earning up to £40k –salary of between £1 and £243 a month can be sacrificed for the equivalent in childcare vouchers; and
   - For those earning £40k and over – salary of £124 a month can be sacrificed for the equivalent in childcare vouchers.

9. Other operating expenses

	Year ended 31 July 2025 £000	**Year ended 31 July 2024 £000**
Teaching costs	2,201	2,877
Non teaching costs	6,680	7,172
Premises costs	4,445	4,987
Total	**13,326**	**15,036**

9. Other operating expenses

Other operating expenses include:

	Year ended 31 July 2025 £000	Year ended 31 July 2024 £000
Auditors' remuneration:		
• Financial statements audit	45	43
• Other services provided by the financial statements auditors (for certification of grant claims)	13	15
Internal Audit fees	23	30
Other services provided by internal auditors	-	9
Losses on disposal of fixed assets	-	38
Hire of assets under operating leases	163	395

10. Access and participation spending

	Year ended 31 July 2025 £000	Year ended 31 July 2024 £000
Access investment	55	54
Financial support to students	22	25
Research and evaluation (relating to access and participation)	18	18
Total	**95**	**97**

With the above, staff costs amount to £69k (2023/24: £75k) and are already included within note 9 on staff costs. The College's published access and participation plan can be found on the following links:

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

11. Interest and other finance costs

	Year ended 31 July 2025 £000	Year ended 31 July 2024 £000
On bank loans, overdrafts and other loans	146	163
On finance leases	13	-
Total	**159**	**163**

12. Taxation

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

13. Tangible fixed assets

	Land & Buildings – Freehold £000	Equipment £000	Assets under construction £000	Total £000
Cost or valuation				
At 1 August 2024	92,461	15,909	3,981	112,351
Additions	332	2,361	6,835	9,528
Transfers	8,361	183	(8,544)	-
Disposals	-	(315)	-	(315)
At 31 July 2025	**101,154**	**18,138**	**2,272**	**121,564**
Depreciation				
At 1 August 2024	(25,514)	(8,474)	-	(33,988)
Charge for the year	(2,485)	(1,974)	-	(4,459)
Elimination in respect of disposals	-	315	-	315
At 31 July 2025	**(27,999)**	**(10,133)**	**-**	**(38,132)**
Net book value at 31 July 2025	**73,155**	**8,005**	**2,272**	**83,432**
Net book value at 31 July 2024	66,947	7,435	3,981	78,363

Fixed Asset Register Review
During the year, the College has continued its cyclical existence review of its fixed asset register – this has resulted in a number of assets being written off, all of which were fully depreciated. These have included old system assets (original gross value of £289k – all fully depreciated) mainly relating to old building managements systems works, old CCTV systems and camera assets.

13. Tangible fixed assets (continued)

Assets under Construction
At the start of the year, the College was undertaking works on a number of capital projects including:

- The Construction Skills Centre – a new building, funded by the Department for Education (£4m) and the College (£0.8m). This new build will allow the College to be able to offer more places on its construction courses, thus increasing the opportunities available to young people to train for careers in the industry and helping to address a key regional skills need.
- Sports and Conference Centre – a major refurbishment of the gym and conference centre facilities on the Easton Campus (totalling £1,599k); and
- Major roofing repairs (totalling £1,213k) to a number of the buildings on the Norwich site.

These projects all completed during 2024-25. In addition, during the year, the College started and completed a major refurbishment of its library facilities on the Norwich site (totalling £901k). The value of these assets / works has been transferred from Assets under Construction to either Land and Buildings (£8,361k) or Equipment (£183k).

The balance of £2,272k remaining in Assets under Construction relates to:

- Significant works to the back of the Norwich Building including window and door replacement works – at the year end these totalled £2,207k. This work is on-going at the year end and expected to be concluded during the first term of the 2025/26 academic year.
- Works to replace boilers and fire doors across the College's campuses. Further capital works are being considered to improve the condition of the College's buildings following the receipt from the Government of funding totalling £2,357k for capital conditions works over the period to March 2028.

