



ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2024

COLCHESTER INSTITUTE

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COLCHESTER INSTITUTE

REFERENCE AND ADMINISTRATIVE DETAILS

Board of Governors

A Andreas
S Attwood (appointed 01/03/2024)
M Asare Bediako (appointed 01/03/2024)
S Bettinson (appointed 01/04/2024)
L Blake (Corporation Vice Chair)
R Block
P Cook (resigned 31/07/2024)
C Donovan
T Empson
M Iciek (appointed 01/01/2024)
I Kettle (term of office ended 19/02/2024)
S Messenger (appointed 01/01/2024)
J Patel
K Prince (Corporation Chair)
B Rich (resigned 22/05/2024)
D Swainson (resigned 9/10/2024)
C Williams
Sanjeev Arya (appointed 10/10/2024)

Clerk to the Governors

H Paton – to 29 March 2024

Head of Governance

A Bennett – from 15 April 2024

College Executive

A Andreas	Principal and Chief Executive
M Borges	Vice Principal: Student and Information Services (to 30/06/2024)
A Davies	Deputy Principal (from 04/03/2024)
G Horne	Deputy Chief Executive
J Peters	Deputy Principal – (to 30/03/2024)

Principal and Registered Office: Sheepen Road, Colchester, CO3 3LL

Professional Advisors

External auditor	MHA, Colchester
Internal auditors	TIAA Ltd
Solicitors	Birkett Long LLP, Colchester
Bankers	Barclays Bank plc, Cambridge
Surveyors	Nicholas Percival, Colchester

COLCHESTER INSTITUTE

STRATEGIC REPORT

OBJECTIVES AND STRATEGY

The Corporation Board present their annual report together with the financial statements and Auditor's Report for Colchester Institute for the year ended 31 July 2024.

LEGAL STATUS

1. The Corporation was established under The Further and Higher Education Act 1992 for the purpose of conducting Colchester Institute. Colchester Institute is an exempt charity for the purposes of Part 3 of the Charities Act 2011.

MISSION, VISION, VALUES, STRATEGY AND OBJECTIVES

2. In July 2024, the Corporation launched a new Strategic Plan 'Transforming Lives' covering the period 2024 to 2028, and in doing so agreed a revised Vision and Mission and updated College values. In addition to this five new Strategic Goals were identified.

VISION

3. To be a vibrant, sustainable college exceeding the expectations of all those we serve.

PURPOSE

4. To support our local communities and to transform lives through the development of technical, professional and personal knowledge and skills.

VALUES

5. Our Values:

We are an **INCLUSIVE** College, welcoming employees and learners of all backgrounds, ages and abilities.

We are **COLLABORATIVE**, working in partnership internally and externally to achieve shared goals.

We are **RESPECTFUL** of each other in our words, actions and behaviours. We are **AMBITIOUS** for our learners, our staff and our college, always striving for excellence.

We are **HONEST** and open, and act with integrity in all that we do.

We provide a physically and emotionally **SAFE** environment, where people can be themselves, try out ideas and thrive.

OUR GOALS

6. We strive to provide:

6.1 An Outstanding Learner Experience

To ensure an outstanding experience for every learner and stakeholder.

This means providing exciting, challenging and engaging learning, in a safe, supported, respectful and inclusive environment, where learners gain the skills, knowledge and behaviours to succeed and to thrive in work and in life.

STRATEGIC REPORT

6.2 A Fantastic Workplace

To provide a fantastic place to work where wellbeing and development are prioritised.

This means that employees are well-managed and led, and feel recognised, supported and positively rewarded. The College is a Learning Organisation which prioritises a culture of individual and team development, teamwork, trust, integrity and inclusivity. Our people feel proud to work at Colchester Institute.

6.3 Financial Strength and Physical Resources

To further build financial strength and physical resources to enable achievement of our goals.

This means that sound financial planning and controls safeguard the College's future and enable investment in physical and digital resources that support an outstanding learner experience, transform business processes and positively impact the environment.

6.4 A Responsive Curriculum

A responsive curriculum, mapped to local and national skills priorities, that meets the skills needs of individuals, organisations, the economy and the environment.

This means that our curriculum fully reflects local and national skills priorities, including green skills and emerging technologies. Both professional and personal skills are prioritised, making Colchester Institute learners great employees, and responsible citizens.

6.5 Productive Partnerships

Collaborative, productive partnerships that positively impact the College, its staff and its learners, and enhance our reputation.

This means that employers contribute to the design and delivery of learning and recognise Colchester Institute as vital to their success. Other partnerships, including trade and professional bodies, enhance our ability to deliver on this plan, building our reputation as an essential, anchor institution in North Essex.

7. A series of eleven sub-strategies have been developed, linked to the Goals above. Each contains one-year milestones and notes on how these will be achieved. The eleven sub-strategies are:

- Skills
- Apprenticeships
- Higher Education
- Economic Growth and Employer Engagement
- Teaching and Learning
- Student Experience
- People and Culture
- Marketing
- ILT
- Estates
- Finance

STRATEGIC REPORT

COLLEGE CONTEXT

8. The College provides professional and technical education and training for the largely rural and coastal populations of the Colchester City and Braintree and Tendring Districts of North Essex.
9. In 2023/24, the College operated from two main delivery sites (Colchester and Braintree) and three outreach centres, the latter enabling adults to enter, re-enter or improve their employment. The three outreach sites are in Tendring, with a job density ratio of 0.73, significantly lower than the East of England average of 0.84 and the UK average of 0.87. Indeed, all three districts have lower than average jobs density, and residents of the Braintree and Tendring Districts have significantly lower 'highest qualification' levels than the national average. There is also a discrete offer for the adult unemployed on each of the College's two main campuses.
10. There is a clear divide in Colchester's Post-16 offer, with the opportunity for 16-year-olds to pursue either a largely academic (A Level) route at The Sixth Form College, or at one of four school sixth forms; or to take up professional and technical education and training - either classroom based or work-based - at Colchester Institute.
11. The curriculum offer profile of local institutions explains a significant and notable characteristic of Colchester Institute's student body - an unusually low profile of Level 2 achievement on entry to the College. An analysis of all known prior results of 16 – 18-year-olds shows that the average GCSE grade on entry (across all subjects) is a Grade 3. In 2023/24, 47% of 16-18 students arrived at Colchester Institute without a grade 4 in Mathematics and English. Learners whose main qualification was at Level 2 or below made up 56% of all 16-18 Classroom based enrolments, significantly above the last available national figure of 44%.
12. In 2023/24 both in Colchester Institute and nationally, there remained a need to focus on educational recovery for students. Students continued to demonstrate the post-Covid difficulties more recently noted; socially, emotionally, academically and behaviourally which placed strain on both teaching staff and support services. Additional support was put in place through small group learning sessions, funded by the government's Tuition Group 'catch up' grant and the College provided focussed CPD to staff on ensuring that learners adopted professional behaviours and standards both inside and outside of the classroom, ahead of a college-wide reset of expectations of professional behaviours ready for the 2024/25 academic year.
13. The College offers programmes in a rich and diverse range of vocational sectors. Students have the opportunity to progress through levels of learning either within or across subject areas. Programmes start at level 2 or below in most subjects, and many continue to degree level. Students also have the opportunity to switch between full and part time courses and apprenticeships during or at the end of a particular level of study, to best meet their changing educational, professional or personal needs and circumstances. The table below shows the spread of subjects and provision types that were delivered in 2023/24.

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Subject	16-19	Adults	Apprentice-ships	Higher Education
Access to Higher Education		Y		
Accounting	Y	Y	Y	
Art and Design (inc Animation, Graphic Des. Fashion, Photog)	Y	Y	Y	Y
Beauty Therapy	Y	Y		
Brickwork	Y	Y	Y	
Business and Management (inc HR, Project Management)	Y	Y	Y	Y
Computing	Y	Y	Y	
Construction (Professional & Technical)	Y		Y	Y
Counselling		Y		Y
Dental Nursing			Y	
Digital Media (inc E-Sports, Film Games Des, VFX)	Y	Y	Y	Y
Early Years	Y	Y	Y	Y
Electrical Installations	Y	Y	Y	
Employability	Y	Y		
English	Y	Y		
Engineering (inc Electronic, Mechanical, Electrical, Manufact)	Y	Y	Y	Y
English for Speakers of Other Languages	Y	Y		
Fabrication and Welding	Y	Y	Y	
Finance	Y		Y	
Foundation and Supported Learning	Y	Y		
Hairdressing	Y	Y	Y	
Health and Social Care	Y	Y	Y	Y
Hospitality (inc Professional Chefs and Hosp Supervision)	Y	Y	Y	
Mathematics	Y	Y		
Motor Vehicle (inc Maintenance Repair and Body & Paint)				
Music (inc Prof Musician, Music Production & Technology)	Y	Y		Y
Painting and Decorating	Y		Y	
Performing Arts (Acting, Dance, Mus Theatre & Tech Theatre)	Y			Y
Plumbing	Y	Y	Y	
Public Services	Y			Y
Science (inc Applied and Forensic)	Y			
Sport (inc Coaching and Development)	Y			Y
Wood Occupations (inc Carpentry and Furniture Making)	Y	Y	Y	

14. This very broad curriculum offer, meeting a wide range of student and community needs and interests, makes Colchester Institute a unique asset in North Essex. The College is all the more vibrant for the presence of musicians, performing artists, visual artists, designers and makers who perform and exhibit regularly. The real work environments in hairdressing, beauty therapy and hospitality welcome staff colleagues and members of the public to high quality salons and restaurants, and in Motor Vehicle, staff and the public can book car MoT and repair services on campus, enriching the experience for future therapists, chefs, front of house staff and mechanics. For those students unable to receive customers, or provide services on campus, work experience is an important part of their study programme. Through such experience positive links are forged with future employers, and careers choices are further informed, whilst spreading the College's education and training provision directly into local businesses and service organisations.

FINANCIAL OBJECTIVES

15. To be in a position to deliver our strategic plan, the College must continue to improve financial stability. In order that this can be achieved the following financial objectives have been set:
- To continue to develop financial strategies that will ensure good financial health as measured under ESFA methodology throughout the life of the strategic plan period.

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- To operate within all current and future financial loan covenants agreed with principal bankers.
- To maintain available cash holding at the commencement of each financial year at no less than 100% of debt servicing costs for such relevant period (c£1.1m).
- To ensure the ratio of borrowings at the end of each financial year to adjusted operating surplus for each financial year does not exceed 3:1.
- To generate positive operating cash flow during each year before capital expenditure.
- To plan cash flow in order to meet the needs of on-going debt service payments, and future capital investment to improve operating performance.
- To continually review, update and improve monthly management reporting to help provide further information to improve decision making and overall financial management and control.
- To improve the College estate, facilities and equipment by:
 - Generating sufficient funds to ensure that the College can undertake its specified programme of planned maintenance.
 - Generating sufficient funds to ensure that the College can invest in the new technology and equipment required to support learning programmes and reduce operating costs over the medium term.
- To ensure adequate procedures are in place to comply with the College Financial Handbook, including protecting assets from loss, theft and neglect.
- To strengthen procedures for testing the desirability and affordability of proposals which have a financial implication.
- To maintain confidence of bankers, funding agencies, suppliers, professional advisors by:
 - Providing financial and non-financial returns on time and in the agreed format.
 - Ensuring all returns requiring certification by auditors are unqualified and submitted on time.
 - Adhering to the College's policy to pay all suppliers within 30 days of receipt of invoice or to within negotiated supplier terms.
 - Raising awareness of financial issues by providing advice and training to staff, management and governors on funding, budgeting and financial procedures.
 - Providing adequate information to ensure that relevant stakeholders are kept up to date with the financial position.

EMPLOYED RESOURCES

Staff Numbers

16. The table below shows the headcount of core and hourly paid staff at the College as at 31 July 2024.

	Headcount on 31 July 2024	Headcount on 31 July 2023
Teaching staff	301	316
Non-Teaching staff	457	434
Total	758	750

17. There are positive and productive relations between college leaders and recognised Trade Unions, supported by monthly meetings. The College has a well-established Reward and Recognition Policy, with monthly and annual staff awards awarded by the Corporation for outstanding contributions and celebratory annual events organised for winners.

Student Numbers 2023/24

Provision Type	Number of learners	Number of learning aims
Education Programmes for Young People (16-18)	3818	6767
Adult Learning Programmes	1832	3440
Apprenticeships	1637	1969
High Needs Students	115	227
Higher Education – Full Time	170	n/a
Higher Education - Part Time	111	n/a

18. The College’s student numbers (and the numbers of aims they collectively undertook) grew in all provision types except for Higher Education where a planned consolidation of subjects offered continued, with several courses on ‘teach-out’, in particular those in the Creative Arts where government educational strategies in schools and increasing local competition resulted in unviable cohorts over the previous 3 – 5 years.
19. Education Programmes for Young People continued to flourish, with 76 more students enrolled than in the previous year. There was particular growth in Health and Social Care, and numbers remained high in Engineering, and the Construction Trades. Public Services, Digital Media and Business also maintained strong numbers and there was growth in Hospitality and Food Studies, following a dip which had commenced pre-pandemic and continued for the following three years.
20. The College continued to support unemployed adults through its well-developed links with the Department for Work and Pensions and through newer projects such as the Essex-wide Multiply initiative to improve numeracy in adults, for which Colchester Institute was a significant provider county-wide. A new position of Community Support Engagement Officer, funded by DWP, facilitated 41 out of work adults to gain sustained employment in Construction and additional posts. The successful introduction late in the previous year of an online programme to support largely unemployed adults into Teaching Assistant roles, expanded considerably during 2023/24 with over 200 adults succeeding on the programme and 100 of them securing work (including voluntary and apprenticeships) as a result. An additional 22 went into further learning.
21. The College offered a broad range of apprenticeships from Level 2 to Level 7 and collaborated with over a thousand employers across various sectors locally and regionally. The year saw further growth in key areas, particularly with increased enrolments in Level 5 Coaching, Level 2 Groundworker, Level 3 Engineering Technician, Level 3 Electrical Installation, and Level 4 Engineering and Manufacturing Technician apprenticeships. Employer apprenticeship vacancies increased by 20%, driving the launch of the Access to Education and Employment programme for 16-18-year-olds to help supply industry demand. Employer partnerships continue to grow regionally, extending the College’s impact and engagement with industry to provide a responsive and high-quality apprenticeship offer.

