

Annual Report & Financial Statements

For the year ended
31 July 2025



NEW COLLEGE DURHAM

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NEW COLLEGE DURHAM

KEY MANAGEMENT PERSONNEL, BOARD OF GOVERNORS AND PROFESSIONAL ADVISERS

Key Management Personnel

Key management personnel are defined as members of the College's Senior Leadership Team and were represented by the following in 2024/2025:

Mr A Broadbent	Principal and Chief Executive, Accounting Officer
Mr K Fairley	Deputy Chief Executive
Mrs A Maynard	Deputy Principal
Mr P Bradley	Chief Finance Officer
Mrs A Dowson	Vice Principal – Curriculum
Mr R Grainey	Vice Principal – Curriculum
Mr A Stephenson	Vice Principal – Quality and Improving Learning
Mrs C Peters	Vice Principal – Business Development, Productivity and Apprenticeships
Mr P Morrison	Vice Principal – Higher Education, Lifelong Learning and International Studies
Mr R Metcalf	Executive Director of Finance and Corporate Services
Mrs E Bonham	Executive Director of Human Resources and Corporate Services
Mrs N Whiting	Executive Director of Information Technology and Corporate Services
Mrs K Stevenson	Executive Director of Estates and Corporate Services

Board of Governors

A full list of Governors is given on pages 21 and 22 of these financial statements.

Clerk to the Corporation

Mrs C Winter – Head of Governance and Corporation Secretary

Professional Advisers

Financial Statement Auditors and Reporting Accountants

Azets Audit Services
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Solicitors

Muckle LLP
Time Central
32 Gallowgate
Newcastle Upon Tyne
NE1 4BF

Internal Auditors

Wbg Services LLP
168 Bath Street
Glasgow
G2 4TP

Bankers

Barclays Bank PLC
1st Floor
3 Hardman Street
Spinningfields
Manchester
M3 3AX

Registered Office

New College Durham
Framwellgate Moor
Durham
DH1 5ES

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Strategic Report

NATURE, OBJECTIVES AND STRATEGIES

The Members present their report and the audited financial statements for the year ended 31 July 2025.

Legal Status

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

The Corporation was incorporated as New College Durham.

Mission, Vision, Values and Objectives

Our Mission

At New College Durham, we are catalysts for positive change, driving social, economic and environmental transformation. We inspire individuals of all abilities to unlock their full potential, igniting their careers and enriching our communities. Our commitment to delivering high quality professional, technical, and lifelong education empowers people to shape a better, brighter future.

Our Vision

New College Durham strives to be a trailblazer in both Further and Higher Education, celebrated for its exceptional skills training and academic excellence. We aim to be a beacon of innovation and quality, recognised not just in the North East Combined Authority (North East CA) region, but throughout the UK and across the globe.

Our Values

As an employer and learning organisation we will conduct our business by following the values of 'ASPIRE':

- **Accountability** – accepting responsibility for our actions, decisions and policies and their impact on staff, stakeholders and the environment.
- **Safeguarding** – maintaining a safe and inclusive environment in which students can learn, achieve and progress.
- **Partnerships** – working in partnership with those who share our vision and values.
- **Inclusion** – fostering an environment that ensures equality of opportunity enabling all to reach their full potential.
- **Respect** – treating everyone with respect, fostering trust, openness and honesty.
- **Excellence** – achieving and maintaining.

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Our Objectives

The College's objectives are:

- To be a recognised leader in further and higher education and a destination of choice for learning in the North East, nationally and internationally.
- To be a preferred partner for government, business, industry and other colleges and universities in creating technological solutions, digital transformation and policy innovation.
- To be an education employer of choice, recognised as a rewarding place to work and for delivering a supportive culture.
- To be a financially astute and sustainable institution with diverse funding support and with operational excellence and continuous improvement in process efficiency and effectiveness.
- To be an engaged and connected college with businesses, funders and the local community.

Public Benefit

New College Durham is an exempt charity under Part 3 of the Charities Act 2011 and is regulated by the Secretary of State for Education. The Members of the Governing Body, who are trustees of the charity, are disclosed on pages 21 and 22.

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

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

- High-quality teaching, learning and assessment
- Widening participation and tackling social exclusion
- Excellent employment records for students
- Strong student support systems
- Links with employers, industry and commerce
- Links Employer Responsive Bodies and Combined Authorities (CA)

Implementation of the Strategic Plan

A Strategic Plan for the period 2021-2026 was approved by the Board of Governors in July 2021 and is a blueprint for the future of New College Durham. It builds on the outstanding financial and educational foundations and sets priorities to realise the College's ambitious vision for the future. The College will become the education provider of choice, the education employer of choice, the preferred partner for industry, recognised locally and nationally for excellence in academic programmes and student experience.

The College is currently developing a new Strategic Plan for 2026-2031 which will be proposed to the Board of Governors in July 2026.

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As a 'Mixed Economy College' New College Durham offers a range of further and higher education courses. This enables students in the College to progress from further to higher education in one institution and provides employers with a wide range of provision appropriate to the skills needs of their employees.

The College positions itself to respond to skills needs locally and across the region and works with employers and their representative groups to ensure that future skills needs are being addressed. Strong links have been established with the North East England Chamber of Commerce (NEECC), the North East Automotive Alliance (NEAA), the Tees Valley Local Enterprise Partnership (TVLEP) and North East CA to name a few.

Strategic aims will be delivered through interlinked strategic priorities covering every aspect of the College's business recognising and building on the 'Team NCD' approach.

Financial Objectives

The College has recently submitted a two-year financial plan to the Department for Education (DfE) as part of the College Financial Forecasting Return (CFFR) and confirms its financial objectives to:

- Achieve at least a break-even position before FRS102-28 pension adjustments;
- Achieve Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) Education Specific > 4%;
- Maintain Adjusted Current Ratio > 2 : 1;
- Maintain Nil Borrowing;
- Generate sufficient funds to ensure that the Corporation can maintain the College estate and invest in new technology and equipment required to support learning and administration;
- Maintain the level of free reserves above 10% of annual turnover in line with the Board approved reserves policy.

A series of performance indicators have been agreed to monitor the successful implementation of the policies.

Performance Indicators

Throughout the financial year the College has monitored key performance indicators set as part of the two-year financial plan submitted to the DfE. Actual performance against these performance indicators is shown below;

Description	Target	Actual
Surplus before FRS102-28 Pension Adjustment	£2.0m	£4.5m
Surplus after FRS102-28 Pension Adjustment	£1.3m	£5.1m
Net Current Assets	£8.7m	£12.6m
Cash Days in Hand	56	104
Adjusted Current Ratio	2.35:1	2.23:1
EBITDA as a percentage of income (Education Specific)	5.60%	8.69%
Gearing	0%	0%
Financial Health Score 'Provisional'	250	280
Financial Health Rating 'Provisional'	Outstanding	Outstanding

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FINANCIAL POSITION

The College is committed to monitoring performance against national sector benchmarks and utilises data published by the DfE, including the National Achievement Rates Tables (NARTs), learner destination measures, and Ofsted inspection outcomes. The College also completes the CFFR for the DfE on an annual basis and is currently assessed as having an 'Outstanding' financial health rating.

Financial Results

The Annual Report and Financial Statements have been prepared in accordance with Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice: Accounting for Further and Higher Education (2019 SORP).

The Group (New College Durham and its subsidiary, Westfirst Limited) reported an operating surplus before FRS 102-28 LGPS pension adjustments and other gains and losses of £4,492,000 (2023/24: £3,182,000). The College provided financial support of £8,786 to Westfirst Limited during the year. After FRS 102-28 adjustments, the Group surplus was £5,112,000 (2023/24: £4,012,000).

The Group reserves total £62,072,000, with cash and short-term investments of £18,178,000. These balances will support future capital developments, equipment investment, and the continued delivery of the College's strategic plan.

Tangible and intangible fixed asset additions amounted to £7,601,000, comprising £4,213,000 for land and buildings, £134,000 for software, and £3,254,000 for equipment, furniture and fitting.

Westfirst Limited, the College's wholly owned subsidiary, manages the letting of College premises. Any taxable surpluses are reviewed annually for transfer to the College under Gift Aid. The subsidiary holds an unprovided deferred tax asset of £3,424 relating to fixed assets and reported a loss after tax of £636 for the year. No Gift Aid payment will be made for 2024/25.

Treasury Policies and Objectives

Treasury management encompasses the management of the College's cashflows, banking arrangements, and money market and capital market transactions, together with the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks.

The College operates within a specific Treasury Management Policy approved by the Corporation.

During the 2024/25 financial year, there was no requirement for short-term borrowing to meet day-to-day revenue needs. Any borrowing undertaken by the College requires the prior approval of the Corporation and must comply with the requirements of the College's Financial Memorandum. The College also remains subject to the borrowing controls introduced by the DfE following the reclassification of further education colleges to the public sector in November 2022.

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Cash Flows and Liquidity

The College's operating cash-in-flow from operating activities was strong at £7,870,000 (2023/24 cash in-flow £7,334,000). The strong cash-in-flow along with Capital Grants received enabled the College to invest £7,601,000 in tangible and intangible assets (2023/24 £8,812,000).

At 31 July 2025 the College does not hold any financing debt.

Financial Risk Management

The College is exposed to financial risks, including credit and liquidity risk, which are managed through established controls and policies. Credit checks are undertaken for new customers and subcontractors, and treasury management processes ensure sufficient funds are maintained to support operations and strategic investment.

Reserves Policy

The College maintains reserves to protect operations, meet short-term liabilities and fund investment in its estate and equipment. Its policy is to hold minimum free reserves of 10% of annual turnover, calculated as net current assets excluding deferred capital grants and designated funds.

At 31 July 2025, free reserves were 18.07% of turnover (2023/24: 11.15%), exceeding the target and evidencing a strong financial position..

Designated reserves totalled £3,950,000, principally for capital investment over the next year, including £2,500,000 for Phase 2 of the Construction Centre of Excellence, £1,000,000 for the Annual Capital Programme, £250,000 for modernisation works and £200,000 for the Podiatry Clinic.

Further capital developments are currently under consideration; however, these remain at the discussion stage and have not yet been finalised or approved by the Corporation.

CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE

The updated College Financial Handbook (effective August 2024) strengthened requirements around Managing Public Money and introduced revised controls for borrowing, investment and governance. The College continues to embed these principles, reinforcing transparency, accountability and value for money.

The College has continued to secure growth opportunities through the UK Shared Prosperity Fund, Skills Bootcamps (UKSPF) and the Adult Education Budget (AEB). Devolution across Tees Valley and the creation of the North East CA have broadened the College's regional reach and capacity to deliver high-quality provision.

The North East Institute of Technology (NEIoT), led by the College with Newcastle University, Nissan Motor Manufacturing (UK) Ltd and Esh Group, continues to enhance higher-level technical skills, supported through HTQ Growth and Skills Injection Funds. New partners—Bishop Auckland College, Derwentside College and Hartlepool College of Further Education—joined the consortium this year.

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Significant estate developments have progressed, including the opening of the Construction Centre of Excellence at Langley Moor and the creation of capacity for the National Battery Training and Skills Academy, backed by £1.33m Innovate UK funding.

The College also completed a £4.5m redevelopment of the main car park and Multi-Use Games Area, improving accessibility, safety and the student experience. The new facilities support over 110 learners through the Football Development Centre and are widely used by community groups, strengthening local partnerships.

The College's sustainability agenda continues to advance, with renewal of ISO 14001 and ISO 50001 accreditations, Advanced Level status in the North East CA's SHINE Good Work Framework, and ongoing progress towards Net Zero by 2050. The College also achieved Inclusive Employer Standard Bronze and retained Better Health at Work "Maintaining Excellence" status.

Governance remains strong, with the 2025 External Governance Review commending the College's culture of collaboration and continuous improvement.

EDUCATION AND TRAINING

The quality of education and training at New College Durham remains consistently high, with significant elements of outstanding practice. This was recognised in the most recent Ofsted inspection (November 2022) and reaffirmed through the 2024/25 Self-Assessment process, which confirmed that the College continues to deliver a curriculum that is ambitious, inclusive, and coherently planned to meet the needs of learners, employers, and the wider economy.

The College makes a strong contribution to meeting local, regional, and national skills priorities, ensuring that curriculum intent aligns closely with labour market demand. In partnership with Newcastle University, the College opened the National Battery Training and Skills Academy, designed to address skills shortages in green technologies and advanced manufacturing.

In 2024/25, the College achieved a Further Education (FE) overall achievement rate of 90.5%, sustaining exceptional performance from the previous year and maintaining its position as one of the highest-performing general further education colleges regionally and nationally. This is 5% above the national rate, placing the College within the top 10% of providers nationally.

