

**NEWHAM
COLLEGE
LONDON**

**Annual Report and Financial Statements
Year ended 31 July 2025**

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REFERENCE AND ADMINISTRATIVE DETAILS

Key Management Personnel, Board of Governors and Professional Advisers

Board of Governors

Paul Jackson, Chair of Board of Governors
A full list of Governors is given on pages 17-18

Director of Governance

Judith Nelson

Key Management Personnel

Key management personnel are defined as members of the College Executive Team and were represented by the following:

Paul Stephen	Principal & CEO and Accounting Officer (to 31.12.24)
Jamie Purser	Principal & CEO and Accounting Officer (from 31.12.24)
Jamie Purser	Deputy Principal (to 31.12.2024)
Judith Abbott	Chief Finance and Operating Officer
James Gould	Deputy Principal Student Experience & Newvic Curriculum (from 01.01.25)
Sara Woodward	Interim Deputy Principal, Quality & FE Curriculum (01.06.25 to 30.06.25)
Lucy Reed	Deputy Principal, Quality & FE Curriculum (from 01.07.25)

Principal and Registered Office

East Ham Campus
High Street South
London E6 6ER

Professional Advisors

Financial statements auditors and reporting accountants

RSM UK Audit LLP,
25 Farringdon Street
London EC4A 4AB

Internal Auditors

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

Bankers

Barclays Bank PLC
1 Churchill Place
London E14 5HP

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

Solicitors

Stone King LLP
Boundary House
91 Charter House Street
London EC1M 6HR

Shakespeare Martineau LLP
32 London Bridge Street
London
SE1 9SG

Actuary

Barnett Waddingham LLP
London Wall Place, 2, 123 London Wall,
London EC2Y 5AU

STRATEGIC REPORT

OBJECTIVES AND STRATEGY

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

Legal status and Public Benefit

The Corporation was established under the Further and Higher Education Act 1992 for the purpose of conducting Newham College of Further Education. The College is an exempt charity for the purposes of Part 3 of the Charities Act 2011 and regulated by the Secretary of State for Education. The Governing Body has had due regard for the Charity Commission's guidance on public benefit and the advancement of education and particularly upon its supplementary guidance on the advancement of education in setting and reviewing the College's strategic objectives.

In delivering its mission the College provides identifiable public benefits through the advancement of education. The College provides courses without charge to young people, to those who are unemployed and adults taking English and mathematics courses.

The College is the anchor organisation for skills in the local area and adjusts its provision to meet local need. The College also provides independent information, advice and guidance to all potential students it is in contact with. The College's funds are retained for public benefit on an ongoing basis.

The College merged with Newham Sixth Form College on 1 November 2024. The two colleges are of similar size, serve the same community and have shared control following their combination. They are also both considered central government organisations and therefore have the same ultimate ownership. It is therefore appropriate to treat the combination as a merger of both parties towards a shared goal rather than an acquisition of one college by the other and merger accounting is used throughout these financial statements treating both organisations as if they had always been combined.

Mission, Vision, Strategy and Objectives

College mission statement

The mission of the College is to develop the skills, confidence and qualifications for local people to lead rich lives and build great careers.

College values

Newham College is a values-driven organisation, committed to a culture of integrity and living by the Nolan Principles of Public Life: selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

In consultation with staff and students we have articulated our values around aspiration.

A mbitious	We are highly ambitious for our students and staff with a relentless drive for excellence in everything we do.
S uccessful	We build resilience and determination to achieve great results, celebrating individual and collective success.
P rofessional	We foster high levels of professional standards, with an emphasis on integrity and accountability.
I nnovative	We strive to be at the forefront of innovation for education, skills and employment.

Respectful We celebrate our inclusive and diverse culture, valuing our students, staff and stakeholders

Engaging We are committed to developing partnerships, listening to students and employers to inform our decision making.

College strategy

The College has an approved strategic plan for 2022-2027. There are four commitments within it – the key building blocks - that Newham College will develop over the duration of the plan:

1. As a strong **anchor institution**, we will play a prominent role in supporting our local communities to thrive
2. We will create **pathways to great careers** in Newham and East London through expert teaching of a modern, relevant curriculum focused on the strongest opportunities for sustainable employment
3. We will actively pursue local, regional and national **collaboration** to meet London’s social and economic challenges
4. We will run the College efficiently to deliver **financial sustainability and investment** in our staff, physical and virtual infrastructure

Strategic and operational targets are set annually, together with targets aligning with the annual Accountability Agreement and Local Needs Duty. Progress against Strategic KPIs for the year were as follows:

KPI	Progress during 2024/25
<p>Anchor Institution</p> <ol style="list-style-type: none"> 1. Cement College’s standing and influence through merger and transition to new CEO 2. Sign up to AoC EDI Charter, embedding previously agreed EDI targets agreed with the Board. 	<ol style="list-style-type: none"> 1. Merger complete, new CEO in post and first year post-merger has gone smoothly. 2. Signed up to the Charter but have not yet agreed an action plan.
<p>Collaboration</p> <ol style="list-style-type: none"> 1. Develop a collaborative culture across the merged College. 	<ol style="list-style-type: none"> 1. There is a clear focus on developing culture across the merged College, that prioritises effective communication, cooperation and staff professionalism. The Principal and CEO presents regular all staff briefings and newsletters. Leaders actively participated in a 2-day leadership event in January. This has helped to develop a new set of leadership behaviours and priorities to cascade down through the leadership tiers. Monthly leadership development sessions have taken place in April, May and June to further develop and embed culture across the organisation. A growing suite of new HR policies, including sickness absence procedure and performance management, are setting the tone and raising expectations for standards of expected behaviour and performance across the colleges.

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KPI	Progress during 2024/25
<p>2. Collaborate with other providers in the Local London sub-region to achieve LSIF targets and increase take up of a suite of green qualifications</p>	<p>2. Teaching has commenced on a range of adult short introductory qualifications that include sustainability, carbon reporting, retrofit and offsite construction with over 250 enrolments to date. Staff are also undergoing training with the Retrofit Academy in preparation for planned delivery of retrofit qualifications in September 2025. Our new LSIF funded capital project (Eco Bungalow) is complete and ready for us now plan delivery of new qualifications including the micro credentials developed via the LSIF. We are in the process of awarding body approval for this suite of qualifications. Small Solar Photovoltaic Systems (2922), Small Electrical Energy Storage Systems (2923), Air Source Heat Pump Systems (2924), Electric Vehicle Charging Installation Qualifications (2921), Retrofit Qualifications (7618)</p>
<p>Accountability Agreement Targets (where different from Strategic Targets but align with Strategic Objectives)</p> <p>1. Ensure that all 16-19 study programme students and full-time adult students in 2024/25 gain core transferable skills through a combination of volunteering; meaningful touchpoints with work; completion of employability skills competency framework (ELBA or Skill Builder); embedded digital skills; embedding Augmented and Virtual reality platforms to increase work ready skills; vocational ESOL; participation in skills competitions</p> <p>2. Become employer of choice by creating the best environment for staff to work in FE, and make the College a vibrant and great place to work, evidenced by high levels of staff satisfaction and career progression</p> <p>3. Make measurable progress towards net zero carbon, both through capital programmes and curriculum pathways.</p> <p>4. Deliver strategic capital programmes on time and within budget to create the learning environments that support student ambition and achievement.</p>	<p>1. 79.7% of Newham and 90% of NewVlc study programme students attended a work experience placement</p> <p>100% of SEND and inclusive learning students benefited from work experience and/or work-related activities</p> <p>Employability and core transferable skills are also embedded as part of the tutorial framework</p> <p>2. Living wage increase for 2025 implemented for employees and key suppliers (Cleaning, Security, NewVlc Catering</p> <p>Permanent Chief People Officer recruited; extensive leadership training offered to key staff; new Learning Management System procured and implemented</p> <p>3. Sustainability Manager appointed in January 2025 and has developed a Sustainability Strategy.</p> <p>The College was Highly Commended at the 2025 Green Gown Awards</p> <p>4. Green Bungalow (LSIF-funded) completed April 2025</p> <p>Stratford A Block new build delayed completion – now anticipated August 2026</p> <p>NewVlc – all network infrastructure and IT hardware/devices replaced to mitigate cyber risk</p> <p>All key business systems (MIS, Finance, HR) have been integrated post-merger.</p>

Resources

The group employs 746 people, of whom 376 are teaching staff.

The College enrolled approximately 12,000 students. The College's student population included 4,500 16-to-18-year-old students, 300 apprentices, 50 pre16 students, 400 High Needs Students and 7,000 adult learners.

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The College has £77,517k of net assets (2024: £77,078k) excluding £nil defined benefit pension asset (2024: £nil). The latest valuation of the College's LGPS defined benefit pension scheme is a surplus of £27,075k (2024: £12,951k). The surplus in the pension scheme has not been taken to the balance sheet assets as the scheme is a defined benefit scheme whose assumptions change over time and the surplus cannot be extracted.

Tangible resources include the main College sites, East Ham Campus, Newham Sixth Form Centre and Stratford Campus together with a state-of-the-art Institute of Technology at London City Island, a joint venture with Queen Mary University. The College also holds £24,237k cash at bank as at 31 July 2025 (2024: £26,125k) and £1,670k short-term deposits (2024:£1,597k), much of which is earmarked for investment in improvement works on the three main campuses. The reduction in cash during the year was a result of fixed asset investment and working capital movements.

The College has a strong reputation locally and nationally. In its most recent Ofsted Inspection in October 2022, it was rated Good and was the first College nationally to be assessed as making a strong contribution to meeting skills needs (the highest possible rating for this new area of assessment).

Stakeholders

The College has many stakeholders including:

- The Department for Education.
- Further Education Commissioner
- Current, future and past students.
- Staff and their recognised trade unions.
- Queen Mary University (QMU), with whom it is partnering on an Institute of Technology.
- London Borough of Newham.
- Newham Chamber of Commerce.
- Greater London Authority (GLA).

The College recognises the importance of the relationships with its stakeholders and considers how best to meet the needs of its local community in its annual accountability statement.

DEVELOPMENT AND PERFORMANCE

Financial Review

The group generated a surplus of £439k (2024: surplus of £3,453k).

The group received 84.9% of its total income for 2024/25 (2024: 85.1%) from grants from funding bodies, most notably from the Greater London Authority for adult provision and the Department for Education although all except 3.5% of income is directly or indirectly connected to government funding.

The group's financial health for 2024/25 has been assessed as 'Outstanding' versus a target of 'Good'. The group posted a positive EBITDA, has low bank borrowings and a strong cash balance.

