



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

Key Management Personnel, Board of Governors and Professional advisers

Key management personnel

Key management personnel are defined as the Group Executive Team and were represented by the following in 2024/25:

Sam Parrett CBE – Group CEO & Principal, and Accounting Officer
John Hunt – Deputy Group CEO & Group Chief Financial Officer
Asfa Sohail – Executive Principal and Chief Learning Officer
Edward Avenell - Group Chief Information and Estates Officer
Louise Wolsey – Group Chief Strategy Officer
Janet Curtis-Broni – Group Chief People Officer

Board of Governors

A full list of Governors is given on page 34 of these financial statements.

Jennifer Pharo, the Group Executive Director of Governance and Administration, acted as the Clerk of the Corporation throughout the period.

Professional advisers

Financial statements auditor and reporting accountant:

Buzzacott Audit LLP
130 Wood Street
London
EC2V 6DL

Internal Auditors:

Scrutton Bland LLP
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Bankers:

Barclays Bank Plc
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London
E14 5HP

Santander UK plc
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Glasgow
G2 5NB

Lloyds Bank
4th Floor, 25 Gresham Street
London
EX2V 7HN

Kingswood Group
10-11 Austin Friars
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Solicitors:

Eversheds
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Cambridge
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Brachers LLP
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Kent, ME16 8JH

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Members' Report

The members of the Corporation present their report, which is also the Strategic report, and the audited financial statements for the year ended 31 July 2025.

Legal Status

Bromley College of Further & Higher Education was established under the Further and Higher Education Act 1992. The College is an exempt charity for the purposes of the Charities Act 2011 and, accordingly, is not liable to Corporation Tax. The College operates under the brand of London South East Colleges in order to reflect the geographical area served by the College.

On 29 November 2022, the Office of National Statistics (ONS) reclassified all statutory Further Education Colleges as public sector organisations in the national accounts and backdated this reclassification to 1993. The Department for Education and Department for Education immediately introduced new controls and restrictions for the college on the same day, which included the requirement to comply with HM Treasury policy on Managing Public Money.

Academy Sponsorship

The College is the Sponsor of London South East Academies Trust (LSEAT), and works very closely with the Trust. In April 2018 the independent boards of each entity agreed to work together to further their strategic aims under the brand of London South East Education Group (LSEEG). This is referred to as Group throughout these financial statements.

Mission

The Corporation re-affirmed the Mission and Vision at its meeting in December 2022, with a vision of transforming lives through the power of learning; we believe that education changes communities for the better.

As part of the London South East Education Group (LSEEG), the College has an ambition to create Public (social value) by operating as a social enterprise. Social value is identified through considering the wider financial and non-financial impacts on the wellbeing of individuals, communities, and the environment. This non-prescriptive language allows organisations an opportunity to inject more innovative thinking into public sector commissioning, procurement and service delivery processes in order to inspire more proactive solution finding. To deliver this ambition, the mission of the College is: 'to provide leadership, knowledge and resources to unleash the power of learning as an agent for social change'.

Through this, the College intends to continue to have a positive impact on lives, and the social and economic well-being of our local communities is central to its purpose. Through working collaboratively and always in partnership, the College believes that together we will achieve more and achieve better outcomes for all. We continue to work closely with our suppliers, other providers and wider networks in support of our creation of social value and mutual wider business aims. To achieve this ambition, we have restated our vision and mission above.

Resources

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

People

The College employed a full-time equivalent (FTE) of 624 people, of whom 288 FTE are teaching staff. This equated to a headcount of 935 people, of whom 431 are teaching staff.

Learners

The College had approximately 10,090 learners during the year, circa 3,915 of these were 16-18, 323 19-24 High Needs Learners, 5,131 adults, and 721 apprentices.

Members' Report (continued)

Resources (continued)

Financial

The College has £64.1m of net assets. In addition, the College has cash balances of £22.3m

Reputation

The College has a good reputation for responsive high-quality education and training. The College attracts students from the London Boroughs of Bromley and Bexley, together with the Royal Borough of Greenwich and many other Local Authorities. Maintaining a quality brand is essential for the College's success at attracting students and developing external relationships.

Stakeholders

The College has many stakeholders, which include:

- Students
- Staff
- Laser Education Foundation
- Department for Education
- Local Authorities
- Greater London Authority
- SE London Chamber of Commerce
- London Chamber of Commerce
- Other FE institutions
- BusinessLDN
- Various Local Community Groups
- Banks and providers of finance
- London & South East Academies Trust
- Canterbury Christchurch University (HEI Ptnr)
- University of Greenwich (HEI Ptnr)
- Ravensbourne University
- Local employers (with specific links)
- Some national employers
- The local community
- Trade unions
- CBI

Stakeholder relationships are very important to the College, and significant senior staff time is invested in both building and maintaining relationships and partnerships. The College recognises the importance of such relationships to its future success and works closely with the funding agencies, banks, local authorities, and employers, together with its staff and students.

Public Benefit

The College is an exempt charity under Part 3 of the Charities Act 2011 and, following the Machinery of Government changes in July 2016, is regulated by the Secretary of State for Education. The members of the Corporation, who are trustees of the charity, are disclosed on page 33.

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

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

- High-quality teaching;
- Widening participation and tackling social exclusion;
- Excellent employment opportunities for students;
- Strong student support systems;
- Links with employers, industry and commerce;
- Links with Local Enterprise Partnerships (LEPs); and
- Benefits to the local communities in which it operates.

Members' Report (continued)

Strategic Plan

2023/24 was the final year of the Group Strategy, which was adopted in 2019, and which seeks to position the College as a social enterprise. The Corporation monitors the performance of the College against this plan, which is reviewed and updated each year. The College's strategic aims/objectives under this strategy are as follows,

1. To have a measurable positive impact on lives and communities.
2. To maximise learners' success and ambitions through a learning strategy and approach that connects learning to the real world.
3. To deliver high-quality outcomes across all aspects of the Group's business.
4. To have the right people in the right jobs at the right time.
5. To establish a group identity/one organisation - shared vision, mission, and values with a new emphasis on social enterprise and our wider contribution.
6. To embed a culture of discipline, values and evidence that will drive our behaviour.

During 2023/24, we consulted with staff, students, stakeholders and employers to develop our new Group Strategy. Our aim is to have an even greater positive impact on our communities. We will achieve this through developing and pioneering evidence-based solutions and research to address the many challenges our learners and communities face from now through to 2030.

The new Group Strategy 2024-2030: Transforming lives through the Power of Learning, was approved by the Corporation in 2024 and is published [here](#). This has informed our College Operating plan and annual priorities, as well as all other supporting strategies. Moreover, for 2024/25, the College has adopted a new Vision and Mission as follows:-

Vision: Transforming Lives through the Power of Learning: We believe that education changes communities for the better.

Mission: To provide leadership knowledge and resources to unleash the power of learning as an agent for social change.

The strategy is broken down into three separate goals as follows:-

- | | |
|---|--|
| Goal One: People First | We will invest in our people to ensure that every person feels valued, recognised, and rewarded, and has the support they need to achieve their best in an inclusive organisation which fosters diversity. |
| Goal Two: Performance and Practice | We will embed a culture of research and innovation which fosters improved outcomes for all learners, supports organisational resilience and pioneers positive change in the education system wide. |
| Goal Three: Prosperity and Place | We will maximise our assets, resource and expertise to effect positive change locally, driving towards net zero, developing social capital, enabling sustainable and inclusive growth in the communities we serve. |

Review of progress in 2024/25 against the Strategic Plan

We worked with the Social Value Portal (SVP) to finalise the measure of social value generated in 2023/24, and work is underway to calculate the figure for 2024/25. As a Group, we generated £45m of Social Value, of which the value raised by the College was £24.4m. Through this approach over the life of the first Group Strategy, we have now delivered £148m of independently verified social value since 2019. This has significantly contributed to the social and economic mobility of children and families in the communities we serve, and through this, increased social justice.

Members' Report (continued)

Strategic Plan (continued)

Review of progress in 2024/25 against the Strategic Plan (continued)

The College continued to work with the Social Value Portal to measure the wider impact achieved through operating as an education provider with a social enterprise mindset. Further details on the Social Value and Enterprise aspects of the strategic plan can be found in the next section.

Delivering Social Value

In 2019 we published our first Group Strategy. Unusually, we set out a bold and pioneering ambition as a collective to operate as a social enterprise. Our intent was to increase our social impact by thinking and operating differently. Civic leadership and operating as an anchor institution was central to this, and to our vision and ethos of how we deliver education.

Interestingly, the College continues to see, through funding applications and contract opportunities, a requirement for providers to articulate progress and impact as an Anchor Institution. As a College, we are well-positioned to respond to these requirements because of our progress on the group strategy over the past five years. The legacy of this work and our ambition to operate with an agile, social enterprise mindset has been carried forward in our new strategy.

Growth of London South East Academies Trust (LSEAT)

The College continues to sponsor the Academy Trust, and this year has seen the Trust continue to go from strength to strength, with new schools seeking to join. As of September 2025, LSEAT comprised 16 schools, with more planned to join in the coming year. The help of the College continues to significantly support this growth and development. Business support teams provide expertise on people, finance and estates matters and support effective communication with parents and stakeholders through the conversion process from Academy Trust and maintained status into the Multi Academy Trust governance structure. The College was pleased to see the wider impact of the Trust recognised in June 2024 with a National TES Award for Trust of the year (nine schools or less).

Development of the LASER Education Foundation

In a similar vein, the College has contributed to the establishment of a new charity by becoming a Corporate Member alongside LSEAT to add value to and enhance the educational experience of children and young people in our college, schools and the communities we serve.

Following its registration with the Charity Commission in July 2024, the LASER Education Foundation has moved from concept to active delivery, with a mission to break down barriers to education and create opportunities for disadvantaged learners. Over the past year, the charity has established a range of life-changing initiatives, including bursary schemes, mentoring programmes, music and play therapy, and specialist SEND support. These projects aim to support those facing challenges such as poverty, homelessness, mental health issues, and special educational needs, helping every learner to achieve their potential. Strong partnerships have been formed with schools, community organisations, and corporate supporters to ensure the sustainability and growth of this work.

Fundraising activities during the year, including the launch of the LASER Golf Day and staff-led events, have provided vital resources to deliver these programmes. The appointment of a new Chair of Trustees has strengthened governance and strategic direction, while corporate

Members' Report (continued)

Review of progress in 2024/25 against the Strategic Plan (continued)

partnerships have brought additional expertise, funding, and profile to the charity. Looking ahead, LASER will continue to expand its reach, build on its research-led approach, and deliver innovative educational and wellbeing projects that make a lasting difference to the young people and communities it serves.

Good for Me Good for FE National Campaign:

In 2024/25, our Good for Me Good for FE campaign had another successful year, with a total of over £1.3m of social value generated nationally through our network of 155 college partners. This included 33,000 hours of volunteering, 20,000 food items donated, and £38k of fundraising. This brings the total social value generated over the past four years to £6.8m social value generated nationally, including 251,000 hours of volunteering, 303,300 food items donated, and £510k of fundraising.

The Good for Me Good for FE Campaign continues to build on our social value commitment and to harness the goodwill and contribution that many colleges make to their wider community through measurable social value metrics. Overall, the campaign now engages with 155 Colleges and over 100 individual charities have been reached/ benefitted on a national / local level. Conversations are currently being held with regional voluntary organisations offering wider access to local charities across the country.

A new Good for Me accreditation is currently being developed to offer Good for Me partner colleges the opportunity of offering a combined programme of assessment and volunteering hours to their students, which uniquely covers all of the essential employability skills learnt through social action/volunteering that are completely transferable to the workplace.

Every year, the College looks to increase the amount of social value we generate, thereby increasing our wider social impact. This has the benefit of improving opportunities for learners, provides headline social value figures to share with stakeholders and helps to increase the impact the College has for the funding it receives. A greater focus is now required on ensuring that we have access to and can benefit from the wider advantages of the charity and social enterprise partnerships that have been developed. There will be an increased focus on ensuring that leaders and managers are supported in translating this ambition into direct experiences for all learners in the coming year.

External Reputation and Awards

Substantial media coverage has been secured for the College this year with a total of 141 articles featuring our College being published across a range of platforms and titles – locally, regionally and nationally.

To help us evaluate the impact of our PR activity, we use two key metrics (via the Onclusive platform): Advertising Value Equivalent (AVE) and Opportunities to See (OTS). For the period in question, we generated £432,000 (AVE). The Advertising Value Equivalent (AVE) provides a measure of how much the media coverage we secure, and the cost, if purchased as advertising space, giving an indicative monetary value to our work.

We also generated 32.2 million Opportunities To See. (OTS): The OTS refers to the potential audience reach of the coverage, showing how many people may have seen our messages through print, online, or broadcast media.

We consider these measures such as sentiment (ensuring our coverage is positive) and focus our proactive PR efforts on securing high quality opinion pieces. This has significant reputational value, establishing our College, and our spokespeople, as Thought Leaders. In this regard, 14 thought leadership articles were secured in four FE and HE publications, including FE Week, FE News,

Members' Report (continued)

Review of progress in 2024/25 against the Strategic Plan (continued)

External Reputation and Awards (continued)

Times Higher and WorkHE. This has ensured the profile of the college has remained high within, and indeed beyond, the sector.

Several comment pieces have also been written in partnership with key stakeholders – including Lambeth LA's Director of Education regarding the fantastic new Nido Volan provision in Lambeth for pupils with very high needs, and the Principal of Newham College regarding the LSIF project.

An early highlight of the year was a visit to our Bromley Campus by Guardian journalist, Polly Toynbee. She wrote about the College in a positive story the following day, including direct quotes from Asfa Sohail.

Our Good for Me Good for FE (GfMGfFE) campaign has continued to contribute positively to our PR activity this year, having secured FE Week as the media partner for the national awards. We also provided winning colleges with template press releases, for them to share their stories with their local media. This expanded our reach throughout the UK.

National Volunteering Week was also highlight in terms of PR this year – with articles secured in the Sun and FE Week, highlighting our GfMGfFE campaign and the value of volunteering. We also secured national pieces during Autism Awareness Month, with our EDI officer kindly sharing her personal story and highlighting the excellent inclusion practices we have at LSEC. Key areas we have raised awareness of this year include EDI, SEND and social impact.

In addition to the above, the College won the Social Impact Award at the Bromley Business Awards (the ABBBAs) and Social Value Initiative of the Year at the National Project Excellence Awards for our Future Greenwich capital project in partnership with Kier. Moreover, one of our Adult Learners was also a finalist in both the AoC Student of the Year Awards and the Mayor of London Awards - receiving Highly Commended accolades in both for her outstanding learning achievements.

In addition to the above the College has also been recognised as an 'exemplary employer' for the third year running by Investing in Ethnicity - an organisation set up to encourage a stronger focus on the ethnicity agenda in workplaces. One of just 25 organisations nationally, and the only FE College. In the 2024/2025 accreditation process, we were recognised as one of the top 12 employers and have been shortlisted for the Outstanding Employer award.

The College also achieved Stage 2 accreditation in the Inclusive Excellence Framework. The Inclusive Excellence Accreditation Framework provides a transparent structure to help transform organisational culture. Through the accreditation process, we demonstrated our commitment to EDI, which exceeds legislative requirements. The framework also supports the development of an inclusive culture and diverse workforce while assessing our practices against all the key aspects of EDI.

We have also achieved the Gold standard Accreditation and named in the top 100 employers, for the Workplace Equality Index with Stonewall Diversity Champions.

We also continue to work with a range of partners on our EDI agenda, and have signed up to the AOC's Equity Charter; work with the Black Leadership Group - and implemented the 10 point plan, and share and adopt good EDI practices with a range of strategic partners, such as Bromley Equality Partnership.