Apprenticeship outcomes remain strong at 70.4%, 8.1% above the national rate, despite sector-wide challenges linked to End Point Assessments. The College continues to deliver high-quality, well-sequenced training programmes led by expert teaching staff who develop substantial new knowledge, skills, and behaviours that meet employer expectations.

The College remains at the forefront of curriculum innovation, with the fourth cohort of T Level students completing qualifications in 10 specialisms during 2024/25. Of 93 completers, 96.8% passed, and 72.2% achieved Distinction or Merit, reflecting the College's commitment to academic excellence and its growing national reputation for high-quality technical education. The College has been invited to join the National Community of Practice in recognition of this success and have also been selected to be an Insight Hub for T Levels.

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New College Durham is the largest FE provider of Skills Bootcamps in the North East, delivering over 50 unique programmes during the year. DfE assurance visits highlighted the College's delivery as exemplary, demonstrating clear impact in developing employment-ready skills, supporting progression, and responding effectively to employer needs.

The quality of student work continues to be exceptional, with learners frequently recognised in regional and national skills competitions, reflecting high levels of motivation, professionalism, and confidence in applying their learning.

Care, guidance, and support are deeply embedded within the College culture and remain a distinctive strength. Specialist services provide early and effective interventions that remove barriers to learning, promote positive behaviours, and enable students to thrive both academically and personally.

Teaching, learning and assessment are consistently effective, enabling learners to know more, remember more, and do more in their chosen fields. Curriculum intent and implementation are designed to ensure that learners build knowledge and skills cumulatively over time and are well prepared for their next steps in learning, employment, or training. Learners demonstrate positive attitudes to learning, high levels of attendance, and respect for others, contributing to an inclusive and orderly learning environment. A strong personal development curriculum supports learners to develop confidence, resilience, and an understanding of life in modern Britain.

Leaders and Governors foster a culture of safeguarding, professional respect, and staff wellbeing, ensuring continuous improvement at all levels. The combined effect across education and training is that 93% of students' progress to positive destinations, including employment, higher education, and apprenticeships.

Academies

New College Durham is the lead sponsor for New College Durham Academies Trust (the Trust), a well-established multi-academy trust (MAT). Initially, the Trust operated two academies: North Durham Academy and Consett Academy. However, over the past 18 months it has undergone a period of expansion. The Trust comprises of eight schools (three Secondary and five Primary). With Wingate Primary School the most recent joining the Trust in Autumn 2025. All eight schools within the Trust are currently rated "Good" by Ofsted, and are all located in County Durham.

New College Durham's sponsorship of the MAT has allowed the Trust to extend the Trust's mission to provide the best education to empower learners, improve lives, and strengthen communities. The College initial participation brought much needed investment to communities hard hit by economic downturn and provided better educational opportunities for the whole community.

The Trust continues to follow the approved sustainable growth strategy. The aim of the Academy Trust is to become a 16 school MAT. The Academy Trust Board is keen to support expansion of the MAT in a sustainable manner to transform the educational landscape in their area by driving up standards and raising levels of aspiration.

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The Trust is established as a company limited by guarantee with Members and Directors. It operates as an exempt charity and is governed by company and charity law in accordance with its Memorandum and Articles of Association. New College Durham has no control over the Trust, which operates independently, and as such, the Trust is not included in the financial statements of the College.

Higher Education

Since being granted Foundation Degree Awarding Powers (FDAP) in August 2011, New College Durham has built a strong regional and national reputation as a leading provider of higher education within the further education sector. The College offers over 40 qualifications at Level 4 and above, including Certificates of Higher Education, Foundation Degrees, Honours Degrees, Higher Technical Qualifications and a range of professional and technical qualifications.

In July 2023, the College was awarded indefinite FDAP by the Office for Students (OfS) — a significant milestone enabling it to validate programmes delivered by partner institutions and expand collaborative higher education provision.

All higher education programmes are developed with employers and professional bodies to ensure graduates gain the practical skills, applied knowledge, and professional behaviours needed in today's workforce. In response to the Social Housing Regulation Act 2023, which requires social housing managers to hold Level 4 or 5 qualifications, the College designed and validated a Level 4 Certificate in HE Housing with sector partners to meet these emerging national skills.

The College continues its long-standing partnership with The Open University, offering high-quality programmes that lead to strong graduate outcomes. However, both full-time and part-time enrolments have declined, reflecting national trends linked to increased competition from universities, the expansion of foundation year provision, and cost-of-living pressures influencing learner choice.

In August 2023, the Teaching Excellence Framework (TEF) awarded Silver to New College Durham, recognising high-quality teaching, learning, and student outcomes across its higher education provision, including partner institutions.

The teach-out partnership with the London School of Commerce (LSC) remains active, with all cohorts scheduled to complete by April 2026. The newer CECOS partnership, established in August 2024, continues to progress well, showing high student retention and strong quality assurance. Following the DfE's de-designation of programmes at Oxford Business College (OBC) in April 2025, the College successfully implemented its Student Protection Plan, ensuring affected learners transferred smoothly to CECOS to complete their studies.

The College maintains robust oversight of all higher education partnerships through its Academic Board and Higher Education Quality Standards Committee, ensuring that programmes delivered by partners meet the same academic and regulatory standards as those delivered directly by the College. Comprehensive due diligence, monitoring, and annual review processes assure the quality of teaching, consistency of the student experience, and full compliance with OfS Conditions of Registration.

New College Durham remains committed to its strategic vision to positively transform lives

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by delivering high-quality, accessible higher education in partnership with like-minded institutions, supporting social mobility and economic growth across the region and beyond.

Looking ahead, the College is actively preparing for the introduction of the Lifelong Learning Entitlement (LLE), aligning curriculum design and credit structures to support modular, flexible learning for adults returning to study and those seeking to upskill throughout their careers. This readiness positions the College to play a leading role in widening participation and delivering higher-level skills aligned to local and national priorities.

Stakeholder Engagement

The College's apprenticeship provision continues to expand across a wide range of curriculum areas, closely aligned with the needs of local and regional employers. Achievement rates remain consistently high and above national averages, reflecting the quality of delivery and strong employer partnerships. This success was recognised through the College's nomination as a finalist for the North East Apprenticeship Provider of the Year Award.

Key stakeholders and subcontractors play an important role in delivering Adult Skills Fund programmes, Skills Bootcamps, and UKSPF initiatives. All training is co-designed with employers to address current and emerging skills gaps, ensuring provision remains responsive and employer led.

The Business Development and Apprenticeship teams, working with the Quality department, maintain high standards through robust performance management and continuous quality improvement. These processes ensure compliance with DfE and Ofsted requirements and sustain the College's reputation for excellence in work-based learning.

Over 800 employers and stakeholders contribute to curriculum development and delivery. In Higher Education, employers co-develop foundation degree programmes and provide high-quality work placements. In Further Education, they enhance the learner experience through guest lectures, live projects, and advisory boards, helping students apply knowledge in real-world contexts.

The study programme is underpinned by a strong partnership model between staff, students, and employers, providing meaningful work experience and placements that frequently lead to sustained employment and progression.

The College's apprenticeship and skills offer directly supports the North East Local Skills Improvement Plan (LSIP) priorities, ensuring that training provision aligns with regional productivity goals and employer demand.

Staff and Student Involvement

In July 2025, the College held its annual Team NCD Day, bringing staff together to celebrate the end of the academic year. The event offered a wide range of wellbeing, collaborative and recreational activities, providing colleagues with valuable opportunities to connect across departments. This year's programme included paddleboarding, escape rooms, laser quest, go-karting, sound baths and creative workshops, ensuring an inclusive and enjoyable experience for all.

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At the start of the academic year, the College held its annual “Back to Business” event, during which the Executive Leadership Team delivered a presentation to all staff outlining strategic priorities, key developments, and expectations for the year ahead. The event provided an opportunity to reaffirm the College’s vision, share updates on major initiatives, and ensure staff were fully briefed and aligned in preparation for the new academic year.

The College continues to prioritise clear and effective communication with staff through a variety of channels, including all-staff emails, Principal’s briefings, newsletters, focus groups, and ‘Meet ELT’ sessions with the Executive Leadership Team. Feedback remains positive, highlighting strong connections across the organisation and a culture where staff feel informed, valued, and supported.

The annual staff survey, conducted between January and February 2025, provided a key platform for staff to share feedback on college strengths and areas for development. Results identified particularly strong performance in staff wellbeing, financial management, facilities, learning resources and safeguarding. This year, a more focused approach enabled feedback to be analysed at departmental level, informing tailored action plans. Findings are shared transparently through the ‘You Said, We Are Doing’ newsletter, with progress updates scheduled throughout 2025/26.

Wellbeing remains central to the College’s culture. A valued and supported workforce underpins exceptional student support and outcomes. By nurturing a positive, inclusive, and collaborative working environment, New College Durham continues to strengthen staff engagement and enhance the overall student learning experience.

The College continues to place strong emphasis on the learner voice. Regular Student Focus Groups operate across all curriculum areas, providing structured opportunities for students to give feedback on their experience. Key themes are collated and shared with the Student Governors, ensuring that learner perspectives are represented within Corporation discussions.

In addition to these ongoing mechanisms, the College held a Student Conference in November 2025, bringing together learners from across the College to engage directly with senior leaders on topics including teaching, support services, campus facilities and enrichment. Outcomes from the conference were fed into the College’s quality improvement processes and informed the work of the Student Governors throughout the year.

Payment Performance

In accordance with the Late Payment of Commercial Debts (Interest) Act 1998, Colleges are required, in the absence of an alternative agreement, to settle payments to suppliers within 30 days of receiving a valid invoice or the goods or services being provided, whichever is later. The Treasury target for public sector organisations is to pay 95% of undisputed invoices within 30 days.

During the financial year 01 August 2024 to 31 July 2025, the College paid 99.1% by count (99.6% by value) of its invoices within 30 days. The College incurred no interest charges in respect of late payment for this financial year.

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Future Prospects

New College Durham continues to plan confidently for the future, building on a strong reputation for excellence in education, financial resilience, and sustained growth.

Further investment in the estate remains a key strategic priority. The College will progress the next phase of its capital development programme, including the second phase of the Construction Centre of Excellence and further campus modernisation projects that enhance teaching spaces, sustainability, and accessibility. These developments ensure the College remains at the forefront of technical and vocational education in the North East.

The College continues to perform strongly in competitive funding rounds, securing Adult Skills Fund and Skills Bootcamp contracts through both the North East CA and TVCA. National Bootcamp delivery contracts, confirmed to run until February 2026, will continue to support regional and national workforce priorities and strengthen the College's position as a preferred provider of adult and employer-led training.

Curriculum development remains agile and responsive. The College will continue to expand its offer of T Levels across priority sectors including Construction, Engineering and Manufacturing, Business and Administration, Digital, Education and Childcare and Health and Science, ensuring provision aligns with local and national skills needs and the forthcoming LLE framework.

In Higher Education, the College will continue to strengthen existing partnerships and maintain the high standards recognised through its Foundation Degree Awarding Powers and Teaching Excellence Framework (TEF) Silver rating. Ongoing collaboration with employers and partner institutions will ensure that higher-level programmes remain relevant, accessible, and closely aligned with labour market demand.

Looking ahead, the College will continue to strengthen its strategic partnerships, invest in its people and facilities, and remain focused on delivering high-quality, inclusive education that supports economic growth, social mobility, and opportunity across the region and beyond.

RESOURCES:

At 31 July 2025, the College held tangible fixed assets valued at £68.79 million, comprising the main College campus, the Bishop Auckland Podiatry Clinic, and the Construction Centre of Excellence. The College also reported net current assets of £12.64 million, reflecting a strong balance sheet and continued investment capacity.

In addition to its owned estate, the College leases premises at Low Carrs, Durham, which houses the podiatry training facility and at Ashington, where Green Skills programmes are delivered. Further leased space at Armstrong House now accommodates the Business Development team, creating additional teaching capacity on the main campus to support growing student numbers.

Financial

The College has £62,072,000 of net assets and has successfully maintained its financial debt at nil. The group holds £5,317,000 in short term investments.

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People

The average number of persons employed by the College during the year, expressed as head count was 687, of which 464 were teaching and teaching support staff.

The College has 182 staff registered on supply pool of whom 65, on average work monthly.

The College spent £569,000 on Contracted out staffing services in 2024/25 (£821,000 in 2023/24). The College used staff from external agencies to ensure there was no break in learning for students.

Students

The headcount of students in attendance at the College during the year by category can be summarised as follows:

Student Category	Headcount
16-18	2,968
Adults (ASF)	2,121
Apprentices	1,343
Higher Education (NCD)	482
Higher Education (Partnerships)	2,996
Total	9,910

Reputation

The College has a good reputation locally, nationally and internationally. Maintaining a quality brand is essential for the College's success in attracting students and improving external relationships.