Ipswich Road, Norwich
Land and buildings inherited at incorporation were independently valued in 1993 and included in the accounts at this valuation. Other tangible fixed assets inherited from the Local Education Authority at incorporation were valued by the Corporation at depreciated replacement cost. Land and buildings with a net book value of £6,144k (2024 - £6,339k) have been financed by exchequer funds. Should these assets be sold, the College may be liable, under the terms of the Financial Memorandum with the Chief Executive of Skills Funding, to surrender the proceeds.

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

Lawns site – this freehold site was independently valued on transfer and its fair value included within the accounts.

Griffons site – the College (Tenant) signed a 20 year lease for this site on 1 December 2017 with The Official Custodian for Charities on Behalf of the Paston Foundation (Landlord). The lease is based on a peppercorn rental and the first break point is at 10 years. Permitted use of the premises is "as a college of general further education, identified as Paston College, with the main purpose and significant majority of provision for 16-19 year old full time students". The title to the land is vested in The Official Custodian for Charities on Behalf of the Paston Foundation (Landlord). Based on the short term nature of the lease, the permitted use, and that the freehold is retained by the landlord, the Griffons site is not accounted for in the books of City College Norwich.

Equipment – equipment assets were transferred to the College at their net book value.

Easton Campus
Following the merger with the Easton campus of Easton and Otley College on 1 January 2020, the following tangible fixed assets were transferred to the College:

Land and Buildings – these freehold properties were independently valued - valuations were undertaken either at market value, where the asset has a commercial value, or at Depreciated Replacement Cost (where the assets are specialised for educational purposes). They were included within the accounts at their fair value.

Equipment – equipment assets were transferred to the College at their net book value.

14. Stock

	As at 31 July 2025 £000	As at 31 July 2024 £000
Farm	156	169
Total	**156**	**169**

15. Trade and other receivables

	As at 31 July 2025 £000	As at 31 July 2024 £000
Amounts falling due within one year:		
Trade receivables	150	215
Prepayments and accrued income (1)	1,474	2,044
Amounts owed by the ESFA/DfE	995	1,340
Other Debtors	1	2
Total	**2,620**	**3,601**

Notes

1. The prepayments and accrued income balance in the prior year included 4 significant balances which have not been required or are significant lower at the end of the current year – these related to accrued income for high needs adult learner support (of £219k), accrued interest (£105k), project income (£127k), and a prepayment of £101k in relation to lift works. These account for the majority of the decrease in this balance.
2. The amounts owed by the ESFA/DfE has decreased as balances due in relation to funding for the new Construction Skills Centre building are significantly lower at the end of the current year – prior year balances have been paid in the current year and as the building has been completed the only outstanding balance due relates to the retention on the project which is due in 2025/26.

During the year, the College has written off debts amounting to £31k (2023/24 £1k), none of which were individually greater than £5k.

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

16. Current Investments

	As at 31 July 2025 £000	As at 31 July 2024 £000
Short term deposits	4,000	5,000
Total	**4,000**	**5,000**

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

17. Creditors: amounts falling due within one year

	As at 31 July 2025 £000	As at 31 July 2024 £000
Bank loans and overdrafts	421	403
Obligations under finance leases	27	-
Trade payables	2,222	2,063
Other taxation and social security	784	647
Accruals and deferred income (1)	1,461	2,735
Holiday pay accrual	53	52
Deferred income – government capital grants	2,570	2,241
Amounts owed to the ESFA / DfE (2)	5,010	6,285
Other Creditors	1,039	1,008
Total	**13,587**	**15,434**

Notes

1. The accruals and deferred income balance in the prior year included £773k of accruals relating to the capital projects works which have completed during the year and the amounts accrued therefore been paid during 2024/25.
2. Amounts owed to the ESFA / DfE includes balances relating to capital grants received from these bodies but which have not yet been utilised (£3,174k at 31 July 2025 and £5,022k at 31 July 2024 – a decrease of £1,848k, recognising spend on capital projects during the year offset by new grants received). These grants are to be spent over differing periods up to 31 March 2028 and will be recognised as deferred capital grants once matched against future related capital expenditure. The decrease in capital grants of £1,848k is offset by a new grant received in the current year of £457k which will be used to fund revenue activities in 2025/26.