External Funding

Building on these developments, the College has successfully secured a number of external funding applications, which have been used to add value to and enhance the student experience. A primary focus has been to invest in the teaching and learning environment and resources available to students, as well as CPD for teachers to improve and develop their classroom practice. Successful bid outcomes have come through the following projects:

Members' Report (continued)

Review of progress in 2024/25 against the Strategic Plan (continued)

External Funding (continued)

Project	Funder	Amount
AOC JP Morgan – Green Skills	AOC	£0.15m
Local London Green and Digital Mayoral Academy	GLA	£0.307m
GoodforMe GoodforFE	NCFE and Founding Colleges	£0.76m
ETF SEND Employer Spoke	ETF	£0.048m
HTE Injection Fund (Cyber)	DfE	£0.098m
Post 16 Capacity Fund	DfE	£4.0m
Future Greenwich Additional Funding	GLA	£4.1m
T Level – wave 4	DfE	£0.66m
T Level – wave 5	DfE	£1.6m
FE Capital Transformation Fund	DfE	£1.3m
Local Skills Improvement Fund	DfE	£1.7m (for LSEC)
HTE Growth Fund (Health)	DfE	£0.098m
Good Work Bromley Exchange	LB Bromley	£0.414m
Trailblazer – AI Employment Project	LB Bromley	£.05m
Hub & Spoke Employability Centre of Excellence	ETF	£0.024m
Total		£15.31m

Strategic Developments

Future Greenwich Campus

The £45 million Future Greenwich Project is now complete and will officially open in January 2026. This new, purpose-built, state-of-the-art campus has been designed to provide a modern, flexible and inspiring teaching and learning environment for students of all ages and backgrounds. Future-proofed with the latest technologies, including immersive virtual and augmented reality, it enables the College to diversify and strengthen its curriculum, creating new skills, training and employment opportunities for local people while addressing the future needs of employers.

Developed in partnership with the Royal Borough of Greenwich and Digital Greenwich, the project has been delivered in close collaboration with housing association L&Q. Together, we are creating a vibrant new community that includes 294 high-quality homes, of which 51.9% are affordable and 21% are family housing. This makes a significant contribution to meeting the borough's housing targets and supports families to build stable futures.

The development also enhances the wider environment, with generous new tree planting and a strong emphasis on green and sustainable travel options, including extensive cycle parking. A new green public space will further improve the look, feel and accessibility of the area, offering benefits to both local residents and students.

Importantly, the project has been delivered in carefully planned phases to ensure that the College could remain open and operational throughout the entire construction process, minimising disruption while maximising benefits.

Members' Report (continued)

Review of progress in 2024/25 against the Strategic Plan (continued)

Strategic Developments (continued)

Future Greenwich Campus (continued)

The innovation and social value of this hybrid project, co-developed between the education sector and housing, has been widely recognised. It was highly commended at the 2022 National Social Value Awards for Best Public Sector Project, and was named the Social Value Initiative of the Year at the prestigious 2024 National Project Excellence Awards.

Funded through a balanced strategy, including the sale of part of the Plumstead campus to L&Q, a £14.1m grant from the GLA, and college reserves, the project demonstrates both financial responsibility and a commitment to the public good. By combining cutting-edge education with affordable housing, green spaces, and inclusive public access, the Future Greenwich Project is far more than a new campus, it is a transformative community asset that promotes opportunity, sustainability and social inclusion for generations to come.

Bromley Campus Redevelopment

Following the successful FE Capital Transformation Fund bid, the ambitious part campus redevelopment will enable us to focus on the high-value, higher-level courses that employers need to meet technical skills gaps. Designing the campus to prepare for the rapidly changing skills needs employers have is requiring the development of modernised, more flexible teaching and collaboration spaces for students to learn in and out of the classroom. Work has now been completed to prepare the relevant part of the campus for refurbishment and construction, to ensure delivery of these improvements in line with the DfE funding requirements. As work progressed on this project during 2023/24, a range of challenges were encountered. These included the discovery of deleterious materials, inflationary cost increases, and the approved contractor, unfortunately, going into administration. The College has worked closely with the DfE to navigate through these issues and agreed a critical path forwards. This has included reducing the scope of planned works and retendering the proposed programme of works in two separate projects. Following this, work commenced onsite towards the end of 2023/24 and the project is currently expected to complete during 2025/26 in accordance with DfE approved timelines.

Collaborative Strategic Projects

Alongside working with wider stakeholders to further embed ourselves within the community, the College has been delivering several larger-scale projects for the benefit of our learners and our community. These included:

- DfE funded Local Skills Improvement Fund (LSIF)

Building on the success of the Strategic Development Fund, The Local London Local Skills Improvement Fund (LSIF) is a sub-regional project with 23 collaboration partners worth £6.5 million in investment. LSIF aims to increase inward investment across the Local London region, linked to priorities highlighted in the Local Skills Improvement Plan. As the strategic lead College, LSEC has led significant aspects of the Local London LSIF Project, including:

- Working with Newham College to support the design, development and delivery of 11 new Green Skills facilities and courses across the sub-region.
- The development of a collaborative pan Local London network of digital suites, aiming to combine learning and teaching resources across the region to support teacher recruitment and retention whilst increasing choice for students.
- Delivery of a Green Skills Hub in Holly Hill Bexley and two Digital Labs (Bexley and Bromley) to improve the local skills base in green and digital technology for Level 3-Level 5 learners and Adult Courses.

Members' Report (continued)

Review of progress in 2022/23 against the Strategic Plan (continued)

Collaborative Strategic Projects (continued)

- DfE funded Local Skills Improvement Fund (continued)

Over the course of this project, the College has received more than £1.64m of Capital and Revenue investment from this project. Moving forward, the College will continue to lead the Local London Skills Provider Network (LLSPN) and seek to build on the legacy of the LSIF project.

- Local London Green (and Digital Construction) Mayors Skills Hub

The College Strategy Team continues to lead the Mayoral Green Academy Hub as it enters its third year and continues to raise the profile of Green Skills across the Local London region. A key focus of the Hub has been the development of a Green skills Youth Board and the pilot of a Green Sector Based Work Academy Programme (SWAP) in partnership with the DWP, and continuing to drive Green job opportunities for disadvantaged groups. The Local London Green Mayors Skills Hub has been extended beyond the original two-year project until March 2026, and continues to make an impact through its work, which is promoted on the Local London skills providers website, which has a focus on Green and Digital jobs and can be accessed using the following link: www.locallondonsskillsproviders.com

- Good Work Bromley Exchange (£414k)

In partnership with LB Bromley, this UKSPF-funded project has created an employment and Skills Hub based in Orpington Campus for economically inactive people within the borough. Overseen and monitored by Local London, the project focuses on partnership and stakeholder working to ensure all those on the margins of employment are involved in the project. It is widely perceived that the Exchange is the precursor to an Employment and Skills Strategy within the London Borough (LB) of Bromley. The project is funded until March 2025 and the College is supporting the borough with skills Research to better understand local need.

To date, the project has supported a number of Sector Based Work Academy Programmes (SWAPS) working in partnership with key employers such as the NHS, Capita, Green Skills employers and more recently a SWAP focused on driving more people into Teaching Assistant roles in partnership with the LB of Bromley. The project has also hosted a number of employer events, in particular an Inclusive Employment Event for Employers and Care Leavers, which took place on Tuesday, 9th July at our Bromley Campus in partnership with the LB Bromley.

- Civic Partnerships

Throughout 2024/25, our Education Group has strengthened its role as an anchor institution.

At LSEC, we collaborate with a wide range of civic partners – including health services, local authorities, police, local businesses, other education providers and the voluntary sector - to create new opportunities for learners, while supporting employers and the local economy.

Examples include region-wide partnerships to develop green skills in response to local economic strategies (LSIF), through to collaborative projects with the NHS and local charities to support young people with SEND to access employment.

This year has also seen the start of our organisation's evolution to Elevare Civic Education Group from our former group name, London & South East Education Group.

This new name reflects both the next stage of our journey and our growing civic mission.

Elevare – meaning to elevate or uplift – captures our mission to raise aspirations and opportunities, while *Civic* signals our responsibility and commitment to being an anchor institution, at the heart of our communities.

Members' Report (continued)

Review of progress in 2024/25 against the Strategic Plan (continued)

OFSTED (continued)

With a multi-campus college and a 16-school network serving over 16,000 learners (together with a charitable foundation), our strength as a Group enables us to deliver long-term social impact. Our investment in facilities and staff, along with our commitment to inclusivity, means we are embedding education within place-making and regeneration across our region – as set out in our Group Strategy.

OFSTED

The College was inspected by OFSTED in October and secured an overall “Good” judgement grade. The College was commended for the following strengths :-

- A strong curriculum offering extensive opportunities to prepare learners for their next steps, whether that's further education, training, or employment.
- Effective quality assurance and improvement processes which leaders use well to work with staff and to raise standards.
- The increased proportion of learners aged 16 to 18 who achieve their qualifications has also increased
- Strong partnerships with employers and other stakeholders, delivering innovative initiatives to support students into employment.
- Effective safeguarding in an environment where learners feel valued, respected and safe.
- Very good provision for high Needs students who are supported to excel with excellent personal development and employability skills
- Very good range of continuing professional development and training initiatives to raise the quality of teaching, learning and assessment, which is good.

Areas that were highlighted as needing further development included attendance and behaviour, and the apprenticeship provision. Since the inspection, there has been significant progress in relation to both behaviour and the apprenticeship provision. This has been evidenced by reports from external agencies and the improvements in the apprenticeship overall achievement rates.

EDI Grants Programme

During 2019/20, our Group launched a ten-year grants programme to help support equality, diversity, and inclusion within our communities and to tackle inequality. This work has built on the College's mission to improve social mobility and is in support of the Black Lives Matter movement, following the death of George Floyd. With research also revealing that minority ethnic groups face disproportionate challenges from the Covid-19 pandemic, we want to continue to address and help support this issue in a tangible way. Therefore, our pioneering grants programme has continued to fund student and staff projects over the past year in a range of EDI areas, tackling issues that are important to them. *Since the inception of the EDI grants programme, we have funded 18 projects as follows:*

- *Empower*
- *Positive Changes*
- *LGBTQ History month*
- *Black History Month (4 separate projects)*
- *Research into Mental Health*
- *Breaking down Barriers and Achieving Success for All*
- *Additional Staff Training on EDI*
- *Additional Training for staff*
- *Mental Health Awareness Month*
- *Social Mobility Project*
- *Drama Club*
- *Cultivating a Positive Mindset and Renewal Towards Success x 2 projects*

Members' Report (continued)

Review of progress in 2024/25 against the Strategic Plan (continued)

In 2024/2025 we funded the following projects:

Black History Month – Initiatives for our SEND Students

This project was designed to fund various activities for black history month for students and staff, which highlighted the cultural heritage and contributions of the Black community. Some of the activities included prominent guest speakers sharing insights on significant figures and events in Black history, fostering understanding and appreciation of the past. Participants engaged in a hands-on drumming workshop that explored the rhythms and techniques rooted in African traditions. An Art competition encouraged participants to express their interpretation of Black culture and history through creative mediums. A variety of games and activities were organised to engage participants of all ages, promoting team spirit and fun while educating students and staff about Black history and culture.

LSEC at London LGBTQ+ Pride

This EDI grant funded our Float for the London Pride event in June 2025, with participation from Students and Staff in attendance. Our participation helped us to celebrate LGBTQ+ culture and identities, advertised ourselves as an LGBTQ+ friendly and inclusive place to work and learn, and helped make our LGBTQ+ staff and students safer, more supported and more included within the College.

Breaking Down Barriers and Achieving Success for All

This project is a pilot project, and still underway, and will evaluate evidence-based interventions designed to improve attendance, behaviour and achievement for students at Level 1. The project will conduct research into behavioural issues among students, which have been identified by teachers, to understand these in more detail and the causes, and will develop appropriate intervention strategies to target these.

Mental Health Awareness Month

This project focused on the implementation of a range of mental health activities and initiatives during Mental Health Awareness Month in May. There were a range of events to increase awareness of Mental Health issues, provided opportunities for staff and students to share personal experiences, facilitated the creation of safe spaces for discussion around mental health, and there were activities available for students and staff to engage in to help improve mental health and wellbeing, such as breathe, meditation and yoga sessions, as well as more specialised guidance from external speakers.

By 2030, we plan to have funded up to 50 community projects.

DEVELOPMENT AND PERFORMANCE

Financial Results

In 2024/25 the College generated an adjusted operating surplus of £4.17m (2023/24: surplus of £1.13m) prior to FRS102 pension costs, and profit on sale of fixed assets. The total comprehensive income of the College for the year after including these items and the actuarial gain in respect of the Local Government Pension Scheme (LGPS) was a surplus of £4.2m (2023/24: a surplus of £1.6m).

The total comprehensive income for 2024/25 includes £0.15m (2023/24: £0.41m) of restructuring costs and £0.02m exceptional property strategy costs which have been expensed on planning of major building works, and £0.15m of positive FRS102 Local Government Pension Scheme

Members' Report (continued)

Review of progress in 2024/25 against the Strategic Plan (continued)

DEVELOPMENT AND PERFORMANCE (continued)

Financial Results (continued)

(LGPS) adjustments (2023/24: £0.1m), and an actuarial gain totalling £0.19m in respect of the LGPS (2023/24: £0.13m loss).

The College has an accumulated income and expenditure account surplus of £58.8m including the LGPS pension reserve (2023/24: £54.1m) and cash balances of £22.3m (2023/24: £30.3m). The College wishes to accumulate reserves and cash balances in order to create a contingency fund, but this is balanced with the need to reinvest in equipment and the College estate following the merger.

Total College income for the year was £61.1m, which is an increase of £3m from 2023/24 (£58.1m), mainly due to an increase in 16-18 Funding, contracts on High Needs provision and Other grants resulting from increased learner numbers requiring high needs support and increased investment income on deposits.

Cash flows and Liquidity

The College aims to generate a cash inflow from operating activities each year, and a cash inflow of £21.2m was achieved (2023/24: £3.82m). The College also aims to maintain an appropriate balance between continuing capital investment and net current assets. However, net current assets decreased by £6.9m to £13.1m at 31 July 2025 (2023/24: £20m) due to continuing major capital investments.

Liquidity remained strong during the year with cash balances of £22.3m (2023/24: £30.3m) as the College builds cash reserves to fund some major capital projects. During the year the College has continued to invest in its estate, equipment and major capital projects with total capital expenditure net of capital grants during the year being £17.2m (2023/24: £7.49m).

The quantum of overall debt is determined by the College's ability to meet capital repayments and debt charges with due regard to interest rate risk. Treasury management is the management of the College's cash flows, its banking, money market and investment transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks. The College has a separate Treasury Management Policy in place.

Treasury policies and objectives

Short-term borrowing for temporary revenue purposes is authorised by the Accounting Officer. Such arrangements are restricted by limits in the College's Financial Memorandum agreed with the Department for Education. All other borrowing requires the authorisation of the Corporation and shall comply with the requirements of the Financial Memorandum.

Reserves

The College has £64m (2023/24: £59.8m) of net assets, with NIL pension liability (2023/24: £0.06m pension liability) and long-term debt of £4.9m (2023/24: £5.8m). Long-term debt increased slightly with a change in payment profile of the DfE loan, rather than through any new borrowing.

Going concern

The College has funding contracts in place with the DfE for 2025/26, which provide a secure income stream for the year based upon current enrolment levels. In addition, the College has secure loan debt over the medium term. The medium-term financial plan for the College has been prepared on a prudent basis. The College faces numerous financial challenges, including those presented by the current economic climate and those following a period of major capital investment.

Members' Report (continued)

DEVELOPMENT AND PERFORMANCE (continued)

Going concern (continued)

This challenge is made much more difficult in the context of reclassification, with the College no longer being able to access the commercial liquidity resources it had in place to mitigate the risk of multiple major capital projects prior to being reclassified as part of the public sector. However, the plan demonstrates that despite cash reserves being significantly reduced through such, with the controls and mitigations in place, the College expects to have sufficient working capital to meet liabilities as they fall due.

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

Sources of Income

The College has an accumulated income and expenditure account reserve (excluding Pension Reserve) of £58.8m (2023/24: £54.1m) and cash balances of £22.3m (2023/24: £30.3m). The College wishes to continue to accumulate reserves and cash balances in order to help fund future major capital investment and to protect against adverse changes in financial performance.