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22. The College has a long history of offering Higher Education and does so under the banner of University Centre Colchester (UCC). Degree programmes are validated by the University of East Anglia. The University of Huddersfield continues to validate UCC's Initial Teacher Education programmes, whilst Higher National Certificates and Diplomas are validated by Pearson. UCC's awards range from higher certificates to honours degrees and postgraduate qualifications and are all vocational in their nature. Having seen numbers on many Creative Arts programmes continue to decline during 2022/23, further programmes were placed on teach-out and the only Creative Arts programme to recruit a first year in 2023/24 was the BA Fine Art. In addition to Fine Art, Higher Education programmes were offered to new students in six distinct areas, all meeting local need and all in demand by students locally. These were Construction, Engineering, Business, Education, Early Years and Counselling. Whilst the range of subjects is now less broad, there is greater choice in mode of study, with classroom-based and work-based students attending together in Construction, Engineering and Business, widening participation by adapting to individual needs, and ensuring greater course viability and a secure future for those programmes.

Key financial assets

Main Tangible Assets

23. The College owns freehold land, buildings and equipment at a net book value of £73m and holds net assets of £26m. The College holds freehold ownership of two campuses: main campus at Sheepen Road, Colchester and a smaller site at Church Lane, Braintree. It has freehold title to nursery premises in Braintree and Spring Lane Sports Ground in Colchester whilst also operating from two other leasehold premises. The net book value of equipment is £1.8m. Cash reserves rose to £3.1m.

College Reputation

24. The College has a strong reputation for delivering high quality vocational skills training, instilling technical knowledge and professional behaviours needed by individuals to achieve gainful employment and support businesses locally and regionally. This resolute focus on professional and technical education across all provision types makes the College unusual among General Further Education Colleges nationally, where a blend of academic and technical programmes at Level 3 and above is more often the norm.
25. This clear vocational identity is supported and achieved through a teaching workforce of highly skilled and experienced specialists who enthusiastically share their wealth of industrial and workplace experience and expertise with future generations of employees in their skills sector. It is further supported through a significant volume of local employers who lend their support to the College and its students through temporary and permanent work, work experience and apprenticeship opportunities, guest lectures and, critically, input to curriculum development. In return employers benefit from good access to locally available talent, and there are significant development opportunities for employed and self-employed individuals, largely through the College's offer of commercial training and development programmes.
26. The work-readiness agenda permeates all aspects of the student experience at Colchester Institute, with clearly articulated expectations of students around the attributes highly valued by employers such as strong attendance and punctuality, the ability to work with others, teamwork, communication and working to high standards. Such expectations are introduced to students as part of their induction and developed throughout the year through the personal development programme.
27. As a result of the College's strong reputation locally, numbers continue to grow and as of late October 2024, there are 350 more 16–19-year-old students in the College than at the

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same point the previous year and that were in the plan. The College responded to the significant surge in applications and enrolments by putting on additional classes in high-demand subjects which included the Construction Trades, Health, Engineering, Motor Vehicle, Business and Public Services. This has continued into the recruitment process for September 2025 with record numbers of attendees at Open Events held in October and November 2025.

Inspections and Reviews

28. The College was inspected by Ofsted in October 2024, when a team of fourteen inspectors spent four days in the College, observing and judging all aspects of provision, and speaking extensively to students, staff and a range of college stakeholders. The inspection concluded that Colchester Institute was 'Good' in all eight judgement areas as follows:

- | | |
|---|------|
| • Education Programmes for Young People | Good |
| • Apprenticeships | Good |
| • Adult Provision | Good |
| • High Needs Students | Good |
| • Quality of Education | Good |
| • Behaviour and Attitudes | Good |
| • Personal Development | Good |
| • Leadership and Management | Good |

In addition to the above it was noted that Safeguarding was effective, and that the College made a strong contribution to meeting skills needs (from a three-point scale of judgements: limited, reasonable or strong).

29. Particular strengths were noted around: high ambition and productive external relationships; teaching and learning which is good across all areas with a wide range of effective approaches adopted; strong achievement rates; good learner behaviour and a caring culture for learners with support for those falling behind.

30. This result was richly deserved by staff, recognising the dedication and commitment to our students, and the progress made in the small number of areas identified for improvement at the last inspection. College leaders are focused on continual improvement and are now ambitious for the College to be recognised as Outstanding at its next inspection.

31. The College continues to be accredited through the Apprenticeship Providers and Assessment Register (APAR) and on a range of other 'frameworks' from which, in particular public sector employers, can procure Apprenticeship provision. The College successfully achieved re-accreditation on the Register in December 2021.

32. The College holds Matrix accreditation for the quality of its Careers Education, Information, Advice and Guidance and this was updated most recently in November 2023, with a review planned for the end of November 2024.

STAKEHOLDERS

33. In September this year the College approved a Stakeholder Engagement Strategy for the period 2024 to 2026 which sets out how we can plan and implement stakeholder engagement, the joint benefits we can all achieve from these partnerships and the process of how we will achieve it; for our learners, apprentices, and staff. It also considers a number of internal and external key drivers.

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34. In order for the College to meet its strategic objectives we recognise we must continue to build strong relations within each area of delivery through proactive engagement, investing time whilst taking direction and securing insight from a range of third parties, and especially local and regional employers.
35. Every course the College offers has a clear line of sight to employment or further study and as such should be informed by meaningful stakeholder engagement. Learners and apprentices can truly excel and meet their full potential from a curriculum and learning environment that is co-designed, co-developed and co-delivered with passionate and expert external stakeholders. This supports the technical learning process, embeds crucial skills needs and embeds essential employability skills applicable to real life situations.
36. Stakeholders can inspire young people when this engagement happens. It allows them to reflect on their intended destination or establish another path or next step they wish to take in their careers - and sometimes leads into employment. Educators recognise that when business and education come together with coordination and purpose, learners and apprentices can gain exponential benefits from the combined expertise. This is why the College partners with an extensive range of businesses to co-deliver numerous programmes across FE, HE and Apprenticeships – to provide an enriched experience.
37. The expectation is that stakeholders should go one step further than simply offering apprenticeships or work experience placements. They need to become part of the design process when reviewing, growing, and planning of the curriculum occurs. They can support in developing curriculum intent, expanding knowledge of new developments in the sector and knowing there is future economic demand in the courses or sectors that are on offer. Ultimately, every learner and apprentice deserve to fulfil their potential and move into a positive destination, in an industry of their choice. If we can ensure that we teach them the specialised and transferable skills they need, this will lead to our learners gaining a fulfilling career. This will help to provide a future workforce that addresses the skills gaps that are occurring locally, regionally and nationally.
38. We continue to develop positive and productive relationships with a significant number of key stakeholders, including students, parents, staff, employers, local authorities, developers, funding agencies, governmental organisations, local community groups, schools, trade unions, professional bodies and other FE institutions. The Principal and Chief Executive remains a committed member of the Federation of Essex Colleges (FEDEC) an important group for sharing of best practice, joint lobbying and collaborative working. Funding bids are developed through this group which provides additional support for teacher training, recruitment incentives and revenue and capital funding for new projects.
39. The Principal also sits on the One Colchester Strategic Board, a multi-agency group which provides a strategic framework locally, working in partnership on significant targeted issues affecting communities within the Colchester City region. Senior leaders sit on a range of local Boards and Committees such as the Tendring Future Skills Board. This ensures that the College and its students remain at the forefront of local business decisions, and allows for engagement opportunities leading, among other things, to the conversion of apprenticeship and commercial contracts.
40. At subject level, there is a centrally held register of stakeholder relationships and these are categorised to show whether these relationships assist in the co-design and/or co-delivery of the curriculum, or if they contribute to the College and the learner experience in other ways. The list is extensive, and it was noted in the recent Ofsted inspection that every curriculum area was working effectively with stakeholders to ensure the currency of course content and its relevance to future jobs within sectors. As an example, the area for Wood and Trowel Occupations is particularly active in its employer community, with

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weekly visits from one of a large number of contacts, to meet with, inspire and inform future construction workers.

41. College leaders have established sound communications with staff and provide regular written or video-recorded briefings and a staff suggestions scheme. The Principal meets with the whole staff body on at least two occasions during each year to provide updates on performance and priorities. The end of year address is coupled with the announcement of annual staff award winners through which a number of staff members (and teams) are celebrated for their special achievements, having been nominated for awards by students or staff and selected as winners by governors.
42. Student-to-staff links are also strong. Involvement of both staff and students in the work of College/Corporation committees is encouraged, including full Board membership for two staff members (one Teaching and one Business Support) and two student members (one FE and one HE). The student app 'CI Connect' continues to widen the options for the College to communicate with students 'en-masse' and in sub-groups (area, course etc) and provides for students a single central point to access all key college functions such as their timetable, the online shop, the absence line and their emails, and to receive notifications about college events and activities, or their own commitments such as examinations and careers appointments.
43. The "Learner Voice" is given particular credence and two annual surveys (an Induction Survey in October and a Teaching and Learning Survey in Spring) are conducted which provide rich and comprehensive feedback on the student experience which is analysed and acted upon at course, area and college levels. Participation levels in these surveys are very high, at over 90%. In 2023/24, the Overall Satisfaction rate in the Teaching and Learning Survey was at 91%, a slight increase on an excellent score the previous year. Questions about keeping and feeling safe scored particularly highly with very positive views on the gaining of new skills and knowledge; students' understanding of their progress; and the fair and respectful treatment of students.
44. The College pays close attention to Student Voice among its Higher Education students. The 2023/24 National Students Survey (completed by Higher Education leavers) showed further increases in student satisfaction levels against the previous year. UCC is now above the national average for Teaching on my course (+4.70%), Learning Opportunities (+3.00%), Assessment and Feedback (+7.80%) and Academic Support (+8.40%). This second consecutive year of positive NSS results, places UCC in a good position in regards of meeting its conditions of registration with the Office for Students and for any future Teaching Excellence Framework submissions.
45. The College continues to benefit from a significant package of work underpinning the Memorandum of Understanding with East Suffolk and North Essex NHS Foundation (ESNEFT) which was put in place to support collaboration and particularly to enrich the experience of Health, Care and Science students and better prepare them for roles within the Trust, whilst supporting improved progression into NHS roles. In this latter regard, a number of jointly led Community Engagement Training Academies continue to provide adults with opportunities to join intensive training courses leading to the potential of obtaining a permanent job within organisations across the Suffolk and North East Essex Integrated Care System geography. The highly effective relationship with ESNEFT not only continues to benefit staff and students in the Centre for Health and Care Professions in a number of ways including enhanced work experience, mentoring, masterclass opportunities, and guaranteed job interviews at the end of their programme or Higher-level study, but also now provides similarly enriched opportunities for our biomedical students.

PUBLIC BENEFIT

46. Colchester Institute is an exempt charity under Part 3 of the Charities Act 2011 and is regulated by the Secretary of State for Education. The members of the Corporation Board, who are Trustees of the Charity, are disclosed within the Governance Statement. In launching its new Strategic Plan and in setting and reviewing the College's strategic objectives the Corporation Board has had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education. In delivering its mission, the College provides a range of identifiable public benefits through education and skills development. Indeed, education, alongside economic wellbeing has been identified as two key determinants of health, improving individuals' lives and reducing demand on public services. In addition to this 'umbrella' benefit, the College provides the following public benefits:

- Delivery of programmes specifically aimed at economically inactive adults and young people, to assist them into work or closer to the workplace.
- Excellent pastoral support for students, to help remove practical and emotional barriers to learning at a time of rising mental ill health locally and nationally.
- Consistently high levels of success for students in securing work, and appropriate university places, with strong destination data.
- Significant ladders of opportunity allowing students to progress to the highest possible levels of learning across a broad range of vocational areas, widening their options to embark on further study or higher-level employment.
- Strong employer partnerships, supporting workforce development and positive impact on the local and regional economy.
- Significant primary and secondary employment through the normal course of business operations, and capital developments.
- An anchor institution in the community providing access to high quality facilities for the use of individuals, other employers and groups.
- Through its charity, CIFT (the Colchester Institute Foundation Trust) providing support to students and apprentices whose financial circumstances (or family financial circumstances) might otherwise mean that they need to leave the College without the qualifications needed to secure an economically active future.

FINANCES

47. Following on from challenging external factors including unfunded cost pressures experienced in the previous accounting period, we are pleased to report that a positive operating surplus is recorded for the year ended July 2024. This has helped to consolidate financial health to a level of the highest 'Requires Improvement' grade under ESFA methodology. The performance was largely supported by higher FE Funding income generated through a trend of increased FE 16-19 and FE adult recruitment, alongside a meaningful increase in per-head funding, which drove income to over £42m for the first time in over ten years.

48. The College has significant reliance on the education sector funding bodies for its principal funding source, largely from recurrent grants. In the year, Government recurrent and specific grants accounted for £35.1m (83%) of total income, 16-19 funding grants rose by £2.2m and Apprenticeships income rose by £0.8m. Tuition fee income again decreased as Higher Education participation continued to fall, recording a £0.6m reduction on the previous year.

49. During the year, staff numbers remained fairly constant with an average headcount of 751 staff, a reduction of 14 on the previous year. A 5% general pay increase awarded to all staff from October 2023 which resulted in a £1.3m increase in pay costs. However, there was a reduction in pension costs as a result of the improving performance of the Local Government Pension Scheme (LGPS) which resulted in total staffing costs increasing by

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a net of £0.3m. Other operating expenses rose by £0.6m due to the increased level of college activities. Due to higher interest rates applicable to the FRS102 LGPS annual valuation, there was a further improvement in the net pension asset to £24.0m, however this is restricted to nil for accounting purposes.

50. The net book value of fixed assets increased by £1.2m as a result of a further programme of investment in buildings and equipment to further improve conditions for learning alongside improving estates efficiency, which was largely supported by grants from the Department for Education.
51. Current asset values increased by £0.2m following a small increase in cash values to £3.1m. The value of creditors marginally increased by £0.1m meaning that overall, there was a slight improvement in the net current liability position.
52. Key performance indicators were monitored by the Corporation Board throughout the year and the operating surplus improved our financial health rating under ESFA methodology to the highest points score within the 'Requires Improvement' category. College leaders are targeting a return to 'Good' financial health in July 2025.
53. The Corporate Budget for 2024-25 was approved by the Corporation in July 2024 with an operating surplus (pre-defined benefit obligations and exceptional items) of £0.2m. This has been set at a higher level than previous years, with an expectation that income for Work Based Learning will continue to increase, alongside higher per-head funding for 16-19 activities. A cost of living pay award was made in October 2023, afforded by an additional funding allocation from the Department for Education. The College Executive continue to develop medium-term projections and models to respond to current uncertainties brought on by national and international developments, and no decision on a 2024-25 cost of living pay rise for staff will be made until outcomes around defunding and in-year recruitment funding are known.

