



Annual Report and Financial Statements
Year ended 31 July 2021



East Sussex College Group

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Reference and Administrative Details

Key management personnel are defined as members of the College Executive Team and were represented by the following in 2020/21

Rebecca Conroy	Principal and CEO; Accounting officer
Martin Penny	Chief Financial Officer
Mark Wardle	Deputy Principal (from April 2021)
Dan Shelley	Executive Director, Strategic Partnerships and Engagement (to December 2021)
Tim Hulme	Executive Director, Resources and Organisational Development
Becky Cooke	Director of Human Resources & Organisational Development (Contract ended April 2021)
Careen Green	Director of Human Resources & Organisational Development (March to December 2021)

Board of Governors

A full list of Governors is given on pages 15-16 of these financial statements. Mia Bryden, Director of Governance, acted as Clerk to the Corporation until the 14 October 2021. Experienced interim governance advisors are currently in place at the College to the date of the signing of these financial statements.

Professional advisers

Financial statements auditor and regularity reporting accountants:

Mazars LLP
6 Sutton Plaza, Sutton Court Road,
Sutton, Surrey, SM1 4FS

Internal auditors

RSM UK
2nd floor, Springpark House, Basing View,
Basingstoke, RG21 4HG

Solicitors

Veale Wasbrough Vizards LLP
24 King William Street,
London EC4R 9AT

Bankers

Barclays Bank plc,
1 Churchill Place, London E14 5HP

Strategic Report

Operating and Financial Review

OBJECTIVES AND STRATEGY

The members present their report and the audited financial statements for the year ended 31 July 2021.

Legal status

The Corporation was established under the Further and Higher Education Act 1992 for the purpose of conducting Sussex Coast College Hastings. On 29 March 2018 the assets and liabilities of Sussex Downs College were transferred to Sussex Coast College Hastings on the merger of the two organisations. The name change to East Sussex College Group was approved by the Department of Education with effect from 16 April 2018.

East Sussex College Group is an exempt charity for the purposes of the Charities Act 2011.

Mission, Vision, Strategy and Objectives

The College recently launched a new Strategic Plan 2021-24 which is rooted in ambitious transformation so that we deliver;

- A consistently excellent student experience
- An education and skills offer that is employer led and ambitious
- Investments in our people to develop and grow
- Transformation of our buildings and digital capability
- A culture rooted in collaboration, partnership, and inclusion

The College's vision, mission and values are contained in the Strategic Plan 2021 –24.

Vision: To Empower and Sustain our Communities through Education and Skills.

Mission: To deliver a consistently excellent student experience through expert teaching, inspiring facilities and our partnerships with employers.

Values: Partnership
Respect
Inspire
Diversity
Empower

We are also clear on the local context to address the huge challenges that the Covid pandemic has highlighted to young people's education, to the availability of vital skills for business, to the re-training and 'first training' of adults, to community-based learning and to the foundations of our economy and public services. We have a huge responsibility to be versatile and responsive to the needs of local people, employers and to be a conduit to drive high quality skills development and retraining opportunities. We take this 'recovery' responsibility seriously.

Implementation of strategic plan

The current strategic plan covers the period 2021-24 and the Board monitors the performance of the College against this plan. The College's strategic priorities are:

1. Education & Quality - We will design and deliver high quality, inspiring career pathways to ensure that East Sussex College students are equipped with the knowledge, skills and behaviours to achieve personal, economic, and civic success.
2. People & Culture - We will become an exceptional employer by investing in our people and creating a culture that inspires a sense of belonging and pride to ensure our students have the best experience whilst studying with us.
3. Digital & Estates - We will transform the East Sussex College physical estate and digital infrastructure to provide exceptional, flexible and efficient campuses to create industry leading teaching and learning spaces that unlock the potential of our students and staff.
4. Engagement & Communication - We will position East Sussex College at the heart of our communities, as a key strategic partner with an excellent reputation for creativity, ambition and inclusivity.
5. Finance & Risk - We will secure strong financial foundations that ensure East Sussex College's long-term sustainability to support this strategy in order to invest in its students, people and infrastructure.
6. Governance & Oversight - We will provide strong and effective governance to ensure that East Sussex College delivers excellence for students, staff, stakeholders and the wider community.