PRINCIPAL RISKS AND UNCERTAINTIES

During 2024/25, the College continued to strengthen its system of internal control, ensuring financial, operational, and risk management arrangements protect its assets, reputation, and long-term sustainability.

The Risk Management Group, guided by the Strategic Plan, reviews key risks regularly, identifying controls, developing mitigating actions, and monitoring implementation. A Strategic Risk Register is reviewed termly by the Group and Senior Leadership Team, with oversight from the Audit and Risk Committee. Risks are assessed for likelihood, impact, and mitigation, using a consistent scoring framework to ensure transparent reporting and effective governance.

New initiatives, partnerships, and capital projects are subject to risk assessment before implementation, and staff training continues to embed risk awareness across the College. The principal risk factors affecting the College's performance are set out in the Statement of Corporate Governance and Internal Control.

1. Government Funding

The College remains reliant on DfE funding for its 16–19 provision. Adult Skills Funding is contracted through the DfE, North East CA and TVCA.

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Apprenticeship funding is provided through the DfE under both the Levy and non-Levy systems, alongside contracts for Skills Bootcamps and UKSPF programmes that support local workforce development.

The College continues to monitor the evolving funding landscape, including the implementation of the LLE, AEB devolution, and DfE policy reform. Through close engagement with regional stakeholders, prudent cost management, and ongoing diversification of income streams, the College is well positioned to mitigate future funding volatility and sustain long-term financial stability.

2. Maintain adequate funding of pension liabilities

At 31 July 2025, the College's Local Government Pension Scheme (LGPS) valuation showed a £11.71 million surplus, which has not been recognised in the financial statements. Under accounting standards, a surplus can only be recognised where the employer can realise an economic benefit, such as a refund or a reduction in future contributions. The actuary concluded that no such benefit is currently available; therefore, the surplus has been restricted.

During 2024/25, the employer contribution rate was reduced from 20.4% to 18.1% following the introduction of the DfE's LGPS funding guarantee for colleges, designed to provide greater long-term stability to the sector. Future contribution rates remain subject to periodic valuation and will depend on investment performance, actuarial assumptions, and scheme membership.

The College continues to monitor pension policy developments and maintain prudent financial planning to ensure sustainability of future obligations within both the LGPS and the Teachers' Pension Scheme (TPS)

3. Government Policy

Government policy for further and higher education remains focused on skills, productivity, and regional growth, particularly through:

- T Levels and Higher Technical Education
- Apprenticeships and Skills Bootcamps
- Adult Education budget devolution
- Lifelong Learning Entitlement

The College works closely with the DfE, the North East CA, and regional partners to align its curriculum with LSIP priorities in Advanced Manufacturing, Construction, Digital, and Health.

The creation of the North East CA in May 2024 has strengthened collaboration and funding opportunities across the region. The College remains well placed to respond to national reforms, securing funding through Skills Bootcamps, the UKSPF and other initiatives supporting green, digital, and technical skills.

While the policy environment continues to evolve, the College's sound financial position, agile governance, and proven funding success ensure it remains resilient and responsive to future change.

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4. Demographic changes and increased competition

The College operates in an increasingly competitive environment for 16–18 provision, although demographic trends show a continuing rise in learner numbers across County Durham and the wider North East. The College continues to broaden its offer and respond to local needs by:

- Sustaining high-quality provision and achievement rates to attract learners; and
- Strengthening partnerships with feeder schools and academies to enhance progression pathways and support informed choices for young people.

In Higher Education, participation across the UK remains in decline. The College continues to maintain its market position by:

- Delivering high-quality, employment-focused programmes aligned to labour market needs;
- Promoting student satisfaction and destination outcomes; and
- Exploring innovative delivery models and collaboration with other Higher Education Institutions to maintain efficiency and reach.

5. Failure to maintain the financial viability of the College

The College's financial health is rated 'Outstanding' by the DfE. However, the wider further education sector continues to face pressure from real-terms erosion of funding rates, rising staffing costs, and general inflation. Increased pension contributions, pay awards, and higher operating costs present ongoing challenges.

These risks are mitigated through robust financial planning, rigorous budget setting, and in-year monitoring. The College also maintains strong cashflow management, prudent reserves, and diversified income streams to support long-term sustainability.

STAKEHOLDER RELATIONSHIPS

In line with other colleges and universities, New College Durham has many stakeholders.

These include:

- Students
- Education Sector Funding Bodies
- FE Commissioner
- Staff
- Local Employers
- Local Authorities
- Combined Authorities
- North East Automotive Association
- The Local Community
- Local Schools and Academies
- Universities
- Other FE Institutions
- Trade Unions
- Professional Bodies
- Employer Representative Bodies

The College recognises the importance of these relationships and engages in regular communications with all stakeholders.

NEW COLLEGE DURHAM

EQUALITY, DIVERSITY AND INCLUSION

The College is proud of the social and cultural diversity of its community and sees it as a strength that inspires innovation and creativity. New College Durham is a place where learning and working exists in an environment that advances equality of opportunity, celebrates diversity, and allows everyone to achieve their fullest potential. The College is opposed to any form of discrimination and will ensure that its practices are legal, accessible, and fair to students, staff, stakeholders, and service users.

The College's Equality, Diversity and Inclusion Policy is published on its website as a publicly accessible document.

Disability statement

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

- Achieved bronze for Inclusive Employer Standard.
- Maintaining Level 3 Disability Confident (Leader).
- Providing Occupational Health and Health and Safety Team support for all staff.
- Access Coordinators offer information, advice, and necessary support for students with disabilities.
- The Disabled Student Commitment framework guides practices and policies, to support disabled students.
- The Access and Participation Plan explains how the College will enhance equality for underrepresented groups in Higher Education.
- The Equality, Diversity Inclusion Health and Wellbeing Steering Group monitors data and practices to address areas of improvement and celebrate good practice.
- The Alternative Assessment Plan and reasonable adjustments ensure timely adjustments for Higher Education students with disclosed disabilities.
- Assistive technology helps students achieve success.
- The admissions policy is detailed in the College charter, with appeals managed under the complaints policy.
- Continuing Excellence - Better Health at Work highlights the holistic support approach for staff and students under the Equality Act.
- Bursary support is available to help overcome financial barriers to learning.
- The College has signed up to the Association Of Colleges (AoC) Mental Health Charter.
- Specialist programmes are described in college prospectuses, with achievements and destinations recorded and published.
- Counselling and welfare services are provided to help students continue their studies.

NEW COLLEGE DURHAM

STREAMLINED ENERGY AND CARBON REPORTING

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 2025 UK Governments Conversion factors for Company Reporting are as follows:

Greenhouse gas emissions and energy use data for the period 1 August 2024 to 31 July 2025- UK	Unit	Current reporting year 2024 to 2025	Comparison reporting year 2023 to 2024
Energy/ Other consumption break down used to calculate emissions			
Gas	kWh	1,430,253	1,467,006
Electricity	kWh	2,532,597	2,434,170
Owned Onsite Solar PV Self Use	kWh	44,388	10,274
Other Fuel	L	5,300	5,003
Fugitive Emissions	kg	4.00	2.40
Scope 1 emissions in metric tonnes CO₂e			
Gas	tCO ₂ e	261.68	268.32
Owned Onsite Solar PV Self Use	tCO ₂ e	0	0
Other Fuel	tCO ₂ e	13.39	12.50
Fugitive Emissions	tCO ₂ e	0.07	1.62
Total scope 1	tCO₂e	275.14	282.44
Scope 2 emissions in metric tonnes CO₂e			
Purchased electricity	tCO ₂ e	448.27	503.99
Total scope 2	tCO₂e	448.27	503.99
Scope 3 emissions in metric tonnes CO₂e			
Water Supply	tCO ₂ e	3.30	1.68
Water treatment	tCO ₂ e	2.95	2.04
Waste	tCO ₂ e	0.50	0.90
Electricity (Transmission and Distribution)	tCO ₂ e	46.93	44.55
Total scope 3	tCO₂e	53.68	49.16
Total gross emissions in metric tonnes CO₂e			
Total scope 1,2 & 3	tCO₂e	777.08	835.60
Intensity Ratio			
Intensity ratio 1	Staff Numbers	539	569
Tonnes CO ₂ e per member of staff	tCO ₂ e/Staff	1.44	1.47
Intensity Ratio 2	GIA	38,395	38,395
Tonnes CO ₂ e per m ²	tCO ₂ e/m ²	0.020	0.022

NEW COLLEGE DURHAM

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.

Number of employees who were relevant in financial year	FTE employee number
7	6.81

Percentage of Time	Number of Employees
0%	0
1 – 50 %	7
51 – 99%	0
100%	0

Total Cost of Facility Time	£19,979.59
Total Pay Bill	£28,742,097.72
Percentage of Pay Bill Spent on Facility Time	0.07%
Time spent on paid trade union activities as a percentage of total paid facility time	100%

Going Concern

As outlined in the Financial Position and Principal Risks sections, the College's most recent CFFR and Medium Term Financial Plan (MTFP) approved by the Corporation in July 2025, confirm that the College remains financially strong and sustainable. Sensitivity analysis undertaken as part of the CFFR demonstrates that the College would continue to operate effectively under a range of adverse scenarios.

The College maintains exceptionally strong cash reserves, plans for continuing operational surpluses, and retains sufficient liquidity to meet all current and future obligations. These funds will support the delivery of its capital investment programme while maintaining compliance with the Reserves Policy.

Accordingly, the Corporation has reasonable expectation that the College has adequate resources to continue in operational existence for the foreseeable future, and the financial statements continue to be prepared on a going concern basis.

Events after the Reporting Period

There were no events of note after the reporting period.

NEW COLLEGE DURHAM

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 they 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.

Azets were appointed on 15th April 2025 for three annual audits.

Approved by order of the Members of the Corporation on 11 December 2025 and signed on its behalf by:



S King

Chair

NEW COLLEGE DURHAM

Statement of Corporate Governance and Internal Control

The following statement is provided to enable readers of the annual report and financial statements of the College to obtain a better understanding of its governance and legal structure. This statement covers the financial year from 01 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:

- I. In accordance with the seven principles identified by the Committee on Standards in Public Life (Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty and Leadership)
- II. In full accordance with the guidance to colleges from the Further Education Code of Good Governance ("the Code").

In the opinion of the Governors, the College complies with all the provisions of the Code, and it has complied throughout the year ended 31 July 2025. This opinion is based on an internal review of compliance with the Code reported to the board on 6 November 2025.

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 Code of Good Governance for English Colleges issued by the Association of Colleges in 2023, which it formally adopted on 21 March 2024.

NEW COLLEGE DURHAM

The Corporation

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

Name	Date first appointed & last reappointed	Current Term of Office	Resignation Date	Category of Members	Committees Served during 2024/25	Attendance Rate and Number of Meetings in 2024/25	
						Attendance Rate	Number of Meetings
Emily Baxter	2.11.22 23.3.23	4 years		Member	Audit & Risk Education Quality, Curriculum & Students Search & Governance Remuneration	67%	16/24
Davey Benson	6.7.22	3 years		Staff	Education Quality, Curriculum & Students Academy Sponsorship	64%	7/11
Andy Broadbent	6.6.20	Ongoing		Principal and Chief Executive	Education Quality, Curriculum and Students Finance & Resources Academy Sponsorship Search & Governance	95%	21/22
Helen Golightly	27.3.25	4 years		Member	Education Quality, Curriculum and Students Finance & Resources	100%	5/5
Allen Eccles	15.9.21 23.3.23 3.7.25	1 years		Member	Audit & Risk	100%	11/11
Hayley Farrell	22.5.25	1 year		Student	N/A	100%	1/1
Ben Fisher	18.5.21 23.3.23 3.7.25	2 years		Member	Education Quality, Curriculum and Students Finance & Resources Academy Sponsorship Remuneration Search & Governance	89%	16/18
Matthew Gamsby	22.5.25	1 year		Student	N/A	100%	1/1
Mark Gomersall	1.9.21 4.7.24	3 years		Staff	Education Quality, Curriculum & Students	70%	7/10
Ian Green	16.3.22 23.3.23	4 years	5.11.24	Member	Audit & Risk Remuneration Search & Governance	60%	3/5
Jonathan Hamill	21.3.24	4 years		Member	Audit & Risk	91%	10/11
Nigel Harrett	12.8.25	4 years		Member	N/A	N/A	N/A
Rhiannon Hiles	21.3.24	4 years		Member	Finance & Resources Education Quality, Curriculum & Students	64%	7/11
Stephen King (Chair)	18.5.21 23.3.23 27.3.25	4 years		Member	Finance & Resources Search & Governance Remuneration	95%	19/20
Ross Markwell	27.3.25	4 years		Member	Education Quality, Curriculum & Students	25%	1/4
Kathryn McCloghrie	13.8.24	4 years		Member	Audit & risk Education Quality Curriculum & Students	92%	11/12

NEW COLLEGE DURHAM

Name	Date first appointed & last reappointed	Current Term of Office	Resignation Date	Category of Members	Committees Served during 2024/25	Attendance Rate and Number of Meetings In 2024/25	
Beatrix Murray-English	4.7.24	Expired 30.6.25		Student	Education Quality Curriculum & Students	56%	5/9
Chris Patterson	6.7.22 15.9.22 23.3.23	4 years		Member	Academy Sponsorship Finance & Resources	92%	11/12
Phillp Pollard	13.8.24	4 years		Member	Finance & Resources	82%	9/11
Suzanne Slater	12.7.23	4 years		Member	Education Quality Curriculum & Students	70%	7/10
Hailie Warren	23.5.24	Expired 30.6.24		Student	Education Quality Curriculum & Students	89%	8/9

Combined attendance rate and numbers of meetings: disclosure of Members' individual attendance at Corporation and Committee meetings during 2024/25. Overall attendance was:

- Corporation Meetings 78%
- Committee Meetings 85%
- Combined 81%

Target attendance for all meetings is 75%

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 a minimum of six times a year.