CASHFLOWS AND LIQUIDITY

54. The College delivered on positive net cash flow on operating activities to the value of £2.4m prior to investment and financing activities. Of a total of £2.8m investment in capital assets, £0.6m was received in capital grants in the year, with £1.7m received in the previous year. Cash paid to support existing financing activities was broadly in line with last year, as loan capital repayment values increase, offsetting the fall in loan interest payments.
55. The College met all bank loan covenants during the year and calculated tests for cash holding requirements at year end. Since college reclassification as public sector in November 2022, the College has been unable to undertake any new commercial lending.
56. The College holds cash reserves amounting to £3.1m compared to £3.0m in the prior year, and it intends to continue to build reserves to support long term capital investment and to guard against future uncertainties.

FUTURE DEVELOPMENTS

57. The day that followed the July 2024 General Election, the Principal and Chief Executive was proud to include in her address to all staff, the significant role that Colchester Institute can, and will, play in support of the newly elected Labour government's five key missions:
- Kickstart economic growth
 - Make Britain a clean energy superpower
 - Take back our streets
 - Break down barriers to opportunity
 - Build an NHS fit for the future
58. **Kickstart economic growth.** With its strong skills focus, Colchester Institute is perfectly placed to provide the pipeline of talent and skills that employers locally and further afield need to maintain and grow their workforce and their productivity. This will continue to be a key college mission. The annual Accountability statement, found on the College website outlines the very many ways in which the College's programmes for young people and adults are responsive to local and national skills priorities. As an example, the College is in talks with the lead developers for the planned 8,000 home Garden Community on the edge of Colchester. Discussions are taking place about the role the College will play in providing the skills required to support this 25-year project, including skills in Modern Methods of Construction.
59. **Make Britain a clean energy superpower.** Having declared a climate emergency in 2021, the College recognises the green skills development opportunities within the local area and continues to support the Essex Green Skills infrastructure plan through its decision making and through ongoing discussions with colleagues at Freeport East, Sizewell C, and more recently, Longfield Solar Farm. Such relationships help the College to identify the skills needed to support future green jobs linked to those important projects in supporting the ambition for the UK to become a clean energy superpower. The launch of the College's outstanding Net Zero Centre in September 2024 was further testament to the College's commitment to supporting local, regional and national plans for clean and green energy, and over the coming years courses will be delivered to thousands of engineers in the installation, service and repair of domestic renewables. Alongside this, the College will continue to ensure that all subjects and programme areas develop and deliver sustainability content as it relates to their vocational sector, as well as carbon literacy for all students as part of the personal development curriculum.
60. **Take back our streets.** The College is clear that its duty to educate extends to personal skills, and through its Personal Development curriculum this includes instilling in students the skills and behaviour to assist them in making responsible choices as citizens. This work is set to continue and grow with a full review of the Personal Development curriculum for all levels of learners taking place in 2024/25. In addition to this, the College will continue to provide programmes for growing numbers of Public Services students, working closely with the uniformed, protective services for which it trains future recruits.
61. **Break down barriers to opportunity.** The College is proud of its broad and inclusive curriculum offer which provides appropriate learning opportunities for people of all ages, backgrounds, abilities, and previous achievements to access programmes which improve their life chances and economic wellbeing. Following a significant increase in student numbers at the start of the 2024/25 academic year, leaders are seeking ways to accommodate yet more students in future years and in particular where demand and growth has been highest in recent years, i.e. the construction trades, engineering and health where there is also significant employment demand locally. To prepare for this,

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College leaders are constantly seeking solutions to the constraints that it faces relating to physical and human resource and will continue to prioritise this activity.

62. In 2023/24 the College benefitted from DWP funds to appoint a Community Support Engagement Officer (CSEO) to facilitate training and employment opportunities for economically inactive adults. A further CSEO will be funded through the Shared Prosperity Fund, extending this work into new geographies and new sectors into the 2024/25 academic year. Alongside this, College leaders will seek other ways to support adults into employment through funding sources additional to its Adult Skills Fund. Having achieved 137% of the NSF allocation and 117% of the Adult Education Budget allocation in 2023/24, and having delivered large volumes of training via Multiply.
63. To continue contributing to build an NHS fit for the future, the College has every intention of continuing to develop the outstanding relationship it holds with the East Suffolk and North Essex NHS Foundation Trust (ESNEFT) and with the local Integrated Care System (SNEE ICS). Continued growth is planned in both Health and Social Care and in Biomedical Science, including three T Level programmes in these areas, likely to commence in September 2025. Recent three-way discussions between ESNEFT, the College and leaders in Health and Healthcare Science at the University of Essex, promise to further enhance the College's impact on providing talent into the NHS.
64. During 2023/24 the College continued to make known its concerns regarding the Conservative government's plans to defund a large majority of Level 3 programmes between 2024 and 2026 to make way for T Level programmes. The College calculated that these plans could leave some 900+ students with no appropriate programme at the College by 2026. Within a few weeks of their election to power in July, the Labour government announced a 'pause and review' and we hope to hear the outcome of that review in late December 2024. At this point, curriculum planning for the coming years will re-commence in earnest to ensure that the College is able to deliver those qualifications available for funding to as many young people as possible. The current uncertainty regarding which courses will and will not be funded for 16–19-year-olds in September 2025 is proving challenging for student recruitment and planning. The College is planning to deliver T Levels more widely from September, extending the offer beyond Professional Construction and Early Years to include Computing, Engineering, Health, Science and Accounting.
65. The College recognises the need to continually update curricula and does so on the basis of student demand, employer demand and advancements in industry. During 2023/24, new curricula were developed for first delivery from 2024/25. These included a new Level 3 Digital Media programme in Content Creation, a Level 3 course in Biomedical Science in direct response to a request by ESNEFT, and a Level 3 programme in Business and Marketing delivered from the Braintree Campus in response to student feedback and demand and a stated priority in the Essex LSIP.
66. In 2023/24, additional grant funding enabled the College to make a 5% pay rise to all staff which was welcomed following many years of low or no annual pay increases. Whilst staff were appreciative of this higher-than-usual pay increase, this was at the time, still a 'below inflation' award. Going forward, the College is determined to continue to make the best possible pay awards to staff and no decision has yet been made regarding a 2024/25 award. Information is awaited regarding in-year growth, further details regarding the October 2024 budget announcement for additional funding post April 2025 and the qualification defunding decisions outlined above. Paying both teaching and support staff a fair (but affordable) wage which as closely reflects the pay of their counterparts in schools (and in industry where possible) remains a top priority for College leaders.

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67. The Post 16 Education Act 2022 placed a new duty on governing bodies to review how well the education and training provided by the institution meets local needs. The Ofsted enhanced inspection framework also places a greater focus on meeting local and national skills needs. As a vocational College and a large apprenticeship provider, the College is proud of its many productive employer partnerships. Ensuring that the College provides a 'stakeholder-informed curriculum' with co-design and co-delivery a priority for every curriculum area, resulted in a judgement in the October 2024 inspection that the College makes a strong contribution to meeting skills needs. The College will not rest on its laurels in this regard and will continue to nurture current, and seek out new, partnerships which enhance the student experience, ensure that students leave with the best possible preparation for future careers and assist local and regional organisations to meet their skills needs both now and in the future.

TREASURY AND RESERVES POLICIES AND OBJECTIVES

68. In October 2024, the Finance and Resources Committee approved a Reserves Policy which sets out the College's approach to reserves to support its financial resilience and comply with Charity Commission guidance alongside best practice recommendation arising from the College Financial Handbook. The limits set out in the policy would normally be based on the charitable nature of the College with a focus on cash reserves and the extent to which these are restricted or unrestricted in their use. However, the policy is broader than just the cash position to ensure that all elements and requirements are included.
69. The principles of the reserves policy are to:
- maintain sufficient free reserves to enable the College to meet its charitable purpose and continue to provide a public benefit to current beneficiaries (including students, apprentices, employers and other stakeholders)
 - to balance the expenditure of income on current beneficiaries against ensuring that facilities and services have sufficient investment to improve and endure for future beneficiaries
 - to maintain a level of reserves that are prudent for the College to be considered a going concern but may include un-expendable reserves such as reserves applied to tangible fixed assets and reserves designated for or restricted to a certain purpose
70. The objectives are set out as follows:
- Retention of a minimum cash balance of £2.5m at the end of the financial year and meeting bank loan cash covenant (which is lower than this figure)
 - A capital reserve of £1m (held as a designated reserve)
 - A general unrestricted (pre-FRS102 defined benefit obligation) reserve value of at least £20m which is approximately 50% of anticipated annual revenue income.
71. Whilst the College currently meets the criteria set out in the Reserves Policy, it is the Corporation's intention to further increase pre-FRS102 defined benefit obligation reserves over the life of the strategic plan through the generation of annual operating surpluses.

STREAMLINED ENERGY AND CARBON REPORTING

72. The College continues to place carbon reduction high on its list of strategic priorities. We have continued to demonstrate a commitment to climate change through our actions in the year, following on from the 2021 Declaration of a Climate Emergency. The College works with a range of partners to deliver on a future net zero strategy that was supported by a large-scale decarbonisation project at Colchester Campus in 2022. Other initiatives undertaken during the year to reduce our impact on the environment include planting 135 trees in our main campuses, instigating a 50-point plan for energy reduction, sub-metering

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supplies, installing 213 Solar PV panels at Braintree Campus and 412 Solar PV panels at Colchester Campus and fitting timer clocks to emersion heaters.

- 73. In addition, during the year the College has upgraded 348 light fittings to LED, replaced 600 PCs with high efficiency units and display panels as well as applying central timer controls to other devices such as PCs, Projectors and touch screens and Multi-Functional Print Devices. Sustainability tutorials and our carbon literacy project were rolled out to all L2 and L3 full-time students to raise awareness. Electricity has been purchased on a green contract. Half-hourly electricity has been on a green contract since 01/10/21 and non-half-hourly has been on a green contract for the full reporting period.
- 74. The progressive work undertaken in this area was recognised through the College being nominated for and subsequently winning the Essex Business Awards 2023 for Environmental Awareness.
- 75. Total carbon emissions for the period are as follows:

	1 August 2023 to 31 July 2024	1 August 2022 to 31 July 2023
Energy Consumption (kWh)	5,254,473	5,616,832
Intensity Metric (Gross Emissions) - Scope 1, 2, 3 (Gross) tCO2e	1,026.7	1,123.94
Intensity Metric (Net Emissions) - Scope 1, 2, 3 (Gross) tCO2e	541.1	612.3
Intensity Metric (Net Emissions) - tCO2e / Number of staff	0.721	0.800

The target is to reduce gross scope 1 and 2 emissions in tonnes of CO2e per number of staff members by 2 to 5% on average per year. The improvement in performance in the period was 3% and overall compared to the base year (2020/21), there has been a 36% reduction in emissions. The College remains on course to achieve its Future Net Zero milestone target of a 50% reduction in emissions by 2030.

PRINCIPAL RISKS AND UNCERTAINTIES

- 76. The Corporate Risk Register is used as a management tool to guide the organisation and it is frequently reviewed by the Corporation Board. Headline risks are owned by members of the Senior Leadership Team and are reviewed by the Risk Management Committee, and further considered the Audit and Risk Committee on a termly basis. The principal risks during the year were identified as follows: -
 - **Defunding of Level 3 Qualifications:** College leaders continued to take forward arguments to policy makers within Government to ensure that the College’s future is not adversely affected by this risk. The Government expects to report on the ‘pause and review’ outcome in December 2024.
 - **Worsening of financial performance:** Higher than expected inflationary costs continued to impact college finances during the year. College leaders remain focussed on reducing operating costs wherever possible without impacting the student experience, whilst also trying to improve pay scales for staff.
 - **Staff Recruitment issues:** College leaders continued to employ measures to mitigate this risk, targeted towards the most acute areas that would impact teaching and learning. This included hosting an open event for local people interested in potentially working at college, in addition to industry uplifts and golden hello payments to secure appropriate staffing in certain curriculum areas.

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- **Capital Project Development:** Separate risk registers, devoted to the individual scheme developments are reviewed and further actions initiated where appropriate.
- **External Review:** College leaders were aware that a full Ofsted Inspection was likely during the calendar year 2024, and therefore appropriate readiness actions were taken during the year to ensure the College was well placed to respond to the event.

PERFORMANCE INDICATORS

77. Colchester Institute has continued to establish and utilise a series of indicators and targets, covering such key variables as recruitment volumes, achievement rates and financial ratios. Whilst the impact of Covid can still be felt by a number of learners in terms of their resilience, mental health and financial position, this is being well managed and the College has seen a continuing improvement in outcomes which are now strong and in most cases above the most recent national achievement rates.
78. Below are a selection taken from the 50 aspirational KPIs for 2023/24 set and agreed by the Corporation Board and monitored both at management and Board level throughout the year. The outturns reflect the ambitious targets and the reality of the cohort of students with whom we were working.

Target	Full Year Target 2023/24	Outturn 2023/24
Student Attendance – FE	86%	86.1%
Achievement rate – all further education qualifications	83%	85.1%
Overall Achievement rate - Apprenticeships	67%	64.1%
Retention – all FE enrolments	91%	90.6%
HE - Good Degrees	72%	70%
Student Teaching and Learning overall satisfaction rate	90%	91%
GCSE Mathematics and English pass rates	84%	85%
FE Destination Data – positive destinations	96%	94.4%*

* 95.8%

79. Progress against College KPIs was reported regularly to governors via a Curriculum and Quality Update provided for each Curriculum and Quality Committee meeting by the Deputy Principal. Progress towards financial KPIs is also tracked through detailed monthly reporting to Corporation Board in the Monthly Monitoring Report, compiled by the Deputy Chief Executive Officer. These reports are discussed at the relevant Committees and then further at Corporation Board meetings. The KPIs are cross-referenced to the one-year plan to meet Strategic Priorities, and this plan is monitored at both management meetings and Board Committee meetings.
80. During the year, the College met key bank covenant measures, including:
- a. To maintain available cash holding at the commencement of each financial year at no less than 100% of debt servicing costs for such relevant period (c£1.1m).
 - b. To ensure the ratio of borrowings at the end of each financial year to adjusted operating surplus for each financial year does not exceed 4:1.

STUDENT ACHIEVEMENTS

81. Overall student achievement for 16-18 year olds in 2023/24 was 85.1%, an increase of 2.2 percentage points on the previous year and 3.4 percentage points above the most recent national rate.