The College continues to have significant reliance on the DfE for its principal funding source, largely from recurrent grants. In 2024/25 the DfE provided 75% of the College's total income (2023/24: 72%).

The Curriculum Strategy has been developed over the last year, initially informed by a draft approach to a Local Skills Improvement Plan developed by the College last year. The Strategy sets out five goals for the coming five years, recognising the need to ensure provision for young people and adults meets local skills needs.

FUTURE PROSPECTS

Curriculum Strategy & Developments

The Curriculum Strategy 2025-2030 has been approved by the Corporation board on July 9th 2025. The Strategy aims to create a collaborative and exceptional learning experience, fostering independent thinkers and preparing students for successful futures. This revised strategy aligns with the new Group Strategy for 2024-2030 and significant recent changes in the national and local policy context, including curriculum and SEND reforms. It responds to the national government's economic growth mission and the London Growth Plan, addressing local skills gaps and supporting our learners into good jobs. In doing so, the Strategy has identified the following curriculum priorities.

Based on a labour market information analysis and the LSIPs recommendations, the curriculum areas identified as priorities for the College are:

- Construction, including specialist trades
- Engineering & Manufacturing, including motor vehicle maintenance
- Digital & Creative
- Health & Social Care
- Distribution & Logistics, including wholesale and retail trade
- Education, including SEN-related training

From these priorities we concluded curriculum goals to be achieved over the period of 2025 – 2023.

Curriculum Goals

1. Increase positive destination for young and adult learners by providing an innovative curriculum which meets employer needs, supports economic growth, and sustainability to give learners the qualifications and skills to succeed in life.

Members' Report (continued)

FUTURE PROSPECTS (continued)

Curriculum Strategy & Developments (continued)

Curriculum Goals

2. Partner with local employers to design a curriculum that meets the current and future skills needs by establishing long term relationships that keeps us informed of the latest industry innovations.
3. Grow the number of learners with skills in priority areas identified by LSIP (such as digital and green skills), to meet demands and reduce skills gaps by training learners and staff in the latest technological industry developments.
4. Ensure the curriculum is inclusive to allow learners at all levels to reach or exceed their potential by gaining confidence and skills for independence and to thrive at work and life.
5. Strengthen learners' transferable skills by integrating them into the curriculum and civic action projects, reinforcing the knowledge and skills gained through their vocational qualifications.

These curriculum goals define the college curriculum intent and influence all provision across the college.

Curriculum Intent

Our curriculum intent focuses on driving innovation and promoting social action to benefit students and communities. We aim to provide a destination-led offer anchored in industry innovation, ensuring students are well-prepared for future careers and life beyond education. By fostering academic, professional, and personal growth, we develop well-rounded individuals who contribute positively to society. Our strong partnerships with local employers and stakeholders help us address local skills needs and adapt our curriculum to meet labour market demands. We are committed to digital, sustainability, and green agendas, ensuring our provision meets current and future skills needs.

The new refocused curriculum intent will be applied across the varied types of College provision as defined below.

- 16-19 Education
- Adults
- SEND
- Students with EHCPs in vocational areas
- Higher Education
- Apprenticeships

Accountability Agreement Statement (AAS)

A key feature of the curriculum reforms is ensuring that employers have a central role in designing and developing qualifications and training. This has been further enforced through the accountability system, that provides new powers to the Secretary of State to ensure FE providers comply with their 'duty' to co-operate with employer representative bodies in the development of the plans, and new statutory duty to keep provision under review to ensure that it best meets local needs. In this context, FE providers are required to complete an annual accountability agreement statement (AAS). In line with these expectations, LSEC College produces an annual accountability agreement statement (AAS) derived from their curriculum strategy and curriculum intent reviews, setting out how we will deliver against local, regional, and national skills priorities, working in collaboration with employers and other stakeholders aligned to local skills improvement plans (LSIPs). Also, this AAS has an action plan that is annually updated, monitored and approved by the Corporation board and is submitted to the DfE after being published on the College website. The AAS action plan is aligned with the five Curriculum Strategy goals. The intention is for us to

Members' Report (continued)

FUTURE PROSPECTS (continued)

Curriculum Strategy & Developments (continued)

Accountability Agreement Statement (continued)

detail how the College intends to achieve the curriculum strategy goals annually. By doing so, we ensure that the 2025/26 AAS action plan is responsive and up-to-date, addressing both current and future local and national needs. This approach helps us stay aligned with educational reforms and industry skills requirements.

Curriculum Developments

As a large College of Further and Higher Education, the College works highly effectively with a wide range of stakeholders to deliver a joined-up and strategic approach to regional skills development. We maintain purposeful partnerships with local councils, mayoral combined authorities, and chambers of commerce, while also collaborating closely with other colleges to align curriculum planning. This enables us to respond collectively to key skills challenges, foster regional coherence, and maximise the impact of shared initiatives. We also play an active role in shaping regional skills strategies, which has allowed us to establish clear specialisms in six priority sectors: Business Services (including Digital), Construction and Manufacturing, with a strong focus on Green Skills and Sustainability, the Creative Industries, Health & Social Work, and high-quality SEND provision.

Through collaborative research and the strategic use of labour market intelligence, the College is able to anticipate emerging skills needs with accuracy and agility. This intelligence underpins our comprehensive curriculum strategy, which we refined during 2025 following extensive consultation to ensure it remains fully aligned with employer needs and economic trends. Together with our partners, we design and deliver programmes that are current, relevant, and forward-looking. For example, we have introduced retrofit training for higher education students to support the green agenda, expanded Sector-Based Work Academies to build skilled talent pipelines, and embedded employability modules within ESOL courses to integrate language development with transferable workplace skills.

Our strategic partnerships with employers are central to our success. The College plays an active role in regional forums such as the South East London Chambers of Commerce, the Local London Skills and Employment Board, BusinessLDN LSIP Advisory Group, Bromley Adult Learning, Bromley Citizenship Sponsoring Committee, Opportunity Bromley Advisory Group, Bexley 2050 Skills and Employment Group, and the Local Economic Partnership, while also forging strong alliances with major organisations including PwC, Cory Riverside Energy, Halfords, NHS Trusts, and Kier Construction. These partnerships enrich our curriculum, ensure it reflects employer expectations, and provide clear progression routes from pre-entry to higher education. Our senior leaders, together with curriculum managers and teachers, maintain strong, active links with employers, drawing on their insights to shape delivery. For instance, feedback from industry has led us to place a differentiated focus on soft skills for 16–18-year-olds, digital skills for adult learners, and AI integration within higher education programmes.

Learners benefit directly from these partnerships through a wide range of employer engagement, guest lectures, and industry experiences. In Sport, for example, students were inspired by a talk from England Netball, which highlighted resilience, teamwork, and passion. Our Career Advantage and industry placement programmes further extend these opportunities, giving learners valuable exposure to the world of work, a strong sense of social responsibility, and the confidence to make a positive contribution to their communities. Employers consistently report high levels of satisfaction with us and value the knowledge, skills, and professional behaviours our students develop. Our governing body provides effective oversight and constructive challenge, ensuring our strategic plans remain ambitious, responsive, and grounded in realistic delivery.

Members' Report (continued)

FUTURE PROSPECTS (continued)

Curriculum Developments (continued)

Study Programmes

Our Study programme provision covers 14 of the 15 subject sector areas and ranges from Entry level to Level 3. In 2024/25, seven T-level courses, Management, Health, Building Services, Childcare, Construction, Digital Production, and Engineering were delivered. With the curriculum reform, T-level delivery has been on Bromley and Erith sites only in response to learners' demand. STEM provision has the largest proportion of young learner enrolment and attracts few adults studying alongside the youngsters. About three-quarters of our young learners needed to study English and/or maths alongside their vocational subjects. The College has much higher numbers of learners whose prior attainment in either GCSE English or mathematics not reaching a grade 4 in comparison to the national figures.

Most study programme courses at entry, level 1, level 2 and level 3 have seen improvement in achievement rates. English and Maths outcomes have maintained the same performance as last year, mainly due to an improvement in the GCSE grades, although there was a small decline for Functional Skills English and Maths.

High needs provision is offered as a discrete SEND provision as well as in the mainstream. Discrete SEND provision is delivered over three campuses within the Nido Volans Centres at Bexley, Bromley and Lambeth. The SEND provision works closely with Bromley, Bexley and Lambeth local authorities; however, the SEND programmes support learners from 8 other South East London boroughs, including Lewisham, Greenwich, Dartford, Kent, Southwark, Wandsworth and Croydon.

Historically, there have always been more learners with Education Health Care plans (EHCP) within the discrete SEND provision; however, over the last few years, there has been a significant increase, with 45% of learners with EHCPs now studying within the vocational areas across the wider college. With such an increase, leaders and managers of ALS are actively supporting the wider College to better personalise their vocational programmes to maximise learners' experience, progress, and achievement.

Of the 737 learners with EHCPs, 686 learners are in receipt of high needs funding drawn down from thirteen local authorities across the five LSEC campuses in 2024/25. All these learners have Education, Health and Care plans (EHCPs), 275 of these learners are on discrete SEND programmes across Bromley (135), Bexley (96) and Lambeth (44). For these learners, there are clear and rapid opportunities for progression to higher-level programmes that challenge and develop essential skills for life and employment.

The provision for learners with high needs at London South East Colleges is good, and learners make good or better progress against their starting points. Leaders and managers of the discrete SEND provision have created an excellent learning environment that fully meets the diverse needs of learners and enables them to develop excellent personal, social and employability skills.

Adult provision

The Adult provision at LSEC provides a broad range of adult programmes, from level Entry to Higher Education, intended for adults who want to return to education, improve their skills, or to develop their confidence to be more active in their local community.

The success of this provision is evidenced by the high number of learners who participated in our adult programmes across all campuses (Orpington, Bromley, Bexley, and Greenwich), and by their high retention by the end of the 2024/25 academic year.

Members' Report (continued)

FUTURE PROSPECTS (continued)

Curriculum Developments (continued)

Adult provision (continued)

The courses are mainly delivered directly by the College with the largest learner numbers being on ESOL, Distance Learning, Adult English and Maths, Employability & Innovation, and Access to HE courses. The content of the provision is as follows:

- ESOL provision ranges from Pre-Entry to Entry 3 level
- Distance Learning provision offers a variety of 12-24-week courses on a wide variety of topics, such as an Award in Mental Health, Counselling, Team leading, Management, and end-of-life care.
- Employability & Innovation provision represents short courses developed in collaboration with external agencies such as DWPs supporting adults into employment
- The Access to HE provisions represent Pre-Access courses and Access Courses in various topics, such as Health, Social Work, Business, Nursing and Computing, etc.

The partnership provision represents the subcontracted courses with organisations including Global Skills Training, Learning and Skills Solutions, and Skills Network. The College recognises that delivery partners' provision can play an important role in providing a broad and flexible mix of courses for learners, employers and the wider community. Partnerships can benefit the College by accessing learners in different settings and communities who may not normally attend provision at a large FE college. They can also provide clear progression routes into College provision as they provide learners with a stepping stone qualification.

The College has engaged with a limited number of specialist partners, and only when there is a clear strategic reason to do so. The focus is to:

- provide training to learners who would not access education in a traditional college environment
- provide training to learners in specialist subject areas
- provide training to learners in a flexible model that is not viable within a college environment

Such subcontracted provision supports the college curriculum strategy and intent to provide the maximum opportunities for further learning, training and upskilling our local communities. The subcontracted provision follows college quality assurance processes and is scrutinised through the Subcontracting Committee that reports to the governing board.

Apprenticeships

Our Apprenticeship provision had a total of 311 leavers in 2024-25 covering 7 Subject Sector Areas (SSAs), the largest being Construction (115) followed by Business Administration (81), Health, Public Services & Care (37), Engineering (31), Retail and Commercial Enterprise (20), Education and Training (17) and ICT (10).

Following a drop in performance in 2022-23, the apprenticeship provision improved by 6.5% in 2023-24 and a further 5.2% in 2024-25. This has also resulted in improvement in all other accountability measures (withdrawals, passed planned end date and breaks).

Withdrawals have seen a notable 20% improvement going into 2024/25, in addition to in-year withdrawals remaining low and future withdrawals improving by a further 42%.

As apprenticeships are a powerful vehicle for delivering economic growth, addressing skills gaps, and unlocking individual potential at the end of 2024-25, the development of the new apprenticeship strategy commenced during the year. The strategy is planning to set a clear statement of our ambition: to significantly expand our apprenticeship offer while raising the bar for

Members' Report (continued)

FUTURE PROSPECTS (continued)

Curriculum Developments (continued)

Apprenticeships (continued)

quality and impact. We are determined to position the College as a leading force in shaping the future of skills. Our apprenticeship provision will do more than meet current need; it will anticipate future demand and drive forward the development of resilient, work-ready talent pipelines across priority sectors.

Higher Education

Our Higher Education provision aims to offer a flexible higher education provision that is value for money for people looking to progress their careers or change direction. The majority of programmes are two years and can be studied alongside job commitments to enable students to gain qualifications and the skills and knowledge needed to further their career. These include Higher National Certificates/Diplomas including HTQs, Foundation and Bachelor degrees which are validated by the University of Greenwich, Canterbury Christ Church University and Pearson.

The Higher Education provision had enrolled 281 learners in 2024/25 and was made up of a curriculum in Built Environment (131), Business (11), Digital (22), Education and Early Years (52+), Health & Social Care (23) and Sport (8). However, these numbers have been declining for the last five years. This area is under review to assess the suitability of these programmes vs the local needs. The corporation is currently reviewing the strategic position in relation to this offer.

Achievement rates within HE have improved from 86.1% in 2023/24 to 86.5% in 2024/25. Overall pass rates have moved from 92.23% in 2023/24 to 97.6 in 2024/25. A key area of focus for the HE is to improve students preparation for both formative and summative assessments so that higher outcomes can be further secured.

The Higher Education provision has now fully embedded itself in the Ozone building, creating a specialist University Centre environment. Within this the University Centre a new Higher Technical Qualifications in Cyber Security has been set-up, which is now in its second year.

As a social enterprise organisation, LSEC recognises that qualifications alone are not sufficient to equip learners for success in life. We want to build strong, sustainable communities that are economically and socially prosperous, and for our learners and partners to join us on this journey as co-producers in achieving this vision. This is why our learners' education includes the following:

English and Maths Learning

The College recognises the importance of learners' literacy and numeracy skills as a key tool for enhancing learners' employability prospects. Learners are provided with Functional Skills (FS) classes as stepping stones to support our learners in achieving their GCSEs in both English and Maths if they have attained grades below 3 in these subjects. If learners have grade 3 in these subjects, they are provided with the opportunity to re-study such subjects. Our learners are also supported outside their English and Maths (FS or GCSE) classes. This is achieved through the use of 121 teacher support, ALS support and small group learner support.

Preparation for work

Work Experience (WEX) has a high profile within the college, which is introduced through the tutorial provision and through curriculum sessions. The dedicated Work Experience team works with learners and employers to identify WEX placements linked to learners' main vocation and/or aspirational destination. The WEX is also supported with Career Advantage software that provides learning opportunities across the following four different modules:

Members' Report (continued)

FUTURE PROSPECTS (continued)

Curriculum Beyond Qualifications

Preparation for work (continued)

- Critical Thinking
- Industry Placement
- Social Action and Enterprise
- Industry Placement

Social impact and inclusion

As a College and wider Group, we are committed to promoting social inclusion and ensuring that every learner has the opportunity to thrive, both within education and as active citizens in their communities.

At LSEC, across our campuses, a wide range of enrichment opportunities are offered – from sport and wellbeing activities such as football, rugby, boxing, yoga and dance, through to creative and social activities including music, drama and inclusive student-led groups such as our LGBT+ social inclusion forum.