A detailed People Strategy has also been developed alongside this strategy, with a suite of others including curriculum and estates strategies, that will drive the changes and improvements built on the latest research and best practice from the sector and beyond. Equally our student community and their voice are critical to the success of this strategy and we will ensure that this is strengthened over its lifetime.

Public Benefit

East Sussex College Group is an exempt charity under the Part 3 of the Charities Act 2011 and from 9 November 2016 is regulated by the Secretary of State for Education as Principal Regulator for all FE Boards in England. The members of the Governing Body, who are trustees of the charity, are disclosed on pages 15 to 16. In setting and reviewing the College's strategic objectives, the Governing Body has had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education. The guidance sets out the requirement that all organisations wishing to be recognised as charities must demonstrate, explicitly, that their aims are for the public benefit. In delivering its mission, the College provides the following identifiable public benefits through the advancement of education:

- High-quality teaching
- Widening participation and tackling social exclusion
- Excellent employment record for students
- Strong student support systems
- Links with employers, industry and commerce.

Financial objectives

The College Group continues to focus on delivering financial outcomes in line with the Strategic Priorities and Objectives noted above. This is accompanied by the delivery of regular returns to the Provider Market Oversight, (and other conditions set out in the associated grant and loan agreements), alongside maintaining relationships with key financial stakeholders such as the ESFA, Barclays Bank, auditors etc.

Other Financial Objectives include:

- a) Providing financial and non-financial returns on time and in the agreed format.
- b) Ensuring all returns requiring certification by auditors are unqualified.

- c) Providing advice, guidance and training to staff, management and governors on funding, funding methodologies, budgeting and the College's financial position.
- d) Providing adequate information to ensure that staff, management and governors are kept up to date with the financial position of the College.
- e) Generating sufficient funds to ensure that the College can invest in the new technologies and equipment required to support learning programmes and College administration.
- f) Generating sufficient funds to ensure that the College's specified programme of planned maintenance can be undertaken.
- g) Ensuring adequate procedures are in place to protect assets from loss, theft and neglect.

These objectives are consistent with and support the strategic plan.

Performance indicators

Income growth:

As shown on page 28, the College earned over £49 million of income during the year, a decrease of 2.3% over the previous year. That reflects the continuing impact of COVID-19. The College monitors all its funding and other income monthly and is focussed on gaining high quality growth wherever possible.

Learner Success rates:

Headline achievement rates for 16-18 for 2020-21 stands at 83.2% compared to 83.7% in the previous year, whilst headline achievement rates for 19+ for 2020-21 stand at 84.4% compared to 87.4% in the previous year. Success for adults has been impacted by COVID-19.

Teacher qualifications:

The College requires all teaching staff, whether established or sessional, to be appropriately qualified. The policy for unqualified staff joining the College in a teaching role is to support them in the achievement of a Post-Graduate Certificate in Education (PGCE) within two years of commencing work with the College.

Employer engagement:

The College focuses on employer engagement and tailors educational provision to meet employer needs. One of the main funding streams is in relation to Apprenticeships. The College views this area as vital for the UK economy and skills for the future. It therefore continues to focus on achieving growth in this area, with targeted growth in the internal delivery of apprenticeships, but a significant proportion of the allocation is also delivered via our sub-contract partners.

The College works with over 500 local employers across East Sussex in providing Apprenticeships and customised bespoke training. Links with local businesses are strong and, for example, the College continues to chair key employer groups in construction and engineering on behalf of the countywide Employment and Skills Board.

Commercial activities continue to form a small but important part of the overall plan to deal with potential reductions in, and hence reliance on, grant funding. The College and its subsidiary company, Plaza Trading Hastings Limited, continued to operate outlets such as a Subway franchise, coffee shops and a gym and event business, raising revenue and giving work opportunities to students during the financial year although this was heavily impacted by Covid. In October 2021 the Board resolved to approve the wind up the subsidiary company, Plaza Trading Hastings Ltd.

The College works with a number of partners to deliver funded provision during 2020-21, with the focus on retaining those high-quality partners from the previous legacy colleges who had demonstrated the best academic and financial performance. The highest standards of due diligence and controls over delivery continue to be applied. COVID-19 has had a serious negative impact on employer engagement and on commercial activities since March 2020.