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82. The overall achievement for GCSE Mathematics and English continue to improve with achievement rate for GCSE English at 83.7% against a national rate of 79.5% and 86.3% for GCSE mathematics against a national rate of 80%. The proportion of learners achieving a grade 4 and above remains too low.
83. Learners in receipt of high needs funding (HNF) receive the support they need to be successful on their chosen programme of study. Learners with high needs on vocational courses across the college achieve as well as, or better than, their peers. The achievement rate for learners in receipt of HNF were 90.7%, 6.4 percentage points above those learners not in receipt of HNF and 9.0 percentage points above the most recent national rate.
84. Adult programmes achievement rates continue to improve at 83.1% compared to 80.6% in the previous year. College leaders continue to make a conscious effort to support the unemployed back to work within our communities. This provision includes programmes with traditionally lower achievement rates, such as Accounting, Functional Skills and a large number of programmes aimed at the long term unemployed including Early Years, Retail and Customer Service, Construction and Engineering. High levels of employment mean that those who are referred to the College by DWP are further from the workplace than their predecessors and are less likely to remain on programmes and achieve. However, there remain a good number of DWP clients who do very well on these programmes and go on to positive destinations and whilst this is the case, the College will continue with this provision.
85. Apprenticeship achievement rates continue to improve and in 2023/24 rose by 5 percentage points to 64.1%, 8 points above the national average. The availability of End Point Assessments is an issue in a small number of apprenticeships which results in apprentices completing this final element of their apprenticeship outside their planned end date. In 2023/24 the College reached 98% of the enrolment target and exceeded 138% of our profiled starts funding, highlighting our effectiveness in meeting both recruitment and financial goals.
86. In UCC 70% of graduating degree students gained a first class or upper second-class classification. This was a slight decrease from the previous year (71%) but reflected stable achievement in a year when a number of long running programmes in the School of Visual and Performing Arts completed their teach-out arrangements and had their final graduating cohorts.

CURRICULUM DEVELOPMENTS

87. Health, Business, Accounting, Computing and Science courses continued to see large cohorts in 2023/24. Apprenticeships continued to expand, particularly in areas such as Management, HR and Engineering. In the Adult Skills Centres, the offer continued to support a broad range of qualifications designed to enter specific vocational sectors, alongside employability skills and English and mathematics. A more flexible delivery offer including on-line study with a coach proved very successful and this will continue.
88. September 2023 saw the introduction of the first T-Level with 31 learners enrolling onto the Early Years Educator programme. Retention is good with 27 learners having successfully completed year 1 and progressed onto the second year. Outcomes at the end of the learners' first year are very encouraging with all successfully passing year 1 assessments with good grades.
89. September 2024 saw the introduction of the T Level in Professional Construction – Design, Surveying and Planning for Construction, with 24 learners all with industry placements secured.

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90. September 2024 saw the start of the first cohort of the new Biomedical Science pathway developed in conjunction with ESNEFT. The programme has been designed to help provide a clear progression pathway into either Higher Education or NHS apprenticeships to help fill a skills shortage identified by employers.
91. The Access to Education and Employment programme, formerly the Access to Apprenticeship programme, has been further developed and expanded to meet a high demand for a study programme for learners who are unable to access their first choice of study programme due to not meeting the entry criteria or over-recruitment across the College.
92. Proposed changes to the condition of funding for English and mathematics have been reviewed and a pilot of one additional hour delivery for both English and mathematics GCSE has been introduced for 2024/25 in preparation for the requirement of 3 hours per week for English and 4 hours per week for mathematics from September 2025. Resourcing for this area remains a challenge.
93. The programme of defunding qualifications as part of the national qualification reforms is currently subject to the Government Pause and Review with an anticipated outcome in early 2025. Currently the review focuses on Level 3 qualifications however there is also real uncertainty around level 2 and below and the impact this has on progression for our learners. College leaders continue to engage with decision-makers at the Department for Education, and to garner the support of influencers (including MPs) on the very real impact defunding will have on young people's educational choices in North Essex.
94. Following significant investment in recent years, the Braintree Campus provides outstanding facilities for students in Digital Media, Construction trades, Engineering, Beauty Therapy, Foundation and Supported Learning, Business, Computing and Early Years studies. Competition from local school sixth forms has impacted student numbers but plans are in place to extend the offer to greater numbers of adult and apprenticeship learners in the areas of specialism for this campus. Open events held in October and November 2024 have recorded higher levels of attendance than in previous years.
95. The College's Higher Education provision has seen rapid change in recent years, with a considerable reduction in enrolments (in line with national trends) on a range of programmes, most notably in the Creative Arts. A number of courses have been placed on 'Teach-Out' since 2021, and from September 2024, the focus will be around six key subjects: Engineering, Construction, Business (and Management), Counselling, Early Years and Teacher Education. It is anticipated in doing this that the trend will continue towards more mature adult students, close to, or already in, employment (pursuing largely part-time programmes and apprenticeships) to support progression in already established careers or to embark on more senior roles within those clearly defined sector areas. With an eye on the upcoming Learning Loan Entitlement, a more modular curriculum with more frequent 'stepping off' points will become more common.

PLANNED MAINTENANCE PROGRAMME AND PROPERTY STRATEGY

96. It remains a policy of the College to write off maintenance and refurbishment costs as incurred. Planned maintenance is carried out throughout the year to support the ongoing provision of high-quality teaching facilities, alongside other strategies included in the College Accommodation and Estates Strategy that was last approved in approved by the Corporation in March 2024.
97. The Colleges Estates and Accommodation Strategy is updated annually and approved by the Finance and Resources Committee. There remains a focus on projects that will reduce energy cost exposure and support the net zero strategy, alongside supporting condition improvement.

PAYMENT PERFORMANCE

98. The College maintains the confidence of suppliers by adhering to a payment policy of to within 30 days of receipt of (a valid) invoice or to within negotiated supplier terms. This accords with the intentions of the Prompt Payment Code and the Late Payment of Commercial Debts (Interest) Act 1998 to which the College is committed.

EQUITY, DIVERSITY AND INCLUSION

99. The College celebrates and values diversity within both the workforce and the student body and believes that it benefits from engaging staff of all backgrounds, thus allowing it to meet the needs of a diverse student population within a diverse society. The College aims to provide a welcoming environment in which all learners and employees are encouraged to realise their full potential, where every individual is valued and enabled to progress. To this end, the College aims to ensure that all actual or potential learners and employees are treated equitably, regardless of age, disability, gender re-assignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (gender), sexual orientation. Learners engage in a range of activities encouraging them to be responsible, tolerant and respectful citizens; Fundamental British Values are promoted within a context which ensures increased understanding and appreciation of diversity.
100. The College's Equity, Diversity and Inclusion Policy is published on the College website, and there is a separate annual report and implementation plan. This is resourced, implemented and monitored on a planned basis, including by College Governors. In 2023/24, the College engaged with the Education and Training Foundation to roll-out training for all 100 line managers in EDI, based around the Deeper Thinking and Stronger Action EDI Toolkit. In turn managers delivered training within their teams. Alongside this, there were three meetings of the EDI Steering Group and in summer 2024, a range of members of that group participated in the making of a national film featuring four Colleges, about EDI in the workplace.
101. The College is also a 'Positive About Disabled People' employer and has committed to the principles and objectives of the Positive About Disabled People standard. The College considers all employment applications from disabled persons, bearing in mind the aptitudes of the individuals concerned, and guarantees an interview to any disabled applicant who meets the essential criteria for the post. Where an existing employee becomes disabled, every effort is made to ensure that employment with the College continues. The College's policy is to provide training, career development and opportunities for promotion which, as far as possible, provide identical opportunities to those of non-disabled employees. The College has also signed the 'Dying to Work' Charter, committing to support in the best ways possible any employee who receives a terminal illness diagnosis.
102. Gender pay-gap information is reported separately and published on the College's website. Gender Pay Gap information is not yet available for 2023/24. The report for 2022/23 is on the College website and shows that the mean average pay gap was 17.7% and the median average pay gap was 23.3%. This is largely due to the predominance of female staff in part time Learning Support Practitioner roles which are paid at just above the National Minimum Wage. The gender pay gap is also impacted by skills supplements paid, out of necessity, to recruit and retain teaching staff in the hardest to fill sectors such as Construction and Engineering – areas where the large majority of staff are male.

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DISABILITY STATEMENT

103. The College seeks to achieve the objectives set down in the Equality Act 2010:
- a) The Facilities team review accessibility to all parts of the College to ensure ease of access for all staff, students and visitors including those with disabilities.
 - b) If there are changes to walking routes, or major campus works or development, accessibility and signage is checked to be suitable for all, in liaison with staff and students.
 - c) The Additional Learning Support Team are able to provide information and advice and are available to arrange support where necessary for students with disabilities and learning difficulties.
 - d) The College Admissions and Additional Learning Support policies are available on request, which includes details of Admissions Review Panels and the appeals process.
 - e) The College has a wide range of specialist support for students with disabilities including: In-class support or 1:1 support; note taking, interpreting and signing support; support for those who have a medical condition; tutors for learners with specific learning difficulties; specialist 1:1 study skills support, and non-medical help, for learners who have applied through the DSA process at HE level.
 - f) The College Student Services Team provides a range of pastoral care and welfare support including the provision of dedicated student counsellors.

SECURITY AND WELFARE

104. The College takes seriously its duty to safeguard and promote the welfare and well-being of both young people and vulnerable adults and aims to provide a welcoming, safe and secure environment in which all students – and staff - are respected, valued and encouraged to realise their potential. A comprehensive Safeguarding Learners Policy is in place, alongside a separate Prevent Strategy, and these are reviewed annually. All staff and governors are obliged to read the annually updated 'Keeping Children Safe in Education' and to make a declaration to say that they have done so. A single central register of all staff and contractors ensures that appropriate checks are in place on those working with our students and that mandatory training has been carried out where appropriate. This is supplemented by the signing of an annual declaration by all staff, that there have been no criminal proceedings against them, or other similar incidents since their last formal DBS check.
105. Access and security ID systems are employed on main college campuses to support the safeguarding of our learners on site, and students, in addition to staff and visitors, are required to wear ID at all times on college premises. The College ID system was updated in September 2024 to better differentiate those campus-users who must be accompanied at all times on site. There is a robust security system on site to support staff and students with any concerns or incidents which may arise. With external, expert support, the College has also developed its Critical Incident Plan and Senior leaders, along with others with particular responsibilities within this plan, have received training in this area.

TRADE UNION FACILITY TIME

106. The Trade Union (Facility Time Publication Requirements) Regulations 2017 came into force on 1st April 2017.

These regulations place a legislative requirement on relevant employers, including Colchester Institute, to collate and publish, on an annual basis, a range of data on the amount and cost of facility time within their organisation.

Colchester Institute recognises two trade unions: UCU and UNISON.

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For the period 1 April 2023 to 31 March 2024 the following applies

Number of employees who were trade union officials: 10

Full-time equivalent number of employees who were trade union officials: 9.0

Percentage of working hours spent on facility time:

0%	0
1-50%	10
51-99%	0
100%	0

Total cost of facility time: £15,352

Total pay bill: £18,353,988

Percentage of total pay bill spent on facility time: 0.08%

Time spent on paid trade union activities as a percentage of total paid facility hours:
50%

GOING CONCERN

107. College leaders are determined to continue to improve financial resilience by paying down loan debt, achieving positive operating outcomes, and generating increased cash reserves each year. This has been positively achieved in the reporting period alongside investment in our estate and equipment to enhance the student experience. As a result of the financial performance, financial health has increased to the highest score within the 'Requires Improvement' category, with 'Good' financial health targeted for 2024-25. This provides for a stable foundation for an analysis of the future going concern of the College.
108. The FE Sector has been exposed to funding restrictions for over a decade, forcing college leaders to scrutinise budgets and make difficult decisions every year to prioritise what is important to ensure financial health whilst delivering the best possible learning conditions for students. Course viability and the delivery of area smart targets will continue to be monitored via the course costing model, which contributes to curriculum planning and forms part of the continuous financial management process. Operating costs across all areas of college operations will continue to be reviewed and managed, recognising that investing in more efficient technologies and improved products or tendered services will also have the potential to drive down overheads in the future. The ongoing review of business processes to ensure efficiencies are improved or maintained is a critical management responsibility and there will be further work to complete tasks associated within the Estates and Accommodation Strategy, which will further reduce operating overheads whilst also reducing carbon emissions. A value for money paper is presented to the Corporation Board each year identifying all projects in progress and improvements made.
109. The College has been deeply concerned over the planned defunding of Level 3 Applied General Qualifications since the initiative was first announced by the previous Government, such that it registered as the highest risk on the Corporate Risk Register for over two years. College leaders have undertaken a number of risk mitigation tactics over this period, including high profile canvassing to share the likely detrimental impact this might have on General Further Education Colleges. Within the last six months however, in announcing a decision to 'pause and review' the staged defunding arrangements, and

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not add to more qualifications to the defunding list in the interim period, the incoming Labour administration has made the position clearer for Colchester Institute. As some alternative qualifications remain on the list for funding in 2025-26 at this time, College leaders have been able to develop a fully funded curriculum offer for 2025-26, allowing financial projections to pass the Going Concern test. Whilst there remains some uncertainty on the long-term funding position for Applied General Qualifications, Skills Ministers have confirmed they will continue to support qualifications that are valuable to employers and provide support for Labour's five missions for Britain. The College is also launching additional apprenticeship pathways and new T Level routes for 2025-26 entry.

110. The basis of the preparation of the going concern statement as part of these financial statements has been made by the Corporation following enquiries to understand whether the College has adequate resources to continue in operational existence for the foreseeable future:
- a. The Corporation undertook a thorough examination of the assumptions underpinning the corporate budget 2024-24 and three-year financial plan. They approved the latter in the form of the College Financial Forecasting Return (CFFR) and detailed commentary that was submitted to the DfE in July 2024. It considered how forecast assumptions might impact the immediate and long term cashflows and profitability. The Corporation approved the budget and financial plan having satisfied itself that the assumptions used were both prudent and appropriate and that operational and financial plans therefore were a reasonable reflection of them, and the results robust.
 - b. The Corporation has received and approved the detailed monthly management report and accounts for periods 2 and 3 of the current financial year, including latest cashflow projections, forecast revenue and costs, and noted the very positive start to the year with an increase in 16-19 enrolments and other key income lines performing at or above budget targets.
 - c. The Corporation receives regular updates on the strategic and operational risks facing and impacting the College as part of its regular review of Corporate Risk Register. These were used to determine the most appropriate assumptions to be used in the forecasting process. The Corporation has reviewed the risks reflected and is content that the assumed controls and proposed mitigations are appropriate for the purposes of analysing the going concern of the College.
 - d. The Corporation stress tested the financial forecast for the current financial year and the period to 31 July 2026 using four different scenarios in a detailed Going Concern report produced by the College Executive, and discussed the assumptions, forecast outcomes and the potential impact of each scenario, with the most likely scenario providing sufficient assurance on the ability to continue college operations into the foreseeable future.
111. After full and detailed consideration, review, discussion and challenge of the College Executive management and the financial forecasts presented, the Corporation is satisfied that the College has sufficient financial resources to meet its liabilities as and when they fall due and will be able to continue to operate on a solvent basis for the foreseeable future. It confirms therefore that it is appropriate for the Report and Accounts to be prepared on the going concern basis.