This year, we also introduced the innovative “LSEC Seven Wonders” initiative, designed to broaden horizons and raise aspirations by giving students new experiences outside the classroom. Trips have included visits to museums, the theatre, the beach, and even a working farm, opening up opportunities many learners may not otherwise be able to access.

Alongside this enrichment, we place a strong emphasis on volunteering and civic engagement. Through our leadership of the national Good for Me, Good for FE campaign, our students and staff are encouraged and supported to give back to their communities – building skills, confidence and social capital while delivering tangible benefits for others.

This commitment is celebrated annually through our Good for Me, Good for FE Awards (in their 3rd year), which recognise outstanding contributions to volunteering and community action.

Looking ahead, we will strengthen our social impact through the new charity within our Group, the LASER Education Foundation. Underpinned by research with over 3,000 young people, we have identified the greatest areas of need in our communities and are now developing targeted programmes to address them – from improving wellbeing and mental health to widening access and tackling barriers to social mobility.

This evidence-led approach is ensuring that our resources and partnerships deliver the greatest possible long-term impact in terms of social impact and community wealth-building.

Tutorials

The College tutorial delivery model is such that the tutorial scheme of learning is delivered by a central team of Student Achievement Tutors under the management of the cross-college Quality Team. The tutorial content covers a wide range of safeguarding, personal development and destination-focused themes. Sessions delivered use a combination of online learning materials, videos, interactive menti meter and debates to bring in a range of challenging, and sometimes sensitive topics, including sexual harassment, consent, Prevent, EDI and staying safe themes.

Financial plan

The Corporation approved a three-year financial plan in July 2025, which sets objectives for the period to July 2027. The college aims to build upon its strengths which include evolving our curriculum, increased progression opportunities within the curriculum strategy, and in response to Government and GLA funding priorities.

Members' Report (continued)

FUTURE PROSPECTS (continued)

Financial Plan (continued)

The plan takes account of the ongoing capital investment and the capital expenditure in respect of the partial disposal and rebuild of the Plumstead campus, and the major refurbishment of part of its Bromley Campus following a successful Further Education Capital Transformation Fund (FECTF). Furthermore, the plan includes investment in other smaller projects aimed at improving the learning environment and addressing building condition liabilities for life-expired components.

The three-year financial plan has been prepared in accordance with the strategic plan and aims of the College and shows that with the main assumptions and contingencies, the financial performance of the College should be sustained. However, in the absence of being able to access commercial finance facilities, which the College had in place to support committed capital expenditure, cash balances will become lower than ideal levels, but are expected to recover after the period of major capital investment.

Reserves Policy

In accordance with its Strategic Plan, the College aims to hold reserves in order to provide sufficient cash flows to support the maintenance and improvement of the College estate and equipment. The recommended minimum cash balance at any time for this purpose is £7m. In this regard, the College has been building reserves to support the redevelopment of its Plumstead campus and the major refurbishment of its Bromley campus and these projects have now commenced and are expected to complete by December 2025. In addition, the College holds reserves to provide a degree of protection against adverse changes in the number and/or profile of enrolments and/or in-year reductions to funding allocations.

Therefore, the College endeavours to:

- Maximise the operating position each year and achieving a cash inflow from operating activities.
- Manage cash flow and liquidity so that variable cash demands can be managed in order to smooth out irregular and cyclical spending and allow for unexpected and unpredictable needs.
- Manage known risks that are not insurable or where insurance does not provide value for money.
- Fund annual capital investment in order to ensure the estate is safe and fit for purpose, and IT and other equipment is up to date and suitable for learning.
- Provide resources for major capital projects, including building refurbishments, new buildings, or infrastructure improvements. Reserve levels for this purpose will be agreed on a case-by-case basis in accordance with the property strategy.

The current period of major capital investment will significantly deplete the reserves held by the College, and these will need to be rebuilt thereafter, in order to mitigate risk and support further investment.

PRINCIPAL RISKS AND UNCERTAINTIES

The College has continued to undertake further work this year to develop and embed its systems of internal control, including financial, operational, and risk management, in order to ensure the College is best placed to achieve its objectives.

Based on the strategic plan, the College management team undertakes a comprehensive review of the risks to which the College is exposed. They identify systems and procedures, including specific preventable actions, which should mitigate any potential impact on the College.

Members' Report (continued)

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

The internal controls are then implemented, and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions during the year. A risk register is maintained at the College level, which is reviewed at each meeting by the Audit & Risk Committee and Corporation. Furthermore, the College also maintains a strategic risk register to focus on the wider strategic themes and specific strategic risks. The risk registers identify the key risks, the likelihood of those risks occurring, their potential impact on the College and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

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

Government Policy Changes

The external policy environment is currently subject to a high degree of uncertainty, and in particular, those relating to the education sector. The College High Needs provision offered by the College is very popular and is one of the largest in the country, and crosses many Local Authority boundaries across London and the South East. This exposes the College to a significant education and financial risk in the context of potential reforms to the SEND system, including EHCPs and funding for high needs, with the potential for a move towards a national funding formula.

This risk is monitored closely by the Corporation and senior leaders, and actions will be taken in response to policy announcements in order to mitigate this risk. Furthermore, through its growth plans, the Trust is targeting a more diverse mix of provisions, which will help to mitigate the corporate risk.

The risk is mitigated in a number of ways:

- Through maintaining strong relationships with our Local Authorities;
- Through the offer of high-quality provision which meets the needs of learners;
- By ensuring the College has a diverse curriculum offer so that it is not wholly or mainly reliant on SEND funding
- Through budgets for High needs being centralised, allowing greater clarity on the cost the provision
- By regular close monitoring of the efficiency metrics relating to the wider curriculum offer.
- Through regular monitoring of the overall College budget to ensure the College remains viable.

Government Funding Levels & Inflationary Pressures

The College has considerable reliance on continued government funding through the DFE and GLA. In 2024/25 89% of the College's revenue was ultimately public-funded and this level of requirement is expected to continue. Funding rates per learner for the sector have fallen considerably behind inflation since 2010, and pressures on pay award demands, paying attractive salaries to attract staff from industry, together with high non-pay inflation and an ageing College estate, continue to present challenges for the College and wider sector. This cumulative impact of this is placing significant financial pressures on College revenue budgets which will ultimately impact upon learners.

This risk is mitigated in a number of ways:

- By ensuring the College continues to respond to the introduction of reforms, which will include working closely with employers, funding agencies and other Colleges;
- By ensuring the College is rigorous in delivering high-quality education and training;

Members' Report (continued)

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Government Funding Levels & Inflationary Pressures (continued)

- Through the strategic alignment of its curriculum offer to job outcomes demand from employers, and government priorities;
- Through strong budgetary control and ensuring the College achieves value for money;
- Through focussing resources on key business priorities;
- Through a relentless focus on the learner experience and achievement.

Recruitment and retention of staff

The current economic climate and historically low funding levels for the sector is having a significant impact on the ability of the College to attract and retain staff. With a number of commercial sectors now offering salaries that the College is unable to compete with, retaining our much valued workforce and attracting staff into the sector is becoming a daily challenge.

The risk is mitigated in a number of ways:

- Through offering good terms and conditions to staff, including excellent pension benefits, and flexible working wherever possible;
- Through measuring staff satisfaction and ensuring the actions are taken to make improvements for staff;
- Fostering a culture of equality and diversity in which all staff are valued and implementing a health and wellbeing strategy;
- Through offering generous annual leave entitlements, including a summer and Christmas closure period;
- Through offering other benefits and rewards to staff, such as an annual wellbeing day, volunteering days, etc.

KEY PERFORMANCE INDICATORS

The College has a number of key performance indicators, which are explained below:

The College's main learner-related targets for 2024/25 were:

Key performance indicator	Target	Actual
DfE Youth Learner Numbers	4,173	4,238
Total Adult Education Budget income	£7.87m	£7.31m
Total Apprenticeships Income	£2.13m	£2.31m
Total HE Income	£1.81m	£1.39m
Ofsted rating	Good	Good

Performance against the AEB and HE indicators above is due to under-recruitment. The AEB underperformance relates to the GLA contract.

The College's main financial targets for 2024/25 were:

Members' Report (continued)

KEY PERFORMANCE INDICATORS (continued)

Key performance indicator	Target	Actual
To achieve an Education Specific EBITDA of at least 5% each year	5%	9.6%
Achievement of an annual net cash inflow each year before major capital project expenditure	>£0	£3m
An adjusted current ratio target of at least 1.2	1.5	2.5
To maintain a minimum bank balance of £5m	£8.3m	£22.3m
Achievement of all annual financial bank loan covenants	Achieved	Achieved

Performance against the FE Commissioner Ratios and Targets are as follows:-

Key performance indicator	Target	Actual
Adjusted operating position as a % of income	>1	7.4%
Debt service cover	>2	6.9
Cash days in hand	>25	156
Adjusted current ratio	>1.4	2.5
Staff cost (excl restructuring as a % of income (excl. Financial Health grade	65%	65.8%
	Good or Outstanding	Outstanding

All financial objectives for the year were achieved. Specific financial measures are in place to enable progress against the strategic objectives to be measured. The measures relevant for the duration of this financial plan and performance against those targets are listed in more detail below. The College is required to complete financial returns for the Department for Education (DfE). The financial returns produce a financial health grading, and the current rating of 'Outstanding' for 2024/25 is considered to be a significant achievement in the current FE climate and related economic conditions.

For 2024/25 the College's overall classroom-based achievement rates has improved on last year's performance, from 83.6% to 84.5% an increase of 0.9%. This is because adult learners' achievement rates improved from 83.9% to 87.2%. Over a period of three years, classroom-based achievement rates rose from 80.4% to 84.5%. For young learners on classroom-based provision, the curriculum at level 2 (+2.3%) and level 3 (+2.5%) improved on the previous year's performance. In relation to national rates, overall achievement rates for young people were 82.2% compared to a national rate of 82.9%. For adult learners on classroom-based provision the achievement rate increased from 83.2% to 87.1%. The achievement rate for level 1 has increased by +8.3%, level 2 by +5.1%, level 3 +0.6%.

- Leaders and managers will continue to improve aspects of teaching, learning and assessment, especially in relation to assessment feedback and particularly areas where the outcomes need further improvement, despite increases in overall outcomes, especially adults. These include adult Functional Skills English and Maths, young learners Functional Skills Maths and English, AAT, and certain level 2 and level 3 examined courses for example Plumbing, electrical installation for young and adult learners and apprentices.
- The College's overall apprenticeship provision rates improved on last year's performance from 52.5% to 58%. The details of learners' performance are articulated in the college's Self-Assessment Report (SAR), as the SAR is an accurate assessment of the College's overall performance.

Members' Report (continued)

KEY PERFORMANCE INDICATORS (continued)

Payment Performance

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days. During this financial period, the College paid 94% of its invoices within 30 days in line with the Treasury target. This is the same as reported in the previous year.

Equality, Diversity & Inclusion

The College is committed to ensuring equality of opportunity for all who learn and work here. We respect and value positively differences in race, gender, sexual orientation, disability, religion or belief and age. The College values and celebrates diversity of its learners, staff and other stakeholders and is committed to the promotion and advancement of equality in every aspect of its operation. The College will not tolerate any form of discrimination, victimisation or harassment on any grounds. All of the College's learners and members of staff are helped and encouraged to develop their full potential within an ethos which recognises and values the benefits that a diverse workforce supporting a diverse student body can bring to both the local and wider community.

The College complies with the provisions as contained in the Equality Act 2010. Progress toward the achievement of the College's equality objectives is monitored by the Equality and Diversity Steering Group, and regular reports are presented to the Corporation. The College's Equality Policy is published on the College's intranet site.

Disability Statement

The College systematically monitors the diversity of its staff and reviews its recruitment arrangements to support equality and diversity objectives. Equality and Diversity training continues to feature in the Strategic Professional Development Framework, as part of the College's mandatory training requirements.

The College considers all applications for employment from disabled persons, bearing in mind the aptitudes of the individuals concerned and, where disabled candidates disclose their disability to the College and meet the minimum selection criteria, an interview will be offered. Where an existing employee becomes disabled, every effort is made to ensure that their employment with the College continues. The College's policy is to provide training, career development and opportunities for promotion, which are, as far as possible, identical to those for other employees. The College holds the "two ticks" - positive about disabled people - kite mark.

The College is successful in recruiting a very diverse range of students, including a significant number of students with disabilities, and continues to work to widen access to all actual and potential learners. Specialist programmes and facilities are provided for students with complex needs and the support needs of students disclosing a learning/disability are assessed and support provided as required.

The College is fully compliant with the provisions as contained in the Equality Act 2010 and the requirements of the Special Education Needs and Disability Act 2001, and continues to work to widen access to all actual and potential learners.

Trade union facility time

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

Members' Report (continued)

Trade union facility time (continued)

Numbers of employees who were relevant union officials during the year	FTE employee number
5	4.28

Percentage of time spent on facility time:

Percentage of time	Number of employees
0%	-
1-50%	5
51-99%	-
100%	-

Percentage of the pay bill of these staff spent on facility time:

Total cost of facility time	£25,029,76
Total pay bill	£199,188.94
Percentage of total bill spent on facility time	12.57%

Paid trade union activities:

Time spent on paid trade union activities as a percentage of total paid facility time	100%
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Streamlined Energy and Carbon Reporting

Quantification and Reporting Methodology

The 2019 UK Government Environmental Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) were followed. The 2022 UK Government GHG Conversion Factors for Company Reporting were used in emission calculations as these relate to the majority of the reporting period. The report has been reviewed independently by Briar (Briar Consulting Engineers Limited).

The electricity and gas energy use was compiled from invoices. Where invoices were unavailable, the data was extrapolated to cover the missing period (pro-rata method) to ensure it falls within a reasonable range. Mileage records were used to calculate energy and emissions from College owned vehicles and grey fleet. Gross calorific values were used except for mileage energy calculations as per the Government GHG Conversion Factors.

The emissions are divided into mandatory and voluntary emissions according to the 2018 Regulations, then further divided into the direct combustion of fuels and the operation of facilities (scope 1), indirect emissions from purchased electricity (scope 2) and further indirect emissions that occur as a consequence of company activities but occur from sources not owned or controlled by the organisation (scope 3).

The reported purchased electricity has increased slightly through more electricity being used. This is likely to result from temperature variability over the summer, requiring more cooling, and the increased amount of digital equipment being used for teaching and learning.

Members' Report (continued)

Streamlined Energy and Carbon Reporting (continued)

Quantification and Reporting Methodology (continued)

Breakdown of energy consumption used to calculate emissions (kWh):

Energy type	2024/25	2023/24	2022/23
Mandatory requirements:			
Natural gas	3,854,874	3,930,550	4,022,325
Purchased electricity	3,656,943	3,520,566	3,315,372
Transport fuel	59,510	51,331	119,324
Total energy (mandatory)	7,571,327	7,502,447	7,457,021

Breakdown of emissions associated with the reported energy use (tCO₂e)

Emission source	2024/25	2023/24	2022/23
Mandatory requirements:			
<u>Scope 1</u>			
Natural gas	705.3	718.9	735.8
Transport - Company-owned vehicles	5.8	4.5	5.3
<u>Scope 2</u>			
Purchased electricity (location-based)	29.6	-	481.8
<u>Scope 3</u>			
Transport – Business travel in grey fleet	8.8	8.1	8.5
Total gross emissions (mandatory)	749.5	731.5	1231.4
<u>Intensity ratios (mandatory emissions only)</u>			
Tonnes of CO ₂ e per staff member	1.14	1.21	1.50
Tonnes of CO ₂ e per square meter floor area	0.0137	0.014	0.023

Intensity measurement

Two intensity ratios are reported, showing emissions (tCO₂e) per staff member and per square meter floor area. Emissions per staff member is the recommended ratio for the sector for consistency and comparability. Emissions per square meter floor area are reported to reflect the energy efficiency of the buildings, which are the source of the majority of reported emissions. Both ratios are showing a positive annual trend as we strive to reduce our carbon emissions.