At the balance sheet date, the group held net current assets of £14,557k (2024: £15,134k) and net assets of £77,517k (2024: £77,078k). The College also holds £24,237k cash at bank as at 31 July 2025 (2024: £26,125k) and £1,670k short-term deposits (2024:£1,597k), much of which is earmarked for investment in improvement works on the three main campuses. The reduction in cash during the year was a result of fixed asset investment and working capital movements.

The College generated £2,901k from operating activities during 2024/25 (2024: £4,483k).

During the year the College continued its capital investment programme to address estate and IT capital maintenance concerns arising from many years of underinvestment. Capital expenditures of £12,804k (2024: £16,127k) were met by various capital grants match funded from College reserves.

The College consolidated its software systems during the year successfully combining the operations of both colleges under the same systems.

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The College's total borrowings are low, comprising a small commercial loan from Lloyds Bank and an interest free loan from Salix Finance. The cost of servicing the commercial debt was £16k in interest payments (2024:£23k).

Group Companies

As at 31 July 2025 balance sheet date, the College had 3 subsidiary companies which are included within the group consolidation as follows:

- Learning Revolution Trust – recorded a deficit of £1k (2024: surplus of £8k) against income generated of £10k (2024: £13k)
- Newham Foundation – recorded a deficit of £548k (2024: £541k)
- The Fashion & Textile Museum – did not trade (2024: did not trade)
- There was a group company release of £540k (2024: £540k) associated with capital grants received for the partnership with London Borough of Newham for Newham Foundation.

FUTURE PROSPECTS

Future developments

The College's future developments include the investment in its buildings including a large redevelopment of a block at its East Ham site together with completing the integration of its two colleges, which has already progressed well since merger.

Financial Plan

The College plans to deliver financial performance in line with FE Commissioner expectations to preserve the financial security of the College and to be able to reinvest in its offer. This includes:

- EBITDA to be greater than 6% of educational income.
- Cash days to be greater than 40 days at any point in time.
- Debt service cover ratio to always be greater than 2.

The College expects to meet each of the measures annually.

Treasury policies and objectives

The College has treasury management arrangements in place to manage cash flow, banking arrangements and the risks associated with those activities. Where it has cash reserves more than immediate need, the College transfers funds to higher interest deposit accounts. The College retains part of its funds in excess of immediate needs in 95 day-day notice and 32 day notice deposit accounts with Lloyds bank and as part of its environmental sustainability initiatives, a 65-day Barclays Green Deposit account, the latter earmarked by them to promote environmental benefits.

Reserves policy

The College has no formal Reserves Policy. However, it is required to submit a three year financial plan to the Department of Education annually which recognises the importance of reserves in the financial stability of any organisation and ensures that there are adequate reserves to support the College's core activities. The College group's reserves include £nil (2024: £nil) held as restricted reserves. As at the balance sheet date the Income and Expenditure reserve stands at £46,002k (2024: £45,479k). It is the Corporation's intention to increase reserves over the life of the strategic plan through the generation of annual operating surpluses for investment in the College's infrastructure and offer.

PRINCIPAL RISKS AND UNCERTAINTIES

The College has well developed strategies for managing risk and strives to embed risk management in all that it does. Risk management processes are designed to protect its assets, reputation and financial stability. The governing body has overall responsibility for risk management and its approach to managing risks and internal controls is explained in the Statement on Corporate Governance.

A risk register is maintained at the College level which is reviewed at every meeting by the Audit & Risk Committee and more frequently where necessary. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the College and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

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

Risk No.	Risk	Control / Mitigating Actions
1	<p>Failure to make progress toward medium to long term estate regeneration including:</p> <ol style="list-style-type: none"> 1. Developing an Estates strategy for the merged college that aligns fully with a Curriculum strategy 2. Completion of current projects including Stratford C Block, NewVic lighting, A Block 3. Mitigation of emerging and ongoing condition concerns resulting from an ageing estate 4. Progress towards an affordable solution to the temporary buildings (BU&G) at NewVic that will be demolished in November 2027 5. Journey towards net zero carbon 	<p>Architects engaged and working with College on revised Estates plan aligned with Curriculum Plan</p> <p>OfS Grant secured towards first phase of new Estates/Curriculum strategy – to re-instate Construction trades in E Block Stratford campus</p> <p>Agreed strategy for replacement of BU&G buildings in place.</p> <p>Energy reduction plan to be developed for NewVic site.</p> <p>Advanced preparation for any potential future rounds of DfE grant funding, although these appear unlikely in current spending round</p> <p>DfE FE College Data Collection Survey undertaken (awaiting results)</p>
2	<p>Failure to mitigate cost increases and generate a sustainable EBITDA surplus, sustain at least "Good" financial health, avoid bank covenant breaches, and generate sufficient reserves to fund ongoing programme of capital investment</p>	<p>Budget has been set with an objective to maintain financial health and generation of 6% EBITDA.</p> <p>This will be closely monitored via various means including management accounts, regular review of establishment, and funding returns to inform management decision-making e.g. on cost saving measures.</p> <p>Review of major contracts where costs have increased significantly due to NI and LLW increases (Cleaning, Security).</p> <p>Aligning activity to the funding allocations received including reduced Rail activity since this is high cost to deliver and the extent of the College's 2024-25 activity is not being funded by</p>

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Risk No.	Risk	Control / Mitigating Actions
		the Greater London Authority in 2025-26.
3	Failure to improve the quality of teaching and learning, and to drive a step change in raising student achievements.	<p>Robust Quality Framework</p> <p>Regular, calendared quality assurance processes that are tracked weekly through quality team.</p> <p>Management development programme to ensure appropriate support and intervention</p>
4	Failure to mitigate cyber security threats and retain Cyber Essentials (a condition of funding) and Cyber Essentials Plus for Newham College estate for 2025/26 academic year.	<p>Systems that monitor and block suspicious online activity before it can cause harm (Barracuda)</p> <p>Segregation of the network to limit exposure if any area is compromised.</p> <p>Regular updates and security patches applied to College devices.</p> <p>Additional protection on staff laptops, mobile technology and critical systems to secure sensitive data including all devices being encrypted</p> <p>Multi-factor authentication Continued annual penetration testing via JISC</p> <p>Regular staff and student cyber security awareness campaigns</p>
5	Failure to develop or attract and retain optimum number of appropriately skilled staff at the right cost and that reflect the diverse community that we serve.	<p>Strong curriculum planning, financial monitoring/planning and staffing review processes to provide advanced warning of future staffing needs.</p> <p>Overhaul recruitment processes to set and meet targets for timely recruitment.</p> <p>Sign up to AoC EDI Charter.</p> <p>Continue towards achieving Mayor's Good Work Standard and retention of Investors in People accreditation.</p>
6	Failure to plan and implement new curriculum (including the de-funding of BTECs, apprenticeships and HE) to optimise funding draw-down, timetabling and funder/regulatory compliance and avoid claw-backs (e.g. HTQ)	<p>Common course planning, timetabling systems, and improved reporting on curriculum efficiency.</p> <p>Full compliance with funding rules for each delivery pathway assured through regular funding meetings.</p> <p>Continue to argue the case via the AoC and SFCA for an improved transition to V-Levels.</p> <p>Some rationalising of the course offer between centres for 2025/26 has already taken place</p>

KEY PERFORMANCE INDICATORS

The College group's key performance indicators, targets and result are set out below.

Key performance indicator	Measure / Target	Actual for 2024/25
EBITDA	2,938k	3,380
Educational Income	60,393k	63,578
Cash Days	108	149
Solvency Ratio	2.65	2.70
Health Ratio	Good	Outstanding
Ofsted Rating	Good	Good

Student achievements

Students continue to prosper at the College. Achievement rates remained high in 2024/25 with 16-19 achievement above the national average at 84.4% and 2.8% higher than the previous year. Adult achievement was above the national average at overall achievement at 89.3%. Students moved into employment, further or higher education after they completed studying at the College.

Payment performance

The Late Payment of Commercial Debts (Interest) Act 1998, in the absence of agreement to the contrary, requires organisations to make payments to suppliers within 30 days. The College attempts to pay all (100%) its suppliers on time and does not seek to gain a financial advantage from late payment. The only instances where payments were made after 30 days of the date of invoice were due to errors by the supplier, for example dating their invoices early or delays in receipt of the invoice by the finance department such as the supplier sending the invoice to the wrong manager, or the supply being in dispute.

The average days payment for suppliers was 33.9 days from the date on the invoice from the supplier and 26.4 days from the date received in the Finance Department. The College incurred no interest charges in respect of late payment for this period.

Streamlined Energy and Carbon Reporting

The College is committed to reducing its carbon emissions and continues to retrofit its estate to reduce carbon emissions.

The College was also Highly Commended at the 2025 Green Gowns awards for its year-on-year reductions in CO2 emissions prior to its merger with NewVIc.

During the period covered by the SECR report, our main energy efficiency measure was replacing the entire IT infrastructure and hardware at NewVIc, which was obsolete.

The replacement of legacy IT devices and infrastructure has delivered significant improvements in energy efficiency. Modern servers, networking equipment and end-user devices are designed to consume substantially less power while delivering higher performance, reducing overall electricity demand across teaching and administrative areas. In addition, improved virtualisation, power management and cooling efficiency have helped lower the carbon footprint of the IT estate and reduced ongoing energy and maintenance costs, supporting the College's sustainability objectives while delivering long-term operational savings.

We also completed the Eco Bungalow, a sustainability teaching resource which can be used to upskill the workforce to retrofit solar panels, air source heat pumps and similar.

In summer 2025, we replaced single glazing with triple glazing in Stratford C Block and commenced installation of LED lighting in NewVIc A Block, together with introducing the UK Simpler Recycling System across all campuses.

The College's future plans for carbon reduction include completion of Stratford Campus A Block, a new, state of the art, BREEAM Excellent, building incorporating zero carbon heating technologies.