EVENTS AFTER THE REPORTING PERIOD

112. There are no material events to report.

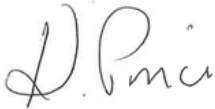
COLCHESTER INSTITUTE

STRATEGIC REPORT

DISCLOSURE OF INFORMATION TO AUDITOR

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

Approved by order of the Members of the Corporation on 12 December 2024 and signed on its behalf by:

A handwritten signature in cursive script, appearing to read 'K. Prince', is positioned above the printed name and title.

KEVIN PRINCE
Chair of the Corporation Board

Date: 12th December 2024

COLCHESTER INSTITUTE

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

GOVERNANCE STATEMENT

This statement covers the period from 1 August 2023 to 31 July 2024 and up to the date of approval of the annual report and financial statements.

GOVERNANCE CODE

1. 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 accordance with the guidance to colleges from the Association of Colleges in The Code of Good Governance for English Colleges (“the Code”).
2. In the opinion of the Governors, the College complies with all the provisions of the Code and has complied throughout the year ended 31 July 2024. The Corporation Board recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times. In carrying out its responsibilities, it takes full account of The Code of Good Governance for English Colleges issued by the Association of Colleges in March 2015, which it formally adopted on 21 July 2015.

THE CORPORATION

3. The Members who served on the Corporation during the year and up to the date of signature of this report were as listed in the table below:

Name	Date of Appointment	Term of Office	Date of Leaving	Status of Appointment	Committees Served	Attendance in 2023/24*
A Andreas S Attwood	January 2014 January 2024	Ex-officio 4 years		Principal Independent	C&Q, F&R, A&R	7 out of 7 4 out of 4
S Bettinson	April 2022	4 years		Independent	F&R	4 out of 7
L Blake	May 2019, reappointed May 2023	4 years		Independent	A&R, GR&S	6 out of 7
R Block	April 2022	4 years		Independent	F&R, GR&S	4 out of 7
P Cook	February 2020	4 years		Independent	C&Q, GR&S	5 out of 7
C Donovan	August 2023	4 years		Independent	F&R	6 out of 7
T Empson	August 2023	4 years		Independent	C&Q	3 out of 7
M Iciek	January 2024	4 years		Independent	C&Q	3 out of 4
I Kettle	February 2020	4 years		Independent	A&R	2 out of 4
S Messenger	January 2024	4 years		Independent	A&R & C&Q	3 out of 4
J Patel	January 2020	4 years		Independent	A&R,	2 out of 5
K Prince	January 2008 last	4 years		Independent	Chair of Board, and	7 out of 7

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

	reappointed January 2020				member of all Committees except A&R	
B Rich	October 2020	4 years		Staff	C&Q	4 out of 5
D Swainson	August 2022	4 years		Staff	C&Q	6 out of 7
C Williams	October 2022	4 years		Independent	C&Q	7 out of 7

* Attendance relates to attendance at Corporation Board meetings during the year under review. (1 August 2023 to 31 July 2024). It does not include attendance at Committee and other meetings.

Key to Committees:

- A&R Audit and Risk Committee
- F&R Finance and Resources Committee
- C&Q Curriculum and Quality Committee
- GR&S Governance, Remuneration and Search Committee

THE GOVERNANCE FRAMEWORK

4. It is the Corporation’s responsibility to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct.
5. 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. The Corporation meets at least once each term.
6. The Corporation conducts its business through a number of Committees. Each Committee has terms of reference, which have been approved by the Corporation. These committees are Finance and Resources, Governance, Remuneration and Search, Audit and Risk, and Curriculum and Quality. Full minutes of Board and Committee meetings except those deemed to be confidential by the Corporation are published on the College’s website (www.colchester.ac.uk/governance) and are available from the Head of Governance at:

Colchester Institute, Sheepen Road, Colchester, Essex, CO3 3LL
7. The Head of Governance maintains a register of financial and personal interests of the Governors. The register is available for inspection at the above address.
8. All Governors are able to take independent professional advice in furtherance of their duties at the College’s expense and have access to the Head of Governance, who is responsible to Corporation Board for ensuring compliance with all applicable procedures and regulations. The appointment, evaluation and dismissal of the Head of Governance are matters for the Corporation as a whole.
9. Formal agendas, papers and reports are supplied to Governors in a timely manner, prior to Board meetings. Briefings are also provided on an ad-hoc-basis.
10. The Corporation has a strong and independent non-executive element, and no individual or group dominates its decision-making process. The Corporation considers that each of its non-executive Members is independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement.

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

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

APPOINTMENTS TO THE CORPORATION

12. Any new appointments to the Corporation are a matter for the consideration of the Corporation as a whole. The Corporation has a Governance, Remuneration and Search Committee consisting of the Chair and joint Vice Chairs of the Corporation, Committee Chairs plus one Independent member of Corporation Board. The Committee is responsible for the selection and nomination of any new Member for the Corporation's consideration. The Corporation is responsible for ensuring that appropriate training is provided as required.
13. Members of the Corporation are appointed for a term of office not exceeding four years. Members do not normally serve for more than two terms of four years except where subsequently undertaking a new role of Chair or Vice Chair.

CORPORATION PERFORMANCE

14. The Corporation commissioned an External Review of Governance to assess performance for the year ended 31 July 2024.
15. The Corporation Board is committed to development. All Governors have been subscribed to the Education and Training Foundation online Governance Development Programme, and update briefings were provided before full Corporation Board meetings on the following topics: Safeguarding, Employer Engagement & Stakeholder Informed Curriculum, External Review of Governance presentation of final report and Leadership & Development. New Governors completed online training sessions on Safeguarding, Working with the Prevent Duty and attended Association of Colleges (AoC) induction sessions. At least one Governor and/or the Head of Governance attended the following external events:
 - AoC Audit Committee Autumn Masterclass Series 2024
 - AoC Regional Governance Conference
 - ETF Governance Conference – College Funding & Finance
 - ETF Governance Conference – Quality & Curriculum
 - ETF Governance Conference – Students & the Curriculum
 - AOC Curriculum & Quality Chairs Network
 - AoC Finance and Audit Committee Chairs Network
 - AoC Clerks Network meetings
16. The Corporation Board has considered DfE guidance on board reviews and commissioned Governance4FE to carry out an external review which was carried out over the period September 2023 to January 2024.

GOVERNANCE, REMUNERATION AND SEARCH COMMITTEE

17. Corporation Board adopted the Association of Colleges' Senior Post Holder Remuneration Code (Remuneration Code) at its meeting on 26 July 2019. In line with the requirements of the Remuneration Code, this statement on Senior Post Holder remuneration is based on the Governance, Remuneration and Search Committee annual report to Corporation Board 2023-24.
18. For the year ending 31 July 2024, the Governance, Remuneration and Search Committee comprised five members of the Corporation. The Committee's responsibilities include consideration of the remuneration and benefits of four designated senior post holders:

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

- the Principal and Chief Executive
 - the Deputy Chief Executive
 - the Executive Vice Principal: Curriculum, Planning and Quality
 - the Head of Governance
19. The Corporation Board approved a Senior Post Holder Remuneration Policy at its meeting on 26 July 2023.
20. In determining the remuneration of senior post holders, the Corporation Board has regard to the benchmark data for general further education colleges published by the Association of Colleges and other available sources' external comparator data. Benchmark data published in April 2023 shows that for a College in the £30m - £40m income bracket the median College Principal salary in 2023 was £150,000, with the upper quartile at £170,000 and the lower quartile at £133,072. By comparison the salary for the Principal and Chief Executive at Colchester Institute was £131,104 on 31 July 2024. It should be noted that it has not been the wish of the Corporation Board to maintain the Principal's pay at a level below published comparators. This has been the preference of the Principal and Chief Executive, in light of the College's challenging financial situation, and the resultant below cost-of-living pay increases awarded to all staff in the period of her tenure.
21. Details of remuneration for the year ended 31 July 2024 are set out in note 6 to the financial statements.

AUDIT AND RISK COMMITTEE

22. The Audit and Risk Committee comprises five Members of the Corporation (excluding the Principal and Chair). Two Members of the Committee have relevant financial and audit experience. The Committee operates in accordance with written terms of reference approved by the Corporation.
23. The Audit and Risk Committee meets at least once a term and provides a forum for reporting by the College's internal auditors, reporting accountants and financial statements auditor, who have access to the Committee for independent discussion, without the presence of College management. The Committee also receives and considers reports from the main FE funding bodies as they affect the College's business.
24. The College's internal auditors review the systems of internal control, risk management controls and governance processes in accordance with an agreed plan and report their findings to management and to the Audit and Risk Committee. Management is responsible for the implementation of agreed audit recommendations and internal audit undertake periodic follow up reviews to ensure that such recommendations have been implemented.
25. The Audit and Risk Committee also advises the Corporation on the appointment of internal auditors, reporting accountants and the financial statements auditor and their remuneration for both audit and non-audit work as well as reporting annually to the Corporation.
26. The Audit and Risk Committee met three times in the year to 31 July 2024. The members of the Committee and their attendance records are shown below:

Committee member	Meetings attended
L Blake	3 out of 3
S Attwood	2 out of 3
M Asare Bediako	1 out of 2
J Patel	1 out of 2
S Messenger	1 out of 1

FINANCE AND RESOURCES COMMITTEE

27. The Finance and Resources Committee comprises at least six Members of the Corporation. It is responsible for advising the Corporation Board on all aspects of the Corporation's financial policies including detailed consideration of the annual income and expenditure estimates and regular monitoring of the corporation's financial position. The Committee also considers and advises the Corporation Board on property and land matters, franchise arrangements and tuition, and other fees payable to the Corporation.

CURRICULUM AND QUALITY COMMITTEE

28. The Curriculum and Quality Committee comprises at least six Members of the Corporation. It is responsible for monitoring the academic standards of the College, reporting to the Corporation Board on all aspects of student performance and the effectiveness of learning and teaching, and the College Self-Assessment Report.

INTERNAL CONTROL

Scope of responsibility

29. 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, not absolute assurance, against material mis-statement or loss.
30. The Corporation has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives, whilst safeguarding the public funds and assets for which she is personally responsible, in accordance with the responsibilities assigned to her in the Funding Agreement between Colchester Institute and the funding bodies. She is also responsible for reporting to the Corporation any material weaknesses or breakdowns in internal control.

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

The purpose of the system of internal control

31. The system of internal control is based on an ongoing process designed to identify and prioritise the risk 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 Colchester Institute for the year ended 31 July 2024 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

32. 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 Board 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 2024 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Corporation Board.

The risk and control framework

33. The system of internal control is based on a framework of regular management information, administrative procedures including the segregation of duties, and a system of delegation and accountability. In particular it includes:
- comprehensive budgeting systems with an annual budget, which is reviewed and agreed by the Corporation Board;
 - regular reviews by the Corporation Board of monthly 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.
34. The College has an internal audit service, which operates in accordance with the requirements of the ESFA's Post 16 Audit Code of Practice. The work of the internal audit service is informed by an analysis of the risks to which the College is exposed, and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the Corporation on the recommendation of the Audit and Risk Committee. Annually, the Internal Auditor provides the Corporation with a report on internal audit activity in the College. The report includes the Internal Auditor'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

35. Explained above.

Control weaknesses identified

36. During an internal assurance review of room utilisation in June 2024, the internal auditor reported a limited assurance opinion on some aspects of the audit scope. An action plan has been developed to ensure that there is improved utilisation of teaching spaces at the Colchester Campus.

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

Responsibilities under funding agreements

37. The Corporation undertakes a range of measures to seek assurance that contractual responsibilities under funding agreements are met. Within the year, external reviews were undertaken to monitor compliance with ESFA Funding Rules to identify funding risks and the effectiveness of controls for apprenticeships and in subcontracting controls.

Statement from the Audit and Risk Committee

38. The Audit and Risk Committee has advised the Corporation Board 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.

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

Review undertaken	Assurance Level	Recommendations			
		Urgent	Important	Routine	Operational
Assurance Review of Room Utilisation Audit	Limited	1	3	3	2
Assurance Review of Effectiveness of College Marketing	Substantial	0	0	1	0
Assurance Review of Cash, Bank and Accounts Payable	Substantial	0	0	2	0
Assurance Review – Individual Learner Record	Substantial	0	0	0	0
Recruitment and Training – follow up review	N/A	Implemented			

Review of effectiveness

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

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

41. The Principal 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, the Risk Management Committee, and other sources of assurance, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

42. The College Executive receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The College Executive and the 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 Audit and Risk Committee's agenda

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

includes a regular item for consideration of risk and control and reports thereon to the Corporation Board. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At the December 2024 meeting, the Corporation Board carried out the annual assessment for the year ended 31 July 2024 by considering documentation from the College Executive and internal audit, recommendations from the Audit and Risk Committee and taking account of events since 31 July 2023.

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

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



KEVIN PRINCE
Chair of Corporation Board

Date: 17 December 2024



ALISON ANDREAS
Principal, Chief Executive
and Accounting Officer

Date: 17 December 2024

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer, I confirm that the corporation has had due regard to the framework of authorities governing regularity, propriety and compliance, and the requirements of grant funding agreements and contracts with DfE, and has considered its responsibility to notify DfE of material irregularity, impropriety and non-compliance with those authorities and terms and conditions of funding.

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

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



**Principal and Chief Executive
and Accounting Officer**

Date: 17th December 2024

Statement of the Chair of the Corporation Board

On behalf of the corporation, I confirm that the accounting officer has discussed their statement of regularity, propriety and compliance with Corporation Board and that I am content that it is materially accurate.



**KEVIN PRINCE
Chair of Corporation Board**

Date: 17th December 2024

STATEMENT OF RESPONSIBILITIES OF THE MEMBERS OF THE CORPORATION

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

Within the terms and conditions of the college's grant funding agreements and contracts with the Education and Skills Funding Agency, the Corporation, through its accounting officer, is required to prepare consolidated financial statements and an operating and financial review for each financial year in accordance with the Statement of Recommended Practice – Accounting for Further and Higher Education, ESFA's College Accounts Direction and the UK's Generally Accepted Accounting Practice, and which give a true and fair view of the state of affairs of the College and the group and its surplus/deficit of income over expenditure for that period.

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

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

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

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

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

Members of the Corporation are responsible for ensuring that expenditure and income are applied for the purposes intended by Parliament and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from the ESFA and any other public funds are used only in accordance with the ESFA's grant funding agreements and contracts and any other conditions that may be prescribed from time to time by the ESFA or any other public funder, including that any transactions entered into by the corporation are within the delegated authorities set out in the "Dear accounting officer" letter of 29 November 2022 and ESFA's bite size guides. Members of the Corporation must ensure that there are appropriate financial and management controls in place to safeguard public and other funds and ensure they are used properly. In addition, Members of the Corporation are responsible for securing economic, efficient and effective management of the College and its subsidiary undertaking's resources and expenditure so that the benefits that should be derived from the application of public funds from the ESFA and other public bodies are not put at risk.