The Corporation conducts its business through several committees. Each committee has terms of reference, which have been approved by the Corporation. These committees are Finance & Resources, Education Quality Curriculum & Students, Academy Sponsorship, Remuneration, Search & Governance and Audit & Risk. Full minutes of all meetings, except those deemed to be confidential by the Corporation, are available on the College's website at www.newcollegedurham.ac.uk or from the Head of Governance & Corporation Secretary at:

New College Durham
Framwellgate Moor Campus
Durham
DH1 5ES

The Head of Governance & Corporation Secretary maintains a register of financial and personal interests of the Governors. The register is available for inspection at the above address.

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All Governors are able to take independent professional advice in furtherance of their duties at the College's expense. They have access to the Head of Governance & Corporation Secretary, who is responsible to the Board for ensuring that all applicable procedures and regulations are complied with. The appointment, evaluation and removal of the Head of Governance & Corporation Secretary 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 also provided on an ad-hoc basis. The Corporation has a strong and independent non-executive element (only one member is a member of the College executive) 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 appointments to the Corporation are a matter for the consideration of the Corporation as a whole. The Corporation has a Search & Governance Committee, consisting of a minimum of three members of Corporation including the Chair and Vice Chair, which is responsible for the selection and nomination of any new member for the Corporation's consideration. The Corporation is responsible for ensuring that appropriate training is provided as required.

Members of the Corporation are appointed for a term of office not exceeding four years. The usual term of service for a governor will not exceed 8 years.

Corporation Performance

An external governance review was undertaken in 2024/25 and therefore the College did not carry out a self-assessment. The external review was conducted by the Good Governance Institute (GGI) between February and August 2025. The final external review report is currently awaited and a summary of the findings will be made available on the College website. The Corporation will resume the process of annual self-assessment in 2025/26.

The Governing Body remains committed to continuous development and held its annual Strategic Review Session on 7 May 2025. A comprehensive Governor Training and Development Plan was approved in November 2024, setting out opportunities to enhance knowledge and effectiveness throughout the year.

Governors participated in a wide range of development activities, including the internal Governor Induction Programme, AoC New Governor Induction, briefing sessions with the Senior Leadership Team, externally facilitated training, and events delivered through the AoC and the Education and Training Foundation (ETF). All governors also received mandatory annual updates on Safeguarding and Prevent.

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The Head of Governance and Corporation Secretary continued professional development through completion of the ETF Governance Professionals Leadership Programme, attendance at the AoC Governance Professionals Conference, participation in the North East AoC Governance Professionals Network, and engagement in a series of webinars and workshops hosted by the ETF, GGI, RSM UK, Eversheds Sutherland, and internal development days.

Remuneration Committee

Throughout the year ending 31 July 2025, the College Remuneration Committee comprised three members of the Corporation (including the Chair and Vice Chair). The Committee's responsibilities are to make recommendations to the Board of Corporation on the general principles for remuneration and terms and conditions of employment of the Principal and other Senior Post Holders. The Committee has delegated authority from the Board to approve pay awards for the Principal and Senior Post Holders under a salary progression methodology approved by the Board of Corporation. The Governing Body adopted the Association of College's Senior Staff Remuneration Code in March 2019 and assesses senior staff pay in line with its principles.

Details of remuneration for the year ended 31 July 2025 are set out in note 7 to the financial statements.

Audit & Risk Committee

During 2024-25 the Audit & Risk Committee comprised a minimum of four members of the Corporation (excluding the Principal and Chair). The Committee operates in accordance with written terms of reference approved by the Corporation.

The Audit & Risk Committee meets on a termly basis as a minimum 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 Committee also receives and considers reports from the main funding bodies as they affect the College's business.

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

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

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

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The Audit & Risk committee met four times in the year to 31 July 2025. The members of the Committee and their attendance records are shown below:

Committee Member	Attendance Rate/Number of Meetings
Allen Eccles	4/4
Ian Green (to 5.11.24)	0/1
Emily Baxter	3/4
Jonathan Hamill	4/4
Kathryn McCloghrie (from 26.09.24)	3/3

Internal Control

Scope of Responsibility

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

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

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 within the 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 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 year 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.

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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 an Internal Audit Service which operates in accordance with the requirements of the DfE's College Financial Handbook. The work of the Internal Audit Service is informed by an analysis of the risks to which the College is exposed, and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the Corporation on the recommendation of the Audit & Risk Committee. As a minimum annually, the Internal Audit Service provides the Corporation with a report on internal audit activity in the College. The report includes the Internal Audit Service's independent opinion on the adequacy and effectiveness of the College's system of risk management, controls and governance processes.

Risks faced by the Corporation

The College is committed to the achievement of its business objectives as approved by the Corporation. In doing so, the College realises that it will face all manner of risks which need to be managed through a formal risk management strategy. The establishment of effective risk management is recognised as being fundamental in ensuring good corporate governance. The arrangements at New College Durham are upheld by the College and Principalship through the implementation of cyclical risk management reporting and monitoring regimes.

The Corporation is committed to ensuring that the management of risk underpins all key business processes and activities that lead to the achievement of the College's main objectives. College risks have been categorised into the following risk types:

- Financial
- Reputational
- Health, Safety and Security
- Resources
- Legislative
- Information
- Other

The College recognises that effective risk management does not eliminate all exposure to risk. Instead, through the application of its Risk Management Statement and Strategy, the College aims to ensure that risks are clearly understood, their implications evaluated, and mitigation actions integrated into decision-making. This approach promotes informed governance and supports continuous improvement across all areas of College activity.

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Outlined below are the College's key strategic risks. These are updated during the year as emerging risks are assessed and scored, with all risks supported by mitigating controls to reduce the likelihood of occurrence.

- **Safeguarding** – Any potential failure in the College's Safeguarding arrangements could lead to the harm or in extreme cases death of a student.
- **Risk of Cyber Attack** – If the College was to suffer a major cyber attack then it may be unable to deliver key services.
- **Fraud or Theft** – The risk that the College could suffer a major financial fraud or theft.
- **Loss of Key Staff** – Failure to Recruit Suitably Qualified Staff – the risk of losing key staff or not being able to properly recruit could mean the College may not be able to deliver key areas of the Curriculum or deliver vital services.
- **Use of External Agency** – failure to recruit and retain staff along with lack of expertise in curriculum areas leading to temporary staff and risk of poor quality delivery.
- **Funding Uncertainty** – Uncertainty in relation to future funding from the DfE and OfS due to policy changes.
- **Higher Education Partnerships** – The risk that partners are not managed appropriately along with government policy changes affecting the future of the partnerships.
- **Higher Education Partnerships Student Recruitment** – The risk of under recruitment to planned levels, which in turn impacts on College budget forecasts.
- **Oxford Business College (OBC) Judicial Review** – The Secretary of State for Education removed course delivery in April 2025 and instructed the College to move NCD students from the provision. The College successfully implemented its Student Protection Plan, ensuring affected learners transferred smoothly to CECOS to complete their studies prior to the imposed deadline of 1 September 2025. In August 2025, OBC were successful in a judicial review held between OBC and the Secretary of State for Education and the Court set aside the Secretary of State's decision to revoke designation of courses delivered by OBC.
- **Unsatisfactory Student Attendance and behaviours** – Failure to achieve satisfactory student attendance and poor student behaviour across the College could severely impact the College's reputation, which could impact on future student recruitment and ultimately any future Ofsted rating.

These risks align directly with the principal risks identified in the College's Strategic Report, particularly those relating to financial sustainability and the delivery of an excellent student experience, which together underpin learner recruitment, growth, and the long-term viability of the organisation.

Control weaknesses identified

There were no significant internal control weaknesses or failures reported during the year.

Responsibilities under accountability agreements

The Corporation has met its statutory responsibilities under Section 5(3)(c) of Schedule 4 of the Further and Higher Education Act 1992 for the efficient and effective use of resources, the solvency of the institution and corporate body, and the safeguarding of assets. These responsibilities are further reinforced through the College's Accountability Agreement and College Financial Handbook. Compliance is achieved through established systems and processes set out in the Financial Regulations and Procedures, supported by robust financial planning and regular oversight by the Governing Body.

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The Corporation has also met its contractual responsibilities under funding agreements and contracts with both the DfE and the OfS by operating robust processes that comply fully with the guidance of both bodies. All financial returns were submitted on time during the financial year, and members of the Corporation received regular reports on the College's financial position and performance.

The college has reviewed its policies, procedures and approval processes in line with the 2024-25 College Financial Handbook to ensure appropriate systems are in place to identify and manage any transactions requiring DfE approval.

Statement from the Audit and Risk Committee

The Audit and Risk Committee has advised the board of governors that they can give reasonable assurance that the Corporation has an effective framework for governance, control 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:

Review of the following final reports prepared by the Internal Audit Service (IAS) in 2024/25:

- **Use of Agency Staff**
The review provided a strong level of assurance, including two low priority recommendations.
- **Cyber Security – Mobile, Media and Software Control**
The review provided a strong level of assurance and did not raise any recommendations.
- **Mental Health and Wellbeing**
The review provided a strong level of assurance and did not raise any recommendations.
- **Procurement**
The review provided a strong level of assurance, including one low priority recommendation.
- **Follow Up Audit**
The review followed up on 12 recommendations made in prior years. The review provided a strong level of assurance concluding that 11 of the recommendations had been fully implemented. One low priority recommendation had not been implemented relating to reviewing the Higher Education Strategy. Implementation is anticipated by March 2026 pending further guidance from the DfE on HE Partnerships.
- **Funding Review - Apprenticeships**
The review provided a weak level of assurance over the apprenticeship funding arrangements at the College, including 13 recommendations, one of which was graded high, five were medium and seven low grades.

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- **Sub-contracting Grant controls**

The audit work confirmed that the arrangements in place within the College to manage and control delivery subcontractors were adequate. The reviews of both the College's North East CA funded and TVCA funded subcontracted provision found no areas where the College was not fully adhering to the respective funder's rules in relation to delivery sub-contracting.

All audit recommendations have been, and will continue to be, monitored for their implementation by the Audit & Risk Committee.

Committee Discussions with Auditors

Throughout the year, the Committee held private discussions with internal and external auditors at the start of each meeting and were involved in the development of the Audit Plan for the year.

Risk Management

The Audit and Risk Committee advises the Corporation on the College's framework for risk management and internal control. The Risk Management Policy and Strategy, approved by the Corporation on 7 July 2021 and subject to review every five years, establishes the framework for identifying, assessing, and monitoring risk across the College

During 2024/25 the Committee received regular updates on the College Risk Register and provided constructive challenge to the work of the Risk Management Group, which reports termly to the Committee. Risks are assessed against likelihood, potential financial impact, and reputational effect, with action plans implemented to mitigate high-priority risks. The Committee is satisfied that effective arrangements are in place and that progress continues to be made in minimising exposure to key risks.

As part of its broader remit, the Committee also oversees the College's policies on fraud, irregularity, and whistleblowing, and reviews annual reports on these matters, including arrangements to address academic malpractice. During 2024/25, no fraud or irregularity was identified within the College. The Committee was briefed on external sector issues relating to higher education partners, including the Government Internal Audit Agency's review of Oxford Business College, which led to increased sector-wide scrutiny. A complaint relating to CECOS was investigated, with findings reported to the Committee and no irregularities identified.