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The College's greenhouse gas emissions and energy use for the period calculated in line with the 2019 HM Government Environmental Reporting Guidelines, the GHG Reporting Protocol – Corporate Standard and the 2021 UK Government's Conversion Factors for Company Reporting are as follows:

UK Greenhouse gas emissions and energy use data for the period	1 August 2024 to 31 July 2025	1 August 2023 to 31 July 2024
Energy consumption used to calculate emissions (kWh)	7,867,255	4,811,100
<u>Scope 1 emissions in metric tonnes CO2e</u>		
Gas consumption	900	522
Owned transport	0	0
Total	900	522
<u>Scope 2 emissions in metric tonnes CO2e</u>		
Purchased electricity*	522	405
<u>Scope 3 emissions in metric tonnes CO2e</u>		
Business travel in employee owned vehicles	0	0
Electricity distribution/transmission	55	36
Total gross emissions in metric tonnes CO2e	1,477	963

*Location - based method (this is zero under market – based method since the College has a zero-carbon electricity tariff)

Intensity ratio

Metric tonnes CO2e per £m revenue (location based)	24.61	25.34
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Note – reporting for 1 August 2023 to 31 July 2024 is for Newham College only, since NewVlc did not meet the threshold for SECR reporting prior to merger so there is no available data for their performance in 2024

Intensity ratio

The chosen intensity measurement ratio is tCO₂e per £1m revenue

Trade union facility time

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

Relevant union officials

The paid trade union activity during the year was:

Numbers of employees who were relevant union officials during the period	FTE employee number
4	0.40

Percentage of time spent on facility time	Number of employees
0%	-
1-50%	4
51-99%	-
100%	-

Total cost of facility time	£16,153
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Total pay bill	£21,937k
Percentage of pay bill spent on facility time	0.08%

Time spent on paid trade union activities as a percentage of total paid facility time	100%
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EQUALITY AND DIVERSITY

Equality

The College is committed to ensuring equality of opportunity for all who learn and work here. We respect and value positively differences in race, gender, sexual orientation, disability, religion or belief and age. We strive vigorously to remove conditions which place people at a disadvantage, and we will actively combat bigotry. This policy is resourced, implemented and monitored on a planned basis. The College's Equality Policy is published on the College's Intranet site. The College publishes an Annual Equality Report and Equality Objectives to ensure compliance with all relevant equality legislation including the Equality Act 2010.

The College continues to meet the Investors in People accreditation standard and is also working towards the Investors in Diversity accreditation.

The College has committed to the principles and objectives of the Disability Confident 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 via support through specialist services and making reasonable workplace adjustments where possible. 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. It also conducts regular Equality & Diversity training for all staff. Refresher training and training for new starters is carried out on an ongoing basis.

The College is a Living Wage Foundation accredited employer and has implemented recommended rates. This has improved the wages of staff in the lowest quartile of the pay range.

Gender pay gap reporting

The College's gender pay gap reporting is provided below. It should be noted that gender pay gap reporting is different from equal pay. The College pays all roles the same pay regardless of gender. Gender pay gap reporting reflects the type of roles undertaken on average in the College.

Further Education Colleges include a high proportion of part-time support roles which are attractive to those with caring responsibilities due to the working hours involved. 64.9% of those roles are undertaken by females. Gender pay gap reporting includes every individual at the same value whether they work 1 hour or are full time and 410 of the 780 roles in the College are within these support roles.

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As a consequence, despite the College employing 486 females to 294 males and the majority of its senior post holders being female a gender pay gap is produced.

	Year ending 31 March 2025
Mean gender pay gap	8.5%
Median gender pay gap	10.3%
Mean bonus gender pay gap	4.3%
Median gender bonus gap	0%
Proportion of males/females receiving a bonus	54:55%

The proportion of males and females in each quartile of the pay distribution are:

		Males	Females
1	Lower quartile	30.7%	69.3%
2	Lower middle quartile	34.6%	65.4%
3	Upper middle quartile	39.6%	60.4%
4	Upper quartile	47.9%	52.1%

The College publishes its annual gender pay gap report on its website.

Disability statement

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

- a) As part of its accommodation strategy the College will take every opportunity to improve access.
- b) The College has appointed an individual responsible for assessing and meeting access and inclusion needs, who provides information, advice and arranges support where necessary for students with disabilities.
- c) There is a list of specialist equipment which the College can make available for use by students and a range of assistive technology is available from the Additional Learning Support team.
- d) The College admits all learners regardless of disability if it can meet their needs. Appeals against a decision not to offer a place are dealt with under the complaints policy.
- e) The College has made a significant investment in the appointment of specialist lecturers to support students with learning difficulties and/or disabilities. There are several student support assistants who can provide a variety of support for learning. There is a continuing review of changing needs to ensure the provision of a high level of appropriate support for students who have learning difficulties and/or disabilities.
- f) Specialist programmes are described on the College website/in College prospectuses, and achievements and destinations are recorded and published in the standard College format.
- g) Signposting to counselling and welfare services is included in the College Induction and Student Handbook.

GOING CONCERN

After making appropriate enquiries, the Corporation considers that the College has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

EVENTS AFTER THE REPORTING PERIOD

There are no significant post balance sheet events.

DISCLOSURE OF INFORMATION TO AUDITORS

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

Approved by order of the Members of the Corporation on 19 February 2026 and signed on its behalf by:



Paul Jackson
CHAIR OF THE BOARD

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

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

The College endeavours to conduct its business:

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

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

The Board appointed Ian Ashman to undertake an External Governance Review in the spring of 2024. The scope of the review was to identify strengths and areas for development, to improve Board ability and effectiveness, and to help achieve the Board’s aim of providing excellent governance in an outstanding College. The recommendations have been accepted and can be found on the College’s website <https://newham.ac.uk/about/governance/> .

In the opinion of the Governors, based upon internal and external reviews,, the College complies with all the provisions of the Code, and it has complied throughout the year ended 31 July 2025.

Corporation performance is reviewed regularly and includes Financial Performance Reviews, Quality of Teaching, Learning and Assessments, Self-Assessment Report (SAR) and Annual Self-Assessment.

Members of the Corporation

The Corporation composition is made up of a maximum of 20 members,(Corporation Board Chair, Principal &CEO, one staff member, two student members and fifteen Board independent members)

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 on pages 17 to 18.

**NEWHAM COLLEGE OF FURTHER EDUCATION
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025**

Name	Date of appointment	Term of office	Total Completed Years of Service	Date of resignation	Status of appointment	Committees Served	Board Attendance 2024/25
Mubin Ahmed	October 2018	3 rd Term	7 Years	31 July 2025	Staff Governor	<ul style="list-style-type: none"> ▪ Corporation 	100%
Lily-May Cameron	December 2025	1 st Term	0	-	Independent Governors	<ul style="list-style-type: none"> ▪ Corporation ▪ Curriculum & Quality Committee ▪ HE Oversight Board 	100%
Lalage Clay	March 2023	1 st Term	2 Years	-	Independent Governor	<ul style="list-style-type: none"> ▪ Corporation ▪ Audit & Risk Committee 	80%
Tom Flynn	March 2023	1 st Term	2 Years	-	Chair, Audit & Risk Committee	<ul style="list-style-type: none"> ▪ Corporation ▪ Audit & Risk Committee 	100%
Paul Jackson	February 2023	1 st Term	2 Years	-	Chair, Corporation Board	<ul style="list-style-type: none"> ▪ Corporation ▪ Search Committee ▪ Remuneration Committee 	100%
Derwent Jaconelli	March 2023	1 st Term	2 Years	10 December 2024	Independent Governor	<ul style="list-style-type: none"> ▪ Corporation 	60%
Jane Lofthouse	November 2024	1 st Term	0	-	Safeguarding Governor (January 2025 to current date)	<ul style="list-style-type: none"> ▪ Corporation ▪ Audit & Risk Committee 	80%
Michael Magbagbeola	March 2023	1 st Term	2 Years	-	Independent Governor	<ul style="list-style-type: none"> ▪ Corporation ▪ Curriculum & Quality Committee 	80%
Geoffrey Makstutis	December 2021	2 nd Term	4 Years	10 December 2024	Independent Governor	<ul style="list-style-type: none"> ▪ Corporation ▪ Curriculum & Quality Committee ▪ HE Oversight Board 	80%
Anthony Mariyadas	May 2025	1 st Term	0	-	Independent Governor	<ul style="list-style-type: none"> ▪ Corporation ▪ Audit & Risk Committee 	100%
John McMahon	March 2023	1 st Term	2 Years	-	Independent Governor	<ul style="list-style-type: none"> ▪ Corporation ▪ Curriculum & Quality Committee ▪ HE Oversight Board 	60%
Kate Myers	May 2025	1 st Term	0	-	Independent Governor	<ul style="list-style-type: none"> ▪ Corporation ▪ Curriculum & Quality Committee ▪ HE Oversight Board 	80%
Femi Olatidoye	December 2021	1 st Term	4 Years	-	Independent Governor	<ul style="list-style-type: none"> ▪ Corporation ▪ Finance & Resources Committee 	80%

**NEWHAM COLLEGE OF FURTHER EDUCATION
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025**

Name	Date of appointment	Term of office	Total Completed Years of Service	Date of resignation	Status of appointment	Committees Served	Board Attendance 2024/25
Phillippa Osei	July 2025	1 st Term	0	-	Student Governor	<ul style="list-style-type: none"> ▪ Corporation 	N/a
Jamie Purser	January 2025	N/A	0	-	Principal & CEO	<ul style="list-style-type: none"> ▪ All Committees 	100%
Danny Ridgeway	December 2020	2 nd Term	5 Years	-	<p>Vice Chair, Corporation</p> <p>Chair, Curriculum & Quality Committee</p> <p>Chair, HE Oversight Board</p>	<ul style="list-style-type: none"> ▪ Corporation ▪ Finance & Resources Committee ▪ Curriculum & Quality Committee ▪ HE Oversight Board ▪ Search Committee ▪ Remuneration Committee 	100%
Pam Rowe	December 2020	2 nd Term	4 years	31 December 2024	Safeguarding Governor (Dec 2020 to Dec 2024)	<ul style="list-style-type: none"> ▪ Corporation ▪ Audit & Risk Committee ▪ Search Committee ▪ Remuneration Committee 	80%
Paul Stephen	July 2017	N/A	-	31 December 2024	Principal & CEO	<ul style="list-style-type: none"> ▪ All Committees 	100%
Sarah Thomas	May 2022	2 nd Term	3 Years	-	Independent Governor	<ul style="list-style-type: none"> ▪ Corporation ▪ Finance & Resources Committee ▪ Audit & Risk Committee 	60%
Irfan Umarji	March 2019	3 rd Term	6 years	31 December 2025	<ul style="list-style-type: none"> • Chair: Finance and Resources Committee • Chair: Remuneration Committee 	<ul style="list-style-type: none"> ▪ Corporation ▪ Search Committee ▪ Finance and Resources Committee ▪ Remuneration Committee 	80%

Judith Nelson operates as Clerk to the Corporation.