Measures taken to improve energy efficiency

During the 2024/25 the College has continued to prioritise energy efficiency across its estate:

- At the Bromley campus, old windows were replaced and upgraded to enhance natural light while reducing solar ingress, resulting in an estimated annual gas savings of 10% from February 2025 onwards.

Members' Report (continued)

Streamlined Energy and Carbon Reporting (continued)

- The transition to LED lighting has also progressed, with upgrades implemented in areas where older lighting types remained, further reducing electricity consumption.
- On the Greenwich Campus, significant progress has been made with the construction of the new BREEAM Outstanding campus, designed to set a benchmark for sustainable building practices, operational until the start of the 2025-26 academic year. This replaces the old 1960's building.
- As of 2024, Estates Department embedded sustainability evaluation processes in all Procurement for provision of hard and soft FM services.

These initiatives reflect LSEC's commitment to reducing energy use and carbon emissions through targeted infrastructure improvements and the adoption of best practices in energy management.

Looking ahead, the College will continue to invest in energy efficiency and carbon reduction measures. The opening of the Future Greenwich campus will mark a major step forward in sustainable operations, incorporating advanced technologies and design features to minimise environmental impact.

The College will also explore further opportunities for renewable energy procurement, ongoing LED lighting upgrades, will enhance building management systems BMS/BEMS to optimise energy performance and gradually transform the fleet to electric vehicles.

The College will also be recruiting a Group Sustainability Manager fully dedicated to sustainability and Carbon Zero initiatives and contributing to the adoption of green energy for the utilities GAS, Electricity and Water.

By maintaining a proactive approach and regularly reviewing progress, LSEC aims to achieve even greater reductions in energy consumption and emissions in future reporting years, supporting both regulatory compliance and broader sustainability goals.

EVENTS AFTER THE REPORTING PERIOD

There are no events after the reporting period.

Going Concern

The College has funding contracts in place with the DfE for 2025/26, which provide a secure income stream for the year based upon current enrolment levels. In addition, the College has secure loan debt in place until October 2027. The medium-term financial plan for the College has been prepared on a prudent basis and demonstrates that financial performance is expected to be sustained and the College will continue to meet its banking covenants. The plan also shows that although cash levels become very low, the College should have sufficient working capital to meet liabilities as they fall due.

The College has commenced the rebuild of its Plumstead campus and has disposed of part of the campus as part of its funding strategy for the project. The new campus will be built on the remaining land owned by the College. This project has been ongoing for over 6 years and has been planned. and phased to ensure that disposal proceeds are ahead of expenditure as far as possible. The impact of construction inflation has significantly increased the cost of the project, and through our successful mitigations and other strategies, our future forecasts show that the College is expected to maintain reasonable levels of cash for the foreseeable future.

Members' Report (continued)

Going Concern (continued)

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

DISCLOSURE OF INFORMATION TO AUDITORS

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

Approved by Members of the Corporation on 8 December 2025 and signed on their behalf by:



David Eastgate
Chair

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 period from 1 August 2024 to 31 July 2025 and up to the date of approval of the annual report and financial statements.

The College endeavours to conduct its business:

- 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 Association of Colleges in The Code of Good Governance for English Colleges, the DfE College Governance Guide, the Post 16 Audit Code of Practice, the Nolan Principles of Public Life, and.
- iii. Having due regard to the UK Corporate Governance Code 2018 (“the Code”) insofar as it is applicable to the further education sector.

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

The Corporation recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times. In carrying out its responsibilities, it takes full account of The Code of Good Governance for English Colleges issued by the Association of Colleges in March 2015, which it formally adopted in July 2015. A revised version of the Code of Good Governance for English Colleges was published in September 2021, following consultation with the Sector and shared with Corporation Members. In the opinion of the Corporation, the College complies with all the provisions of The Code of Good Governance for English Colleges, and it has complied throughout the year ended 31 July 2025. A further revision of The Code of Good Governance for English Colleges was approved by the DfE and published in Autumn 2023. The Corporation approved the adoption of the revised AoC FE Code of Governance from September 2024.

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

The College works closely with London & South East Academies Trust (LSEAT), and in April 2018 the independent boards of each entity agreed to work together to further their strategic aims as London & South East Education Group (LSEEG). Although not a legal entity, LSEEG had a collective turnover circa £117m in 2024/25.

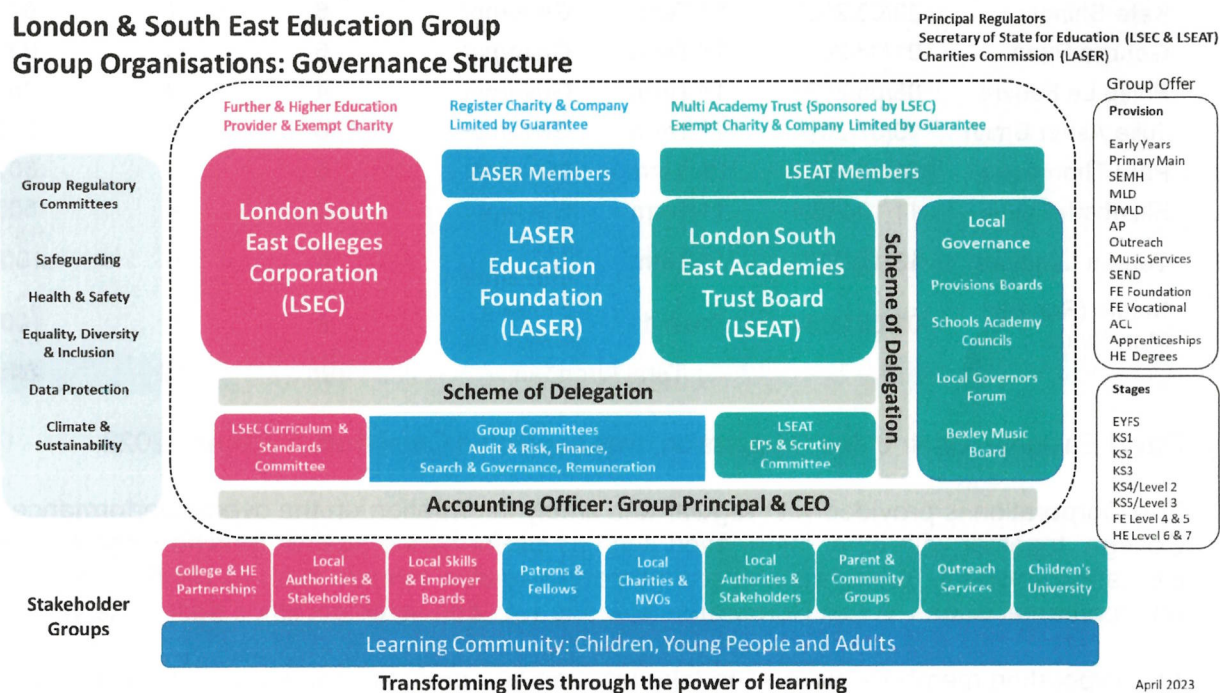
LSEEG is the umbrella organisation to co-ordinate the strategy of the organisations and to optimise and strengthen both governance and collaboration between group entities. This is achieved through schemes of delegation (subject to their non-delegable primary governance responsibilities and authority; their regulatory obligations; and management of potential conflicts of interest). The Group is not a legal entity, and organisations as members of the Group are not subsidiary companies which are controlled or owned by LSEEG.

Statement of Corporate Governance and Internal Control (continued)

In January 2023, the College and Trust, as Founding Members, approved the formation of a registered charity, London South East Region (LASER) Education Foundation. The charity has been constituted with aligned charitable objectives to support the College and Trust through fundraising, philanthropy, sponsorship and research and to further enhance the reputation, reach and engagement of the College and Trust with local communities and key stakeholders.

The Group rationale is borne from a shared mission, vision, and values, and seeks to optimise governance alignment through a Group Strategy and provide efficiencies across the organisations. Built on charitable principles and a coincidence of interest, the Group ethos is founded upon high-quality teaching and learning, the development of curriculum models fitting each school and cohort and a core and bespoke school improvement strategy which focuses on our shared strength.

Through a collaboration agreement between the College, Trust and Foundation Group Joint Co-ordinating Committees have been constituted. Governors and Trustees have been appointed to the Independent Legal Boards and to the Joint LSEEG Co-ordinating Committees, ensuring that a balanced combination of Governors and Trustees are represented on each of these, as defined by the relevant Articles of Association and the Group Organisation Scheme of Delegation. Details of the group governance arrangements are shown below:-



The Corporation

The members, who served on the Corporation during the year and up to the date of signature of this report, are as listed below. The Corporation conducts its business through meetings of the full Board and a number of Committees: Group Audit and Risk (GA&R), Group Search & Governance (GSG), Group Remuneration (GR), Group Finance (GF), Curriculum & Standards (C&S) and Sub-Committee for Capital Programmes established in 2023/24 (CAP). Each Committee has terms of reference, which have been approved by the Corporation; these are published within the Standing Orders available on the College website. The Group Chief Governance Office and Clerk to the Corporation maintain minutes of meetings and a register of members' financial and personal interests, which are available for inspection, on request to the Group Chief Governance Officer. Full minutes of all meetings, except those deemed to be confidential by the Corporation, are available on the College's website at www.lsec.ac.uk.

The list of Members who served during the period of the financial statements is recorded in the following table below.

Statement of Corporate Governance and Internal Control (continued)

Members of the Corporation serving on the College Board during 2024/25

London South East Colleges (LSEC) Corporation						
Name	Appointed LSEC	Tenure	Role	Meetings	Attended	%
David Eastgate	09/07/2020	2 nd Term	Chair	6	6	100%
Dr Sam Parrett	n/a	n/a	Governor	6	6	100%
Mark Trinick	11/12/2019	2 nd Term	Governor	6	6	100%
Louise Nadal	06/01/2020	2 nd Term	Vice Chair	6	4	67%
Angela Hands	13/07/2022	1 st Term	Governor	6	5	83%
Mark Burnett	13/07/2022	1 st Term	Governor	6	4	67%
Vince Fihosy	13/10/2022	1 st Term	Governor	6	4	67%
Darren Kirwin	23/03/2023	1 st Term	Governor	6	6	100%
Sarah Lewis	23/03/2023	1 st Term	Governor	6	5	83%
Kate Shiner	23/03/2023	1 st Term	Governor	6	4	67%
George Ryan	01/08/2023	1 st Term	Governor	6	5	83%
Philip Le Feuvre	08/05/2024	1 st Term	Governor	4	3	75%
Julie Asher Smith	10/07/2024	1 st Term	Governor	6	4	67%
Paul Thorogood	01/10/2024	1 st Term	Governor	5	4	80%
Elizabeth Funge	11/12/2024	1 st Term	Governor	5	4	80%
Teresa Langford	18/12/2022	1 st Term	Staff Governor	6	6	100%
Nicole (Runako) Mundondo	01/09/2024	Year 1	Student Governor	6	6	100%
Total Attendance				98	82	84%

David Eastgate, Chair of the Corporation, was appointed Chair from 1 January 2022.

The Corporation is provided with regular and timely information on the overall 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. A Full Corporation Meeting was convened six times during the year.

All Corporation members are able to take independent professional advice in furtherance of their duties at the College's expense and have access to the independent Clerk to the Corporation (the Group Chief Governance Officer), who is responsible to the Board for ensuring compliance with all applicable legislation, procedures and regulations.

The appointment, evaluation and removal of the Group Chief Governance Officer are matters for the Corporation as a whole.

Clear and robust Terms of Reference have been approved for each Board and Committee alongside Schemes of Delegation. These all provide assurance together with strong governance accountability across the Group and the Legal Boards formal agendas, papers and reports are supplied to Corporation members and each Group Committee in a timely manner, prior to meetings. Briefings are provided on an ad-hoc basis.

Statement of Corporate Governance and Internal Control (continued)

The Corporation and LSEEG Group have a strong and independent non-executive element, and no individual or group dominates its decision-making processes. 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 of the Corporation and Accounting Officer (CEO & Principal) of the College are separate.

Following the success of online meetings during COVID and increased participation and engagement, the Corporation continue to offer hybrid meetings with Board Meetings in person and Committee Meetings online.

A Governors Links and Visits Programme was in operation throughout 2024/25 with Governors visiting most areas of the college and sites, engaging with both staff and students.

Scrutiny of teaching and learning and oversight of the student experience was covered within the Curriculum & Standards Committee and within reports to the Corporation and observed during the visits and links programme.

Appointments to the Corporation

Any new appointments to the Corporation are a matter for the consideration of the Corporation as a whole following recommendation from the LSEEG Governance & Search Committee. This Committee comprises four members with the power of co-option of further members external to the College or College staff with particular expertise when vacancies arise, where a person with a certain background may be required. This Joint Group Co-ordinating Committee is responsible for the selection and nomination of any new member consideration. The Board is responsible for ensuring that appropriate training is provided as required and the Group Chief Governance (Clerk to the Corporation) is designated to support and facilitate the training and induction of new Governors.

The Corporation has agreed to adhere to the recommendation in the AoC Code of Good Governance for English Colleges that no members should serve more than two terms of office (or eight years).

Members of the Corporation are appointed for a term of office not exceeding four years, with the exception of student members who are appointed for a term of office not exceeding one year.

Corporation performance

The Corporation is responsible for the strategic oversight of the College, is the guardian of public money and ensures its effective and efficient use. Self-evaluation is a process for the Board to consider its effectiveness and impact and at LSEC an annual self-evaluation of the board and individual members of the Corporation has taken place since 2019.

The self-assessment framework used at LSEC aligns to the AOC Code of Good Governance for English Colleges' expectations, in setting out core values. The Code adopts and builds on the Seven Principles of Public Life, which provide an ethical framework for the personal behaviour of governors.

The Code is based on a number of expectations of good governance, which illustrate the values and beliefs of college governors, and which are included in the LSEC Board Review.

Statement of Corporate Governance and Internal Control (continued)

Underpinning the self-assessment of the LSEC Board is the acceptance of the ten principal responsibilities and objectives for Governors at LSEC as below.

1. Formulate and agree the mission and strategy including defining the ethos of the organisation.
2. Be collectively accountable for the business of the organisation, taking all decisions on all matters within their duties and responsibilities.
3. Ensure there are effective underpinning policies and systems, which facilitate the pupil or student voice.
4. Foster exceptional teaching and learning.
5. Ensure the organisation is responsive to workforce trends by adopting a range of strategies for engaging with employers and other stakeholders.
6. Adopt a financial strategy and funding plan which are compatible with the duty to ensure the sustainability and solvency of the organisation.
7. Ensure that effective control and due diligence take place in relation to all matters, including acquisitions, subcontracting and partnership activity.
8. Meet and aim to exceed statutory responsibilities for equality and diversity.
9. Ensure that there are organised and clear governance and management structures with well-understood delegations.
10. Regularly review governance performance and effectiveness.

In line with DfE regulatory requirements, an External Board Review was conducted in early 2024, when it was determined that the Corporation consistently impacts positively on college outcomes and there is strong evidence that it is highly proficient in most or all of the Board outcomes.

As part of the College's self-assessment process, the Corporation conducted a self-assessment of its own performance for the year ended 31 July 2024. The framework for the review was adapted and modified to align to the new AOC Governance Code the Corporation approved to adopt in 2024.

This identified key areas of strength and challenge, together with areas that required development and growth in capacity to improve governance effectiveness. A Board Action plan is in place to address areas where there is capacity to improve, and the overall assessment of the Corporation is that its governance for the year was effective. This also includes the actions identified from the External Board Review.

An important output of individual Governors' reviews and the Board's overall review is the assessment and training and development needs identified. Both individually and collectively, the Board is invited to training and development activities, through the Association of Colleges, Education Training Foundation and bespoke updates on government policy changes and Ofsted. Some training and development are designated specifically for the Chair, Vice Chair and Committee Chairs. This supports succession planning and board recruitment, ensuring that there is the right mix and balance of skills and experience on the Corporation who can ask the difficult questions, scrutinise and hold the Executive Team to account.