There has been one formal whistleblowing report investigated by the Head of Governance and Corporation Secretary in relation to arrangements for Educational Visits, the outcome of this highlighted some recommendations for the College to consider and an Internal Audit of this area is included in the 2025/26 Internal Audit Plan.

Audit & Risk Committee Opinion

On the basis of the work summarised in the Audit & Risk Committee Annual Report, the Audit & Risk Committee can provide reasonable assurance that Corporation's audit arrangements, its framework of governance, risk management and control are adequate and effective.

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Review of Effectiveness

As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. The Principal's review of the effectiveness of 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 regularity auditors and any appointed funding auditors in their external auditor's audit findings report (management letter) and other reports.

The Principal has been advised of 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 auditors (and risk management group) and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Senior Leadership Team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The Senior Leadership Team and the Audit and 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 and receiving reports thereon from senior managers. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception.

At its meeting on 11 December 2025, 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.

The Audit and Risk Committee has advised the Corporation that it can give reasonable assurance that an effective framework for governance, control and risk management is in place. Based on this advice and the assurance of the Accounting Officer, the Corporation is satisfied that the College has fulfilled its statutory responsibilities for the efficient and effective use of resources and the safeguarding of assets.

Approved by order of the Members of the Corporation on 11 December 2025 and signed on its behalf by:



S King

Chair



A Broadbent

Accounting Officer

NEW COLLEGE DURHAM

Statement on the College's regularity, propriety and compliance

As accounting officer of the corporation of New College Durham 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 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.



A Broadbent

Accounting Officer

11 December 2025

NEW COLLEGE DURHAM

Statement of Responsibilities of the Members of the Corporation

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

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

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

- Select suitable accounting policies and apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Assess whether the corporation is a going concern, noting the key supporting assumptions, qualifications or mitigating actions, as appropriate (which must be consistent with other disclosures in the accounts and auditor's report).
- Prepare financial statements on the going concern basis, unless it is inappropriate to assume that the corporation will continue in operation.

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

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

The corporation is responsible for the maintenance and integrity of its website; the work carried out by auditors does not involve consideration of these matters and, accordingly, 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.

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

They are also responsible for ensuring funds from Office for Students or other sources are properly applied for the purposes for which they have been given and in accordance with relevant legislations or terms and conditions attached to them.

Approved by order of the members of the corporation on 11 December 2025 and signed on its behalf by:



S King

Chair of governors

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Independent auditor's report to the Corporation of New College Durham

Opinion

We have audited the financial statements of New College Durham (the 'College') and its subsidiary (the 'Group') for the year ended 31 July 2025 which comprise the Consolidated and College statements of comprehensive income, the Consolidated and College statements of changes in reserves, the Consolidated and College balance sheets, the Consolidated statement of cash flows and the notes to the financial statements, incorporating the principal accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction issued by the Department for Education (DfE). In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and College's financial position as at 31 July 2025 and of its financial performance and cashflows for the year then ended; and
- has been prepared in accordance with UK GAAP, the FE HE SORP and the DfE's College Accounts Direction.

Basis for opinion

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

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

Other information

The other information comprises all of the information included in the Annual Report other than the financial statements and our auditors' report thereon. The governors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

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In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistencies or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 in the Office for Students' Accounts Direction (OfS 2019.41)

In our opinion, in all material respects

- funds from whatever source administered by the College for specific purposes have been properly applied to those purposes and, if relevant, managed in accordance with relevant legislation;
- funds provided by the Office for Students and the Department for Education have been applied in accordance with the relevant terms and conditions; and
- the requirements of the Office for Students' accounts direction to 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 in relation to which the College Auditor Framework and Guide issued by the Department for Education requires us to report to you if, in our opinion:

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

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

- The College's grant and fee income, as disclosed in note number 2 to the financial statements, has been materially misstated.
- The College's expenditure on access and participation activities for the financial year has been materially misstated.

Responsibilities of the Corporation of New College Durham

As explained more fully in the Statement of Corporation's Responsibilities on page 32, the Corporation is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the College 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 intends to liquidate the Group or the College or to cease operations, or have no realistic alternative but to do so.

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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.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Review of OFSTED report;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing internal audit reports; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.


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

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

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Use of our report

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


Angela Ingham FCA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services
Chartered Accountants
Statutory Auditor
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: 18/12/2025

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Consolidated and College Statements of Comprehensive Income

	Note	Year ended 31 July 2025		Year ended 31 July 2024	
		Group £'000	College £'000	Group £'000	College £'000
Income					
Funding body grants	2	45,752	45,752	38,119	38,119
Tuition fees and education contracts	3	24,890	24,890	19,072	19,072
Research grants and contracts	4	163	163	73	73
Other income	5	979	979	956	956
Investment income	6	755	755	846	846
Total Income		72,539	72,539	59,066	59,066
Expenditure					
Staff costs	7	29,965	29,965	27,056	27,056
Other operating expenses	8	33,893	33,892	24,717	24,715
Amortisation	11	159	159	144	144
Depreciation	12	3,407	3,407	3,121	3,121
Interest and other finance costs	9	0	0	0	0
Total Expenditure		67,424	67,423	55,038	55,036
Surplus before other gains and losses		5,115	5,116	4,028	4,030
Loss on disposal of tangible fixed assets	11,12	(3)	(3)	(16)	(16)
Surplus before tax		5,112	5,113	4,012	4,014
Taxation	10	0	0	0	0
Surplus for the year		5,112	5,113	4,012	4,014
Actuarial Loss in respect of pension schemes	23	(620)	(620)	(830)	(830)
Total Comprehensive Income for the year		4,492	4,493	3,182	3,184
Represented by:					
Unrestricted comprehensive income		4,492	4,493	3,182	3,184
		4,492	4,493	3,182	3,184
Surplus for the year attributable to:					
Corporation of the College		5,112	5,113	4,012	4,014
		5,112	5,113	4,012	4,014
Total Comprehensive income for the year attributable to:					
Corporation of the College		4,492	4,493	3,182	3,184
		4,492	4,493	3,182	3,184

The statement of comprehensive income is in respect of continuing activities.

NEW COLLEGE DURHAM

Consolidated and College Statement of Changes in Reserves

	Income and Expenditure account	Revaluation reserve	Restricted Reserves	Total excluding Non Controlling interest	Total
	£'000	£'000	£'000	£'000	£'000
Group					
Balance at 1st August 2023	42,849	11,547	2	54,398	54,398
Surplus from the statements of comprehensive income	4,012	0	0	4,012	4,012
Other comprehensive expense	(830)	0	0	(830)	(830)
Transfers between revaluation and income and expenditure reserves	155	(155)	0	0	0
Total comprehensive income for the year	<u>3,337</u>	<u>(155)</u>	<u>0</u>	<u>3,182</u>	<u>3,182</u>
Balance at 31st July 2024	<u>46,186</u>	<u>11,392</u>	<u>2</u>	<u>57,580</u>	<u>57,580</u>
Balance at 1st August 2024	46,186	11,392	2	57,580	57,580
Surplus from the statements of comprehensive income	5,112	0	0	5,112	5,112
Other comprehensive expense	(620)	0	0	(620)	(620)
Transfers between revaluation and income and expenditure reserves	156	(156)	0	0	0
Total comprehensive income for the year	<u>4,648</u>	<u>(156)</u>	<u>0</u>	<u>4,492</u>	<u>4,492</u>
Balance at 31st July 2025	<u>50,834</u>	<u>11,236</u>	<u>2</u>	<u>62,072</u>	<u>62,072</u>
College					
Balance at 1st August 2023	42,855	11,547	2	54,404	54,404
Surplus from the statements of comprehensive income	4,014	0	0	4,014	4,014
Other comprehensive expense	(830)	0	0	(830)	(830)
Transfers between revaluation and income and expenditure reserves	155	(155)	0	0	0
Total comprehensive income for the year	<u>3,339</u>	<u>(155)</u>	<u>0</u>	<u>3,184</u>	<u>3,184</u>
Balance at 31st July 2024	<u>46,194</u>	<u>11,392</u>	<u>2</u>	<u>57,588</u>	<u>57,588</u>
Balance at 1st August 2024	46,194	11,392	2	57,588	57,588
Surplus from the statements of comprehensive income	5,113	0	0	5,113	5,113
Other comprehensive expense	(620)	0	0	(620)	(620)
Transfers between revaluation and income and expenditure reserves	156	(156)	0	0	0
Total comprehensive income for the year	<u>4,649</u>	<u>(156)</u>	<u>0</u>	<u>4,493</u>	<u>4,493</u>
Balance at 31st July 2025	<u>50,843</u>	<u>11,236</u>	<u>2</u>	<u>62,081</u>	<u>62,081</u>

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Balance Sheets as at 31 July 2025

	Note	Group 2025 £'000	College 2025 £'000	Group 2024 £'000	College 2024 £'000
Non current assets					
Intangible assets	11	380	380	405	405
Tangible fixed assets	12	68,790	68,790	64,739	64,739
Non-current investments	13	2	4	2	4
Total non current assets		69,172	69,174	65,146	65,148
Current assets					
Debtors	14	8,082	8,114	7,652	7,684
Investments	15	5,317	5,317	5,268	5,268
Cash at bank and in hand	19	12,861	12,837	11,880	11,854
Total current assets		26,260	26,268	24,800	24,806
Creditors - amounts falling due within one year	16	(13,618)	(13,619)	(14,362)	(14,362)
Net current assets		12,642	12,649	10,438	10,444
Total assets less current liabilities		81,814	81,823	75,584	75,592
Creditors - amounts falling due after one year	17	(19,742)	(19,742)	(18,004)	(18,004)
Provisions					
Defined benefit obligations	18	0	0	0	0
TOTAL NET ASSETS		62,072	62,081	57,580	57,588
Unrestricted Reserves					
Income and expenditure account		46,884	46,893	34,015	34,023
Designated reserve	27	3,950	3,950	12,171	12,171
Revaluation reserve		11,236	11,236	11,392	11,392
Total unrestricted reserves		62,070	62,079	57,578	57,586
Restricted Reserves					
Restricted Reserves		2	2	2	2
Total restricted reserves		2	2	2	2
TOTAL RESERVES		62,072	62,081	57,580	57,588

The financial statements on pages 38 to 72 were approved by the governing body on 11 December 2025 and were signed on its behalf on that date by:



S King - Chair



A Broadbent - Principal & Chief Executive (Accounting Officer)

NEW COLLEGE DURHAM

Consolidated Statement of Cash Flows

	Note	2025 £'000	2024 £'000
Cash inflow from operating activities			
Surplus for the year		5,112	4,012
Adjustment for non cash items			
Amortisation	11	159	144
Depreciation	12	3,407	3,121
Increase in debtors	14	(430)	(2,859)
(Decrease) / increase in creditors due within one year	16	(769)	5,007
Increase / (decrease) in creditors due after one year	17	0	(488)
Release of Deferred capital grants	16	(1,110)	57
Pensions costs less contributions payable	23	(620)	(830)
Adjustment for investing or financing activities			
Interest and investment income	6	(755)	(846)
Loss on disposal of fixed assets		3	16
Net cash flow from operating activities		4,997	7,334
Cash flows from investing activities			
Proceeds from sale of fixed assets		6	12
Interest and investment income	6	755	846
Withdrawal of deposits		0	2,849
New deposits		(49)	0
Receipt of Deferred capital grants		2,873	601
Payments made to acquire intangible assets	11	(134)	(136)
Payments made to acquire tangible fixed assets	12	(7,467)	(8,676)
Net cash flow from investing activities		(4,016)	(4,504)
Cash flows from financing activities			
Interest paid	9	0	0
New unsecured loans		0	0
Repayments of amounts borrowed		0	0
Net cash flow from financing activities		0	0
Increase in cash and cash equivalents in the year		981	2,830
Cash and cash equivalents at beginning of the year	19	11,880	9,050
Cash and cash equivalents at end of the year	19	12,861	11,880

NEW COLLEGE DURHAM

Notes to the Financial Statements

1. Statement of accounting policies and estimation techniques

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

General Information

New College Durham is a corporation established under the Further and Higher Education Act 1992 as an English general college of further education. The address of the College's principal place of business is given on page 1. The nature of the College's operations is set out in the Strategic Report.

Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (the 2019 FE HE SORP), the College Accounts Direction for 2024/25 and Regulatory Advice 9: Accounts Direction issued by the Office for Students and in accordance with Financial Reporting Standard 102 – "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (FRS 102) under the historical cost convention. 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 Colleges accounting policies.

Basis of accounting

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

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 subsidiary undertaking Westfirst Limited, controlled by the Group. Control is achieved where the Group has the power to govern the financial and operating policies of an entity to obtain benefits from its activities. Intra-group sales and profits are eliminated fully on consolidation. In accordance with FRS 102, the activities of the student union have not been consolidated because the College does not control those activities. All financial statements are made up to 31 July 2025.