The Governance framework

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

The Corporation is provided with regular and timely information on the overall financial performance of the College together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel-related matters such as health and safety and environmental issues. The Corporation meets four times per annum plus an annual residential conference.

The Corporation conducts its business through several committees. Each committee has terms of reference, which have been approved by the Corporation. These committees are Search Committee; Remuneration Committee; Audit & Risk Committee; Finance & Resources Committee; Curriculum & Quality Committee and HE Oversight Board.

The Director of Governance maintains a register of financial and personal interests of the governors. The register is available for inspection at the College's registered address. Full minutes of all meetings, except those deemed to be confidential by the Corporation are available on the College website <https://newham.ac.uk>.

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

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

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

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

Appointments to the Corporation

Any new member appointments to the Corporation are a matter for the consideration of the Corporation as a whole. The Corporation has a search committee, consisting of three members of the Corporation, which is responsible for the selection and recommendation of any new member for the Corporation's consideration. The Corporation is responsible for ensuring that appropriate training is provided as required.

Members of the Corporation are appointed for a term of office not exceeding three years and a maximum of three terms (total of 9 years).

Corporation performance

Corporation performance is reviewed regularly and includes Financial Performance Reviews, Quality of Teaching, Learning and Assessments, Self-Assessment Report (SAR) and Annual Self-Assessment.

The Board appointed Ian Ashman to undertake an External Governance Review in the spring of 2024. The scope of the review was to identify strengths and areas for development, to improve Board ability and effectiveness, and to help achieve the Board's aim of providing excellent governance in an outstanding College. The recommendations (which have been accepted and are actioned) can be found on the College's website: <https://newham.ac.uk/about/governance/>.

Governors play a key role in challenging the senior management to ensure that the College aims are achieved.

Remuneration Committee

Throughout the year ending 31 July 2025 the College's Remuneration Committee comprised of three members of the Corporation. The Committee's responsibilities are to make recommendations concerning the remuneration, performance, development, and employment conditions of senior post holders. The Governing Body adopted the AOC senior staff remuneration code in July 2019 and will assess pay in line with its principles and in accordance with senior pay controls for colleges published in April 2023 following the reclassification of colleges in November 2022. Details of remuneration for the year ended 31 July 2025 are set out in note 8 to the financial statements.

Audit & Risk Committee

The Audit & Risk Committee must comprise of at least four members of the Corporation (excluding the Accounting Officer and Chair) and may also include a co-optee. Six board members served on the Audit and Risk Committee throughout the year. The Committee operates in accordance with written terms of reference approved by the Corporation.

The Audit & Risk Committee meets on a termly basis and provides a forum for reporting by the College's internal auditors, reporting accountants and financial statements auditors, who have access to the Committee for independent discussion without the presence of College management.

The Audit & Risk Committee met three times in the year to July 2025. The members of the committee and their attendance records are shown below:

Committee member	Meetings attended
Pam Rowe*	3
Jane Loftouse**	2
Tom Flynn****	3
Sarah Thomas***	2
Lalage Clay	3
John Turnbull (external co-opted member)	2

- * Resigned 31 December 2024
- **Appointed 11 December 2024
- ***Appointed 11 December 2024
- **** Appointed Chair of Audit & Risk Committee 31 December 2024

Search Committee

The Search Committee meets as required, to consider and make recommendations concerning the filling of any vacancy on the Board or its committees. It also considers and makes recommendations to the Board on the Board's composition in terms of skills, experience, and balance. It currently has a membership of up to five members, (Corporation Board Chair, Principal & CEO and two Board members).

Finance & Resources Committee

The Finance & Resources Committee is required, by agreement, to consider the College's accommodation strategy and capital programme and make recommendations to the Board, on appointments, procurement strategy, contracts and progress; have oversight of the financial planning and value for money arrangements; recommend the adoption of the Annual Income, Expenditure and Capital Budget and medium term financial forecast to the Corporation; review and consider a three-year rolling programme of expected capital expenditure to be included with financial forecast; have oversight of the arrangements for safeguarding the College assets and oversee the College's Human

Resources strategy and practice including the monitoring of employment trends. Its membership consists of up to seven Corporation members.

Curriculum & Quality Committee

The Curriculum & Quality Committee meets three times a year with the purpose of considering quality impact analysis, including the setting of targets for student retention; attendance and achievement; progression; examination results and outcomes; destinations / including career pathways and growth strategy and targets of meeting the needs of Newham residents. Its membership comprises up to seven members of the Board, and currently its membership consists of five Board members.

HE Oversight Board

The HE Oversight Board Committee is responsible for the oversight of and recommendations concerning development of the College's Higher Education Strategy; the responsibilities with respect to the Office for Students (OfS) conditions of registration. It meets 3 times a year and has a maximum membership of up to 4 members and currently its membership consists of three Board members.

INTERNAL CONTROL

Scope of responsibility

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

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

The purpose of the system of internal control

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of College policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Newham College for the year ended 31 July 2025 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

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

The risk and control framework

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

The College has secured the services of an internal auditor (Scrutton Bland), which operates in accordance with the requirements of the DFE's College Financial Handbook. The work of the internal auditor is informed by an analysis of the risks to which the College is exposed, and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the Corporation on the recommendation of the audit & risk committee. At minimum, annually, the Internal Auditor provides the governing body 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 College

The Corporation has undertaken further work during the year to develop and embed the system of internal control, including financial, operational and risk management which is designed to protect the College's assets and reputation by identifying, evaluating and managing risk in order to judge the materiality of the impact these could pose on key operations.

Based on the strategic plan, the Executive Board undertakes a comprehensive review of the risks (page 9 Principal Risks and Uncertainties) to which the College is exposed. The Executive Board identifies systems and procedures, including specific preventable actions to mitigate any potential impact on the College. The internal controls are implemented, and the subsequent year's appraisal reviews their effectiveness and progress against risk mitigation actions.

Control weakness identified

The internal auditors did not identify any significant financial control weaknesses or failures during the 2024/25 audit programme.

Responsibilities under accountability agreements

The College has reviewed its policies, procedures and approval processes in line with the 2024-5 College Financial Handbook and its accountability agreement with DfE to ensure there are systems in place to identify and handle any transactions for which DfE approval is required in accordance with the Financial Handbook in 2024 which has the effective date of 1 August 2024.

Statement from the Audit & Risk Committee

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

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

- Internal audits conducted by Scrutton Bland:
 - Payroll and HR Metrics - Significant assurance

- Marketing and Public Relations - Significant assurance
- Management Information - Significant assurance
- Student Attendance – Significant Assurance
- Fixed Assets - Reasonable Assurance
- Right to work and Single Central Record – Reasonable Assurance

Review of effectiveness

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

- the work of the internal auditors.
- the work of the executive managers within the College who have responsibility for the development and maintenance of the internal control framework.
- comments made by the College's financial statements auditors, the reporting accountant for regularity assurance, the funding auditors in their external auditor's findings report and other reports.
- The regularity self-assessment questionnaire.

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

The senior management team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The senior management team and the Audit & Risk Committee also receive regular reports from internal audit and other sources of assurance, which include recommendations for improvement.

The Audit & Risk Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Corporation's agenda includes a regular item for consideration of risk and control and receives reports thereon from the senior management team and the Audit & Risk Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its 19 February 2026 meeting, the Corporation carried out the annual assessment for the year ended 31 July 2025 by considering documentation from the senior management team and internal audit and taking account of events since 31 July 2025.

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

Approved by order of the members of the Corporation on 19 February 2026 and signed on its behalf by:



Paul Jackson
CHAIR



Jamie Purser
ACCOUNTING OFFICER

STATEMENT ON THE COLLEGE'S REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



Jamie Purser

Accounting Officer

19 February 2026

STATEMENT OF RESPONSIBILITIES OF THE MEMBERS OF THE CORPORATION

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

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

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

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

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

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

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

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

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

**NEWHAM COLLEGE OF FURTHER EDUCATION
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025**

Approved by order of the members of the Corporation on 19 February 2026. and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'P. Jackson', with a long horizontal flourish extending to the right.

Paul Jackson
CHAIR OF THE BOARD

INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF NEWHAM COLLEGE OF FURTHER EDUCATION

Opinion

We have audited the financial statements of Newham College of Further Education (the "College") and its subsidiaries (the "Group") for the year ended 31 July 2025 which comprise the consolidated and College statements of comprehensive income and expenditure, the consolidated and College balance sheets, the consolidated and College statements of changes in reserves, the consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction issued by the Department for Education.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the College's affairs as at 31 July 2025 and of the Group's and the College's surplus of income over expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Accounts Direction issued by the Department for 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 governors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's of the College's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material

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

We have nothing to report in this regard.

Opinion on other matters prescribed by 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 managed in accordance with relevant legislation;
- funds provided by the Office for Students, UK Research and Innovation (including Research England) and Department for Education have been applied in accordance with the relevant terms and conditions; and
- the requirements of the Office for Students' accounts direction for the relevant year's financial statements have been met.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Framework and Guide for External Auditors and Reporting Accountants of Colleges issued by the Department for Education requires us to report to you if, in our opinion:

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

We have nothing to report in respect of the following matters where the Office for Students' accounts direction requires us to report to you if:

- the College's grant and fee income, as disclosed in the note 3 to the accounts, has been materially misstated.
- The College's expenditure on access and participation activities for the financial year has been materially misstated.

Responsibilities of the Corporation of Newham College of Further Education

As explained more fully in the Statement of the Corporation's Responsibilities set out on page 25 to 26 the Corporation is responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Corporation determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Corporation is responsible for assessing the 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 either intend to liquidate the Group or the College or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

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

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

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

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

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

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Further and Higher Education SORP, the College Accounts Direction published by the Department for Education, Regulatory Advice 9: Accounts Direction published by the Office for Students' and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures inspecting any correspondence with local tax authorities and evaluating any advice received from internal/external tax advisors.

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

The group audit engagement team identified the risk of management override of controls and income recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates and inspecting funding agreements and allocations confirming revenue was recognised in line with the requirements of FRS102.

All relevant laws and regulations identified at a Group level and areas susceptible to fraud that could have a material effect on the consolidated financial statements were communicated to component

**NEWHAM COLLEGE OF FURTHER EDUCATION
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auditors. Any instances of non-compliance with laws and regulations identified and communicated by a component auditor were considered in our group audit approach.