Throughout 2024/25, members of the Corporation have participated in training and developing events, including networking events for Chairs and Vice Chairs, Finance Committee Chair Training, Audit and Curriculum & Standards Networking Events. The Board has also received updated guidance from external professional bodies, on HE, Ofsted EIF, AI and Risk Management, External Policy Development.

The Group Chief Governance Officer and Clerk to the Board has also participated in a number of networking and training and development sessions, including Ofsted, Curriculum and Qualification Reforms, HE Development AI and Risk Management.

Statement of Corporate Governance and Internal Control (continued)

The Group CEO and Group CFO are also both NLFs and participate in professional development to support their work with underperforming FE Corporations and Colleges in the sector.

Group Remuneration Committee

Throughout the year ended 31 July 2025, the Group Remuneration Committee comprised three members. The Committee's responsibilities are to make recommendations to the Corporation on the remuneration and benefits of the CEO & Principal, senior post-holders, and other senior staff in accordance with the Group Executive Pay Policy approved by the Corporation.

The College has adopted the AoC's Senior Staff Remuneration Code and, to the extent to which it applies, the Higher Education Senior Staff Remuneration Code issued by the Committee of University Chairs (CUC). The remuneration for the CEO & Principal is considered annually by the Group Remuneration Committee, which makes a recommendation to the Corporation regarding the remuneration of the CEO & Principal. The CEO & Principal is not involved in setting their remuneration.

As indicated elsewhere in these financial statements, London South East Colleges is a successful leading provider of further and higher education in South East London with an annual turnover of circa £61m, over 10,090 students and 935 members of staff (Headcount), with activities across seven campuses in South East London. Like other providers of further education, the College operates under significant financial constraints in an increasingly competitive student market, linked to demographic factors and regular changes in government policy.

The role of the CEO and Principal also covers the London & South East Academies Trust (LSEAT). As a Multi Academy Trust, LSEAT consists of 16 Schools, which are a mixture of Special, Alternative Provision, and Primary Mainstream. The Trust has an annual turnover of circa £56m, over 3,386 pupils, and 937 members of staff. Collectively, these organisations form the London and South East Education Group, for which the CEO and Principal are responsible.

The other factors considered by the Committee in determining the appropriate remuneration for the CEO and Principal include the result of a job evaluation and benchmarking exercise this was completed by Korn Ferry Group in October 2023 using benchmarking data on heads of similar institutions.

In addition, the Committee consider the assessment by the Chair and Corporation of the personal performance of the CEO & Principal against agreed objectives, together with the overall performance of the business. A similar approach was also used to determine the remuneration of the Group Executive Officers, including the Group Chief Governance Officer. Taking these factors into account, the Corporation considers the remuneration of the CEO and Principal to be fair, appropriate, and justifiable.

The Group Remuneration Committee provide an annual report to the Corporation on the result of its work during the year. Details of remuneration for the year ended 31 July 2025 are set out in note 7 to these financial statements.

Details of the attendance of Group Remuneration Committee Members during 2024/25 are set out below:-

Statement of Corporate Governance and Internal Control (continued)

Group Remuneration Committee (continued)

GROUP REMUNERATION COMMITTEE				
Role	Name	Meetings	Attended	%
Group Remuneration Committee Chair	Angela Hands	3	3	100
Chair LSEC Corporation	David Eastgate	3	3	100
Chair London South East Academies Trust	Rama Venchard MBE	3	3	100
		9	9	100
Group Chief People Officer	Janet Curtis Broni	3	3	100
Group Chief Governance Officer	Jennifer Pharo	3	3	100

Group Audit and Risk Committee

The Group Audit and Risk Committee comprises up to four members of the College Corporation and London South East Academies Trust, but not the Chair or CEO & Principal. The internal and external auditors were in attendance for each meeting. The Committee operates in accordance with written terms of reference approved by the Corporation and London South East Academies Trust.

The Group Audit and Risk Committee meets on a termly basis and provides a forum for reporting by the College's internal 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 FE funding bodies as they affect the College's business.

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

Management is responsible for the implementation of agreed recommendations, and internal audit undertakes periodic follow-up reviews to ensure such recommendations have been implemented. The Committee also advises the Corporation on the appointment of internal, regularity and financial statements auditors and their remuneration for both audit and non-audit work and approves the fees to be paid.

The Group Audit and Risk Committee is required to report to the Corporation on the result of its work during the year and that of the internal and external auditors through its annual Audit and Risk Committee Report, for 2024/25. This report is considered by the Corporation prior to the financial statements being approved.

Details of the attendance of Group Audit & Risk Committee Members during 2024/25 are set out below:-

Statement of Corporate Governance and Internal Control (continued)

Group Audit and Risk Committee (continued)

GROUP AUDIT & RISK COMMITTEE				
		Meetings	Attended	%
Group Audit & Risk Committee Chair	Marek Michalski	3	3	100
Governor and Trustee	George Ryan	3	2	67
Governor	Sarah Lewis	3	3	100
Trustee	Charles Yates	3	3	100
Trustee	Danny Kwalombota	3	3	100
Internal Auditors	Scrutton Bland	3	3	100
External Auditors	Buzzacott	3	3	100
Total Participation		21	20	95
Group Chief Governance Officer	Jennifer Pharo	3	3	100

Group Finance Committee

The Group Finance Committee comprises six members of the College Corporation and London South East Academies Trust Boards. The Committee operates in accordance with written terms of reference approved by the Corporation and Trust Board.

The Committee meets on a termly basis and provides additional scrutiny over the financial performance of the College and related policies. Through this work, it provides assurances to the Corporation that financial performance, oversight, and solvency are being managed effectively. Details of the attendance of the Group Finance Committee Members during 2024/25 is set out below:-

GROUP FINANCE COMMITTEE				
		Meetings	Attended	%
Group Finance Committee Chair (from March 24 to March 25)	David Eastgate	3	3	100
Trustee Committee Chair from March 25	Sarah Servantes	3	3	100
Trustee	Dr Sam Parrett, CBE	3	3	100
Governor	Paul Thorogood	3	2	67
Trustee	Milena Cooper	3	2	67
Total Participation		15	13	87
Group Chief Governance Officer	Jennifer Pharo	3	3	100

Group Search & Governance Committee

The Group Search & Governance Committee comprises four members of the College Corporation and LSEEG Boards. The Committee operates in accordance with written terms of reference approved by the Corporation and Group Board.

The Committee meets on a termly basis and provides scrutiny on the appointment of Governors, identifies skills gaps in the Board, and oversees the delivery of the Board Self-Assessment and performance reviews of Governors. The Committee also provides direction on strategic and policy matters, recommends Group-wide policies, Committee Terms of Reference, Committee Membership and Governor Link Schemes.

Statement of Corporate Governance and Internal Control (continued)

Group Search & Governance Committee (continued)

Details of the attendance of the Group Search & Governance Committee Members during 2024/25 is set out below:-

GROUP SEARCH & GOVERNANCE COMMITTEE				
Role	Name	Meetings	Attended	%
Group Search & Governance Committee Chair	Marek Michalski	3	3	100
Chair London South East Academies Trust	Rama Venchard MBE	3	3	100
Chair LSEC Corporation	David Eastgate	3	3	100
Governor & Trustee	Dr Sam Parrett, CBE	3	3	100
		12	12	100
Group Chief Governance Officer	Jennifer Pharo	3	3	100

Curriculum & Standards Committee

The Curriculum & Standards Committee comprises ten members of the College Corporation. The Committee operates in accordance with written terms of reference approved by the Corporation.

The Committee meets on a termly basis and provides scrutiny and oversight on student outcomes and progress, the quality of teaching and learning and curriculum and qualification development. The Committee also seeks assurance on the student experience, complaints and safeguarding policy and procedures.

Details of the attendance of the curriculum and Standards Committee Members during 2024/25 are set out below:-

LSEC CURRICULUM & STANDARDS COMMITTEE				
Role	Name	Meetings	Attended	%
C&S Committee Chair	Mark Trinick	3	3	100%
Governor	Darren Kirwin	3	3	100%
Governor	Angela Hands	3	3	100%
Governor	Louise Nadal	3	2	67%
Governor	Kate Shiner	3	2	67%
Governor	Philip Le Feuvre	3	3	100%
Governor	Elizabeth Funge	2	2	100%
Governor	Dr Sam Parrett, CBE	3	3	100%
		23	22	96
Group Chief Governance Officer	Jennifer Pharo	3	3	100

LSEC Capital Committee

During 2023/24, the Corporation approved the constitution of a sub-committee to provide additional scrutiny on the College Capital Programmes, including the Future Greenwich, FECTF and Post 16/T-Level capital projects. The Committee met 3 times in 2024/25 to support agile decisions and resolutions on specific capital issues, in between Full Corporation Meetings.

Details of the attendance of the Capital Committee Members during 2024/25 are set out below:

Statement of Corporate Governance and Internal Control (continued)

LSEC Capital Committee (continued)

CAPITAL COMMITTEE				
		Meetings	Attended	%
Governor & Committee Chair	Mark Burnett	3	2	100
Governor and Chair Corporation	David Eastgate	3	2	100
Governor	Dr Sam Parrett, CBE	3	3	100
Governor	Angela Hands	3	3	67
Governor	Mart Trinick	3	3	100
Governor	Vince Fihosy	3	3	100
Total Participation		18	16	89
Group Chief Governance Officer	Jennifer Pharo	3	3	100

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

The purpose of the system of internal control

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

Capacity to handle risk

The Corporation has reviewed the key risks to which the College is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

The Corporation is of the view that there is a formal ongoing process for identifying, evaluating and managing the College's significant risks that has been in place for the period ended 31 July 2025 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Corporation.

Statement of Corporate Governance and Internal Control (continued)

Internal Control (continued)

The risk and control framework

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

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

The College has an internal audit service, which operates in accordance with the requirements of the DfE's 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 and Risk Committee.

At least annually, the Internal Auditor provides the Audit and Risk Committee of the Corporation with a report on internal audit activity in the College. The report includes the Auditor's independent opinion on the adequacy and effectiveness of the College's system of risk management, control and governance processes.

Risks Faced by the Corporation

The College has in place a Risk Management Policy which sets out how risks are identified and evaluated. Risks are collated into a comprehensive risk register for review by the Audit and Risk Committee and Corporation, including through deep dives into areas of significant risk. The risk register includes existing controls, new controls/improvements that are required, and clear links to the board assurance framework.

Responsibilities under Accountability Agreements

The Department for Education and the Department for Education introduced new controls for the college on 29 November 2022, on the day that the Office for National Statistics reclassified colleges as public sector organisations in the national accounts. The college has reviewed its policies, procedures and approval processes in line with these new requirements to ensure there are systems in place to identify and handle any transactions for which DfE approval is required.

Statement from the Audit & Risk Committee

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

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

Statement of Corporate Governance and Internal Control (continued)

Internal Control (continued)

Statement from the Audit & Risk Committee (continued)

- Consideration of the impact of generative AI on the future of the business and its learners.
- Review of the annual Board Assurance Framework, Value for Money and Subcontracting Controls.
- Review and assessment of the internal and external auditors' performance.
- The committee carried deep dive scrutiny on Capital Projects and the Ofsted Readiness.
- As a standing item at every meeting, the Committee completed a full review of the Risk Registers, including analysis of increased and decreasing risks.

The Committee also reviewed and considered the findings of the planned internal auditors programme of work, including the following areas and an analysis of any value-added points provided by the internal auditors and areas of good practice.

- Curriculum Planning, Course Viability, Course Assessment Methodology
- Anti-Fraud Framework
- Payroll and Pensions
- Financial Planning, MI and Cash Flow Forecasting
- Work Experience Placements
- Learner Support Funds
- Strategic Planning
- Marketing and Public Relations
- Funding Assurance
- Cyber Security
- General Ledger and Fixed Assets
- GLA Subcontracting
- Actions follow up on audit

Review of effectiveness

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

- The work of the internal auditors.
- The work of the executive managers within the College who have responsibility for the development and maintenance of the internal control framework; and
- Comments made by the College's financial statements auditors in their management letters and other reports.
- The Regularity Self-Assessment Questionnaire.

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

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

Statement of Corporate Governance and Internal Control (continued)

Review of effectiveness (continued)

The Audit and Risk Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Corporation's agenda includes a regular item for consideration of risk and control, and receives reports thereon from the senior management team and the Audit and Risk Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its 9 December 2025 meeting, the Corporation carried out the annual assessment for the year ended 31 July 2025 by considering documentation from the senior management team and internal audit and taking account of events since 31 July 2025.

The Internal Auditors Annual Report, presented to the Group Audit and Risk Committee on 26 November 2025, and the Audit and Risk Committee's Annual Report, approved on 26 November 2025 contain the opinion that the College has adequate and effective risk management, governance, and internal control processes, together with adequate processes surrounding its efficiency and effectiveness.

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

Approved by Members of the Corporation on 8 December 2025 and signed on its behalf by:

David Eastgate
Chair



Dr Sam Parrett, CBE
Group CEO & Principal, and Accounting Officer



Statement of Regularity, Propriety and Compliance

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

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

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

Dr Sam Parrett, CBE
Accounting officer
[.....]



8 December 2025

Statement of Responsibilities of the Members of the Corporation

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

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

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

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

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

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

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

Statement of Responsibilities of the Members of the Corporation (cont.)

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

Approved by order of the members of the Corporation on 8 December 2025 and signed on its behalf by:



David Eastgate
Chair of governors

Independent auditor's report to the Corporation of Bromley College of Further and Higher Education

Opinion

We have audited the financial statements of Bromley College of Further and Higher Education for the year ended 31 July 2025, which comprise the statement of comprehensive income, the statement of changes in reserves, the balance sheet, the statement of cash flows, the principal accounting policies, and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and the College Accounts Direction 2024 to 2025 issued by the Department for Education (DfE).

In our opinion, the financial statements:

- give a true and fair view of the state of the College's affairs as at 31 July 2025 and of the College's surplus of income over expenditure for the year then ended.
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.
- in all material respects, funds from whatever source administered by the College for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation.
- in all material respects, funds provided by the OfS, and the Department for Education have been applied in accordance with the relevant terms and conditions and
- the requirements of the OfS's accounts direction have been met.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the College in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the members of the Corporation's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Independent auditor's report to the Corporation of Bromley College of Further and Higher Education (continued)

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the College and its environment obtained in the course of the audit, we have not identified material misstatements in the annual report. We have nothing to report in respect of the following matters in relation to which the Post 16 Code of Practice issued by the Department for Education requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us.
- the financial statements are not in agreement with the accounting records and returns; or
- all the information and explanations required for the audit were not received.

We have nothing to report to you in respect of the following matter, in relation to which the Office for Students requires us to report to you, if in our opinion:

- the College's grant and fee income, as disclosed in the notes to the financial statements, has been materially misstated.

Responsibilities of the Corporation

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

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

Independent auditor's report to the Corporation of Bromley College of Further and Higher Education (continued)

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 it is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the College through discussions with management, and from our knowledge and experience of the sector;
- ◆ we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the College, including the College Accounts Direction 2024 to 2025 issued by the DfE, Further and Higher Education Act 1992, funding agreements with the DfE and associated funding rules, DfE regulations, data protection legislation, anti-bribery, safeguarding, employment, health and safety legislation;
- ◆ we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- ◆ identified laws and regulations were communicated within the audit team regularly, and the team remained alert to instances of non-compliance throughout the audit.

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

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

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

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

Independent auditor's report to the Corporation of Bromley College of Further and Higher Education (continued)

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

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reading the minutes of Corporation meetings;
- ◆ enquiring of management as to actual and potential litigation and claims; and
- ◆ reviewing any available correspondence with HMRC and the College's legal advisors.

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

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

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

Use of our report

This report is made solely to the 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.

Buzzacott Audit LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL



Buzzacott Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

10 December 2025

Reporting Accountant's Assurance Report on Regularity to the Corporation of the College and Secretary of State for Education acting through the Department for Education ("the Department")

In accordance with the terms of our engagement letter dated 11 April 2025 and further to the requirements of Department for Education (DfE) as included in the extant Framework and Guide for External Auditors and Reporting Accountants of Colleges, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by London South East Colleges during the period 1 August 2024 to 31 July 2025 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

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

Respective responsibilities of the College and the reporting accountant

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

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

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Colleges issued by DfE, which requires a limited assurance engagement, as set out in our engagement letter.