KEY PERFORMANCE INDICATORS (KPIs)

The Corporation receives regular reports tracking the key performance indicators for the College agreed as part of the Business review process. The final KPI's for 2020/21 are shown in the table below with appropriate RAG ratings. These KPI's are monitored throughout the year and inform action planning for the following year:

Critical KPI's	Target 2021	July 2021	RAG
Number of 16-18 students	4,989	4,935	A
Total income	£48,551k	£49,687k	G
Staff costs excluding redundancy	£27,532k	£29,677k	A
Non-Pay Costs	£16,576k	£14,546k	G
EBITDA	£5,450k	£5,350k	A
Cash £000's	£3,916k	£7,845k	G
Other PI's			
Staff costs /income	62.36%	59.70%	G
Current Ratio	0.60	0.90	G
Creditor Days	45.00	23.00	G
Financial Health	Requires Improvement	Requires Improvement	G

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:

Numbers of employees who were relevant union officials in the period	FTE employee number
7	5.87

Percentage of time	Number of employees
0%	0
1-50%	7
51-99%	0
100%	0

Total cost of facility time	£15.9k
Total pay bill	£29,791k
Percentage of total bill spent on facility time	0.05%

Time spent on paid trade union activities as a percentage of total paid facility time	100%
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Financial position

The Group generated an operating surplus before other gains/(losses) in the year of £1,213k (2019/20 deficit £3,677k).

Included in the final result is a charge of £2,849k in respect of accounting for defined benefit pensions (2019/20 £2,521k) - see note 7, 9 and 23.

On 31 July 2021 the Group's general reserve, including pension reserve, stood at deficit £16,258k (2019/20 deficit £22,824k). The bank and cash balances totalled £7,845k (2019/20 £2,739k).

Tangible fixed asset additions during the year amounted to £179k (2019/20 £202k).

The College operated a wholly owned limited company subsidiary called Plaza Trading Hastings Limited which was incorporated in August 2011. In October 2021 the Board resolved to approve the wind up the subsidiary company, Plaza Trading Hastings Ltd. These accounts have been prepared on a consolidated basis.

Treasury policies and objectives

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

Short term borrowing for temporary revenue purposes is authorised by the Accounting Officer. Such arrangements were restricted by limits in the Financial Memorandum with the ESFA dated 1 April 2012. All other borrowing requires the authorisation of the Board and shall comply with the requirements of the Financial Memorandum with the ESFA.

Creditor's payment policy

It is the College's policy to pay its suppliers to the agreed payments terms (normally net 30 days) of the later of the date of supplier invoice or supply of goods or services, provided that the College is satisfied that the supplier has provided the goods or services in accordance with the agreed terms and conditions of a proper authorised purchase order. The College does not follow any code or standard on payment practice but does strive to adhere to the Government guidelines whenever possible.

Taxation

The College's trading activities within Plaza Trading Hastings Limited are eligible to be charged to Corporation tax but no charge is applicable for 2020-21 as the company had only a small profit that has been offset against previous losses.

Cash flows

Operating cash flow was a £7,677k inflow (2019/20: £1,735k inflow) for the year. This increase in cash generated from operating activities reflects an improvement in the management of working capital during the year.

Liquidity

Loans of £7,942k are outstanding at the year end. Of this total, £3,375k relates to commercial debt with Barclays Bank, £4,447k relates to loans from Provider Market Oversight arising from the merger and £120k relates to a loan from the University of Brighton.

CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE

Reserves Policy

The College has no formal Reserves Policy but recognises the importance of reserves in the financial stability of an organisation, whilst ensuring that adequate resources are provided for the College's core business. The College currently holds no restricted reserves. As at the balance sheet date, the Income and Expenditure account reserve including pension reserve stands at deficit £16,258k (2019/20: deficit £22,824k) and the revaluation reserve stands at surplus £8,132k (2019/20: £8,369k). It is the Board's intention to increase reserves by the generation of annual operating surpluses.

Curriculum developments

The College is a major provider of post-16 further education, higher education, and apprenticeship training across East Sussex. The College has three main campuses and works closely with the local authorities and East Sussex County Council. In 2020/21 the college had 4,579 students aged 16-18 following full time study programmes; Of these 20% are studying up to Level 1, 25% at Level 2 and 55% at Level 3. There are 2,761 apprentices over the year, a mix of internal and subcontracted students. There are around 6,000 adult students (including Community Learning, Loans Funded, Full-Cost and those with Subcontractors), with the majority being part-time. The college works with over 1,000 employers and makes a significant contribution to the communities it serves.