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

Use of our report

This report is made solely to the Corporation, as a body, in accordance with the Accountability Agreement published by the Department for Education and our engagement letter dated 17 July 2025. Our audit work has been undertaken so that we might state to the Corporation, as a body, those matters we are engaged to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Corporation, as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

RSM UK AUDIT LLP

Chartered Accountants

25 Farringdon Street

London

EC4A 4AB

26 February 2026

**NEWHAM COLLEGE OF FURTHER EDUCATION
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE
AS AT 31 JULY 2025**

	Notes	2025		2024 (Restated)	
		Group £'000	College £'000	Group £'000	College £'000
Income					
Funding body grants	2	55,992	55,977	54,418	54,403
Tuition fees and education contracts	3	6,254	6,254	4,171	4,171
Other grants and contracts	4	293	293	1,244	1,244
Other income	5	3,904	3,064	4,015	3,172
Investment income	6	1,460	1,460	850	850
Donations and Endowments	7	51	51	233	233
Total Income		67,954	67,099	64,931	64,073
Expenditure					
Staff costs excluding redundancy payments	8	41,035	40,960	37,155	37,080
Redundancy payments	8	926	926	331	331
Other operating expenses	9	18,062	17,886	18,427	18,166
Depreciation and amortisation	11 & 12	6,003	5,489	5,469	4,954
Interest and other finance costs	10	29	29	96	96
Total Expenditure		66,055	65,290	61,478	60,627
Surplus before other gains and losses		1,899	1,809	3,453	3,446
Loss on disposal of tangible fixed assets	11 & 12	(850)	(850)	-	-
Surplus before tax		1,049	959	3,453	3,446
Taxation		-	-	-	-
Surplus for the year		1,049	959	3,453	3,446
Re-measurement of net defined benefit pension liability	21	(610)	(610)	(70)	(70)
Other Comprehensive income for the year		(610)	(610)	(70)	(70)
Total Comprehensive income for the year		439	349	3,383	3,376

During the year Newham College of Further Education and Newham Sixth Form College merged. Following merger there was inevitably posts which were duplicated between the organisations and a voluntary redundancy exercise was undertaken. Given the extent of the restructuring amount it is disclosed in the consolidated statement of comprehensive income and expenditure as well as being provided in note 8.

The loss on disposal of assets is a result of the retirement of redundant IT systems following merger.

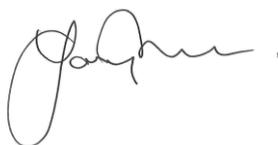
**NEWHAM COLLEGE OF FURTHER EDUCATION
CONSOLIDATED AND COLLEGE BALANCE SHEETS
AS AT 31 JULY 2025**

	Notes	Group 2025	College 2025	Group 2024 (Restated)	College 2024
		£'000	£'000	£'000	£'000
Non current assets					
Intangible Fixed Assets	11	682	682	589	589
Tangible Fixed assets	12	102,237	95,007	96,378	88,634
Investments	13	-	843	-	843
		102,919	96,532	96,967	90,066
Current assets					
Trade and other receivables	14	2,462	2,463	2,009	2,073
Cash and cash equivalents		24,237	24,200	26,125	26,087
Short term Deposits		1,670	1,670	1,597	1,597
		28,369	28,333	29,731	29,757
Creditors – amounts falling due within one year	15	13,812	13,381	14,597	14,165
Net current assets		14,557	14,952	15,134	15,592
Total assets less current liabilities		117,476	111,484	112,101	105,658
Creditors – amounts falling due after more than one year	16	38,433	37,381	33,601	32,008
Provisions					
Defined benefit obligations	21	-	-	-	-
Other provisions	18	1,526	1,526	1,422	1,422
Total net assets		77,517	72,577	77,078	72,228
Reserves					
Unrestricted Reserves					
Income and expenditure account		46,442	46,002	45,829	45,479
Revaluation reserve		31,075	26,575	31,249	26,749
Total unrestricted reserves		77,517	72,577	77,078	72,228
Total reserves		77,517	72,577	77,078	72,228

The financial statements on pages 31 to 58 were approved and authorised for issue by the Corporation on 19 February 2026 and were signed on its behalf on that date by:



Paul Jackson
CHAIR OF THE BOARD



Jamie Purser
ACCOUNTING OFFICER

**NEWHAM COLLEGE OF FURTHER EDUCATION
CONSOLIDATED AND COLLEGE STATEMENTS OF CHANGES IN RESERVES FOR THE YEAR
ENDED 31 JULY 2025**

	Income and expenditure reserve	Revaluation reserve	Total
	£'000	£'000	£'000
Group			
Balance at 1 August 2023 (Restated)	42,273	31,422	73,695
Surplus for the year	3,453	-	3,453
Other comprehensive income	(70)	-	(70)
Transfers between revaluation and income and expenditure reserves	173	(173)	-
Total comprehensive income for the year	3,556	(173)	3,383
Balance at 31 July 2024 (Restated)	45,829	31,249	77,078
Surplus for the year	1,049	-	1,049
Other comprehensive income	(610)	-	(610)
Transfers between revaluation and income and expenditure reserves	174	(174)	-
Total comprehensive income for the year	613	(174)	439
Balance at 31 July 2025	46,442	31,075	77,517
College			
Balance at 1 August 2023 (Restated)	41,930	26,922	68,852
Surplus for the year	3,446	-	3,446
Other comprehensive income	(70)	-	(70)
Transfers between revaluation and income and expenditure reserves	173	(173)	-
Total comprehensive income for the year	3,549	(173)	3,376
Balance at 31 July 2024 (Restated)	45,479	26,749	72,228
Surplus for the year	959	-	959
Other comprehensive income	(610)	-	(610)
Transfers between revaluation and income and expenditure reserves	174	(174)	-
Total comprehensive income for the year	523	(174)	349
Balance at 31 July 2025	46,002	26,575	72,577

**NEWHAM COLLEGE OF FURTHER EDUCATION
CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 JULY 2025**

	2025	2024
	£'000	(Restated)
		£'000
Cash flow from operating activities		
Surplus for the year	1,049	3,383
Adjustment for non-cash items		
Depreciation and amortisation	6,004	5,469
(Increase)/decrease in debtors	(454)	45
(Decrease) in creditors due within one year	(1,622)	(802)
Release of deferred capital grant income	(1,649)	(2,763)
Increase/(decrease) in provisions	104	(30)
Adjustment for investing or financing activities		
Investment income	(1,460)	(850)
Transfers to short term investment deposit account	(73)	(70)
Interest payable	29	23
Loss on sale of fixed assets	850	58
Pension costs less contributions payable	200	20
Net cash flow from operating activities	<u>2,978</u>	<u>4,483</u>
Cash flows from investing activities		
Investment income	650	850
Payments made to acquire fixed assets	(12,804)	(16,127)
Capital grants received	7,564	8,519
	<u>(4,590)</u>	<u>(6,758)</u>
Cash flows from financing activities		
Interest paid	(29)	(23)
Repayments of amounts borrowed	(247)	(248)
	<u>(276)</u>	<u>(271)</u>
(Decrease) in cash and cash equivalents in the year	<u><u>(1,888)</u></u>	<u><u>(2,546)</u></u>
Cash and cash equivalents at beginning of the year	26,125	28,671
Cash and cash equivalents at end of the year	24,237	26,125

Net Debt Reconciliation

	1 August	Cashflow	31 July
	2024		2025
	(Restated)		
	£'000	£'000	£'000
Cash at bank and in hand	26,125	(1,888)	24,237
Short term deposits	1,597	73	1,670
Bank loans	(248)	77	(171)
Debt due within one year	(248)	77	(171)
Bank loans	(264)	171	(93)
Debt due after one year	(264)	171	(93)
Total	<u><u>27,210</u></u>	<u><u>(1,568)</u></u>	<u><u>25,643</u></u>

1. STATEMENT OF ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES

General information

Newham College of Further Education is a Corporation established under the Further and Higher Education Act 1992 as an English general college of further education. The address of the College's principal place of business is given on page 3. The nature of the College's operations is set out in the Strategic Report pages 4-15.

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 and accounting

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (the 2019 FE HE SORP), the College Accounts Direction for 2024/25, Regulatory Advice 9: Accounts Direction issued by the Office for Students and in accordance with Financial Reporting Standard 102 – "The Financial Reporting Standard and 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.

On 1 November 2024 Newham College of Further Education completed a merger with Newham Sixth Form College. This resulted in all assets, liabilities, staff and students from Newham Sixth Form College transferring to Newham College of Further Education and carrying on that name.

These financial statements have been prepared using merger accounting principles which means that comparative values are restated including the results of the merged colleges for the previous accounting period and their balance sheets for the previous year end date. The reason for this treatment is that both colleges serve the same geographical location, the management of both colleges continue to manage the College and ultimately both colleges have the same owners (being central government).

The financial statements are prepared in accordance with the historical cost convention.

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below. These policies have been applied consistently to both years.

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

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

Basis of consolidation

The consolidated financial statements include the College and its subsidiaries Newham Foundation and The Learning Revolution Trust, controlled by the Group. Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Under the purchase method of accounting, the results of subsidiary and associated undertakings acquired or disposed of during the year are included in the consolidated income and expenditure account from or up to the date on which control of the undertaking passes. Intra-group sales and profits are eliminated fully on consolidation.

In accordance with FRS 102, the activities of the student union, of which there were none in 2025, have not been consolidated because the College does not control those activities.

All financial statements are made up to 31 July 2025.

**NEWHAM COLLEGE OF FURTHER EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

A subsidiary is no longer consolidated when control is lost. The difference between any disposal proceeds and the carrying amount of the subsidiary's net assets (including related goodwill where relevant) is recognised income and expenditure as a gain or loss on disposal.

Reduced disclosures

The College has taken advantage of the exemption from disclosing the following information in its college only accounts, as permitted by the reduced disclosure regime within FRS102:

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flows and related notes and disclosures.

Going concern

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

The Group and College currently has £264k of loans outstanding with Lloyds bank and Salix. The terms of the existing loans are for another 2 years. The Group and College's forecasts and financial projections indicate that it will be able to operate within this existing facility and covenants for the foreseeable future.

The financial position of the Group and College remains sound and all known factors affecting the forward year (including ability to repay loans and manage pensions deficit) were taken into account within the budget setting process for 2026-28. This included the College's educational contracts allocated and estimations of student recruitment and staff expenditure. Consequently, the Corporation is confident that the College will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and have therefore prepared these statements on a going concern basis.