Going concern

The activities of the Group, together with the factors likely to affect its future development and performance, are set out in the Strategic Report. Details of the College's financial position, cash flows, and liquidity are provided in the Financial Statements and accompanying Notes.

NEW COLLEGE DURHAM

Notes to the Financial Statements (continued)

The College has no external loan financing as at 31 July 2025. A financial forecast to July 2027 has been submitted to the Department for Education, incorporating prudent assumptions about income, expenditure, and cash flow. The plan projects continuing operating surpluses before pension adjustments, supported by strong cash reserves and liquidity well above sector benchmarks.

Capital investment totalling £3.95 million is included within the forecasts, encompassing Phase 2 of the Construction Centre of Excellence, the Annual Capital Programme, the Modernisation Programme, and upgrades to the Bishop Auckland Podiatry Clinic. These investments will be funded from existing cash resources while maintaining free reserves above the 10% policy target.

A Medium-Term Financial Plan, approved by the Corporation on 3 July 2025, projects sustained financial strength and an Outstanding financial health rating throughout the five-year period. The College continues to monitor forecasts, review expenditure, and adapt plans to ensure resilience in a changing educational and funding landscape.

While the reclassification of colleges as public sector institutions presents further challenges, the Corporation is confident that the College remains financially sustainable and well positioned to meet the needs of learners and employers across County Durham. For this reason, the Corporation continues to adopt the going concern basis in preparing the financial statements.

Recognition of income

Revenue grant funding

Government revenue grants include funding body recurrent grants and other grants and are accounted for under the accruals 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 income stream involved. Any under achievement for the Adult Education Budget is adjusted for and reflected in the level of recurrent grant recognised in the Statement of Comprehensive Income. 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 result of any funding audits. 16-18 learner-responsive funding is not normally subject to reconciliation and is therefore not subject to contract adjustments.

The recurrent grant from OfS represents the funding allocations attributable to the current financial year and is credited direct to the Statement of Comprehensive Income.

Where part of a government grant is deferred, the deferred element is recognised as deferred income 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.

NEW COLLEGE DURHAM

Notes to the Financial Statements (continued)

Capital grant funding

Government capital grants 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.

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. Income from restricted purpose endowment funds not expended in accordance with the restrictions of the endowment in the period is transferred from the Statement of Comprehensive Income to accumulated income within endowment funds.

Agency arrangements

The College acts as an agent in the collection and payment of certain discretionary support funds and employer incentives. Related payments received from the funding bodies and subsequent disbursement to students and employers, are excluded from the Statement of Comprehensive Income of the College where the College is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

Accounting for post-retirement benefits

Retirement benefits to employees of the College are principally provided by Teachers' Pensions 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 College in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of valuations using a prospective benefit method. The TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution plan and the contributions recognised as an expense in the Statement of Comprehensive Income in the periods during which services are rendered by employees.

NEW COLLEGE DURHAM

Notes to the Financial Statements (continued)

Durham Local Government Pension Scheme (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 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 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 comprehensive income in the year that the member of staff retires. In subsequent years a charge is made to provisions in the balance sheet using the enhanced pension spreadsheet provided by the funding bodies.

Termination Benefits

Termination benefits such as redundancy, severance pay and payment in lieu of notice are recognised as an expense in the year in which the employee's employment to the College is terminated.

Non-current Assets - Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to the date of transition to the 2019 FE HE SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

NEW COLLEGE DURHAM

Notes to the Financial Statements (continued)

Land and buildings

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

Freehold buildings are depreciated on a straight-line basis over their expected useful economic life to the College of between 20 and 50 years. The College has a policy of depreciating major adaptations to buildings over the period of their useful economic life of between 20 and 65 years. College land and buildings are held at depreciated replacement cost.

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

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

On adoption of FRS 102, the College followed the transitional provision to retain the book value of land and buildings, which were revalued in 2013, as deemed cost but not to adopt a policy of revaluations of these properties in the future.

Assets under construction

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

Subsequent expenditure on existing fixed assets

Where significant expenditure is incurred on a tangible fixed asset it is charged to the Statement of Comprehensive Income in the period it is incurred, unless it meets one of the following criteria, in which case it is capitalised and depreciated on the relevant basis:

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

Buildings owned by third parties

Where land and buildings are used, but the legal rights are held by a third party, for example a charitable trust, they are only capitalised if the College has rights or access to ongoing future economic benefit. These assets are then depreciated over their expected useful economic life.

Equipment

Equipment costing less than £2,000 per individual item is recognised as expenditure in the period of acquisition. All other equipment is capitalised at cost.

NEW COLLEGE DURHAM

Notes to the Financial Statements (continued)

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

- motor vehicles and general equipment – 5 years
- computer equipment – 5 years
- furniture, fixtures and fittings – 20 years
- large items of equipment and specialist IT/computer equipment – useful economic life

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

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

Non-current Assets - Intangible fixed assets

Intangible Assets such as software are amortised on a straight-line basis over their useful economic life of 5 years. Amortisation is shown as a separate line on the Statement of Comprehensive Income.

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 are spread over the minimum lease term.

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

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

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

Investments

Investments in subsidiaries

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

NEW COLLEGE DURHAM

Notes to the Financial Statements (continued)

Other investments

Listed investments held as non-current assets and current asset investments, which may include listed investments, are stated at fair value, with movements recognised in Comprehensive Income. Investments comprising unquoted equity instruments are measured at fair value, estimated using a valuation technique.

Stocks

No significant stocks are held by the College and purchases of stock items are charged directly to the Statement of Comprehensive Income.

Cash and cash equivalents

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

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

Financial liabilities and equity

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

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

Maintenance of premises

The cost of long term and routine corrective maintenance is charged to the Statement of Comprehensive Income in the period that it is incurred.

Foreign currency translation

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

NEW COLLEGE DURHAM

Notes to the Financial Statements (continued)

Taxation

The College is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the College is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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 2% 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.

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

Provisions and contingent liabilities

Provisions are recognised when

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

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

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

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

Judgements in applying accounting policies and key sources of estimation uncertainty

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

- Determine whether leases entered into by the College 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.

NEW COLLEGE DURHAM

Notes to the Financial Statements (continued)

- Determine whether there are indicators of impairment of the group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- *Tangible fixed assets*
Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- *Local Government Pension Scheme*
The present value of the Local Government Pension Scheme defined benefit obligation depends on several 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 23, will impact the carrying amount of the pension obligation. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions obligation at 31 July 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 obligation.

NEW COLLEGE DURHAM

Notes to the Financial Statements (continued)

2 Funding body grants

	Year ended 31 July		Year ended 31 July	
	2025	2025	2024	2024
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Recurrent grants				
Education and Skills Funding Agency - 16-18	20,162	20,162	16,915	16,915
Education and Skills Funding Agency - Adult education non devolved	86	86	2,636	2,636
Education and Skills Funding Agency - Apprenticeships	5,610	5,610	5,488	5,488
Adult education devolved	3,971	3,971	2,529	2,529
Office for Students grant	2,269	2,269	1,727	1,727
Specific grants				
Education and Skills Funding Agency - ESF	0	0	2,366	2,366
Education and Skills Funding Agency 16-19 Tuition Fund	0	0	278	278
Education and Skills Funding Agency - Local Skills Improvement Fund	0	0	80	80
Education and Skills Funding Agency - Other Initiatives	137	137	0	0
Bootcamps	8,876	8,876	3,767	3,767
Shared Prosperity Fund	2,043	2,043	291	291
Teacher Pension Scheme contribution grant	1,240	1,240	885	885
Post 16 National Insurance Grant	204	204	0	0
Office for Students non recurrent grant	44	44	125	125
Releases of deferred capital grants	1,110	1,110	1,032	1,032
Total	45,752	45,752	38,119	38,119

Office for Students analysis

Grant income from the Office for Students	2,269	2,269	1,727	1,727
Grant income from other bodies	0	0	0	0
Fee income for taught awards	24,174	24,174	18,295	18,295
Fee income for research awards	0	0	0	0
Fee income for non-qualifying course	0	0	0	0
	26,443	26,443	20,022	20,022

3 Tuition fees and education contracts

	Year ended 31 July		Year ended 31 July	
	2025	2025	2024	2024
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Adult education fees	134	134	222	222
Apprenticeship fees and contracts	62	62	75	75
Fees for FE loan supported courses	180	180	133	133
Fees for HE loan supported courses	24,174	24,174	18,295	18,295
International students' fees	75	75	94	94
Total tuition fees	24,625	24,625	18,819	18,819
Education contracts	265	265	253	253
Total	24,890	24,890	19,072	19,072

NEW COLLEGE DURHAM

Notes to the Financial Statements (continued)

4 Research grants and contracts

	Year ended 31 July		Year ended 31 July	
	2025	2025	2024	2024
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Other grant income	113	113	65	65
Non-government capital grants	50	50	8	8
Total	163	163	73	73

5 Other income

	Year ended 31 July		Year ended 31 July	
	2025	2025	2024	2024
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Catering and residences	33	33	20	20
Other grant income	300	300	332	332
Miscellaneous income	646	646	604	604
Total	979	979	956	956

6 Investment Income

	Year ended 31 July		Year ended 31 July	
	2025	2025	2024	2024
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Other investment income	371	371	381	381
Other interest receivable	334	334	395	395
	705	705	776	776
Net pension finance Income (note 23)	50	50	70	70
Total	755	755	846	846

NEW COLLEGE DURHAM

Notes to the Financial Statements (continued)

7 Staff costs - Group and College

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

	2025 No.	2024 No.
Teaching staff	464	445
Non-teaching staff	223	209
	<u>687</u>	<u>654</u>

Staff costs for the above persons:

	2025 £'000	2024 £'000
Wages and salaries	22,369	20,267
Social security costs	2,414	1,987
Apprenticeship Levy	95	85
Other pension costs (including FRS102-28 adjustments of (£570,000) - 2024 (£760,000))	<u>4,472</u>	<u>3,808</u>
Payroll sub-total	29,350	26,147
Contracted out staffing services	<u>569</u>	<u>821</u>
	29,919	26,968
Restructuring costs - contractual	8	88
Restructuring costs - non contractual	<u>38</u>	<u>0</u>
Total Staff Costs	<u>29,965</u>	<u>27,056</u>

Included in staff restructuring costs are severance payments totalling £0 (2024: £0). The College paid 0 severance payments in the year (2024: 0), disclosed in the following bands.

	2025	2024
£ 0 to £ 25,000	-	-
£ 25,001 to £ 50,000	-	-
£ 50,001 to £ 100,000	-	-
£ 100,001 to £ 150,000	-	-
£ 150,000 +	-	-

NEW COLLEGE DURHAM

Notes to the Financial Statements (continued)

7 Staff costs - Group and College (continued)

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College and are represented by the Senior Leadership Team which comprises the Principal and Chief Executive (also Accounting Officer), Deputy Chief Executive, Deputy Principal, Chief Financial Officer, five Vice Principals and four Executive Directors. There were no changes in personnel during the year.

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

	2025	2024
	No.	No.
The number of key management personnel including the Accounting Officer was:	13	12

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

	Other Staff	
	2025	2024
	No.	No.
£ 60,001 to £ 65,000	6	4
£ 65,001 to £ 70,000	2	6
£ 70,001 to £ 75,000	6	5
£ 75,001 to £ 80,000	4	1
£ 80,001 to £ 85,000	1	-
£ 85,001 to £ 90,000	-	-
£ 90,001 to £ 95,000	-	2
£ 95,001 to £ 100,000	4	2
	<u>23</u>	<u>20</u>

The prior year bandings have been restated due to an error and for consistency with current year disclosures.

The number of key management personnel who received annual emoluments above £100,000, excluding pension contributions and employer's national insurance but including benefits in kind, in the following ranges was:

	2025	2024
	No.	No.
£ 110,001 to £ 120,000	-	1
£ 120,001 to £ 130,000	1	-
£ 140,001 to £ 150,000	-	2
£ 150,001 to £ 160,000	2	-
£ 190,001 to £ 200,000	-	1
£ 200,001 to £ 210,000	1	-
	<u>4</u>	<u>4</u>

NEW COLLEGE DURHAM

Notes to the Financial Statements (continued)

7 Staff costs - Group and College (continued)

Key management personnel compensation is made up as follows:

	2025 £'000	2024 £'000
Basic Salary	1,402	1,230
Performance related pay and bonus	29	30
Benefits in kind	11	9
Pension contributions	261	225
Employers National Insurance	179	150
Total key management personnel compensation	1,882	1,644

There were no amounts due to key management personnel that were waived in the year. Salary sacrifice arrangements available to all staff included electric car scheme, cycle scheme, childcare vouchers and holiday entitlement purchase.