18. Creditors: amounts falling due after one year

	As at 31 July 2025 £000	As at 31 July 2024 £000
Bank loans	2,223	2,644
Obligations under finance leases	102	-
Deferred income – government capital grants (1)	34,805	30,457
Total	**37,130**	**33,101**

Notes

1. The increase in this balance of £4,348k reflects capital grants received which have been used to fund capital expenditure in the year. These grants will be amortised in line with the depreciation on the related asset.

19. Maturity of debt

Bank loans and overdrafts are repayable as follows:

	As at 31 July 2025 £000	As at 31 July 2024 £000
In one year or less	421	403
Between one and two years	440	421
Between two and five years	854	1,058
In five years or more	929	1,165
Total	**2,644**	**3,047**

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

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

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

20. Restricted Reserves

	2025 £000	2024 £000
At 1 August	93	95
Expenditure	(2)	(2)
At 31 July	**91**	**93**

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

21. Provisions

	Defined benefit Obligations £000	Enhanced pensions	Total £000
At 1 August 2024	-	1,248	1,248
Expenditure in the period	(3,434)	(162)	(3,596)
Transferred from Income and Expenditure account	**3,434**	**71**	**3,505**
At 31 July 2025	**-**	**1,157**	**1,157**

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

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

The principal assumptions for this calculation are:

	2025	2024
Price inflation	2.7%	2.8%
Discount rate	5.5%	4.8%

22. Analysis of changes in net debt

	As at 1 August 2024 £000	Cash flows £000	Other changes £000	As at 31 July 2025 £000
Cash and cash equivalents	14,731	(2,521)	-	12,210
Total cash and cash equivalents	**14,731**	**(2,521)**	**-**	**12,210**
Borrowings				
Debt due within one year	(403)	403	(421)	(421)
Debts due after one year	(2,644)	-	421	(2,223)
Total Borrowings	**(3,047)**	**403**	**-**	**(2,644)**
Total	**11,684**	**(2,118)**	**-**	**9,566**

23. Capital commitments

	2025 £000	2024 £000
Commitments contracted for at 31 July	1,791	5,625

The College is undertaking a number of capital projects currently for which works have commenced and were on-going as at 31 July 2025. Commitments include works on the Norwich rear curtain wall building refurbishment (£794k), the installation of new fire doors (£370k), new / replacement boilers (£135k) and the toilet refurbishments in the main Norwich building (£441k).

24. Lease obligations

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

	As at 31 July 2025 £000	As at 31 July 2024 £000
Future minimum lease payments due		
Land and buildings		
Not later than one year	14	267
Later than one year and not later than five years	358	379
Later than five years	37	-
Total	**409**	**646**
Other		
Not later than one year	96	82
Later than one year and not later than five years	165	226
Later than five years		
Total	**261**	**308**
Total lease payments due	**670**	**954**

25. Contingent Liabilities

There were no contingent liabilities at 31 July 2025 (31 July 2024: none).

26. Defined benefit obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of the TPS was as at 31 March 2020. The LGPS has been formally revalued as at 31 March 2025 however the results from this have yet to be released. The pension costs below for the LGPS are therefore based on the formal actuarial valuation as at 31 March 2022.