COLCHESTER INSTITUTE

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

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

A handwritten signature in black ink, appearing to read 'K. Prince', written in a cursive style.

KEVIN PRINCE
Chair of Corporation Board

Date: 17 December 2024

INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF COLCHESTER INSTITUTE

Opinion

We have audited the financial statements of the Group and Colchester Institute (the 'College') for the year ended 31 July 2024, which comprise of the Consolidated and College Statements of Comprehensive Income, the Consolidated Statements of Changes in Reserves, the Consolidated and College Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is 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:

In our opinion, the financial statements:

- Give a true and fair view of the state of the Group's and the College's affairs as at 31 July 2024 and of its surplus of expenditure over income for the year then ended.
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and with the 2019 Statement of Recommended Practice – Accounting for Further and Higher Education.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and 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 Corporation Board'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 Group and College's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The governors are responsible for the other information. 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.

INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF COLCHESTER INSTITUTE

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept; 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

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 Education and Skills Funding Agency 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 number 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 number 8(b) to the financial statements, has been materially misstated

We have no matters to report arising from this responsibility.

Responsibilities of the Corporation Board

As explained more fully in the Statement of Corporation Responsibilities on page 36, the Members of the Corporation Board are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Corporation Board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF COLCHESTER INSTITUTE

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 Group operates in and how the Group is complying with the legal and regulatory frameworks;
- Enquiry of management, those charged with governance and the College's solicitors (or in-house legal team) around actual and potential litigation and claims;
- Enquiry of College staff in tax and 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;
- 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.

INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF COLCHESTER INSTITUTE

Use of our report

This report is made solely to the Corporation Board, as a body, in accordance with the Funding Agreement published by the Education and Skills Funding Agency and our engagement letter. Our audit work has been undertaken so that we might state to the Corporation Board 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 Board 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: 19/12/2024

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

Date: 19/12/2024

**REPORTING ACCOUNTANT'S REPORT ON REGULARITY
YEAR ENDED 31 JULY 2024**

To: The Corporation of Colchester Institute and Secretary of State for Education acting through the Education and Skills Funding Agency (ESFA)

In accordance with the terms of our engagement letter and further to the requirements and conditions of funding in ESFA's grant funding agreements and contracts, or those of any other public funder, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by Colchester Institute during the period 1 August 2023 to 31 July 2024 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

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

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

Respective responsibilities of Colchester Institute and the reporting accountant

The corporation of Colchester Institute is responsible, under the requirements of the Further & Higher Education Act 1992, subsequent legislation and related regulations and guidance, for ensuring that expenditure disbursed, and income received, are applied for the purposes intended by Parliament, and the financial transactions conform to the authorities that govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Code. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received, during the period 1 August 2023 to 31 July 2024 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Code issued by ESFA. We performed a limited assurance engagement as defined in that framework.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the corporation's income and expenditure.

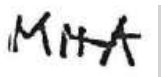
REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY

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



MHA

Chartered Accountants and Registered Auditor
London, United Kingdom

Date: 19/12/2024

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

COLCHESTER INSTITUTE

CONSOLIDATED AND COLLEGE STATEMENT OF TOTAL COMPREHENSIVE INCOME AND EXPENDITURE YEAR ENDED 31 JULY 2024

	Notes	Group 2024 £000	College 2024 £000	Group 2023 £000	College 2023 £000
Income					
Funding body grants	2	35,097	35,097	31,510	31,510
Tuition fees and education contracts	3	2,583	2,583	3,245	3,245
Other income	4	3,227	3,227	2,749	2,749
Investment income	5	1,355	1,355	121	121
Total income		42,262	42,262	37,625	37,625
Expenditure					
Staff costs	6	25,890	25,890	25,578	25,578
Other operating expenses	7	10,483	10,483	9,914	9,914
Depreciation	9	3,058	3,058	2,921	2,921
Interest and other finance costs	8	593	593	551	551
Total expenditure		40,024	40,024	38,964	38,964
Surplus before asset disposals and impairments		2,238	2,238	(1,339)	(1,339)
Gain on disposal of tangible fixed assets		5	5	76	76
Surplus for the year		2,243	2,243	(1,263)	(1,263)
Actuarial gain/(loss) in respect of pension scheme	21	(1,779)	(1,779)	741	741
Total comprehensive income for the year		464	464	(522)	(522)

The comprehensive income is unrestricted, wholly attributable to the Group and College in respect of continuing activities.

The notes on pages 47 to 74 form part of these financial statements.

COLCHESTER INSTITUTE**STATEMENT OF CHANGES IN CONSOLIDATED RESERVES
YEAR ENDED 31 JULY 2024**

	Income and expenditure account £000	Capital reserve £000	Total £000
Balance at 1 August 2022	24,846	1,000	25,846
Deficit from the income and expenditure account	(1,263)	-	(1,263)
Other comprehensive income	741	-	741
Total comprehensive income for the year	(522)	-	(522)
Balance at 31 July 2023	24,324	1,000	25,324
Balance at 1 August 2023	24,324	1,000	25,324
Surplus from the income and expenditure account	2,243	-	2,243
Other comprehensive income	(1,779)	-	(1,779)
Total comprehensive income for the year	464	-	464
Balance at 31 July 2024	24,788	1,000	25,788

The notes on pages 47 to 74 form part of these financial statements.

COLCHESTER INSTITUTE

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

	Notes	Group 2024 £000	College 2024 £000	Group 2023 £000	College 2023 £000
Non-current assets					
Tangible assets	9	73,178	73,178	72,804	72,804
Investments	10	-	-	-	106
Total non- current assets		73,178	73,178	72,804	72,910
Current assets					
Stocks		8	8	17	17
Trade and other receivables	11	1,845	1,845	1,684	1,684
Cash and cash equivalents	16	3,137	3,137	3,041	3,041
		4,990	4,990	4,742	4,742
Less: Creditors - amounts falling due within one year	12	(7,998)	(7,998)	(7,868)	(7,974)
Net current (liabilities)		(3,008)	(3,008)	(3,126)	(3,232)
Total assets less current liabilities		70,170	70,170	69,678	69,678
Creditors: amounts falling due after more than one year	13	(43,615)	(43,615)	(43,618)	(43,618)
Provisions					
Other provisions	15	(767)	(767)	(736)	(736)
Total net asset		25,788	25,788	25,324	25,324
Unrestricted reserves					
Income and expenditure account		24,788	24,788	24,324	24,324
Capital reserve	18	1,000	1,000	1,000	1,000
Total unrestricted reserves		25,788	25,788	25,324	25,324

The financial statements on pages 43 to 74 were approved and authorised for issue by the Corporation on 17th December 2024 and were signed on its behalf on that date by:



K Prince
Chair of Corporation Board



A Andreas
Principal and Chief Executive
and Accounting Officer

COLCHESTER INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2024

	2024	2023
	£000	£000
Cash inflow from operating activities		
Surplus/(Deficit) for the year	2,243	(1,263)
Adjustment for non-cash items		
Depreciation	3,058	2,921
Decrease in stock	9	(11)
Decrease in debtors	(161)	36
(Decrease) in creditors due within one year	(234)	(1,569)
(Decrease) in creditors due after one year	-	-
(Decrease) in provisions	31	(305)
Pension costs less contributions payable	(1,779)	741
Profit on disposal of fixed assets	(22)	(76)
Adjustment for investing or financing activities		
Investment income	(1,355)	(121)
Interest payable	593	639
Net cash flow from operating activities	2,383	992
Cash flows from investing activities		
Capital grants received	623	1,748
Investment income	1,355	121
Payments made to acquire fixed assets	(2,802)	(3,343)
Proceeds from sale of assets	22	76
	(802)	(1,398)
Cash flows from financing activities		
Interest paid	(572)	(612)
Interest element of finance lease rental payments	(21)	(27)
Repayments of amounts borrowed	(500)	(472)
Capital element of finance lease rental payments	(392)	(267)
	(1,485)	(1,378)
(Decrease)/increase in cash and cash equivalents in the year	96	(1,784)
Cash and cash equivalents at the beginning of the year	3,041	4,825
Cash and cash equivalents at the end of the year	3,137	3,041

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2024

1 ACCOUNTING POLICIES

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 2023/24 and in accordance with Financial Reporting Standard 102 – “*The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland*” (FRS 102). The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

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

Basis of accounting

The financial statements have been prepared under the historical cost convention as modified by the use of previous valuations as deemed cost at transition for certain fixed assets. The Group is required to report to external agencies and funders throughout the year based on an operational pre FRS 102 and one-off income and costs basis, that ultimately dictates the financial health rating under ESFA methodology.

Going Concern

The activities of the College and the Group, 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 and the Group, its cash flow, liquidity and borrowings are described in the Financial Statements and accompanying notes.

In line with financial objectives, the College and the Group continues to improve balance sheet reserves. As a result of the estates rationalisation plan and a significant improvement in operating performance over recent years, the College has now improved financial health. However, it is noted that further focus is still required in order to continue to improve current ratio and cash reserves further to a more sustainable level. The College has set out within its four-year financial plan (aligned to the Strategic Plan) as to how this will be achieved. Course costings is an essential mechanism for monitoring cost of delivery, allowing for timely decision making at curriculum planning events. Business processes continue to be reviewed to ensure efficiencies are achieved, and there will be further work to complete tasks associated within the Estates and Accommodation Strategy which will further reduce operating overheads alongside reducing carbon emissions.

A decision on going concern has been made by the Corporation having made the following enquiries to understand whether the College has adequate resources to continue in operational existence for the foreseeable future under the current economic conditions:

- a. The Corporation undertook a thorough examination of the assumptions underpinning the corporate budget 2024-25 and four-year financial plan, including how these assumptions impacted the short term and long range cashflow forecast and Income and Expenditure statement. The Corporation approved the 2024-25 budget having satisfied itself that the operational and financial plans were suitably robust.

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2024**

- b. The Corporation has received and approved the detailed monthly management report and accounts for periods 2 and 3 and note a positive start to the year.
- c. The Corporation has stress tested the financial forecast for the current year and 2025-26 under four different scenarios and discussed these with the College Executive. One scenario stress tested the potential effect of defunding arrangements, as detailed in the Strategic Report, on the financial forecast which resulted in the financial projections passing the Going Concern test.
- d. The Corporation continues to receive regular updates on principal strategic risks and operational risks presented within the detailed corporate risk register. The Corporation understands these risks and is content that the controls and mitigating actions are appropriate to the prevailing conditions.

Having taken the above into account, the Corporation considers it appropriate that the College does have adequate resources in place to meet its liabilities as they fall due and will continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. This decision is based on the enquiries made by the Corporation and the prevailing and current circumstances as at the date of signature below.

Basis of consolidation

The consolidated financial statements incorporate all the activities of the College and its subsidiary undertaking, Colchester Institute Enterprises Limited. Intra-group sales and profits are eliminated fully on consolidation. The consolidated financial statements include all income earned from third parties. In accordance with FRS 102, the activities of the student union have not been consolidated because the Group does not control those activities. All financial statements are made up to 31 July 2024.

Recognition of income

Funding body recurrent grants are recognised 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 learner responsive funding element 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 at the end of November following the year end. Employer responsive grant income is recognised based on a year end reconciliation of income claimed and actual delivery with the Funding body. 16-18 learner-responsive funding is not normally subject to reconciliation and is therefore not subject to contract adjustments.

In years in which the College is subject to a funding audit, the recurrent grant from the funding bodies is that receivable as determined by the results of the funding audit undertaken.

Non-recurrent grants from the funding bodies or other bodies received in respect of the acquisition of fixed assets are treated as deferred capital grants and amortised in line with depreciation over the life of the assets.

The recurrent grant from Office for Students (OfS) represents the funding allocations attributable to the current financial year and is credited direct to the income and expenditure account.

1 ACCOUNTING POLICIES - (continued)

Income from tuition fees is recognised in the period for which it relates and includes all fees payable by students or their sponsors. The costs of any bursaries paid to students are included as expenditure in note 7.

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2024**

Income from grants, contracts and other services rendered is included to the extent of the completion of the contract or service concerned. All income from short-term deposits is credited to the income and expenditure account in the period in which it is earned.

Post-employment benefits

Post-employment benefits to employees of the College are provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). These are defined benefit 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 payrolls. 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, reasonable and reliable basis. The TPS is therefore treated as a defined contribution plan and the contributions recognised as an expense in the income statement in the period during which services are rendered by employees.

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 a 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 cost of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Comprehensive Income and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in interest and other finance costs.

Actuarial gains and losses are recognised immediately in actuarial gains and losses. When there is a LGPS asset the asset will not be shown on the balance sheet and the actuarial gain will be reduced by the amount of the asset.

At the year end, the initial actuarial report from the LGPS Actuary reported a net pension asset of £24,036,000. 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 FRS 102 criteria which states that this can only be recognised to the extent the College is able to recover the surplus either through reduced contributions or refunds from the plan.

The College has asked its Actuary to undertake an asset ceiling calculation. The asset ceiling is the present value of any economic benefit available to the Employer in the form of refunds or reduced future employer contributions and as a result of this calculation it has been concluded that no surplus exists.

Accordingly, the College has made an impairment charge on the asset reducing the net position at 31 July 2024 to £nil. Therefore, no defined benefit pension asset has been recognised.

Enhanced Pensions

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

Tangible fixed assets

(a) Land and buildings

Land and buildings inherited from the local education authority in 2003 are stated in the balance sheet on the basis of depreciated replacement cost as the open market value for existing use is not readily obtainable. Building improvements made since incorporation are included in the balance sheet at cost.

Freehold buildings are depreciated over their useful lives of between 15 and 73 years from the date of the revaluation or date of acquisition, whichever is later. Leasehold buildings are depreciated over the term of the lease. No depreciation is provided on buildings until they are brought into use. Freehold land is not depreciated.

Where land and buildings are acquired with the aid of specific grants they are capitalised and the buildings are depreciated as above. The related grants are credited to a deferred capital grant account and are released to the income and expenditure account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. An impairment review will also be carried out if there have been favourable events or changes in circumstances since the impairment loss was recognised that would indicate that the impairment loss no longer exists or may have decreased.

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

In these accounts, to align with the requirements of FRS 102, the College has transferred the revaluation reserve to income and expenditure reserve.

Assets under construction are accounted for at cost, based on the value of architect's certificates and other direct costs, incurred to 31 July 2024. They are not depreciated until they are brought into use.