The leadership of the College have developed an ambitious and inclusive curriculum to meet the needs of the community it serves working closely with partners and employers. The College promotes social inclusion and lifelong learning as key components in learners fulfilling their potential and developing the knowledge, skills and behaviours needed for progression into jobs, apprenticeships, or higher education. Governors and senior leaders have a clear ambitious vision for providing high-quality inclusive education, placing the needs and experience of students at the centre of everything they do.

Leaders provide an ambitious curriculum for Study Programme, Adult, HE, and Apprenticeship students, which develops the knowledge, skills, and behaviours that students need to prepare them for their next stage in education, training, or employment. The college is at the forefront of new curriculum development as a T level provider of Construction, Health and Education pathways with additional pathways planned for 2022.

Following disruption due to COVID, a broad programme of personal development activities has been designed and implemented to enrich the student experience and develop their personal, social and employability skills. Activities include Sports Academies, the Academic Academy and a wide range of clubs and societies. 'My Student Life' provides students with an online portal to engage with the college community and issues affecting students to help them develop the attributes required to make a positive contribution to society.

The College is a vibrant place to work and study and leaders encourage all staff and students to be the best they can be. The College actively celebrates the progress and achievements of its learners and apprentices and recognises those staff who really do an outstanding job for the students, community stakeholders and the College. The leadership team understand that they play a critical role in shaping the College culture and the vision, purpose, values, and strategic priorities provide the direction needed to ensure that the focus is on helping students to achieve the very best. The leadership team understand the importance of visible leadership and interact regularly within the college community.

The College quality assures its provision in accordance with external regulators including Ofsted and OFS. A rigorous quality assurance process ensures that the college continues to develop and innovate to improve the student experience. Student and Employer voice is a key component of quality assurance to ensure their views are used to inform how the college moves forward and develops its provision.

The Coronavirus pandemic has profoundly impacted on the College's provision and has changed the lives of staff and students across the College group. The College approached the challenges of the pandemic with unity, innovation and action to ensure as many students as possible remained engaged in education and training and were able to achieve their qualifications and progress. Moving forward the best practice developed in this period such as the focus on wellbeing and digital innovation will be used to improve the experience of all stakeholders.

Ofsted Inspection

East Sussex College had its first full Ofsted inspection from 23-26 November 2021 since merger in April 2018. Two successful monitoring visits had been undertaken since merger where the progress of the new group was recognised. Prior to merger, Sussex Downs College in Eastbourne and Lewes was deemed to Require Improvement 2017 whilst Sussex Coast College in Hasting was rated Good in 2017. In November 2021 inspectors found the college to be Good in all areas of our provision.

Overall effectiveness	Good
Behaviour and attitudes	Good
Personal development	Good
Leadership and management	Good
Education programmes for young people	Good
Adult learning programmes	Good
Apprenticeships	Good
Provision for learners with high needs	Good

Inspectors reported that:

“Students and apprentices enjoy attending the college. Teachers have high expectations of all students and apprentices, including those with high needs. Teachers’ high expectations motivate students and apprentices to achieve their best. Apprentices enjoy their training and work, take pride in what they do and, as a result, take on more responsibility at work. Students and apprentices speak very positively of the support they receive from their teachers, who, they say, ‘make you believe in yourself, because they believe in you’.”

This good outcome cements the success of the merger to secure consistently good quality of student experience throughout the College. This outcome will significantly enhance the critical work in reputation building to reverse the declining recruitment in 16-18 and enable the growth of our income.

Events after the balance sheet date

In October 2021 the Board resolved to approve the wind up the subsidiary company, Plaza Trading Hastings Ltd.

Future developments

Work continues on the financial recovery plan that is linked to the Business Planning Cycle and the College continues to gain assistance from the National Leaders in FE programme to help enhance and update the business planning systems and processes for a multi-site College.

The College is committed to delivering a new Estates, Digital and People Strategy to develop a 21st Century outstanding learning organisation to meet the needs of East Sussex and the surrounding areas.