Total pension cost for the year:

	2024/25	2024/25	2023/24	2023/24
	£000	£000	£000	£000
Teachers Pension Scheme: contributions paid		4,279		3,519
Local Government Pension Scheme:				
• Contributions paid	3,434		3,367	
• FRS 102 (28) charge	(709)		(728)	
Charge to the Statement of Comprehensive Income		2,725		2,639
LGPS revision in year		(18)		-
Enhanced pension charge to Statement of Comprehensive Income		71		91
Added years pension payments for Easton staff		17		17
Recharge of pension costs to Easton Enterprises Ltd.		-		(2)
Total Pension Cost for Year within staff costs		**7,074**		**6,264**

Contributions amounting to £833k (2024: £824k) were payable to both schemes at the year end 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, in England and Wales that are maintained by local authorities. Membership is automatic for teachers and lecturers at eligible institutions. Teachers and lecturers are able to opt out of the TPS.

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

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

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

26. Defined benefit obligations (continued)

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

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

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

The pension costs paid to TPS in the year amounted to £4,279k (2023/24: £3,519k).

Local Government Pension Scheme

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

The total contribution made for the year ended 31 July 2025 was £4,361k, (£4,207k in 2023/24), of which employer's contributions totalled £3,434k (£3,367k in 2023/24) and employees' contributions totalled £927k (£840k in 2023/24).

The agreed contribution rate that was paid during this period of account was 24.7% for the period April - November 2024 and then, following the Crown guarantee, this rate reduced to 21.6% for the period December 2024-March 2025. This rate will continue to March 2026. No deficit payment is required for the period to 31 March 2026. The triennial valuation, due to be released shortly, will determine the new rates and deficit payments from 1 April 2026. Contribution rates range from 5.5% to 12.5% for employees, depending on salary according to a national scale.

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

- **Guaranteed Minimum Pension (GMP)** – On 26 October 2018, the High Court handed down a judgment involving the Lloyds Banking Group's defined benefit pension schemes. The judgment concluded the schemes should be amended to equalize pension benefits for men and women in relation to guaranteed minimum pension benefits, "GMP". The last formal funding valuation in March 2022 made allowance for full GMP indexation within the Local Government Pension Scheme. The actuary's rolled forward position to 31 July 2025 therefore includes this allowance in its assessment of the pension costs and liabilities.

- **McCloud Judgement (Public Service Pensions Age Discrimination Cases)** – When the LGPS Pension Scheme benefit structures were reformed, transitional protections were applied to certain older members close to normal retirement age. The benefits accrued from 1 April 2014 by these members are subject to an 'underpin' which means that they cannot be lower than what they would have received under the previous benefit structure. The underpin ensures that these members do not lose out from the introduction of the new scheme, by effectively giving them the better of the benefits from the old and new schemes. In December 2018 the Court of Appeal upheld a ruling ("McCloud/Sargeant") that similar transitional protections in the Judges' and Firefighters' Pension Schemes were unlawful on the grounds of age discrimination. The UK Government's application for leave to appeal to the Supreme Court was refused and subsequently, the Government confirmed that all main public service pension schemes, including the LGPS, would be changed to remove the age discrimination. During the year, LGPS funds have been identifying members that sit within the scope of the McCloud ruling and reviewing the benefits they have paid to eligible members since 1 April 2014. As a result of this case, in 2019/20, the College requested the actuary to estimate of the cost of the impact of this judgement and make an allowance for McCloud within its results. The allowance previously made in 2019/20 has been rolled forward since this date and therefore the FRS 102 valuation as at 31 July 2025 takes account of expected costs of the McCloud ruling.

26. Defined benefit obligations (continued)

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2022 updated to 31 July 2025 by a qualified independent actuary, (Hymans Robertson LLP).