1 ACCOUNTING POLICIES - (continued)

Where significant expenditure is incurred on tangible fixed assets it is charged to the income and expenditure account in the period it is incurred, unless it meets one of the following criteria, in which case it is capitalised and depreciated on the relevant basis:

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2024**

- Market value of the fixed asset has subsequently improved;
- Asset capacity increases;
- Substantial improvement in the quality of output or reduction in operating costs; and
- Significant extension of the asset's life beyond that conferred by repairs and maintenance.

(b) Equipment

Equipment costing less than £3,000 per individual item is written off to the income and expenditure account in the period of acquisition. All other equipment is capitalised at cost. Equipment is depreciated on a straight line basis over 3 to 15 years.

Where equipment is acquired with the aid of specific grants it is capitalised and depreciated in accordance with the above policy, with the related grant being credited to a deferred capital grant account and released to the income and expenditure account over the expected useful economic life of the related equipment.

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

Leased assets

Costs in respect of operating leases are charged on a straight-line basis over the lease term to the Statement of Comprehensive Income and Expenditure. Leasing agreements which transfer to the College substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright and are capitalised at their fair value at the inception of the lease and depreciated over the shorter of the lease term or the useful economic lives of equivalently owned assets. The capital element outstanding is shown as obligations under finance leases. The finance charges are allocated over the period of the lease in proportion to the capital element outstanding. Where finance lease payments are funded in full from funding council capital equipment grants, the associated assets are designated as grant-funded assets.

Maintenance of premises

The cost of routine corrective maintenance is charged to the income and expenditure account in the period it is incurred.

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2024**

1 ACCOUNTING POLICIES - (continued)

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 Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

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

The College's subsidiary company is subject to corporation tax and VAT in the same way as any commercial organisation.

Provisions

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.

Investments

Investments in the subsidiary undertaking is stated at cost less accumulated impairment charges.

Cash and Cash Equivalents

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

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

Restricted Cash

Restricted cash refers to sums held on behalf of the Group that it is not able to readily access at Balance Sheet date but expects to be able to access within the next accounting period and therefore this justifies the treatment as a current asset within the balance sheet.

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2024**

1 ACCOUNTING POLICIES - (continued)

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 instruments legal form.

All loans, investments and short-term deposits held by the Group are classified as basic financial instruments in accordance with FRS 102. These instruments are initially recorded at the transaction price less any transaction cost (historical cost). FRS 102 requires that basic financial instruments are subsequently measured at amortised cost; however, the Group 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.

Stock

Stock is stated at the lower of cost or net realisable value.

Learner Support Fund

The Learner Support Fund grant from the funding bodies is available solely for students, the College acts only as a paying agent. The grants and related disbursements are therefore excluded from the income and expenditure account and are shown separately in note 23, except for the 5 per cent of the grant received which is available to the College to cover administration costs relating to the grant.

Judgements in applying accounting policies and key sources of estimation uncertainty

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

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

Other key sources of estimation uncertainty:

- Tangible *fixed assets*

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

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2024

1 ACCOUNTING POLICIES - (*continued*)

- *Local Government Pension Scheme*

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21 will impact the carrying amount of the pension liability. The actuary has used a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 to value the pensions liability at 31 July 2024. Any differences between the figures derived from the roll forward approach and full actuarial valuation would impact on the carrying amount of the pension liability. When the Local Government Pension Scheme defined benefit liability is an asset, it is restricted due to non-recoverability.

- *Contingent asset in relation to VAT receivable*

In 2014, the College submitted an appeal against HMRC in respect of the historical treatment of VAT associated with a previous property strategy development. In January 2020, the Upper Tier Tribunal of the Tax Chamber accepted the College's appeal that certain grants received at the time were consideration for a supply made by the College, and therefore that the College was entitled to a repayment of VAT for assessments that had been levied against it.

Whilst an initial repayment was received by the College in a prior year period, there remains uncertainty over the balance due to the potential for further litigation. Management consider that whilst HMRC have acknowledged the position and made an initial repayment, HMRC has also indicated that it will only do so in a method that would not jeopardise any claim to overturn the Upper Tier Tribunal of the Tax Chamber's decision, which could result in either further litigation/appeal to the Court of Appeal.

Management therefore considers that the asset relating to the residual balance does not meet the definition of "virtually certain" as defined in FRS 102 and therefore have not recognised an asset amounting to £462k in the Group balance sheet as at 31 July 2024.

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2024**

2 FUNDING BODY GRANTS

	Group 2024 £000	College 2024 £000	Group 2023 £000	College 2023 £000
Recurrent grants				
Education and Skills Funding Agency- adult	2,763	2,763	2,547	2,547
Education and Skills Funding Agency- 16-18	23,711	23,711	21,477	21,477
Education and Skills Funding Agency- Apprenticeships	5,358	5,358	4,637	4,637
Office for Students	256	256	257	257
Specific grants				
Education and Skills Funding Agency	940	940	842	842
Education and Skills Funding Agency	955	955	771	771
Teacher Pension Scheme contribution grant				
Education and Skills Funding Agency	-	-	-	-
Other Covid 19 Funding				
Education and Skills Funding Agency	-	-	-	-
Provider relief scheme				
Releases of Government capital grants	1,114	1,114	979	979
	<u><u>35,097</u></u>	<u><u>35,097</u></u>	<u><u>31,510</u></u>	<u><u>31,510</u></u>

In the year, all Higher Education funding was received direct from the Office for Students(OfS).

The College sub-contracts a proportion of its Education and Skills Funding Agency contract allocation to a number of Work Based Learning providers in the area. The income shown above includes that earned by the College in its capacity as both a provider and also the gross amount of any sub-contractual provision.

Analysis of level 4 qualifications grant and fee income included within note 2 Funding Body Grants and note 3 Tuition Fees and Education Contracts

	Group 2024 £000	College 2024 £000	Group 2023 £000	College 2023 £000
Grant income from the Office for Students	256	256	257	257
Grant income from other bodies	2,763	2,763	2,601	2,601
Fee income for taught awards (exclusive of VAT)	1,049	1,049	754	754
Fee income for non-qualifying courses	-	-	1	1
Total	<u><u>4,068</u></u>	<u><u>4,068</u></u>	<u><u>3,613</u></u>	<u><u>3,613</u></u>

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2024

3 TUITION FEES AND EDUCATION CONTRACTS

	Group 2024 £000	College 2024 £000	Group 2023 £000	College 2023 £000
Adult education fees	657	657	509	509
Apprenticeship fees and contracts	77	77	95	95
Fees for FE loan supported courses	94	94	233	233
Fees for HE loan supported courses	1,686	1,686	2,320	2,320
	<hr/>	<hr/>	<hr/>	<hr/>
Total tuition fees	2,514	2,514	3,157	3,157
Education contracts	69	69	88	88
	<hr/>	<hr/>	<hr/>	<hr/>
Total	2,583	2,583	3,245	3,245

During the year bursaries funded tuition fees amounting to £46k (2023: £6k).

4 OTHER INCOME

	Group 2024 £000	College 2024 £000	Group 2023 £000	College 2023 £000
Catering and residences	68	68	108	108
Other income generating activities	2,393	2,393	2,510	2,510
Miscellaneous income	761	761	131	131
Donations	5	5	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	3,227	3,227	2,749	2,749

5 INVESTMENT INCOME

	Group 2024 £000	College 2024 £000	Group 2023 £000	College 2023 £000
Bank interest received	149	149	121	121
Interest on Pension Fund (note 21)	1,206	1,206		
	<hr/>	<hr/>	<hr/>	<hr/>
	1,355	1,355	121	121

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2024**

6 STAFF COSTS

Staff numbers

The average headcount (including key management personnel) employed by the Group during the year was:

	Group	
	2024	2023
	Number	Number
Teaching staff	303	327
Non-teaching staff	448	438
	751	765

Staff costs for the above persons

	Group	
	2024	2023
	£000	£000
Wages and salaries	19,611	18,457
Social security costs	1,788	1,721
Other pension costs	3,745	4,706
Redundancy costs	164	214
	25,308	25,098
Contracted out staffing services	582	480
	25,890	25,578

All college staff were awarded a 5.0% general cost of living salary award with effect from 01 October 2023.

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College and are represented by the Executive Team which comprises the Principal, Deputy Chief Executive, Deputy Principal and the Head of Governance as at 31 July 2024. There was a restructure during the year and two other changes of staff which resulted in the head count of seven for 2023-24. Not all the staff were in post for the full year which explains the reason for a headcount in 2023-24 of 7 compared to 6 in 2022-23 and a lower total emolument figure in 2023-24 compared to 2022-23.

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

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2024

6 STAFF COSTS - (continued)

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

	2024 Number	2023 Number
The number of key management personnel including the Accounting Officer was:	<u>7</u>	<u>6</u>

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

	Key management personnel		Other Staff	
	2024	2023	2024	2023
£ 5,001 to £ 10,000	1	-	-	-
£ 20,001 to £ 25,000	1	-	-	-
£ 30,001 to £ 35,000	-	1	-	-
£ 35,001 to £ 40,000	1	-	-	-
£ 60,001 to £ 65,000	1	-	-	-
£ 75,001 to £ 80,000	1	1	-	-
£ 85,001 to £ 90,000	-	1	-	-
£ 90,001 to £ 95,000	-	1	-	-
£100,001 to £ 105,000	1	-	-	-
£130,001 to £ 135,000	1	1	-	-
£135,001 to £ 140,000	-	1	-	-
	<u>7</u>	<u>6</u>	<u>-</u>	<u>-</u>

Key management personnel compensation is made up as follows:

	2024 £000	2023 £000
Salaries (including a contractual severance payment)	439	551
Employers National Insurance	54	65
Benefits in Kind	-	-
	<u>493</u>	<u>616</u>
Pension contributions	100	110
Total emoluments	<u>593</u>	<u>726</u>

There were no amounts due to key management personnel that were waived in the year, nor any salary sacrifice arrangements in place.

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2024**

6 STAFF COSTS - (continued)

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

	2024	2023
	£000	£000
Salaries	130	125
Employers National Insurance	17	16
	<u>147</u>	<u>141</u>
	2023	2023
	£000	£000
Pension contributions	<u>29</u>	<u>26</u>

Relationship of Principal/Chief Executive pay and remuneration expressed as a multiple

- Principal and CEO's basic salary as a multiple of the median of all staff 4.1.
- Principal and CEO's total remuneration as a multiple of the median of all staff 4.1.

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

The Corporation Board has adopted AoC's Senior Staff Remuneration Code in July 2019 and will assess pay in line with its principles in future.

The remuneration package of the Principal and Chief Executive is subject to annual review by the Remuneration Committee of the Corporation Board who use benchmarking information to provide objective guidance.

The Principal and Chief Executive reports to the Chair of the Corporation, who undertakes an annual review of her performance against the College's overall objectives using both qualitative and quantitative measures of performance.

COLCHESTER INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2024

7(a) OTHER OPERATING EXPENSES

	Group 2024 £000	College 2024 £000	Group 2023 £000	College 2023 £000
Teaching costs	3,767	3,767	3,688	3,688
Non-teaching costs	3,843	3,843	3,573	3,573
Premises costs	2,872	2,872	2,653	2,653
	<u>10,483</u>	<u>10,483</u>	<u>9,914</u>	<u>9,914</u>
Other operating expenses include:				
	£000	£000	£000	£000
Auditor's remuneration:				
Financial statements audit	40	40	40	40
Other assurance services provided by financial statements auditor	-	-	-	-
Internal audit fees	19	19	21	21
Hire of assets under - operating leases	39	39	23	23
	<u>107</u>	<u>107</u>	<u>84</u>	<u>84</u>

7(b) ACCESS AND PARTICIPATION EXPENDITURE

	Group	
	2024 £000	2023 £000
Access investment	11	25
Financial support to students	2	2
Disability support	12	21
Research and evaluation (relating to access and participation)	5	5
	<u>30</u>	<u>53</u>

8 INTEREST AND OTHER FINANCE COSTS

	Group and College	
	2024 £000	2023 £000
On bank loans, and other loans	572	612
On finance leases	21	27
Net interest on defined benefit pension liability (note 21)	-	(88)
	<u>593</u>	<u>551</u>

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2024**

9(a) TANGIBLE ASSETS

GROUP

	Land and Buildings				
	Assets in the course of Construction £000	Freehold £000	Leasehold £000	Equipment £000	Total £000
Cost or valuation					
At 1 August 2023	937	98,586	738	10,643	110,904
Additions	3,084	-	-	348	3,432
Transfers	(1,431)	944	-	487	-
Disposals		(25)		(461)	(486)
At 31 July 2024	<u>2,590</u>	<u>99,505</u>	<u>738</u>	<u>11,017</u>	<u>113,850</u>
Depreciation					
At 1 August 2023	-	28,629	500	8,970	38,099
Charge for the year	-	2,315	16	727	3,058
Elimination in respect of Disposals	-	(24)	-	(461)	(485)
At 31 July 2024	<u>-</u>	<u>30,920</u>	<u>516</u>	<u>9,236</u>	<u>40,672</u>
Net book value					
At 31 July 2024	<u>2,590</u>	<u>68,585</u>	<u>222</u>	<u>1,781</u>	<u>73,178</u>
At 31 July 2023	<u>5,937</u>	<u>69,958</u>	<u>236</u>	<u>1,673</u>	<u>72,804</u>

Land and buildings were originally revalued as at 1 August 1996 at depreciated replacement cost by Mr N J Percival BSc ARICS. Land and buildings acquired upon the merger with Braintree College were originally valued on 1 January 2010 at depreciated replacement cost by Mr N J Percival BSc ARICS.

Following the transition to FRS102, the College followed the transitional provision to retain the land and buildings at deemed cost and not adopt a policy of revaluation.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2024

9(b) TANGIBLE ASSETS

COLLEGE

	Assets in the course of Construction £000	Land and Buildings			Total £000
		Freehold £000	Leasehold £000	Equipment £000	
Cost or valuation					
At 1 August 2023	937	98,586	738	10,643	110,904
Additions	3,084	-	-	348	3,432
Transfers	(1,431)	944	-	487	-
Disposals		(25)		(461)	(486)
At 31 July 2024	<u>2,590</u>	<u>99,505</u>	<u>738</u>	<u>11,017</u>	<u>113,850</u>
Depreciation					
At 1 August 2023	-	28,629	500	8,970	38,099
Charge for the year	-	2,315	16	727	3,058
Elimination in respect of Disposals	-	(24)	-	(461)	(485)
At 31 July 2024	<u>-</u>	<u>30,920</u>	<u>516</u>	<u>9,236</u>	<u>40,672</u>
Net book value					
At 31 July 2024	<u>2,590</u>	<u>68,585</u>	<u>222</u>	<u>1,781</u>	<u>73,178</u>
At 31 July 2023	<u>5,937</u>	<u>69,958</u>	<u>236</u>	<u>1,673</u>	<u>72,804</u>

Land and buildings were revalued as at 1 August 1996 at depreciated replacement cost by Mr N J Percival BSc ARICS.