The College continues to focus on enacting an innovative Estates Strategy that will ultimately redevelop the Lewes and Eastbourne campuses to ensure we create a fantastic learning environment for all our students. These plans will be influenced by our students and staff on these sites, learning from research and best practice from across the sector. The College is working with all our stakeholders and potential partners to realise this ambition.

Impact of Brexit

The impact of the effect of Brexit is not believed to have been significant although there have been delays in the supply chain in particular with items such as IT hardware. The impact of Brexit will be kept under review going forward.

RESOURCES

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

Tangible fixed asset additions during the year amounted to £179k (2019/20 £202k).

Financial

The College has £8.126 million of net liabilities (incorporating a £40.353 million pension liability) (2019/20: £14.455m net liabilities incorporating a £42.650m pension liability).

People

The College employs 686 people (expressed as full-time equivalents), of whom 302 are teaching staff (2019/20: 700 people of whom 306 were teaching staff).

Going Concern

After making appropriate enquiries, the Board 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.

The College reported negative reserves in the 31 July 2020 annual financial statements as a result of the actuarial valuations of the local government pension liabilities. This constituted a technical breach of the terms and conditions of the facility agreement with Barclays Bank. As the College has been able to demonstrate improving financial health Barclays Bank has agreed to amend the facility agreement and the Board approved the signing of the waiver and variation letters. There are no breaches in the current financial year.

Reputation

The College continues to strive to build its reputation locally and nationally. Achieving and maintaining a quality brand is essential for the College's success at attracting students, thereby maintaining and wherever possible growing income, alongside developing and enhancing external relationships.

PRINCIPAL RISKS AND UNCERTAINTIES

The College has embedded a system of internal controls, including financial, operational and risk management which is designed to protect the College's assets and reputation. The College operates an online system for recording and reporting Risk which formalises this process across all the areas of the College.

The system comprises a strategic risk register with 14 key risks. The register assists the College in documenting the identification of 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 14 Strategic risks identified in the Risk Register 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. The number of risks has been increased as a result of COVID-19 which has been included as a separate risk as well as impacting on other areas. The key risks are:

1. Quality

East Sussex College might fail to provide a consistently good experience and students do not achieve their potential.

2. Student Recruitment

East Sussex College's curriculum offer and recruitment actions may fail to attract sufficient students.

3. Safeguarding and Prevent systems and processes

East Sussex College's Safeguarding and Prevent processes may fail to keep students and staff safe.

4. Staff Morale and Organisational Culture

East Sussex College might fail to ensure that there is an effective organisational culture.

5. Cash flow

East Sussex College might fail to ensure that it has sufficient cash to enable it to remain viable.

6. Subcontracting

East Sussex College might fail to achieve sufficient adult/apprentice growth to replace reductions in subcontracted provision.

7. Resource Management

East Sussex College might fail to adequately manage pay and non-pay resources in line with the business plan.

8. Estates Strategy

East Sussex College might fail to deliver a new estates strategy.

9. Digital Capacity

East Sussex College might fail to ensure that there is an adequate IT infrastructure to facilitate all aspects of the College including teaching and learning, business systems and staff needs.

10. Cyber Attack

East Sussex College may fail to protect against a cyber-security attack.

11. Leadership and Governance

East Sussex College may fail to ensure that there is strong and secure leadership and governance.

12. COVID-19

East Sussex College COVID-19 mitigating preparations may fail to be effective.

13. Health and Safety

East Sussex College might fail to ensure that safe working practices keep staff and students safe from harm.

14. External Environment

East Sussex College fails to respond with agility to the changing local environment such as government policy.

The College has put in place mitigating actions against each of these risks that aim to reduce the Gross Risk Assessment from high to at least medium. The uncertainties continue to remain about the long-term impact of COVID-19, the external environment impacts and changing government policy.

STAKEHOLDER RELATIONSHIPS

In line with other colleges and with universities, East Sussex College Group has many stakeholders. These include:

- Students
- Staff
- Local employers (with specific links)
- Funding agencies
- Local Authorities
- Government Offices/ Local Enterprise Partnerships
- The local community
- Other FE institutions
- Trade unions
- Professional bodies.

The College recognises the importance of these relationships and engages in regular communication with them through the College Internet site and by meetings.