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

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

Reporting Accountant’s Assurance Report on Regularity to the Corporation of the College and Secretary of State for Education acting through the Department for Education (“the Department”) (continued)

The work undertaken to draw to our conclusion includes:

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

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 to purposes intended by Parliament, and the financial transactions do not conform to the authorities that govern them.

Buzacott Audit LLP

Buzacott Audit LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

10 December 2025

Date

Statement of Comprehensive Income

Year ended 31 July 2025

	Notes	2025 £'000	2024 £'000
Income			
Funding body grants	2	45,870	41,508
Tuition fees and education contracts	3	3,768	4,543
Other grants and contracts	4	8,904	8,426
Other Income	5	1,370	2,057
Investment income	6	1,156	1,550
Total income		61,067	58,084
Expenditure			
Staff costs	7	36,300	34,728
Other operating expenses	8	17,345	18,545
Depreciation	12	4,295	4,127
Interest and other finance costs	9	(922)	(800)
Total expenditure		57,018	56,600
Surplus before other gains and losses and ta		4,050	1,484
Gain on disposal of assets		—	274
Surplus before taxation		4,050	1,758
Taxation	10	—	—
Surplus for the year		4,041	1,758
Actuarial gain / (loss) on defined benefit pensions	24	190	(136)
Total Comprehensive income for the year		4,240	1,622
Represented by:			
Restricted comprehensive income		—	—
Unrestricted comprehensive income		4,240	1,622

Statement of Changes in Reserves

Year ended 31 July 2025

	Income and Expenditure account	Revaluation reserve	Restricted Reserves	Total
	£'000	£'000	£'000	£'000
Balance at 1 August 2023	51,668	6,151	490	58,309
Surplus from the income and expenditure account	1,758	—	—	1,758
Other comprehensive income/(expenditure)	(136)	—	—	(136)
Deficit inherited upon merger (NVL)	(95)	—	—	(95)
Transfers between restricted (LSFG) reserve and income and expenditure reserves	447	—	(447)	—
Transfers between revaluation and income and expenditure reserves	460	(460)	—	—
Balance at 1 August 2024	54,102	5,691	43	59,836
Surplus from the income and expenditure account	4,050	—	—	4,050
Other comprehensive income/(expenditure)	190	—	—	190
Transfers between revaluation and income and expenditure reserves	460	(460)	—	—
Total comprehensive income/(expenditure) for the year	4,700	(460)	—	4,240
Balance at 31 July 2025	58,802	5,231	43	64,076

Balance Sheet
as at 31 July 2025

<u>Non-current assets</u>	Notes	2025 £'000	Restated 2024 £'000
Tangible fixed assets	12	105,675	75,367
Long term debtors	13	—	1,444
		105,675	76,811
<u>Current assets</u>			
Trade and other receivables	14	4,707	2,363
Short term investments		2,499	9,246
Cash and cash equivalents	19	19,793	21,098
		26,999	32,707
Less: Creditors – amounts falling due within one year	15	(13,907)	(12,675)
Net current assets		13,091	20,032
Total assets less current liabilities		118,766	96,842
Less: Creditors – amounts falling due after more than one year	16	(53,889)	(36,054)
Provisions			
Defined benefit obligations	18	—	(65)
Other provisions	18	(801)	(888)
TOTAL NET ASSETS		64,076	59,836
Reserves			
Restricted reserves – LSEC		43	43
Income and expenditure account		58,802	54,102
Revaluation reserve		5,231	5,691
Total Reserves		64,076	59,836

The financial statements on pages 55 to 80 were approved and authorised for issue by the Corporation on 8 December 2025 and were signed on its behalf on that date by:


David Eastgate
Chair


Dr Sam Parrett, CBE
Group CEO & Principal, and Accounting Officer

Statement of Cash Flows

	Notes	2025	Restated 2024
		£'000	£'000
Cash flow from operating activities			
Surplus for the year		4,050	1,484
Adjustment for non-cash items			
Depreciation		4,295	4,127
(Increase)/decrease in debtors due within one year		(899)	554
Increase/(decrease) in creditors due within one year		1,232	(294)
Increase in creditors over one year, excluding capital grants		657	657
Receipt of short-term capital grants during the year		1,792	141
Release of deferred capital grants	2	(1,978)	(1,754)
Decrease in provisions		(152)	(28)
Pensions costs less contributions payable		190	(166)
Adjustment for investing or financing			
Investment income	6	(1,242)	(1,273)
Interest payable	9	275	374
Net cash inflow from operating activities		8,219	3,823
Cash flows from investing activities			
Proceeds from sale of fixed assets		—	274
Disposal of non-current asset investments		—	—
Investment income		1,242	1,273
(Increase)/decrease in capital debtors due within one year		(1,444)	7,061
Decrease in capital debtors due after one year		1,444	—
Receipts of capital grants during the year		17,580	4,564
Withdrawal of deposits		6,747	(97)
New deposits		—	—
Payments made to acquire fixed assets		(34,603)	(12,549)
		(9,034)	526
Cash flows from financing activities			
Interest paid	9	(275)	(374)
Repayments of amounts borrowed		(216)	(162)
		(491)	(536)
(Decrease)/Increase in cash and cash equivalents in the year		(1,305)	3,812
Cash and cash equivalents at start of the year	19	21,099	17,286
Cash and cash equivalents at end of the year	19	19,793	21,099

Notes to the Financial Statements

1. Accounting policies

Statement of accounting policies

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

Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (the 2019 FE/HE SORP), the College Accounts Direction for 2024 to 2025 and in accordance with Financial Reporting Standard 102 – “The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland” (FRS 102). The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

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

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention as modified by the revaluation of certain fixed assets.

Going concern

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

The College currently has £4.1m of term loans outstanding with Barclays Bank on terms negotiated in 2022 for a period of 5 years, which is secured by a fixed charge on College assets. The College's forecasts and financial projections indicate that it will be able to operate within its existing bank facility levels for the foreseeable future. The College has submitted copies of its 3 year financial plans to the DfE and its providers of loan finance for review and no going concern issues have been raised.

The Corporation considers that it continues to be a going concern and, for this reason, will continue to adopt the going concern basis in the preparation of its 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 accrual model as permitted by FRS102. Funding body recurrent grants are measured in line with best estimates for the period of what is receivable and depend on the particular income stream involved. Any underachievement 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 results 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 the OFS represents the funding allocation attributable to the current financial year and is credited direct to the Statement of Comprehensive Income. Should part of this grant be deferred, the deferred element is recognised as deferred income within creditors and

Notes to the Financial Statements (continued)

1. Accounting policies (continued)

Revenue Grant Funding (continued)

allocated between creditors due within one year and creditors due after more than one year as appropriate.

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

Capital Grant Funding

Government capital grants 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 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.

Capital grants received for specific capital projects are treated in the statement of cashflows as investing activities together with the payments to acquire the assets to which they relate. Capital grant allocations which are not related to a specific capital project at the point of receipt, are treated as an operating cashflow and are included within the change in creditors due in more than 1 year.

Fee Income

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

Investment Income

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

Agency Arrangements

The College acts as an agent in the collection and payment of certain discretionary support funds. Related payments received from the funding bodies and subsequent disbursements to students are excluded from the income and expenditure of the College where the College is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

Accounting for post-employment benefits

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

Teachers' Pension Scheme (TPS)

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

Notes to the Financial Statements (continued)

1. Accounting policies (continued)

Accounting for post-employment benefits (continued)

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

Local Government Pension Scheme (LGPS)

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

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

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

The LGPS surplus is not carried on the balance sheet in accordance with the requirements of FRS 102. Accordingly, a corresponding adjustment against the actuarial gain has been made to bring the net LGPS position to £nil on the balance sheet. The Nido Volans Lambeth scheme, however, reports a deficit which is reflected in the accounts.

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

Non-current assets - Tangible fixed assets

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

Notes to the Financial Statements (continued)

1. Accounting policies (continued)

Land and buildings

Land and buildings inherited from the Local Education Authority are stated in the balance sheet at valuation on the basis of depreciated replacement cost, as the open market value for existing use is not readily obtainable. The associated credit is included in the revaluation reserve. The difference between depreciation charged on the historic cost of assets and the actual charge for the year calculated on the revalued amount is released to the income and expenditure account reserve on an annual basis. Building improvements made since incorporation are included in the balance sheet at cost. Freehold land is not depreciated. Freehold buildings are depreciated over their expected useful economic life to the College 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 15 and 50 years.

Where land and buildings are acquired with the aid of specific grants, they are capitalised and depreciated as above. The related grants are credited to a deferred capital grant account and are released to the income and expenditure account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy. Finance costs, which are directly attributable to the construction of land and buildings, are not capitalised as part of the cost of those assets.

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 the adoption of FRS102, the College followed the transitional provision to retain the book value of land and buildings as deemed cost, but not to adopt a policy of revaluations of these properties in the future.

Assets under construction

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

Subsequent expenditure on existing fixed assets

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

- 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

Equipment

Equipment costing less than £5,000 per individual item is recognised as expenditure in the period of acquisition, with the exception of the annual IT equipment upgrade, which may include individual items below this level but is capitalised at cost. All other equipment is capitalised at cost and depreciated on a straight-line basis over the following periods:

- Computer equipment: 3 - 5 years
- Smartboards: 5 - 10 years
- Office equipment: 3 - 5 years
- Furniture, fixtures and fittings: 5 - 10 years
- Plant 15 - 20 years

Notes to the Financial Statements (continued)

1. Accounting policies (continued)

Borrowing costs

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

Leased assets

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

The finance charges are allocated over the period of the lease in proportion to the capital element outstanding. Where finance lease payments are funded in full from funding agency capital equipment grants, the associated assets are designated as grant-funded assets.

Cash and cash equivalents

Cash and cash equivalents are defined as those balances readily convertible to known amounts of cash, with insignificant risk of changes in value.

This constitutes:

- Cash in hand, comprising deposits repayable on demand and bank overdrafts. Deposits are considered to be repayable on demand if they are in practice available within 24 hours without penalty.
- Cash equivalents, comprising Certificates of Deposit which form an intrinsic element of working capital cash management of the College. These balances can be redeemed without penalty prior to maturity date.
- Fixed-term deposit accounts with a maturity date of below three months at the date of deposit.

Short-term investments

Short-term investments comprise fixed-term deposit accounts with a maturity date between three and twelve months from the date of deposit which are intended to be held to maturity date.

Short-term investments also include highly liquid interest-bearing investments such as Corporate Bonds with a term date of in excess of 3 months but redeemable on demand, intended to be held to maturity date.

The accounting policies for cash and cash equivalents and short term investments have been updated during the year ended 31 July 2025. This resulted in an increase in short-term investment and decrease in cash and cash equivalent balances of £4,998,000 at 31 July 2024 and £4,047,000 at 31 July 2023. Prior year comparative information has been updated to reflect this change in policy.

Notes to the Financial Statements (continued)

1 Accounting policies (continued)

Financial liabilities and equity

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

All loans, investments and short-term deposits held by the Group are classified as basic financial instruments in accordance with FRS102. These instruments are initially recorded at the transaction price less any transaction costs (historical cost). FRS 102 requires that basic financial instruments are subsequently measured at amortised cost, however the College has calculated that the difference between the historical cost and amortised cost basis is not material and so these financial instruments are stated on the balance sheet at historical cost. Loans and investments that are payable or receivable within one year are not discounted.

Taxation

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

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

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.

Notes to the Financial Statements (continued)

1 Accounting policies (continued)

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.
- Determine whether there are indicators of impairment of the College's tangible assets, including goodwill. 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.

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 liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore, a roll-forward approach, which projects results from the latest full actuarial valuation performed at 31 March 2022, has been used by the actuary in valuing the pensions liability at 31 July 2025. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Notes to the Financial Statements (continued)

2 Funding Council Grants

	2025 £'000	2024 £'000
Recurrent grants		
Department for Education – adult	12,075	11,375
Department for Education – 16-18	29,205	25,959
Department for Education – Apprenticeships	2,311	2,338
Higher Education Funding Council	79	82
Specific Grants		
Employer NI Grant	222	—
Releases of government capital grants	1,978	1,754
Total	<u>45,870</u>	<u>41,508</u>
Included within the above are:		
OfS Grants and income	2025 £'000	2024 £'000
HE Recurrent Grant	79	82
HE Contracts and Fees	<u>1,393</u>	<u>1,647</u>

3 Tuition fees and education contracts

	2025 £'000	2024 £'000
Adult education fees	1,034	1,285
Apprenticeship fees and contracts	994	1,138
Fees for FE loan-supported courses	347	473
Fees for HE loan supported courses	363	390
Total Tuition Fees	<u>2,738</u>	<u>3,286</u>
Education contracts	1,030	1,257
Total	<u>3,768</u>	<u>4,543</u>

4 Other grants and contracts

	2025 £'000	2024 £'000
Other grants and contracts	8,904	8,426
Total	<u>8,904</u>	<u>8,426</u>

Notes to the Financial Statements (continued)

5 Other income

	2025 £'000	2024 £'000
Catering and residences	263	331
Other income generating activities	264	218
Miscellaneous income	843	1,508
Total	<u>1,370</u>	<u>2,057</u>

6 Investment income

	2025 £'000	2024 £'000
Bank Interest received	1,242	1,273
Other investment income-unrealised (loss)/gain	(86)	277
Total	<u>1,156</u>	<u>1,550</u>

Other investment income (unrealised) represents income on short-term Corporate Bond investments and Certificates of Deposit.

7 Staff costs

The average number of persons (including key management personnel) employed by the College during the year, described as head count, was:

Headcount basis	2025 No.	2024 No.
Teaching staff	431	445
Non-teaching staff	504	502
Total	<u>935</u>	<u>947</u>

Staff costs for the above persons

	2025 £'000	2024 £'000
Wages and salaries	29,636	28,537
Social security costs	2,831	2,402
Other pension costs	3,682	3,378
Payroll Sub Total	<u>36,149</u>	<u>34,317</u>
Redundancy & restructuring costs – Contractual	151	411
Total Staff Costs	<u>36,300</u>	<u>34,728</u>

Notes to the Financial Statements (continued)

7 Staff costs (continued)

Staff Severance Payments

Within the redundancy and restructuring costs referred to above, the College paid 6 severance payments during the year in the following bands:-

Band	No. of staff
£0 - £25,000	6

Included in staff restructuring costs are special severance payments totalling £7,756.88 (2024: £113,322.89). Individually, the payments were: £3,358.92, £1,000, £1,000, £1,000, £1,000 and £397.96.

Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College and are represented by the Executive Team which comprised the Group CEO & Principal, College Executive Principal & Chief Learning Officer, Group Chief Financial Officer, Group Chief Strategy Officer, Group Chief People Officer, and Group Chief Information and Estates Officer.

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

	2025 No.	2024 No.
The number of key management personnel, including the CEO & Principal was:	<u>6</u>	<u>6</u>

Of the Key Management Personnel, the Group Chief Executive Officer and Group Chief Financial Officer have separate contracts of employment covering their work for London & South East Academies Trust (LSEAT). The values reported below represent the emoluments paid in respect of the duties of employment for the College Group. The value of the work carried out for LSEAT will be reported in the accounts of that entity as appropriate.