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

Mr A Broadbent - Accounting Officer

	2025 £'000	2024 £'000
Salaries	197	182
Performance related pay and bonus	9	8
Benefits in kind	1	1
Salary Sacrifice	(21)	(21)
	186	170
Pension contributions	39	39
Pension Salary Sacrifice	(4)	(5)
	221	204

The Remuneration Committee, at its meeting on Monday 14 October 2024, considered recommendations from the Chair of Corporation regarding incremental progression for the Accounting Officer, based on performance in the previous year. The Accounting Officer was not involved in setting their own remuneration.

In determining remuneration for the year ended 31 July 2024, the Committee took into account a number of factors, including the College's continuing strong financial health, the maintenance of an effective Corporate Services team, and the development of a revised and inclusive curriculum. The Committee also noted key accomplishments, such as the creation of a strong team culture evident during the successful Ofsted inspection, the leadership and direction provided to the College's senior team, the momentum for ongoing improvement, and the embedding of a high-performance culture across the organisation.

The governing body adopts the AoC's Senior Post Holder Remuneration Code and has followed the minimum requirements of the code.

The remuneration package of Key management staff, including the Principal and Chief Executive, is subject to annual review by the Remuneration Committee of the governing body who use benchmarking information to provide objective guidance.

The remuneration committee assesses the corporation's performance against KPIs and the attainment of students in the year, as well as the progress against the college's long term strategic objectives when reviewing the remuneration package of the key management personnel, including the Principal and Chief Executive. Qualitative measures of success, such as level of engagement of the staff and students are also considered.

NEW COLLEGE DURHAM

Notes to the Financial Statements (continued)

7 Staff costs - Group and College (continued)

The level of pay is benchmarked against the pay of similar colleges in the prior financial year, taken from their financial statements, and the general trend within the sector is also considered.

In the academic year 2024/25 the College performance was in line with the expectations of the Board and remains strong both on key financial and curriculum milestones. The Remuneration Committee considered these factors in determining the remuneration of Senior Postholders (including the Principal and Chief Executive) in 2024/25.

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

	2025	2024
	£'000	£'000
Principal and Chief Executive's basic salary as a multiple of the median of all staff	5.74	5.47
Principal and Chief Executive's total remuneration as a multiple of the median of all staff	5.78	5.76

The above median calculations are based on substantive posts only and therefore exclude any internal and external agency staff.

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

During the year 2 (2024 -3) governors with total expenses of £336 (2024 - £301) were paid in respect of travel and subsistence and other out of pocket expenses incurred in the course of their duties.

NEW COLLEGE DURHAM

Notes to the Financial Statements (continued)

8 Other operating expenses

	2025 Group £'000	2025 College £'000	2024 Group £'000	2024 College £'000
Teaching costs	29,527	29,527	20,078	20,078
Non-teaching costs	2,081	2,080	2,500	2,498
Premises costs	2,285	2,285	2,139	2,139
Total	33,893	33,892	24,717	24,715

Other operating expenses include (excluding VAT):	2025 £'000	2024 £'000
Auditors' remuneration:		
Financial statements audit - Azets	50	60
Internal audit **	17	18
Other services provided by the financial statements auditors	2	5
Other services provided by the internal auditors	12	6
Amortisation	159	144
Depreciation	3,407	3,121
Hire of other assets - operating leases (Includes VAT)	101	87

* includes £50,000 in respect of the College (2024 £60,000)

** includes £16,800 in respect of the College (2024 £17,625)

The College have provided its subsidiary Westfirst Ltd with a letter of comfort to the value of £8,786, although no expenditure is included in the accounts.

8a Access and participation spending

	2025 Group & College £'000	2024 Group and College £'000
Access investment	440	444
Financial Support to students	48	125
Disability support	38	32
Research and evaluation	87	88
Total	613	689

The access and participation plan is available through the College website.

NEW COLLEGE DURHAM

Notes to the Financial Statements (continued)

9 Interest and other finance costs

	2025 Group £'000	2025 College £'000	2024 Group £'000	2024 College £'000
Net interest on defined pension liability (note 23)	0	0	0	0
Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

10 Taxation

	2025 Group £'000	2025 College £'000	2024 Group £'000	2024 College £'000
United Kingdom corporation tax at 25% (2024: 25%)	0	0	0	0
Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

The members do not believe that the College was liable for any corporation tax arising out of its activities during the year. The tax charge above relates to its trading subsidiary company.

NEW COLLEGE DURHAM

Notes to the Financial Statements (continued)

11 Intangible assets (Group and College)

	Software
	£'000
Cost or valuation	
At 1 August 2024	2,979
Additions	134
Disposals	0
At 31 July 2025	<u><u>3,113</u></u>
Accumulated Amortisation	
At 1 August 2024	2,574
Charge for year	159
Eliminated in respect of disposals	0
At 31 July 2025	<u><u>2,733</u></u>
Net book value	
At 31 July 2025	<u><u>380</u></u>
Net book value	
At 31 July 2024	<u><u>405</u></u>

NEW COLLEGE DURHAM

Notes to the Financial Statements (continued)

12 Tangible fixed assets (Group)

	Leasehold Land and Buildings £'000	Freehold Land and Buildings £'000	Assets Under Construction £'000	Equipment £'000	Total £'000
Cost or valuation					
At 1 August 2024	5	63,297	339	23,166	86,807
Additions	0	295	3,918	3,254	7,467
Reclassification of asset	0	4,257	(4,257)	0	0
Disposals	0	0	0	(501)	(501)
At 31 July 2025	<u>5</u>	<u>67,849</u>	<u>0</u>	<u>25,919</u>	<u>93,773</u>
Accumulated Depreciation					
At 1 August 2024	5	8,316	0	13,747	22,068
Charge for year	0	1,178	0	2,229	3,407
Eliminated in respect of disposals	0	0	0	(492)	(492)
At 31 July 2025	<u>5</u>	<u>9,494</u>	<u>0</u>	<u>15,484</u>	<u>24,983</u>
Net book value					
At 31 July 2025	<u>0</u>	<u>58,355</u>	<u>0</u>	<u>10,435</u>	<u>68,790</u>
Net book value					
At 31 July 2024	<u>0</u>	<u>54,981</u>	<u>339</u>	<u>9,419</u>	<u>64,739</u>

Buildings held by the Subsidiary company (Westfirst Limited) are held at historic cost and are fully depreciated.

NEW COLLEGE DURHAM

Notes to the Financial Statements (continued)

12 Tangible fixed assets (College only)

	Leasehold Land and Buildings £'000	Freehold Land and Buildings £'000	Assets Under Construction £'000	Equipment £'000	Total £'000
Cost or valuation					
At 1 August 2024	5	63,232	339	22,976	86,552
Additions	0	295	3,918	3,254	7,467
Reclassification of asset	0	4,257	(4,257)	0	0
Disposals	0	0	0	(501)	(501)
At 31 July 2025	5	67,784	0	25,729	93,518
Accumulated Depreciation					
At 1 August 2024	5	8,255	0	13,553	21,813
Charge for year	0	1,178	0	2,229	3,407
Eliminated in respect of disposals	0	0	0	(492)	(492)
At 31 July 2025	5	9,433	0	15,290	24,728
Net book value At 31 July 2025	0	58,351	0	10,439	68,790
Net book value At 31 July 2024	0	54,977	339	9,423	64,739

Cost and depreciation relating to fully depreciated assets which are no longer used have been removed.

Land and buildings were valued on 31 July 2013 by a firm of independent chartered surveyors (Ashley Smith Chartered Surveyors) at depreciated replacement cost as defined in the glossary of terms of the Royal Institution of Chartered Surveyors Appraisal and Valuation Standards (5th Edition).

The valuation of land at 31 July 2013 was £5,000,000 and its historic cost was £2,730,000 (land is not depreciated). The valuation of the buildings was £37,875,000 which had a historic cost of £35,693,000 and accumulated depreciation of £5,993,000 as at 31 July 2013.

On adoption of FRS 102, the College followed the transitional provision to retain the book value of land and buildings, which were revalued in 2013, as deemed cost but not to adopt a policy of revaluations of these properties in the future.

NEW COLLEGE DURHAM

Notes to the Financial Statements (continued)

13 Non-current investments

	Group 2025 £'000	College 2025 £'000	Group 2024 £'000	College 2024 £'000
Investments in subsidiary companies	0	2	0	2
Charities Official Investment Fund - Re	2	2	2	2
Edgar Stephenson Memorial Trust				
Total	2	4	2	4

The College owns 100% of the issued £1 ordinary shares in Westfirst Limited, a company incorporated in England and Wales (Registered Office: New College Durham, Framwellgate Moor Campus, Durham, County Durham, DH1 5ES). The principal business activities of Westfirst Limited is lettings of the College to external organisations.

The directors believe that the carrying value of the investments is supported by their underlying net assets.

14 Trade and other receivables

	Group 2025 £'000	College 2025 £'000	Group 2024 £'000	College 2024 £'000
Amounts falling due within one year:				
Trade receivables	3,083	3,083	3,391	3,391
Amounts owed by subsidiary undertakings	0	34	0	34
Prepayments and accrued income	2,998	2,996	2,582	2,580
Amounts owed by the ESFA	2,001	2,001	1,679	1,679
Total	8,082	8,114	7,652	7,684

15 Investments

	Group 2025 £'000	College 2025 £'000	Group 2024 £'000	College 2024 £'000
Short-term deposits	5,317	5,317	5,268	5,268
Total	5,317	5,317	5,268	5,268

Deposits are held in short term notice accounts with a number of UK clearing banks.

16 Creditors - amounts falling due within one year

	Group 2025 £'000	College 2025 £'000	Group 2024 £'000	College 2024 £'000
Trade payables	1,066	1,066	793	793
Payments received in advance	653	653	1,125	1,125
Amounts owed to subsidiary undertakings	0	2	0	2
Other taxation and social security	807	807	698	698
Accruals	7,947	7,946	9,964	9,962
Holiday pay	734	734	672	672
Deferred income - government capital grants	1,084	1,084	1,059	1,059
Amounts owed to the ESFA	1,327	1,327	51	51
Total	13,618	13,619	14,362	14,362

NEW COLLEGE DURHAM

Notes to the Financial Statements (continued)

17 Creditors - amounts falling due after one year

	Group 2025 £'000	College 2025 £'000	Group 2024 £'000	College 2024 £'000
Deferred income - government capital grants	19,742	19,742	18,004	18,004
Total	19,742	19,742	18,004	18,004

18 Provisions - defined benefit obligations (Group and College)

	Defined benefit Obligations £'000
At 1 August 2024	-
Utilised in the year	2,210
Additional provision in the year	(2,210)
At 31 July 2025	0

Defined benefit obligations relate to the surpluses and liabilities under the College's membership of the Local Government pension Scheme. Further details are given in Note 23.

NEW COLLEGE DURHAM

Notes to the Financial Statements (continued)

19 Cash and cash equivalents

Group	At 1 August 2024 £'000	Cash flows £'000	Other changes £'000	At 31 July 2025 £'000
Cash and cash equivalents	11,880	981	0	12,861
Total	<u>11,880</u>	<u>981</u>	<u>0</u>	<u>12,861</u>

College	At 1 August 2024 £'000	Cash flows £'000	Other changes £'000	At 31 July 2025 £'000
Cash and cash equivalents	11,854	983	0	12,837
Total	<u>11,854</u>	<u>983</u>	<u>0</u>	<u>12,837</u>

20 Capital and other commitments

	2025 £'000	2024 £'000
Commitments contracted for as at 31 July (payable within 1 year)	<u>835</u>	<u>5,036</u>

21 Contingencies

There were no contingent liabilities (2024 none).

22 Events after the reporting year

There were no events after the reporting year (2024 none).

NEW COLLEGE DURHAM

Notes to the Financial Statements (continued)

23 Defined benefit obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of the TPS was 31 March 2020 and of the LGPS 31 March 2022.

Total pension costs for the year	2025 £'000	2024 £'000
Teachers' Pension Scheme: contributions paid	2,882	2,248
Local Government Pension Scheme:		
Contributions paid	2,210	2,320
FRS 102 (28) charge	<u>(620)</u>	<u>(760)</u>
Charge to the Statement of Comprehensive Income	<u>1,590</u>	<u>1,560</u>
Total Pension Cost for Year within staff costs	<u>4,472</u>	<u>3,808</u>

Contributions amounting to £717,000 (2024 £724,000) 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 information available on the plan and the implications for the College in terms of the anticipated contribution rates.