	At 31 July 2025	At 31 July 2024
Rate of increase in salaries	3.45%	3.45%
Future pensions increases	2.75%	2.75%
Discount rate for scheme liabilities	5.80%	5.00%
Inflation assumption (CPI)	2.75%	2.75%

Commutation of pensions to lump sums

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

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 2025	At 31 July 2024
	Years	**Years**
Retiring today		
Males	20.9	20.7
Females	24.1	24.0
Retiring in 20 years		
Males	22.1	21.8
Females	25.6	25.6

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

	Long term rate of return at 31 July 2025	Fair value at 31 July 2025	Long term rate of return at 31 July 2024	Fair value at 31 July 2025
	%	£000	%	£000
Equities	5.8	77,804	5.0	75,093
Bonds	5.8	54,462	5.0	49,100
Property	5.8	18,673	5.0	15,885
Cash	5.8	4,668	5.0	4,332
Total fair value of plan assets		**155,607**		**144,410**
Weighted average expected long term rate of return	5.8		5.0	
Actual return on plan assets		**10,292**		**14,049**

26. Defined benefit obligations (continued)

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

	At 31 July 2025	At 31 July 2024
	£000	£000
Fair value of plan assets	155,607	144,410
Present value of plan liabilities	(103,862)	(115,893)
Present value of unfunded liabilities	(44)	(47)
Sub-total (1)	**51,701**	**28,470**
Impairment of pension asset (1)	(51,701)	(28,470)
Net pensions (liability)	**-**	**-**

Notes

1. The FRS 102 valuation of the LGPS pension obligations identified a net pension asset of £51,701k as at 31 July 2025, (£28,470k as at 31 July 2024). The fair value of the plan assets and present value of the liabilities making up this net valuation is shown in greater detail below. However, following a review to consider whether any of the net asset can be recognised in Balance Sheet in accordance with accounting standards, the College has decided to impair the net asset in full. No net pension asset will be recognised in the Balance Sheet as at 31 July 2025 (£nil as at 31 July 2024), as it is not certain that future economic benefits will flow to the College from the asset. As a result, an adjustment has been made to impair the net pension asset to £nil. An impairment of £23,231k has been recognised within Other Comprehensive Income in the Statement of Comprehensive Income in 2024/25, £10,353k was recognised in 2023/24, £16,718k was recognised in 2022/23 and £1,399k in 2021/22 (total £28,470k).

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

Amounts included in staff costs

	2024/25	2023/24
	£000	£000
Current service cost	2,725	2,639
Total	**2,725**	**2,639**

Amounts included in investment income

	2024/25	2023/24
	£000	£000
Net pension finance income	1,440	933
Total	**1,440**	**933**

26. Defined benefit obligations (continued)

Amounts recognised in Other Comprehensive Income

	2024/25	2023/24
	£000	£000
Return on pension plan assets	3,054	7,500
Experience losses arising on defined benefit obligations	662	(3,626)
Changes in assumptions underlying the present value of plan assets	17,366	4,818
Impairment of pension asset	(23,231)	(10,353)
Amount recognised in Other Comprehensive Income	**(2,149)**	**(1,661)**

Movement in net defined benefit asset during the year

	2024/25	2023/24
	£000	£000
Net defined benefit pension asset as at 1 August	-	-
Movement in year:		
Current service cost	(2,725)	(2,639)
Employer contributions	3,427	3,360
Contribution in respect of unfunded benefits	7	7
Net interest on the defined (liability)/asset	1,440	933
Actuarial gain / (loss)	21,082	8,692
Sub-total	**23,231**	**10,353**
Movement in year:		
Impairment of pension asset	(23,231)	(10,353)
Net defined benefit pension asset as at 31 July	**-**	**-**

26. Defined benefit obligations (continued)

Asset and Liability Reconciliation

Changes in the present value of defined benefit obligations

	2024/25	2023/24
	£000	£000
Defined benefit obligations at start of period	**115,940**	**110,898**
Current service cost	2,725	2,639
Interest cost	5,798	5,616
Contributions by Scheme participants	927	840
Experience gains and losses on defined benefit obligations	(662)	3,626
Changes in financial assumptions	(17,366)	(4,818)
Estimated unfunded benefits paid	(7)	(7)
Estimated benefits paid	(3,449)	(2,854)
Defined benefit obligations at end of period	**103,906**	**115,940**