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

Notes to the Financial statements (continued)

7 Staff costs (continued)

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

	Key management personnel		Other staff	
	2025 No.	2024 No.	2025 No.	2024 No.
£60,001 to £65,000	-	-	3	4
£65,001 to £70,000	-	-	6	3
£70,001 to £75,000	-	-	3	6
£75,001 to £80,000	-	-	5	6
£80,001 to £85,000	-	-	1	2
£85,001 to £90,000	-	1	3	-
£90,001 to £95,000	-	-	-	1
£95,001 to £100,000	-	-	2	-
£100,001 to £105,000	-	-	-	1
£105,001 to £110,000	1	-	1	2
£110,001 to £115,000	-	-	2	-
£115,001 to £120,000	-	1	-	1
£120,001 to £125,000	1	1	-	-
£125,001 to £130,000	1	-	-	-
£130,001 to £135,000	-	1	-	-
£135,001 to £140,000	1	-	-	-
£145,001 to £150,000	-	1	-	-
£155,001 to £160,000	1	-	-	-
£220,001 to £225,000	-	1	-	-
£259,001 to £260,000	1	-	-	-
	6	6	27	26

Key management personnel compensation is made up as follows:

	2025	2024
	£'000	£'000
Salaries	813	755
Retention and additional responsibility allowances	25	25
Payment for untaken annual leave	39	21
Employer's National Insurance	127	111
Flexible benefits	40	30
Total Key management personnel compensation	1,044	942
Pension contributions	79	69
Total emoluments	1,123	1,011

Notes to the Financial Statements (continued)

7 Staff costs (continued)

There were no amounts due to key management personnel that were waived in the year, nor any salary sacrifice arrangements in place. The above compensation includes amounts payable to the Accounting Officer (who is also the highest-paid officer).

	2025 £'000	2024 £'000
Salaries	174	165
Bonus payments	10	10
Payments for untaken annual leave	36	14
Flexible benefits	40	34
	<u>260</u>	<u>223</u>
Pension contributions	<u>—</u>	<u>—</u>

The Governors adopted AoC's Senior Staff Remuneration Code in July 2020 and assessed pay in line with its principles.

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

The CEO & Principal reports to the Governors, who undertake an annual review of her performance against the college's overall objectives using both qualitative and quantitative measures of performance.

Relationship of CEO & Principal pay and remuneration expressed as a multiple

	2025	2024
CEO & Principal's basic salary as a multiple of the median of all staff	4.4	4.5
CEO & Principal and CEO's total remuneration as a multiple of the median of all staff	5.1	4.6

The Members of the Corporation, other than the Group CEO & Principal, and the staff members did not receive any payment from the College, other than the reimbursement of travel and subsistence expenses incurred in the course of their duties.

Median calculations are based solely on full-time equivalent (FTE) permanent staff, who form the denominator in all ratio computations. Agency workers, temporary staff, and contractors are excluded from these calculations.

Notes to the Financial Statements (continued)

8 Other operating expenses

	2025 £'000	2024 £'000
Teaching costs	5,105	5,671
Non-teaching costs	5,714	6,290
Premises costs	6,526	6,584
Total	17,345	18,545

Other operating expenses include:

	2025 £'000	2024 £'000
Auditors' remuneration:		
Financial statements audit	67	65
Other services provided by statutory auditor	7	6
Internal audit	44	65
Hire of assets under operating leases	173	172

9 Interest payable

	2025 £'000	2024 £'000
On bank loans, overdrafts and other loans:	275	374
Pension finance costs (note 24)	(1,197)	(1,174)
Total	(922)	(800)

10 Taxation

The College was not liable for any Corporation tax arising out of its activities during this year.

11 Write-offs and Losses, Guarantees and Letters of Comfort.

The College pays close attention to the control of debts, but nevertheless, there is inevitably a need to write off some debts after debt collection procedures have been exhausted, or it is not economically viable to pursue the remaining debt. During the year, the total value of debts written off was £27,109, with one above £5,000.

The College has not provided any guarantees outside of its normal course of business and has not provided any letters of comfort to any entity.

Notes to the Financial Statements (continued)

12 Tangible fixed assets

	Freehold Land & Buildings	Assets Under Construc- tion	Leasehold Land & Buildings	Equipment	Total
Cost or valuation	£'000		£'000	£'000	£'000
At 1 August 2024	98,636	16,335	1,142	5,613	121,726
Additions	7,011	26,476	—	1,116	34,603
Disposals	—	—	—	29	29
At 31 July 2025	105,647	42,811	1,142	6,758	156,358
Depreciation					
At 1 August 2024	40,163	—	1,142	5,055	46,360
Charge for the year	3,051	—	—	1,244	4,295
Elimination in respect of disposals	—	—	—	29	29
At 31 July 2025	43,214	—	1,142	6,328	50,684
Net book value at 31 July 2025	62,433	42,811	—	431	105,675
Net book value at 31 July 2024	58,473	16,335	—	559	75,367

Assets under construction represents the costs of the Plumstead redevelopment works of £35.84m scheduled to complete in October 2025. Also included in assets under construction is £6.47m of FECTF works and £337k of Nido Volans Lambeth New Premises works

13 Non-Current Investments

	2025 £'000	2024 £'000
Long-term Capital Debtors	—	1,444
Total	—	1,444

14 Trade and other receivables

	2025 £'000	2024 £'000
Amounts falling due within one year:		
Trade receivables	1,222	899
Prepayments and accrued income	2,041	1,464
Capital Debtors	1,444	—
Total	4,707	2,363

Notes to the Financial Statements (continued)

15 Creditors: amounts falling due within one year

	2025 £'000	2024 £'000
Bank loans and overdrafts	216	216
Trade payables	2,729	3,147
Other taxation and social security	1,122	1,007
Accruals and deferred income	3,066	3,023
Holiday Pay accrual	316	406
Deferred income - government capital grants	2,410	1,728
Deferred income - government revenue grants	361	129
Amounts owing to the GLA	177	266
Amounts owing to the DFE	2,852	2,753
Amounts owing to the DBEIS (EFS loan)	658	—
Total	13,907	12,675

16 Creditors: amounts falling due after one year

	2025 £'000	2024 £'000
Bank loans	3,604	3,819
Amounts owing to DBEIS (EFS loan)	1,315	1,973
Deferred income - Government capital grants	48,970	30,262
Total	53,889	36,054

The amounts owed to the Department for Business, Energy and Industrial Strategy (DBEIS) represent a secured term loan for Exceptional Financial Support (EFS) made to Greenwich Community College prior to merger with Bromley College of Further & Higher Education. The loan is currently secured on 95 Plumstead Road, Woolwich, London, SE18 7DQ.

17 Maturity of Debt

(a) Bank loans and overdrafts

Bank loans and overdrafts are repayable as follows:

	2025 £'000	2024 £'000
In one year or less	216	216
Between one and two years	432	432
Between two and five years	648	648
Five years or more	2,523	2,739
Total	3,819	4,035

The Barclays loan facility is repayable by instalments falling due between 1 August 2018 and 13 October 2027. A total of £1,216k was paid in the year, leaving an outstanding balance of £3.82m secured on a portion of the freehold land and buildings of the College.

Notes to the Financial Statements (continued)

18 Provisions

	Enhanced pensions £'000	Total £'000
At 1 August 2024	888	888
Expenditure in the period	(111)	(111)
Transferred from income and expenditure account	24	24
At 31 July 2025	801	801

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

The principal assumptions for this calculation are:

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

Defined benefit obligations relate to liabilities under the College's membership of the Local Government Pension Scheme. Further details are given in Note 24.

19 Analysis of changes in net debt

	At 1 August 2024 £'000	Cash flows £'000	Other changes £'000	At 31 July 2025 £'000
Cash and cash equivalents	21,098	(1,305)	—	19,793
Loans falling due within one year	(216)	216	(216)	(216)
Loans falling due after more than one year	(5,134)	—	216	(4,918)
Total	15,748	(1,089)	—	14,659

20 Capital Commitments

There is £12.09m worth of commitments contracted for at 31 July 2025 (2024: £33.47m).

Notes to the Financial Statements (continued)

21 Lease Obligations

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

	2025 £'000	2024 £'000
Future minimum lease payments due		
Equipment		
Not later than one year	184	183
Later than one year and not later than five years	157	339
	<u>341</u>	<u>522</u>

22 Contingent liabilities

There are no contingent liabilities.

23 Events after the reporting period

There are no events after the reporting period to report.

24 Defined benefit obligations

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

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

Total Pension cost for the year	2025 £000	2024 £000
Pension Costs		
Teachers' Pension Scheme: contributions paid	2,904	2,739
Local Government Pension Scheme		
Contributions paid	778	639
FRS 102 (28) Charge	<u>1,388</u>	<u>1,064</u>
Charge to the Statement of Comprehensive income	2,166	1,703
Enhanced Pension charge to the Statement of Comprehensive Income	87	28
Total Pension Cost for Year	<u>5,157</u>	<u>4,470</u>

Notes to the Financial Statements (continued)

24 Defined benefit obligations (continued)

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

Teachers' Pension Scheme

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

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

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

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

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

The latest actuarial review of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education (the Department in November 2023). The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to 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. As a result of the valuation, new employer contribution rates rose from 23.68% to 28.68% from April 2024. A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website.

The pension costs paid to TPS in the year amounted to £3,805,432 (2023/24: £3,693,143) of which employer's contributions totalled £2,904,409 (2023/24: £2,739,432) and employees' contributions totalled £901,023 (2023/24: £953,711).

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

FRS 102 (28)

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

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

Notes to the Financial Statements (continued)

24 Defined benefit obligations (continued)

Local Government Pension Scheme

The Local Government Pension Scheme (LGPS) is a funded defined-benefit scheme, with the assets held in separate funds administered by the London Pension Fund Authority. The total contribution made for the year ended 31 July 2025 was £ 1,482,752 (2023/24: £1,297,647), of which employers' contributions totalled £716,007 (2023/24: £650,945) and employees' contributions totalled £766,745 (2023/24: £646,701). The agreed contribution rates for future years are 4.9% for employers and range from 5.5% to 12.5% for employees, depending upon salary.

Principal Actuarial Assumptions

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

Principal Actuarial Assumptions	At 31 July 2025	At 31 July 2024
Rate of increase in salaries	3.60%	3.65%
Future pension increases	2.80%	2.85%
Discount rate for scheme liabilities	5.75%	5.15%
Inflation assumption (CPI)	3.10%	2.85%
Commutation of pensions to lump sums	50%	50%

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

	At 31 July 2025	At 31 July 2024
<i>Retiring today</i>		
Males	20.5	20.2
Females	23.9	23.8
<i>Retiring in 20 years</i>		
Males	21.5	21.2
Females	24.9	24.8

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	106,076	100,610
Present value of plan liabilities	(71,289)	(76,425)
Surplus restriction	(34,787)	(24,250)
Net pension liability	0	(65)

Notes to the Financial Statements (continued)

24 Defined benefit obligations (continued)

Principal Actuarial Assumptions (continued)

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	2,004	1,598
Total	<u>2,004</u>	<u>1,598</u>

	2025 £'000	2024 £'000
Amounts included in finance costs		
Net interest charge	(1,239)	(1,228)
Total	<u>(1,239)</u>	<u>(1,228)</u>

	2025 £'000	2024 £'000
Amounts recognised in Other Comprehensive Income		
Return on pension plan assets	2,808	1,321
Experience losses arising on defined benefit obligations	(739)	365
Changes in demographic assumptions -	(401)	163
Changes in assumptions underlying the present value	9,139	(1,187)
Liabilities		
Other actuarial gains on assets	—	—
Cap actuarial gain on assets	(10,617)	(798)
Amount recognised in other comprehensive	<u>190</u>	<u>(136)</u>
Income		

Movement in net defined benefit liability during the year

	2025 £'000	2024 £'000
Deficit in scheme at 1 August	(65)	—
Deficit inherited upon merger (NVL)		(95)
Movement in year:		
Current service cost	(2,112)	(1,750)
Employer contributions	778	725
Admin Expenses	(30)	(29)
Net interest on defined liability	1,239	1,220
Actuarial gain	190	(136)
Net defined benefit liability at 31 July	<u>—</u>	<u>(65)</u>

Notes to the Financial Statements (continued)

24 Defined benefit obligations (continued)

Principal Actual Assumptions (continued)

Movement in net defined benefit liability during the year (continued)

Due to changes in assumptions in the current economic climate, and in particular the discount rate, which is derived from high-quality corporate bonds, the liabilities in the pension scheme have reduced considerably.

Asset and Liability Reconciliation

	2025 £'000	2024 £'000
Changes in the present value of defined benefit obligations		
Defined benefit obligations at start of period	76,425	72,251
Defined benefit obligations on merger (NVL)		433
Current service cost	2,112	1,750
Interest cost	3,785	3,685
Contributions by Scheme participants	774	657
Experience gains and losses on defined benefit obligations	739	(365)
Changes in financial obligations	(9,139)	1,187
Changes in demographic assumptions	401	(163)
Estimated benefits paid	(3,808)	(3,010)
Past Service cost		—
	<hr/>	<hr/>
Defined benefit obligations at end of period	71,289	76,425
	<hr/> <hr/>	<hr/> <hr/>

Reconciliation of Assets

	2025 £'000	2024 £'000
Fair value of plan assets at start of period	100,610	95,703
Fair value of plan assets at start of period (NVL)		338
Interest on plan assets	5,024	4,905
Return on plan assets	2,808	1,321
Other actuarial gains	—	—
Employer contributions	778	725
Contributions by Scheme participants	774	657
Estimated benefits paid	(3,808)	(3,010)
Admin Expenses	(30)	(29)
	<hr/>	<hr/>
Assets at end of period	106,156	100,610
	<hr/> <hr/>	<hr/> <hr/>

Notes to the Financial Statements (continued)

25 Related party transactions

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

Transactions with funding bodies and the OfS are detailed in note 2.

London South East Academies Trust

Although distinct organisations, the College does act as the sponsor to the London South East Academies Trust. Although the sponsorship means various Members of the Corporation and the College senior management team may also be members, Trustees, or Local Provision Board Members of the Academy Trust. In accordance with the Academies' Financial Handbook, the level of involvement and control over the Academy Trust is restricted, and therefore, it would not be appropriate to consolidate their financial results within the financial statements of the College.

The College provides some services to London South East Academies Trust as part of its shared Group Central Services function. This central function includes some services across ICT support, Estates, Governance, HR, and Finance. The related charges levied to the Trust in respect of the support provided is £ 85,735 (2024: £65,583).

At 31 July 2025, the balance owed by the College to London South East Academies Trust was £76,886 (2023/24: £49,660) owed by London South East Academies Trust to LSEC. For 2024/25, this related to funding from LB Bexley that was paid into LSEC's bank account for LSEAT's sales invoices.

For a number of years, the College has purchased a number of learner-related systems, including eTrackr, eNotify, eConsole and eSpirALS, together with the related ongoing annual support. A member of the Corporation, Mark Trinick, is a Director and majority shareholder of VLE Support Limited, and the College paid VLE Support £57,402 in 2024/25 (2023/24: £51,060). All transactions with VLE support and are conducted at arm's length and continue to be conducted on normal commercial terms.

The Vice Chair of the Trust board, Denise James-Mason, was contracted to carry out some consultancy work with regards to Nido Volans Lambeth in 2023/24 £1,350. £NIL in 2024/25.

The Group Principal & CEO is also a Board member of ETF, and the College paid £325 in 2024/25 (2023/24: £2,775).

Notes to the Financial Statements (continued)

26 Amounts disbursed as agent

Learner Support Funds

	2025 £'000	2024 £'000
Funding body grants - DfE	1,410	1,391
Other Funding bodies grants	—	—
	<hr/>	<hr/>
	1,410	1,391
Disbursed to students	(1,073)	(1,198)
Administration costs	(105)	(127)
Balance unspent as at 31 July, included in creditors	<u>232</u>	<u>66</u>

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

In the accounting period ended 31 July 2025, the college received a total of £1,409,593 and disbursed £1,073,347 from DfE 16-19 discretionary and vulnerable bursaries and FEFM funding after charging £105,436 for administration costs.

As at 31 July 2025, the cumulative unspent 16-19 discretionary and vulnerable bursary funds and FEFM funding is £1,173,690, of which £1,036,809 relates to funds that are in scope to be returned to DfE in March 2026.

Comparatives for the accounting period ended 31 July 2024 are £1,391,053 received from DfE, £1,197,506 disbursed to learners after charging £126,737 for administration costs, and total cumulative unspent funds of £676,809, of which £NIL was repaid to DfE