Recognition of income

Revenue grant funding

Government revenue grants include funding body recurrent grants and other grants and are accounted for under the accrual model as permitted by FRS 102. Funding body recurrent grants are measured in line with best estimates for the period of what is receivable and depend on the particular income stream involved. The final grant income is normally determined with the conclusion of the year end reconciliation process with the funding body following the year end, and the results of any funding audits. 16-19 funding is not subject to reconciliation and is therefore not subject to contract adjustments.

Where part of a government grant is deferred, the deferred element is recognised as deferred income and is recognised when receivable within creditors and allocated between creditors due within one year and creditors due after more than one year as appropriate.

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

Capital grant funding

Government capital grants for assets are capitalised, held as deferred income and recognised in income over the expected useful life of the asset, under the accrual model as permitted by FRS 102. Other, non-governmental, capital grants are recognised in income when the College is entitled to the funds subject to any performance related conditions being met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the Balance Sheet and released to income as conditions are met.

**NEWHAM COLLEGE OF FURTHER EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

Fee income

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

Investment income

All income from short-term deposits is credited to the statement of comprehensive income in the period in which it is earned on a receivable basis.

Agency arrangements

The Group acts as an agent in the collection and payment of certain bursary funds and Further Education Free Meals funds. Related payments received from the funding bodies and subsequent disbursements to students are excluded from the income and expenditure of the Group where the Group is exposed to minimal risk or enjoys minimal economic benefit related to the transaction. Where the income and expenditure relates to an activity of the Group (for example, its owned and operated refectories) the income and expenditure is included within the financial statements on the basis of the income earned as a transfer.

Retirement benefits

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

Teachers' Pension Scheme (TPS)

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

The TPS is a multi-employer scheme but sufficient information is not available to use defined benefit accounting. The TPS is therefore treated as a defined contribution plan and the contributions recognised as an expense in the statement of comprehensive income in the periods during which services are rendered by employees. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

London Borough of Newham Pension Fund (LGPS)

The LGPS is a funded scheme, and the assets of the scheme are held separately. Pension schemes are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs. The net interest cost on the net defined benefit liability/asset is charged to comprehensive income and included within finance costs. Re-measurement comprising actuarial gains and losses, the effect of the asset ceiling and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in other comprehensive income.

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

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

Short term Employment benefits

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

Enhanced Pensions

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

Tangible fixed assets

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

Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

Land and buildings

Land and buildings are stated at cost or deemed cost for buildings held at valuation at the date of transition to FRS 102, less accumulated depreciation and accumulated impairment losses.

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

Assets under construction

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

Intangible fixed assets under construction are accounted for at cost incurred to 31 July and are not depreciated until they are brought into use.

Equipment

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

**NEWHAM COLLEGE OF FURTHER EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

Depreciation and residual values

Depreciation on other assets is calculated, using the straight-line basis, to write off the cost of each asset to its estimated residual value over its expected useful lives, as follows:

Freehold land	Freehold land is not depreciated
Freehold buildings and improvements	15 to 30 years
Long Leasehold land and buildings	the remaining lease term
Furniture and equipment	7 years
Computer equipment	5 years
Motor vehicles	5 years

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

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

Intangible assets

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

Impairments of fixed assets

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

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

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in comprehensive income or, for revalued assets, as a revaluation gain. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount.

Borrowing costs

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

Leased assets

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

Fixed Asset Investments

Investments in subsidiaries

Investments in subsidiaries are initially measured at cost and are subsequently measured at cost less any accumulated impairment losses in the individual College financial statements.

Interests in subsidiaries are tested for impairment at each reporting date. Any impairment losses or reversals of impairment losses are recognised immediately in comprehensive income.

Financial instruments

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

Financial assets and liabilities

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

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

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

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

Derecognition of financial assets and liabilities

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

Taxation

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

The College is partially exempt in respect of Value Added Tax, so that it can only recover around 3% of the VAT charged on its inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

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

Provisions and contingent liabilities

Provisions are recognised when

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

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised as a finance cost in the statement of comprehensive income in the period it arises.

A contingent liability arises from a past event that gives the Group a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the College. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably.

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

JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

Critical areas of judgement

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

- Determine whether leases entered into by the group either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the group's tangible assets. Factors taken into consideration in reaching such 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. On merger between Newham College and Newham Sixth Form College:

- 1) The software systems of both entities were reviewed.
- 2) The network infrastructure of both entities were reviewed.

Due to the similarity of both operations there is considerable overlap between systems with only one system being required going forward and the other being redundant. This has resulted in a considerable loss on disposal within the year which will produce savings over the longer-term.

- Determining the existence of a minimum funding requirement for the Local Government Pension Scheme to be included in the asset ceiling in measuring and recognising a surplus in the scheme. This judgement is based on an assessment of the nature of the scheme as a statutory scheme and its inherent implied continuance as well as the operation of the primary and secondary contributions.

Critical accounting estimates and assumptions

- *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

**NEWHAM COLLEGE OF FURTHER EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes, economic utilisation and physical condition of the assets are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- **Local Government Pension Scheme**

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

2 Government Grants

	2025		2024 (Restated)	
	Group £'000	College £'000	Group £'000	College £'000
Recurrent Grants				
Greater London Authority - adult education budget	14,829	14,829	15,495	15,495
Department for Education - adult education budget	819	819	1,098	1,098
Department for Education - 16-19	36,391	36,391	35,417	35,417
Specific Grants				
Teacher Pension Scheme contribution grant	1,164	1,164	1,076	1,076
Post 16 Grant	409	409	-	-
Release of Government Capital Grants	1,648	1,633	810	795
Department for Education - other grants	732	732	522	522
Total	55,992	55,977	54,418	54,403

3 Tuition Fees and Education Contracts

	2025		2024 (Restated)	
	Group £'000	College £'000	Group £'000	College £'000
Adult Education Fees	63	63	69	69
Apprenticeship Contracts	966	966	808	808
Fees for FE Loan Supported Courses	112	112	144	144
Fees for HE Loan Supported Courses	203	203	-	-
	1,344	1,344	1,021	1,021
Education Contracts	4,910	4,910	3,150	3,150
Total Tuition Fees & Education Contracts	6,254	6,254	4,171	4,171

**NEWHAM COLLEGE OF FURTHER EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

4 Other Grants and Contracts

	2025		2024 (Restated)	
	Group £'000	College £'000	Group £'000	College £'000
European Commission	293	293	47	47
Other grants and contracts	-	-	1,197	1,197
Total	293	293	1,244	1,244

5 Other Income

	2025		2024 (Restated)	
	Group £'000	College £'000	Group £'000	College £'000
Rent receivable	114	114	92	92
Catering and Residence	261	261	255	255
Retail income	1,234	1,234	792	792
Release from deferred capital grants (non DfE)	1,974	1,449	1,974	1,449
Miscellaneous income	321	6	902	584
Total	3,904	3,064	4,015	3,172

6 Investment Income

	2025		2024 (Restated)	
	Group £'000	College £'000	Group £'000	College £'000
Other interest receivable	650	650	637	637
Net Interest on defined benefit asset (see Note 21)	810	810	213	213
Total	1,460	1,460	850	850

7 Donations

	2025		2024 (Restated)	
	Group £'000	College £'000	Group £'000	College £'000
Unrestricted donations	51	51	35	35
Newtec Donations	-	-	198	198
Total	51	51	233	233

Newtec Donation: the final element of the one-off donation of £198k from former subsidiary Newtec to the College following its winding-up was made in 2024.

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8 Staff Costs – Group and College

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

	2025		2024 (Restated)	
	Group £'000	College £'000	Group £'000	College £'000
Teaching Staff	376	376	389	389
Non Teaching Staff	370	370	316	315
	<u>746</u>	<u>746</u>	<u>705</u>	<u>704</u>

Staff costs for the above persons

	2025		2024 (Restated)	
	Group £'000	College £'000	Group £'000	College £'000
Wages and Salaries	27,671	27,616	25,238	25,163
Social Security Costs	3,213	3,206	2,615	2,615
Other Pension Costs	5,554	5,541	4,366	4,366
Payroll sub total	36,438	36,363	32,219	32,144
Contracted Out Staffing Services	4,597	4,597	4,936	4,936
	<u>41,035</u>	<u>40,960</u>	<u>37,155</u>	<u>37,080</u>
Fundamental Restructuring Costs				
		Contractual		
		810	283	283
		Non Contractual		
		116	48	48
Total Staff Costs	41,961	41,886	37,486	37,411

The College operates a bike salary sacrifice scheme.

As part of the merger between Newham Further Education College and Newham Sixth Form College there were inevitably certain posts which were duplicated at both institutions. A restructuring exercise was undertaken where staff members were invited to request voluntary redundancy. Where such contractual amounts would have been minimal a small additional incentive was offered or where statutory minimum weekly wage levels were capped at £719, this cap was removed in determining the redundancy payment.

Included within the restructuring costs are £116k of special severance payments for 20 staff members. All of the special severance payments were less than £25k. Individually the payments were: £187, £336, £534, £2,123, £2,843, £3,562, £3,867, £4,785, £4,797, £5,000, £5,000, £5,000, £5,000, £5,559, £5,904, £6,760, £7,808, £10,406, £14,069 and £22,239.

No senior postholder received a redundancy payment.

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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 College leadership team which comprises the CEO and Principal, and other senior postholders as set out on page 3.

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

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

	2025		2024 (Restated)	
	Group £'000	College £'000	Group £'000	College £'000
The number of key management personnel including the Accounting Officer	6	6	6	6

	2025		2024 (Restated)	
	Key Management Personnel £'000	Other Staff £'000	Key Management Personnel £'000	Other Staff £'000
£60,001 to £65,000	-	12	1	7
£65,001 to £70,000	1	9	-	9
£70,001 to £75,000	-	12	-	8
£75,001 to £80,000	2	3	1	2
£80,001 to £85,000	-	3	-	4
£85,001 to £90,000	-	3	-	5
£90,001 to £95,000	-	4	-	-
£95,001 to £100,000	-	1	-	2
£100,001 to £105,000	-	1	-	5
£105,001 to £110,000	-	6	-	1
£110,001 to £115,000	-	1	-	-
£120,001 to £125,000	-	-	2	-
£135,001 to £140,000	1	-	-	-
£145,001 to £150,000	-	-	1	-
£160,001 to £165,000	1	-	-	-
£165,001 to £170,000	-	-	1	-
	5	55	6	43

Note: One senior postholder joined late in the year and was paid less than £60,000 within the year.