Valuation of the Teachers' Pension Scheme

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

The latest actuarial review of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department of Education in October 2023. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service at the effective date of £262 billion and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222 billion giving a notional past service deficit of £40 billion (compared to £22 billion in the 2016 valuation. The discount rate is 1.7% in excess of CPI (2016 2.4% in excess of CPI), and that this change has had the greatest financial significance.

As a result of the valuation, new employer contribution rates have been set at 28.68% of pensionable pay from 1 April 2024 until 31 March 2027 (compared to 23.68% under the previous valuation including a 0.08% administration levy). 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. The pension costs paid to TPS in the year amounted to £2,882,000 (2024: £2,248,000).

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

NEW COLLEGE DURHAM

Notes to the Financial Statements (continued)

23 Defined benefit obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate funds administered by Durham County Council. The total contributions made for the year ended 31 July 2025 were £2,860,000, comprising employer contributions of £2,210,000 and employee contributions of £650,000.

The triennial valuation covering the period 1 April 2023 to 31 March 2026 initially set the employer contribution rate at 20.4%, with deficit recovery lump sum payments of £287,000 in year one, £296,000 in year two, and £306,000 in year three. Employee contribution rates are tiered according to pensionable pay, ranging from 5.5% to 12.5%.

Following the introduction of the Government guarantee, Durham County Council reduced the employer contribution rate to 18.1% with effect from 1 February 2025. The final lump sum deficit contribution was paid on 31 January 2025, after which no further deficit payments are required under the current funding arrangements.

The College awaits the results of the forthcoming triennial valuation, which will determine future employer contribution rates and deficit recovery requirements. These results are expected to provide updated information on the scheme's funding position and any adjustments necessary to maintain the long-term sustainability of the plan.

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2023 updated to 31 July 2025 by Aon Hewitt Limited.

	At 31 July 2025	At 31 July 2024
CPI Inflation	2.5%	2.6%
Rate of increase in salaries	3.5%	3.6%
Rate of increase for pensions	2.5%	2.6%
Discount rate for scheme liabilities	5.8%	5.0%
Commutation of pensions to lump sums	85%	85%

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

	At 31 July 2025	At 31 July 2024
<i>Retiring today</i>		
Males	21.60	21.50
Females	23.90	23.80
<i>Retiring in 20 years</i>		
Males	22.50	22.40
Females	24.70	24.60

NEW COLLEGE DURHAM

Notes to the Financial Statements (continued)

23 Defined benefit obligations (continued)

Local Government Pension Scheme (continued)

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 £'000
Equities	30,950	28,070
Property	4,190	3,250
Government Bonds	5,790	5,030
Corporate Bonds	4,800	4,830
Multi Asset Credit	8,390	7,730
Cash	440	1,070
Other	610	860
Total fair value of plan assets	<u>55,170</u>	<u>50,840</u>

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

	2025 £'000	2024 £'000
Fair value of plan assets	55,170	50,840
Present value of plan liabilities	(43,460)	(48,270)
Net pensions asset/(liability)	<u>11,710</u>	<u>2,570</u>
Restriction to level of asset ceiling	(11,710)	(2,570)
Net asset/(liability) balance sheet (note 18)	<u>0</u>	<u>0</u>

The value of the college's share of net assets has been restricted due to the effect of the asset ceiling being the maximum value of the present of the economic benefits available in the form of the unconditional right to reduced contributions from the plan. A corresponding change has been made to other comprehensive income in the period.

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

	2025 £'000	2024 £'000
Amounts included in staff costs		
Current service cost	1,610	1,560
Past service cost	30	0
Loss / (gain) on curtailments/settlements	0	0
Total	<u>1,640</u>	<u>1,560</u>

Amounts included in interest and other finance costs

Interest on scheme assets	2,560	2,330
Interest on pension liabilities	(2,380)	(2,260)
Total	<u>180</u>	<u>70</u>

Amounts recognised in Other Comprehensive Income

Return on pension plan assets	1,130	1,130
Experience gains and losses arising on defined benefit obligations	0	0
Changes in assumptions underlying the present value of plan liabilities	(370)	330
Restriction to level of asset ceiling	(1,380)	(2,290)
Total	<u>(620)</u>	<u>(830)</u>

NEW COLLEGE DURHAM

Notes to the Financial Statements (continued)

23 Defined benefit obligations (continued)

Local Government Pension Scheme (continued)

Movement in net defined benefit liability during the year

	2025 £'000	2024 £'000
Net defined liability in scheme at 1 August	0	0
Movement in year:		
Current service cost	(1,610)	(1,560)
Employer contributions	2,210	2,320
Past service costs	(30)	0
Net interest on the defined liability	50	70
Actuarial gain	(620)	(830)
Net defined liability at 31 July	<u>0</u>	<u>0</u>

Asset and Liability Reconciliation

	2025 £'000	2024 £'000
Changes in present value of defined benefit obligations		
Defined benefit obligations at start of year	48,270	45,550
Current service cost	1,610	1,560
Interest cost	2,380	2,260
Contributions by scheme participants	650	640
Changes in financial assumptions	(7,260)	(330)
Estimated benefits paid	(2,220)	(1,410)
Past service cost	30	0
Defined benefit obligations at end of year	<u>43,460</u>	<u>48,270</u>

	2025 £'000	2024 £'000
Changes in fair value of plan assets		
Fair value of plan assets at start of year	50,840	45,830
Interest on plan assets	2,560	2,330
Return on plan assets	1,130	1,130
Employer contributions	2,210	2,320
Contributions by scheme participants	650	640
Estimated benefits paid	(2,220)	(1,410)
Fair value of plan assets at end of year	<u>55,170</u>	<u>50,840</u>
Restriction to level of asset ceiling	(11,710)	(2,570)
Revised Fair value of plan assets at end of year	<u>43,460</u>	<u>48,270</u>

NEW COLLEGE DURHAM

Notes to the Financial Statements (continued)

24 Related party transactions

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

The total expenses paid to or on behalf of the Governors during the year was £2,676 ; 4 governors (2024: £301 ; 3 governors). This represents travel and subsistence expenses and other out of pocket expenses incurred in attending Governor meetings and charity events in their official capacity.

No Governor has received any remuneration or waived payments from the College or its subsidiaries during the year (2024: None).

Association of Colleges - a company for which Mr Broadbent (a Director), Mrs Meynard (Assessor) and Mr King is a Consultant.

Purchase transactions totalling £76,792 (2024 £65,132) took place during the year mainly relating to Membership fees, subscriptions and conference fees as in the previous year. At the year-end £0 was outstanding and included in creditors (2024 £0).

Sales transactions totalling £132 (2024 £276). At the year-end £0 was outstanding (2024 £0).

Beamish Museum - a company for which Mrs Hiles (a Board Member) is in paid employment

Purchase transactions totalling £4,084 (2024 £3,289) took place during the year. At the year-end £0 was outstanding and included in creditors (2024 £0).

Sales transactions totalling £0 (2024 £0). At the year-end £0 was outstanding (2024 £0).

Cleveland Army Cadet Force - a company for which Mr Benson (a Board Member) is a Senior Youth Leader.

Purchase transactions totalling £250 (2024 £0) took place during the year in relation to a donation made. At the year-end £0 was outstanding and included in creditors (2024 £0).

Sales transactions totalling £0 (2024 £0). At the year-end £0 was outstanding (2024 £0).

Durham County Council - a company for which Mr Bradleys (Chief Finance Officer) Spouse is Director of Democratic Services and Mr Broadbent (Principal and Chief Executive) serves as a member of the Durham LGPS Committee.

Purchase transactions totalling £77,681 (2024 £79,890) mainly relating to Placement fees, Incentive Payments, Audit fees , Hire of the Gala theatre and Pension costs as in the previous year. At the year-end £0 was outstanding and included in creditors (2024 £0).

Sales transactions totalling £2,058,922 (2024 £219,624) took place largely relating to Shared Prosperity Fund and Multiply Claims based on Contracts awarded through Competitive tendering. At the year-end £30,696 was outstanding (2024 £110,212).

New College Durham Academies Trust - a company for which Mr Bradley (Chief Finance Officer) is the Chair and Mr Broadbent a Board Member.

Purchase transactions totalling £2,334 (2024 £0) mainly in relation to reimbursement of transport costs. At the year-end £0 (2024 £0) was outstanding and included in creditors.

Sales transactions totalling £76 took place (2024 £130). At the year-end £0 was outstanding (2024 £23).

NCFE - a company for which Mrs Slater (a Board Member) is a paid employee.

Purchase transactions totalling £229,817 (2024 £255,164) relating to Exam and registration fees took place as in the previous year. At the year-end £4,365 remained outstanding (2024 £0).

Sales transactions totalling £0 (2024 £0) took place . At the year-end £0 (2024 £0) was outstanding.

NEW COLLEGE DURHAM

Notes to the Financial Statements (continued)

24 Related party transactions

NECC - a company for which Mrs Hiles (a Board Member) is a council member.

Purchase transactions totalling £10,902 (2024 £9,444) largely relating to membership fees took place in both years. At the year-end £0
Sales transactions totalling £0 took place (2024 £0) . At the year-end £0 (2024 £0) was outstanding .

Visit County Durham - a company for which Mr King (a Board Member) is a Director and Mrs Maynard (Deputy Principal) is a Non-Executive Director.

Purchase transactions totalling £1,980 (2024 £1,980) relating to partnership fees took place in both years. At the year-end £0 remained
outstanding (2024 £0).
Sales transactions totalling £47 took place (2024 £0) . At the year-end £0 (2024 £0) was outstanding.

NEW COLLEGE DURHAM

Notes to the Financial Statements (continued)

25 Amounts disbursed as agent

	2025 £'000	2024 £'000
Funding body grants - Learner Support Funds	1,606	1,513
Other funding body grants	244	244
	<u>1,850</u>	<u>1,757</u>
Disbursed to students	1,346	948
Disbursed to employers	244	244
	<u>260</u>	<u>565</u>
Balance unspent at 31 July, included in creditors		

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

26 Commitments under operating leases

The total future minimum lease payments under non-cancellable operating leases is as follows.

These figures are net of VAT

	2025 £'000	2024 £'000
Payments due		
Not later than one year	80	87
Later than one year and not later than five years	297	153
Later than five years	5	0
	<u>382</u>	<u>240</u>

NEW COLLEGE DURHAM

Notes to the Financial Statements (continued)

27 Designated Reserves

	Opening Balance £'000	Additions / (Reductions) £'000	Expenditure £'000	Closing Balance £'000
Funds Designated				
Refurbishment of Sports and Music Building	5,605	(5,295)	(310)	0
Multi Use Games Area and Car Park	4,097	(133)	(3,964)	0
Refurbishment of Construction Centre of Excellence	40	226	(266)	0
Construction Centre of Excellence Phase 2	0	2,500	-	2,500
T.H.E. Hub	37	106	(143)	0
Battery Training Centre	473	244	(717)	0
Building Management System	92	(53)	(39)	0
College Modernisation Programme	250	189	(189)	250
Fire Door Replacements	0	14	(14)	0
HR/Payroll System	77	(58)	(19)	0
Replacement Roof	0	198	(198)	0
Skills Injection funds	0	307	(307)	0
Local Skills Improvement Fund	0	416	(416)	0
Renovation of Podiatry Clinic	0	200	-	200
Other Capital Projects	1500	519	(1,019)	1,000
Total Designated Reserves	12,171	-620	(7,601)	3,950

NEW COLLEGE DURHAM

New College Durham Reporting Accountant's Assurance Report on Regularity

To: The Corporation of New College Durham and Secretary of State for Education

In accordance with the terms of our engagement letter dated 25 June 2025 and further to the requirements of the Department for Education ('DfE'), as include in the extant framework and guide for external auditors and reporting accountants of Colleges, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by New College Durham during the period 1 August 2024 to 31 July 2025 have not been applied to the purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

The framework that has been applied is set out in the College Auditor Framework issued by DfE and in any relevant conditions of funding concerning adult education notified by a relevant funder.

This report is made solely to the Corporation of New College Durham and Secretary of State for Education in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Corporation of New College Durham 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 Corporation of New College Durham and the Secretary of State for Education for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the accounting officer of New College Durham and the reporting accountant

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

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the extant framework and guide for external auditors and reporting accountants of Colleges. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 August 2024 to 31 July 2025 have not been applied for the purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the extant framework and guide for external auditors and reporting accountants of Colleges. We performed a limited assurance engagement as defined in our engagement letter.

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

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

NEW COLLEGE DURHAM

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

The work undertaken to draw to our conclusion includes:

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

Conclusion

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

Azets Audit Services

Azets Audit Services

Bulman House

Regent Centre

Gosforth

Newcastle upon Tyne

NE3 3LS

Date *18/12/2025*

The logo consists of two vertical black bars of increasing height from left to right, positioned to the left of the text.

***New
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Durham***



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