Land and buildings acquired upon the merger with Braintree College were valued on 1 January 2010 at depreciated replacement cost by Mr N J Percival BSc ARICS.

The net book value of equipment includes an amount of £788,000 (2023: £735,000) in respect of assets held under finance leases. The depreciation charge on these assets for the year was £294,000 (2023: £278,000).

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2024**

10 NON-CURRENT INVESTMENTS

COLLEGE	2024 £000	2023 £000
Investment in subsidiary undertaking at cost 1 August 2023 And 31 July 2024	717	717
Amount written off investment at 1 August 2023 and 31 July 2024	(717)	(611)
Net book value of investment at 31 July 2023 and 2024	<u>-</u>	<u>106</u>

The College owns 200,100 ordinary £1 shares representing 100% of the share capital of Colchester Institute Enterprises Limited, a company incorporated in England and Wales which is now dormant. The investment has been provided for with the net book value written down to zero as at 31 July 2024.

11 TRADE AND OTHER RECEIVABLES

	Group 2024 £000	College 2024 £000	Group 2023 £000	College 2023 £000
Amounts falling due within one year:				
Trade receivables	198	198	188	188
Other debtors	13	13	115	115
Amounts owed by the ESFA	744	744	388	388
Prepayments and accrued income	890	890	993	993
	<u>1,845</u>	<u>1,845</u>	<u>1,684</u>	<u>1,684</u>

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2024**

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	College	Group	College
	2024	2024	2023	2023
	£000	£000	£000	£000
Bank loan	518	518	494	494
Obligations under finance leases	306	306	243	243
Trade payables	1,508	1,508	1,719	1,719
Capital creditors	346	346	69	69
Other creditors	720	720	603	603
Amounts owed to subsidiary undertakings	-	-	-	106
Other taxation and social security	612	612	626	626
Accruals and deferred income	1,600	1,600	1,700	1,700
Payment received in advance	598	598	652	652
Deferred income – government capital grants	1,114	1,114	979	979
Loan – Colchester Institute Foundation Trust	18	18	7	7
Amounts owed to the ESFA	658	658	776	776
	<u>7,998</u>	<u>7,998</u>	<u>7,868</u>	<u>7,974</u>

Net obligations under finance leases are secured on the assets to which they relate.

13 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group	College	Group	College
	2024	2024	2023	2023
	£000	£000	£000	£000
Bank loan	7,623	7,623	8,147	8,147
Obligations under finance leases	304	304	406	406
Deferred income – Government capital Grants	35,688	35,688	35,065	35,065
	<u>43,615</u>	<u>43,615</u>	<u>43,618</u>	<u>43,618</u>

Net obligations under finance leases are secured on the assets to which they relate.

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2024**

14 MATURITY OF DEBT

(a) Bank loans

Bank loans are repayable as follows:

	Group 2024 £000	College 2024 £000	Group 2023 £000	College 2023 £000
In one year or less	518	518	494	494
Between one and two years	541	541	518	518
Between two and five years	1,792	1,792	1,708	1,708
In five years or more	5,290	5,290	5,921	5,921
	<u>8,141</u>	<u>8,141</u>	<u>8,641</u>	<u>8,641</u>

At 31 July 2024 the total bank loan to be repaid was £8,141,000 (2023: £8,641,000). The loan is to be repaid by May 2036 with repayments having started in August 2013. Under the agreement currently in place, the loan interest was fixed at 5.59% until 31 July 2018; and 6.59% thereafter until full term of the loan; the loan is secured against the main campus at Sheepen Road, Colchester.

(b) Finance leases

The net finance lease obligations committed are repayable as follows:

	Group 2024 £000	College 2024 £000	Group 2023 £000	College 2023 £000
In one year or less	306	306	243	243
Between one and two years	215	215	187	187
Between two and five years	89	89	221	221
	<u>610</u>	<u>610</u>	<u>651</u>	<u>651</u>

Net finance lease obligations are secured on the assets to which they relate.

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2024**

15 OTHER PROVISIONS**GROUP AND COLLEGE**

	Enhanced pensions £000	Dilapidations £000	Total £000
At 1 August 2023	651	85	736
Utilised in the year	(54)	-	(54)
Additional provision in the year	95	(10)	85
	<hr/>	<hr/>	<hr/>
At 31 July 2024	692	75	767
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The enhanced pension provision relates to the cost of staff that have already left the College's employment. This scheme was applicable to Braintree College staff pre-merger in 2010. This provision has been recalculated in accordance with ESFA requirements.

The principal assumptions for this calculation are price inflation of 2.8% and a discount rate of 4.8% per annum.

The dilapidations provision is in respect of potential costs that may need to be incurred by the Group and College at the end of its lease on certain properties as it is required to ensure that the properties are returned to the same condition when the leases were originally entered into. The provision is expected to be utilised over the next 24 months and has not been discounted as the effect is considered to be immaterial.

The dilapidations relate to Dovercourt Learning Shop £26,000 and Harwich £49,000.

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

16 CASH AND CASH EQUIVALENTS

	At 1 Aug 2023 £000	Cash flows £000	Other changes £000	At 31 July 2024 £000
Cash and cash equivalents	3,041	96	-	3,137
	<hr/>	<hr/>	<hr/>	<hr/>
	3,041	96	-	3,137
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

COLCHESTER INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2024

17 CAPITAL COMMITMENTS

	Group 2024 £000	College 2024 £000	Group 2023 £000	College 2023 £000
Commitments contracted for at 31 July 2024	<u>541</u>	<u>541</u>	<u>165</u>	<u>165</u>

18 CAPITAL RESERVE

	Group 2024 £000	College 2024 £000	Group 2023 £000	College 2023 £000
At 1 August 2023 and 31 July 2024	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

The capital reserve has been set up to provide funds for the future replacement of capital assets.

19 LEASE OBLIGATIONS

At 31 July 2024 the College had minimum lease payments under non-cancellable operating leases as follows:

	2024 £000	2023 £000
Land and buildings:		
Not later than one year	22	11
Later than one year and not later than five years	103	56
Later than five years	138	93
	<u>263</u>	<u>160</u>
Other:		
Not later than one year	17	6
Later than one year and not later than five years	-	-
	<u>17</u>	<u>6</u>
Total lease payments due	<u>280</u>	<u>166</u>

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2024**

20 EVENTS AFTER THE REPORTING PERIOD

There were no significant events after the reporting period.

21 DEFINED BENEFIT OBLIGATIONS

The College's employees belong to two principal post-employment benefit plans, the Teachers' Pension Scheme (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff. Both are multi-employer defined-benefit plans.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of the TPS was 31 March 2019 and of the LGPS was 31 March 2019.

Total pension cost for the year

	2024	2024	2023	2023
	£000	£000	£000	£000
TPS: Contributions payable		2,226		2,069
LGPS: Contributions payable	2,259		2,003	
FRS 102 charge	(573)		828	
		<hr/>	<hr/>	
Charge to the Statement of Comprehensive Income		1,686		2,831
Enhanced Pension charge to the Statement of Comprehensive Income		286		(103)
		<hr/>		<hr/>
Total pension cost for year		4,198		4,797
		<hr/> <hr/>		<hr/> <hr/>

Contributions amounting to £482,000 (2023: £435,000) were payable to the schemes at 31 July 2024 and are included within other creditors.

Teachers' Pension Scheme

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

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

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

21 DEFINED BENEFIT OBLIGATIONS – (continued)

The Teachers' Pension Scheme continued

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

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

The latest actuarial review of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education 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 will rise to 28.68% from April 2024 (compared to 23.68% during 2022/23). DfE agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2022-23 and 2023-24 academic years.

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 £2,197,000 (2023: £2,051,000)

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2024**

21 DEFINED BENEFIT OBLIGATIONS – (continued)

Local Government Pension Scheme

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by Essex County Council. The total contribution made for the year ended 31 July 2024 was £2,613,000 (2023: £2,332,000), of which employer's contributions totalled £2,259,000 (2023: £2,003,000). The agreed contribution rates for future years for employers was 13% up until March 2017, 15.6% from April 2017, 20.2% from April 2020 and 22.6% from April 2023 onwards. The range for employee contributions is from 5.5% to 12.5% depending on salary. The following information is based upon the latest actuarial valuation of the Fund as at 31 March 2019, updated to 31 July 2024, by a qualified independent actuary. The major assumptions used by the actuary were:

	At 31.7.24	At 31.7.23	At 31.7.22
Rate of increase in salaries	2.90%	2.85%	2.80%
Rate of increase in pension payments	2.90%	2.80%	2.85%
Discount rate for scheme liabilities	5.05%	5.15%	3.40%
Inflation assumptions (CPI)	3.20%	2.85%	2.85%

Members will exchange half of their commutable pension for cash; members will retire at one retirement age for all tranches of benefit and 10% of active members will take up the option under the new LGPS to pay 50% of contributions for 50% of benefits.

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

	At 31.7.24	At 31.7.23
Retiring today:		
Males	20.7	21.0
Females	23.3	23.6
Retiring in 20 years:		
Males	22.0	22.4
Females	24.7	25.0

	At 31.7.24	At 31.7.23
	£000	£000
Sensitivity analysis on Present Value of Total Obligation:		
Discount rate +0.1%	67,579	58,630
Discount rate -0.1%	69,925	60,636
Long term salary increase +0.1%	68,784	59,670
Long term salary increase -0.1%	68,689	59,571
Pension increases and deferred revaluation +0.1%	69,901	60,608
Pension increases and deferred revaluation -0.1%	67,601	58,657
Mortality assumption – 1 year increase	71,098	61,654
Mortality assumption – 1 year decrease	66,463	57,662

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2024**

21 DEFINED BENEFIT OBLIGATIONS – (continued)

Local Government Pension Scheme – (continued)

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

	Fair Value at 31.7.24 £000	Fair Value at 31.7.23 £000
Equities	51,405	48,545
Gilts	1,568	1,096
Other bonds	-	-
Property	6,371	6,583
Cash	2,528	2,327
Alternative assets	14,089	13,083
Other	16,811	11,404
Total market value of assets	<u>92,772</u>	<u>83,038</u>
Actual return on plan assets	<u>9,543</u>	<u>4,348</u>

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

	2024 £000	2023 £000
Fair value of plan assets	92,772	83,038
Present value of plan liabilities	(68,736)	(59,620)
	<u>24,036</u>	<u>23,418</u>
Less restriction on surplus	(24,036)	(23,418)
Net pensions asset / (liability)	<u>-</u>	<u>-</u>

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

	2024 £000	2023 £000
Amounts included in staff costs		
Current service cost	1,656	2,728
Past service cost	30	103
Total	<u>1,686</u>	<u>2,831</u>
Net interest cost	<u>(1,206)</u>	<u>(88)</u>

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2024**

21 DEFINED BENEFIT OBLIGATIONS – (continued)

Local Government Pension Scheme – (continued)

Amounts recognised in Other Comprehensive Income

	2024	2023
	£000	£000
Return on pension plan assets	5,260	1,663
Experience losses on defined benefit obligation	(5,694)	(2,726)
Changes in assumptions underlying the present value of plan	(1,727)	22,358
Changes in demographic assumptions	1,000	319
Other Actuarial Losses	-	(432)
Less: Remeasurements of actuarial assumptions	(618)	(20,442)
	<u>(1,779)</u>	<u>740</u>

Movement in net defined benefit liability

	2024	2023
	£000	£000
Net defined benefit in scheme at 1 August 2023	-	-
Movement in year:		
Current service cost	(1,656)	(2,728)
Past service cost	(30)	(103)
Ongoing employer contributions	117	122
Employer deficit payments	2,142	1,881
Net interest on the defined liability	1,206	88
Actuarial loss	(1,161)	21,182
Less impairment of surplus	(618)	(20,442)
	<u>-</u>	<u>-</u>

Deficit contributions

The College continues to make monthly deficiency catch up payments to the Essex Pension Fund, as the applicable Local Government Pension Scheme. The current rate is c£117k per annum in addition to the ongoing primary rate of 22.6% of monthly salaries for eligible members.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2024

Changes in the present value of defined benefit obligation

	2024	2023
	£000	£000
Defined benefit obligation at start of year	59,620	75,796
Current service cost	1,656	2,728
Interest cost	3,021	2,551
Contributions by scheme participants	558	536
Change in financial assumptions	1,727	(22,358)
Change in demographic assumptions	(1,000)	(319)
Estimated benefits paid	(2,570)	(2,143)
Past service cost	30	103
Experience gains and losses on defined benefit obligations	5,694	2,726
	<hr/>	<hr/>
Defined benefit obligation at end of year	68,736	59,620
	<hr/> <hr/>	<hr/> <hr/>

The estimated impact of the McCloud judgement was allowed for as a past service cost at £50,000 in 2019/20 and the allowance was rolled forward and remeasured to obtain the 31 July 2024 results. The Government issued a proposed remedy in a ministerial statement on 13 May 2021 but there is no material difference between the remedy and the previous estimated allowance, so no further adjustment has been made.

Changes to fair value of plan assets

	2024	2023
	£000	£000
Fair value of assets at start of year	83,038	78,772
Interest on plan assets	4,283	2,685
Return on plan assets less interest	5,260	1,663
Employer contributions	2,259	2,003
Contributions by scheme participants	558	536
Administration expenses	(56)	(46)
Estimated benefits paid	(2,570)	(2,143)
Other actuarial gains/(losses)	-	(432)
	<hr/>	<hr/>
Fair value of plan assets at end of year	92,772	83,038
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**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2024****22 RELATED PARTY TRANSACTIONS**

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

There were no expenses paid to or on behalf of the Governors during the year (2023: £Nil).

No Governor has received any remuneration or waived payments from the College or its subsidiary during the current or previous year.

Transactions with the ESFA and OfS are detailed in note 2.

Subsidiary companies

During the year ending 31 July 2024 Colchester Institute provided for the loss on investment in Colchester Institute Enterprises Limited at £106,000 but this was offset against a loan of the same value with no net effect on the surplus for the year. Colchester Institute Enterprises Limited was made dormant as at 1 August 2021.

23 AMOUNTS DISBURSED AS AGENT**Learner support funds**

	2024	2023
	£000	£000
Access Funds		
Funding body grants	890	755
Disbursed to and on behalf of students	(890)	(755)
	<hr/>	<hr/>
Balance as at 31 July 2024	-	-
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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 income and expenditure account. The income and expenditure consolidated in the College's financial statements relates to the purchase of some equipment from the access fund and the payment of accommodation by the College on the student's behalf.