Equity, Diversity and Inclusion

The College is committed to ensuring equity of opportunity for all who learn and work at the College. The College Group's values support the principle of equal opportunities and opposes discrimination on the basis of age, sex, marriage and civil partnership, gender reassignment, race, disability, sexual orientation, religion or belief, pregnancy and maternity and part-time or fixed-term employment (defined as Protected Characteristics). The College Group will take every possible step to ensure that students and prospective students are treated equally and fairly. All policies and practices will conform with the principle of equal opportunities particularly in terms of recruitment, admission, selection and discipline.

Being a committed equal opportunities employer, the College Group will take every possible step to ensure that employees are treated equally and fairly. All policies and practices will conform with the principle of equal opportunities in terms of recruitment, selection, training, promotion, career development, discipline, redundancy and dismissal. In some situations, the College Group may be at risk of being held responsible for the acts of individual members of staff and will not tolerate any discriminatory practices or behaviour.

The College Group is committed to ensuring a working environment where equalities and fairness is integral to everything they do and is embedded in all policies and practices. The College values each individual within the workforce and will challenge all forms of inequality.

The College operates a Single Equality Scheme to comply with the Public Equality Duty which became law in April 2011.

Disability statement

The College seeks to achieve the objectives set down in the Disability Discrimination Act 1995 as amended by the Special Education Needs and Disability Acts 2001 and 2005:

- a. The capital build programme completed in 2010 which delivered the buildings at Station Plaza (Hastings) and Ore Valley are fully compliant with all relevant legislation.
- b. There is a list of specialist equipment across Eastbourne, Lewes and Hastings, such as radio aids, which the College can make available for use by students and a range of assistive technology is available in the learning centre.
- c. The admissions policy for all students is described in the College charter. Appeals against a decision not to offer a place are dealt with under the complaints policy.
- d. There are a number of student support assistants who can provide a variety of support for learning. There is a continuing programme of staff development to ensure the provision of a high level of appropriate support for students who have learning difficulties and/or disabilities.
- e. Specialist programmes are described in College prospectuses, and achievements and destinations are recorded and published in the standard College format.
- f. Counselling and welfare services are described in the College Student Guide, which is issued to students together with the Complaints and Disciplinary Procedure leaflets at induction.

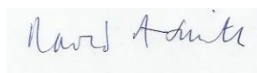
Staff and student involvement

Termly staff development days and other events are held to ensure effective communication with staff on College strategy and direction. Students attend course boards and focus groups to provide feedback on curriculum to the College. Formal systems are in place to collect student views and deliver them to the Board and executive management of the College. Staff and students are represented on the Board.

Disclosure of Information to Auditor

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

Approved by order of the members of the Board on 31 January 2022 and signed on its behalf by:

A rectangular box containing a handwritten signature in blue ink that reads "David Smith".

David Smith
Chair of Governors

Statement of Corporate Governance and Internal Control

The following statement is provided to enable readers of the annual report and accounts of the College to obtain a better understanding of its governance and legal structure. This statement covers the period from 1 August 2020 to 31 July 2021 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 Code"), and
- iii. having due regard to the UK Corporate Governance 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 board has complied with The Code. 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.

In the opinion of the Governors, the College complies with all the provisions of the Code, and it has complied throughout the year ended 31st July 2021. The Governing Body recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times. In carrying out its responsibilities it takes full account of the Code issued by the Association of Colleges in March 2015 including the Senior Post Holder Remuneration Code adopted by the Board in February 2019. The Board will review the updated September 2021 Code in line with the expectation that the College will report against it in 2022/23.

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 Board of Governors

The governors who served the Board during the year and up to the date of signature of this report are listed below:

Name	Date of appointment	Term of Office	Date of resignation / end of office	Status of appointment	Committees served	Individual attendance
Rebecca Conroy	14.02.2020	N/A		CEO (Ex officio)	All committees (except Audit, Search, Performance and Remuneration)	100%
David Smith	01.10.2019 28.03.2020	1st		Independent Governor Chair	Finance, Search, Performance and Remuneration, Curriculum and Quality, Capital Development Board	92%
Mark Fisher	18.09.17	1 st	-	Independent Governor	Finance	88%
Jo Rogers	29.03.18 Vice Chair (26.02.20)	1 st	Resigned June 2021	Independent Governor (Vice-Chair)	HR, Search, Performance and Remuneration, People and Culture, Eastbourne Local College Board	95%