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Key management personnel compensation is made up as follows

	2025	2024
	£'000	£'000
Basic salary	524	842
Performance related pay and bonus	5	-
Pension contributions	114	135
Compensation for loss of office	-	48
Total key management personnel compensation	643	1,025
Employers National Insurance cost	70	99
Total key management personnel cost	713	1,124

The above compensation includes amounts paid to the current (Jamie Purser) and former (Paul Stephen) Principal and Chief Executives who were the Accounting Officers and who were also the highest paid members of staff. Their pay and remuneration is as follows (and includes Jamie Purser's pay as Deputy Principal to 31 December 2024) and Paul Stephen's remuneration until their retirement on 31 December 2024:

	Jamie Purser	Paul Stephen	Paul Stephen
	2025	2025	2024
	£'000	£'000	£'000
Basic salary	161	73	167
Performance related pay and bonus	1	3	-
Other including benefits in kind	-	-	-
Pension contributions	46	12	27
Total Principal and Chief Executive compensation	208	88	194
Employers National Insurance cost	22	10	22
Total Principal and Chief Executive cost	230	98	216

The differences between the levels of pension contributions between each year are a result of different postholders. The current Principal and Chief Executive is within in the Teachers' Pension Scheme which has a higher contribution rate than the previous incumbent who was in the Local Government Pension Scheme (although the benefits to the postholder are similar).

The remuneration of the Accounting Officer role was determined in August 2024 by the College's Remuneration Committee and became effective from 01 January 2025. The Accounting Officer was not involved in setting their remuneration. The factors taken into account by the Committee in determining the Accounting Officers' remuneration for the year to 31 July 2025 included pay increases for other staff, performance against personal objectives; performance of the organisation; sector data on pay of accounting officers and benchmarking comparison to the broader market. Permission was sought and obtained from the Department for Education for the Accounting Officer's salary.

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

The relationship between the accounting officers' emoluments, expressed as a multiple of all other employees based on full-time equivalents, is set out below for both basic salary and total remuneration.

	2025	2024
Basic salary as a multiple of the median of all staff	4.7	6.8
Total remuneration as a multiple of the median of all staff	4.7	6.3

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

9 Other Operating Expenses

	2025		2024 (Restated)	
	Group £'000	College £'000	Group £'000	College £'000
Teaching costs	5,578	5,578	6,045	6,045
Non teaching costs	5,780	5,819	5,941	5,890
Premises costs	6,704	6,489	6,441	6,231
Total	18,062	17,886	18,427	18,166

	2025		2024 (Restated)	
	Group £'000	College £'000	Group £'000	College £'000
Surplus is stated after charging:				
Auditors' remuneration:				
Fees payable to RSM UK LLP in respect of both audit and non audit fees (excluding VAT):				
- Audit of Group/ College	120	120	129	129
- Audit of Subsidiaries	10	-	10	-
- Non-Audit Services	116	116	109	109
Internal Audit	69	69	38	38
Operating lease rentals	241	241	279	279

10 Interest and Other Finance Costs

	2025		2024 (Restated)	
	Group £'000	College £'000	Group £'000	College £'000
On bank loans, overdrafts and other loans:	16	16	23	23
Unwinding of discounts in relation to enhanced pensions	13	13	73	73
Total	29	29	96	96

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11 Intangible Fixed Assets (College and Group)

	Software £'000	Total £'000
Cost or Valuation		
At 1 August 2024 (Restated)	1,449	1,449
Additions	305	305
Disposals	(671)	(671)
At 31 July 2025	1,083	1,083
Depreciation		
At 1 August 2024 (Restated)	860	860
Charge for year	187	187
Eliminated in respect of disposals	(646)	(646)
At 31 July 2025	401	401
Net book value		
At 31 July 2025	682	682
At 31 July 2024 (Restated)	589	589

12. Tangible Fixed Assets (Group)

	Land & Buildings		Furniture & Equipment	Computer Equipment	Assets in the course of construction	Total
	Freehold	Long Leasehold				
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation						
At 1 August 2024 *	141,286	13,077	6,146	8,196	7,869	176,574
Additions	8,124	-	937	2,726	712	12,499
Disposals	-	-	-	(1,829)	-	(1,829)
At 31 July 2025	149,410	13,077	7,083	9,093	8,581	187,244
Depreciation						
At 1 August 2024 *	70,818	820	2,864	5,693	-	80,195
Charge for year	3,352	427	623	1,414	-	5,816
Eliminated in respect of disposals	-	-	-	(1,004)	-	(1,004)
At 31 July 2025	74,170	1,247	3,487	6,103	-	85,007
Net book value						
At 31 July 2025	75,240	11,830	3,596	2,990	8,581	102,237
Net book value						
At 31 July 2024*	70,468	12,257	3,282	2,503	7,868	96,378

* Restated

**NEWHAM COLLEGE OF FURTHER EDUCATION
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12 Tangible Fixed Assets (College Only)

	Land & Buildings		Furniture & Equipment	Computer Equipment	Assets in the course of construction	Total
	Freehold	Long Leasehold				
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation						
At 1 August 2024 *	123,922	13,077	5,678	8,138	7,869	158,684
Additions	8,124	-	937	2,726	712	12,499
Disposals				(1,829)		(1,829)
At 31 July 2025	132,046	13,077	6,615	9,035	8,581	169,354
Depreciation						
At 1 August 2024 *	61,199	820	2,396	5,635		70,050
Charge for year	2,837	427	623	1,414	-	5,301
Eliminated in respect of disposals				(1,004)		(1,004)
At 31 July 2025	64,036	1,247	3,019	6,045		74,347
Net book value						
At 31 July 2025	68,010	11,830	3,596	2,990	8,581	95,007
Net book value						
At 31 July 2024*	62,723	12,257	3,282	2,503	7,869	88,634

* Restated

On transition to FRS 102 for Newham College land with a carrying value of £24,000k was revalued to fair value and the fair value has been treated as deemed cost at that date. If the land was stated at the historical cost amount it would be included at a carrying value of £1,889k.

Newvic Sixth Form College land and buildings on incorporation were valued at £10,072k. If they were transferred at historical cost they would have been transferred at nil value.

When creating the Newham Foundation, land and buildings with Newham Foundation were revalued by £4,500k.

If revaluations had not occurred the historical cost amounts would be:

	Group £'000	College £'000
Cost	155,025	137,171
Aggregate depreciation based on cost	81,943	68,739
Net book value based on cost	73,082	68,432

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13 Non Current Investments

	2025		2024 (Restated)	
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Other assets in Subsidiary undertakings	-	843	-	843

The College has an interest in 3 companies namely, Newham Foundation, Learning Revolution Trust and The Fashion and Textile Museum.

- The registered office of Newham Foundation, Learning Revolution Trust and The Fashion and Textile Museum is Newham College of Further Education, East Ham Campus, High Street South, London E6 6ER.
- Newham Foundation is an educational/facilities provider charitable company limited by guarantee, incorporated in England and Wales, jointly controlled by the College (80%) and the London Borough of Newham (20%). Traded in 2025.
- Learning Revolution Trust is a company limited by guarantee without share capital, incorporated in England and Wales on 7 November 2011 and registered as a charity on 24 October 2012. Traded in 2025.
- The Fashion and Textile Museum is a company limited by guarantee without share capital and incorporated in England and Wales on 11 July 1996 but did not trade during the period of these accounts.

Of the three companies mentioned above only two are consolidated within the Group financial statements because one did not trade.

14 Trade and Other Receivables

	2025		2024 (Restated)	
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade debtors	140	140	90	153
Prepayments and accrued income	2,311	2,311	1,913	1,913
Other debtors	11	11	6	7
	2,462	2,462	2,009	2,073

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15 Creditors amounts falling due within one year

	2025		2024 (Restated)	
	Group £'000	College £'000	Group £'000	College £'000
Bank loans and overdrafts	171	171	248	248
Trade creditors	504	491	1,959	1,945
Other taxation and social security	1,314	1,314	1,251	1,251
Accruals and deferred income	4,959	4,959	4,489	4,489
Amounts due to DfE	1,918	1,918	2,366	2,366
Holiday Pay Accrual	1,213	1,213	1,395	1,395
Deferred Income - Government Grants (Capital)	3,500	3,082	2,587	2,169
Other creditors	233	233	302	302
Total	13,812	13,381	14,597	14,165

16 Creditors falling due after more than one year

	2025		2024 (Restated)	
	Group £'000	College £'000	Group £'000	College £'000
Bank loans	93	93	264	264
Government grants (capital)	38,340	37,288	33,337	31,744
	38,433	37,381	33,601	32,008

17 Maturity of Debt

Bank loans and overdrafts are repayable as follows:

	2025		2024 (Restated)	
	Group £'000	College £'000	Group £'000	College £'000
Loans and overdrafts are repayable as follows:				
In one year or less	171	171	248	248
Between one and two years	93	93	248	248
Between two and five years	-	-	16	16
	264	264	512	512

Interest on the bank loan is charged at rates varying between 2.0% above bank prime rate and 6% fixed rate and the loan is repayable by instalments falling due between 1 August 2020 and 31 July 2027 totalling £187k, of which £187k is secured on a portion of the freehold land and buildings of the Group. The remainder of the loans is a Salix loan which is interest free.

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18 Provisions

	Group and College			
	Defined benefit obligations	Enhanced pensions	Provision for lease dilapidations	Total
	£'000	£'000	£'000	£'000
At August 2024 (Restated)	-	1,422	-	1,422
Provision made in year	-	-	250	250
Amount utilised	-	(159)	-	(159)
Unwinding of the discount	-	13	-	13
At 31 July 2025	-	1,276	250	1,526

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

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

	2025	2024
The principal assumptions for this calculation are:		
Price Inflation	2.7%	2.8%
Net interest rate	5.5%	4.8%

19 Capital commitments

	College and Group	
	2024	
	2025	(Restated)
	£'000	£'000
Capital commitments contracted for at 31 July	6,009	2,276

20 Commitments under operating leases

As at 31 July the College had total future minimum lease payments under non-cancellable operating leases as follows:

	College and Group	
	2024	
	2025	(Restated)
	£'000	£'000
Future minimum lease payments due		
Not later than one year	241	236
Later than one year and not later than five years	482	81
Total lease payments due	723	317

21 Defined benefit obligations

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

	2025	2024
	£'000	(Restated) £'000
Total pension cost for the year		
Teachers' Pension Scheme: contributions paid	3,416	2,586
Local Government Pension Scheme:		
Contributions paid	1,912	1,579
FRS 102 (28) charge	200	136
Charge to Statement of Comprehensive Income	5,528	4,301
Enhanced pension charge to Statement of Comprehensive Income	13	73
Total pension cost for year within staff costs (College)	5,541	4,374
Pension costs within Newham Foundation	13	13
Total pension cost for year within staff costs (Group)	5,554	4,387

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of the TPS was 31 March 2020 and of the LGPS 31 March 2022. Contributions amounting to £592k (2024: £532k) were payable to the scheme at 31 July and are included within creditors.