Changes in the fair value of plan assets

	2024/25	2023/24
	£000	£000
Fair value of plan assets at start of period	**144,410**	**129,015**
Interest on plan assets	7,238	6,549
Return on plan assets	3,054	7,500
Employer contributions	3,427	3,360
Contributions by Scheme participants	927	840
Contribution in respect of unfunded benefits	7	7
Estimated unfunded benefits paid	(7)	(7)
Estimated benefits paid	(3,449)	(2,854)
Fair value of plan assets at the end of period	**155,607**	**144,410**

27. Related party transactions

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

Name of related party	Relationship	Transaction Description	Amounts 2024/25	Balance outstanding at 31 July 2025	Amounts 2023/24	Balance outstanding at 31 July 2024
			£000	£000	£000	£000
Food and Farming Discovery Trust	Connected Business (1)	Subscription	10	-	-	-
RCU Ltd	Connected Business (1)	IT software licence	4	-	4	-
Norwich City Council (Towns Deal)	Connected Business (1)	Capital grant funding	-	-	(84)	-
Norfolk and Norwich University Hospital	Connected Business (2)	Apprenticeship incentive payments, Occupational Health payments, tuition fees	66	-	77	13
Advance HE	Connected Business (3)	Membership payments	-	-	3	-
KLM UK Engineering Ltd	Connected Business (4)	HE delivery, Apprenticeship incentive payments & fees	-	-	455	134
UEA	Connected Business (5)	Higher Apprenticeship Income, Funding for HE delivery, validation charge, staff training, hire of facilities	-	-	259	13
Key management personnel family members	Employees of the College	Gross Pay, Benefits and Employers Pensions Contributions	1	-	36	-
Norfolk CC Pension Fund	Charity SORP standard related party - Provision of LGPS		See disclosures in note 26.			
Teachers' Pension Scheme	Charity SORP standard related party - Provision of TPS		See disclosures in note 26.			

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

27. Related party transactions (continued)

Notes

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

The total expenses paid to or on behalf of the Governors during the year was £0; 0 governors (2023/24: £nil; 0 governors). No Governor has received any remuneration or waived payments from the College during the year (2023/24: None).

28. Amounts disbursed as an Agent

Amounts disbursed to students

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 and Expenditure.

	2024/25	2023/24
	£000	£000
Balance brought forward	**947**	**692**
Funding body grants – 16-19 bursary support	1,532	1,593
Funding body grants – Advanced learner loans bursary support	92	142
Funding body grants – 16-19 residential	98	103
Funding body grants – Care leaver bursary support	1	3
Other Funding body grants	415	62
Sub-total	**2,138**	**1,903**
Disbursed to students	(1,640)	(1,531)
Administration costs	(92)	(70)
Amount consolidated in financial statements	(58)	(25)
Amount returned to funding body	(92)	(22)
Sub-total	**(1,882)**	**(1,648)**
Balance unspent as at 31 July, included in creditors	**1,203**	**947**

The College distributes 16-19 discretionary and vulnerable bursaries and free meals in further education (FEFM) funds to students as an agent for the Department for Education (DfE).

In the accounting period ended 31 July 2025, the College received a total of £1,893k and disbursed £1,534k from DfE 16-19 discretionary and vulnerable bursaries and FEFM funding after charging £86k for administration costs.

As at 31 July 2025, the cumulative unspent 16-19 discretionary and vulnerable bursary funds and FEFM funding is £1,167k, of which £894k relates to funds that are in scope to be returned to DfE in March 2026.

Comparatives for the accounting period ended 31 July 2024 are £2,069k received from DfE, £1,814k disbursed to learners after charging £79k for administration costs, and total cumulative unspent funds of £894k, of which £nil was repaid to DfE.

29. Events after the reporting period

There are no events after the reporting period.