Teachers' Pension Scheme

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

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

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

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

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation was carried out as at 31 March 2020 in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2023 and the Employer Contribution Rate was assessed using agreed assumptions in line with the Directions and was accepted at the original assessed rate as there was no cost control mechanism breach.

21. Defined benefit obligations (continued)

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

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

As a result of the valuation, new employer contribution rates have been set at 28.64% of pensionable pay from 1 April 2024 until 1 April 2028 (next valuation due in 2027) (compared to 23.68% under the previous valuation including a 0.08% administration levy). DfE agreed to pay a Teachers Pensions employer contribution grant to cover the additional costs during the 2023-24 academic year, and currently through to July 2026.

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 £3,416k (2024: £2,586k)

Local Government Pension Scheme

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by London Pension Funds Authority. The total contributions made for the year ended 31 July 2025 were £1,912k, of which employer's contributions totalled £1,441k and employees' contributions totalled £471k. The agreed contribution rates for future years are 17.3% for employers and range from 5.5% to 12.5% for employees, depending on salary according to a national scale.

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

The College is aware that the Court of Appeal upheld the decision in the Virgin Media vs NTL Pension Trustees II Limited case. The decision puts into question the validity of any amendments made in respect of the rules of a contracted-out pension scheme between 6 April 1997 and 5 April 2016. The judgment means that some historic amendments affecting s.9(2B) rights could be void if the necessary actuarial confirmation under s.37 of the Pension Schemes Act 1993 was not obtained.

On the 5 June 2025, the Government announced its intention to introduce legislation to give affected pension schemes the ability to retrospectively obtain written confirmation that historical benefit changes met the necessary standards. However, details of the legislation have not been announced and it's not clear how this interacts with the investigations made by the UK Government's Actuary's Department therefore the potential impact if any, on the valuation of scheme liabilities remains unknown.

21. Defined benefit obligations (continued)

Principal Actuarial Assumptions

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

	At 31 July 2025	At 31 July 2024
Rate of increase in salaries	3.80%	3.90%
Future pensions increases (CPI)	2.80%	2.90%
Discount rate for scheme liabilities	5.75%	5.05%
Inflation assumption (RPI)	3.10%	3.20%

The current mortality assumptions include sufficient allowance for future improvements in mortality rates.

The assumed life expectations on retirement age 65 are:

	At 31 July 2025 Years	At 31 July 2024 Years
<i>Retiring today</i>		
Males	21.0	19.7
Females	23.7	23.1
<i>Retiring in 20 years</i>		
Males	22.7	21.1
Females	25.5	24.6

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

	Fair Value at 31 July 2025 £'000	Fair Value at 31 July 2024 (Restated) £'000
Equity instruments	53,117	39,780
Debt instruments	17	12
Property	10,742	7,925
Cash	4,199	1,403
Alternative assets	6,241	4,423
Other Bonds	5,296	4,636
Total fair value of plan assets	<u>79,612</u>	<u>58,179</u>

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21. Defined benefit obligations (continued)

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

	2025	2024
	£'000	(Restated) £'000
Present value of the defined benefit obligation	52,537	45,228
Fair value of Fund assets	79,612	58,179
Net Asset	27,075	12,951
Restriction to level of asset ceiling	(27,075)	(12,951)
Net asset recognised in the balance sheet	<u>-</u>	<u>-</u>

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. The asset ceiling has followed an interpretation of IFRIC14 due to:

- The College does not have a right to a refund of surplus at the level required by the accounting standard. Any surplus recognised is based on the economic benefit from a reduction in contributions.
- The College is a scheduled body and assumed to participate indefinitely.
- The requirement for the College to make contributions to the Fund is considered to be a minimum funding requirement (MFR). For the period beyond the existing Rates and Adjustments certificate, the best estimate is that the existing rates remain in force. This is based on the fund actuary's methodology which is designed to provide a stable contribution rate, and also the lack of any other readily available figure.

The scheme is in surplus at the start and the end of the year and the asset ceiling approach has been adopted throughout. There is no amount recognised in other comprehensive income.

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

	2025	2024
	£'000	(Restated) £'000
Amounts included in staff costs		
Current service cost	1,641	1,123
Past service cost	-	107
Net interest on the net defined benefit pension surplus	(810)	(22)
	<u>831</u>	<u>1,208</u>

21. Defined benefit obligations (continued)

Asset and Liability Reconciliation

	2025	2024
	£'000	(Restated) £'000
Changes in the present value of defined benefit obligations		
Defined benefit obligations at start of period	45,228	42,243
Current service cost	1,641	1,123
Interest cost	2,729	2,135
Change in financial assumptions	(7,532)	1,146
Change in demographic assumptions	1,938	-
Experience loss/(gain) on defined benefit obligation	(2,576)	(364)
Liabilities assumed / (extinguished) on settlements	13,482	-
Estimated benefits paid net of transfers in	(2,997)	(1,611)
Past service costs, including curtailments	-	107
Contributions by Scheme participants and other employers	624	449
Closing defined benefit obligation	<u>52,537</u>	<u>45,228</u>

	2025	2024
	£'000	(Restated) £'000
Changes to fair value of plan assets		
Opening fair value of Fund assets	58,179	52,127
Interest on assets	3,594	2,685
Return on assets less interest	643	3,388
Other actuarial gains/(losses)	-	-
Administration expenses	(55)	(47)
Contributions by employer	1,441	1,188
Contributions by Scheme participants and other employers	624	449
Estimated benefits paid net of transfers in	(2,997)	(1,611)
Settlement prices received / (paid)	18,183	-
Closing fair value of Fund assets	<u>79,612</u>	<u>58,179</u>

22 Related party transactions

There have been no related party transactions in the year except between group companies as noted below.

Key management compensation disclosure is given in note 8.

As at 31 July 2025 a balance of £97k (2024: £69k) was due to Newham College by the Newham Foundation relating to various running costs incurred during 2025, purchased from the College.

23 Amounts disbursed as agent-learner support funds

	2025	2024
	£'000	(Restated)
		£'000
16-19 bursary funds	856	909
Other funding body grants	155	28
Interest earned	-	2
	<u>1,011</u>	<u>939</u>
Disbursed to students	(891)	(622)
Administration costs	(43)	(45)
	<u>77</u>	<u>272</u>
Balance unspent included in creditors	<u>77</u>	<u>272</u>
Accumulated unspent bursary (in creditors)	<u>562</u>	<u>485</u>

Funding body grants are available solely for students. In the majority of instances, the College only acts as a paying agent. In these circumstances, the grants and related disbursements are therefore excluded from the Statement of Comprehensive Income. Where the income and expenditure relates to an activity of the Group (for example, its owned and operated refectories) the income and expenditure is included within the financial statements based on the income earned as a transfer.

In the accounting period ended 31 July 2025 the College received a total of £856k 16-19 bursary funds and disbursed £865k of funding with £43k of administration costs. The College's unspent 16-19 bursary is £433k and none of the unspent bursary funds are in scope for return and can be used for learners in 2025-26. The remaining bursary is associated with Advanced Learner Loan funding where a change to the funding rules has moved these learners to other funding sources. The £128k of outstanding bursary on Advanced Learner Loans will ultimately be returned to DfE over time.

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON REGULARITY TO THE CORPORATION OF NEWHAM COLLEGE OF FURTHER EDUCATION AND THE SECRETARY OF STATE FOR EDUCATION

Conclusion

We have carried out an engagement, in accordance with the terms of our engagement letter dated 17 July 2025 and further to the requirements of the Department for Education (the "DfE") as included in the Framework and Guide for External Auditors and Reporting Accountants of Colleges issued by the DfE, to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by Newham College of Further Education during the period 1 August 2024 to 31 July 2025 have not been applied to the purposes intended by Parliament or the financial transactions do not conform to the authorities which govern them.

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

Basis for conclusion

The framework that has been applied is set out in the Framework and Guide for External Auditors and Reporting Accountants of Colleges and in any relevant conditions of funding concerning adult education notified by a relevant funder.

We have complied with the independence and other ethical requirements of the FRC's Ethical Standard and the ethical pronouncements of the ICAEW. We also apply International Standard on Quality Management (UK) 1 Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements and accordingly maintain comprehensive systems of continuing quality management. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion.

Responsibilities of the accounting officer of Newham College of Further Education and Corporation

The accounting officer is responsible, under the requirements of the corporation's accountability agreement with the Secretary of State for Education and the College Financial Handbook for ensuring that expenditure disbursed and income received are applied for the purposes intended by Parliament and that the financial transactions conform to the authorities which govern them. The accounting officer is also responsible for preparing the Statement of Regularity, Propriety and Compliance. The Corporation of Newham College of Further Education (who are also the trustees for the purposes of charity law) are responsible for the proper conduct and financial operation of Newham College of Further Education and appointment of the accounting officer.

Responsibilities of the reporting accountant

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 Framework and Guide for External Auditors and Reporting Accountants of Colleges.

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

**NEWHAM COLLEGE OF FURTHER EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

We report to you whether anything has come to our attention in carrying out our work, which suggests that in all material respects, expenditure disbursed and income received during the period 1 August 2024 to 31 July 2025 have not been applied for the purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including the specific requirements of the College Financial Handbook, the accountability agreement with the Secretary of State for Education and those of any other public funder and high level financial control areas where we identified a material irregularity is likely to arise. It also included areas assessed as presenting a higher risk of impropriety. We undertook detailed testing, on a sample basis, on the identified areas where a material irregularity is likely to arise or potential impropriety, where such areas are in respect of controls, policies and procedures that apply to classes of transactions. Our work was undertaken with due regard to the 'Tests and evidence to support conclusion on regularity' guidance in the Framework and Guide for External Auditors and Reporting Accountants of Colleges.

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

Use of our report

This report is made solely to the 1 August 2024 to 31 July 2025 and the Secretary of State for Education in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the 1 August 2024 to 31 July 2025 and the Secretary of State for Education 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 1 August 2024 to 31 July 2025 and the Secretary of State for Education for our work, for this report, or for the conclusion we have formed.

RSM UK Audit LLP

RSM UK AUDIT LLP

Chartered Accountants

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26 February 2026