East Sussex College Group
Members' report and financial statements
For the year ended 31 July 2021

Gill Short	1.10.15	2 nd	-	Independent Governor	Curriculum and Quality, People and Culture, Lewes College Board	100%
Kevin Cowley	09.03.18 – 24.06.19 (Co-opted Member) 24.06.19 (Independent Governor)	1 st	Resigned July 2021	Independent Governor	People and Culture, Search, Performance and Remuneration	92%
Angela Smith	26.3.19 – 10.12.19 (Co-opted Member) 10.12.19 (Independent Governor)	1 st	-	Independent Governor	Audit, Lewes College Board	88%
Ian Mehrtens	24.06.19 Vice-Chair (26.02.20)	1 st	-	Independent Governor (Vice-Chair)	Capital Development Board, Search, Performance and Remuneration, Audit (resigned), Finance, Hastings College Board	100%
Catherine Manning	01.06.20	1 st	-	Independent Governor	Search, Performance and Remuneration, Curriculum and Quality	89%
Suzanne Green	01.06.20	1 st	Resigned November 2020	Independent Governor	Curriculum and Quality and People and Standards	100%
Graham Cook	01.06.20	1 st	-	Independent Governor	Finance (resigned), Capital Development Board, Eastbourne College Board	83%
Andy Vincent	08.07.20	1 st	Resigned November 2021	Independent Governor	Search, Performance and Remuneration, Capital Development Board	78%
Averil Price	14.09.21	1 st		Independent Governor	Audit, People and Culture	50%
Priscilla Kendall	14.09.21	1 st		Independent Governor	Search, Performance and Remuneration, Finance	50%
Becky Cooke	14.09.21	1 st		Independent Governor	People and Culture	0%
Leo Hunnisett	26.02.20	1 year	-	Student Governor		33%
Marie Sangster	07.10.19	4 years	-	Staff Governor (support)	People and Culture	92%
Steve Hedges	07.10.19	4 years	-	Staff Governor (Teaching)	Curriculum and Quality	84%
Robert Mee	29.03.18	2 nd	Deceased March 2021	Co-opted Member	People and Culture	100%
Madina Tash	26.03.19	1 st	Resigned March 2021	Co-opted Member	Finance	50%
Tom Sanderson	29.03.18	2 nd		Co-opted Member	Finance	100%
Charles Dudley	08.06.20	1 st		Co-opted Member	Capital Development Board	100%
Kim Butler	23.03.21	1 st		Co-opted Member	Audit	100%
Aly Coleman	15.07.21	1 st		Co-opted Member	Curriculum and Standards	n/a
Sue Maynard	01.08.21	1 st	-	Co-opted Member	Capital Development Board	74%

Governance Framework

Mia Bryden, Director of Governance, acted as Clerk to the Corporation until the 14 October 2021. Experienced interim governance advisors are in place at the College, with a new Director of Governance expected to join the College in the Spring Term following a successful recruitment process.

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

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

The Chair of the Board is stepping down from the role in March 2022 and following a successful recruitment process Ian Mehrkens (currently Vice-Chair) has been appointed as Chair designate to succeed the current Chair in March.

The governors bring a variety of relevant skills and experiences to the board, including risk and audit and financial acumen, mental health knowledge and experience, capital project management and national further education professional development engagement. Alongside the new independent governors, specialist co-optees have been recruited to serve on key committees and key influencers have been recruited to the three local boards.

The East Sussex College Group board committee structure has been overhauled, with all but one of the committees now under new Chair and Vice Chair arrangements, new full and co-opted members and all of the terms of reference refreshed after significant research into best FE sector practice.

The Board conducts its business through a number of Committees. Each Committee has terms of reference, which have been approved by the Board. There are reviewed annually and were last reviewed on 14 July 2021.

Full minutes of all meetings, except those deemed to be confidential by the Board are available on the College's website or from the Director of Governance.

In the months of board refresh and restructure since March 2020, the Chair and the Board has been directly supported by a National Leader of Governance (NLG), through arrangements made by the FE Commissioner, and the Director of Governance has also been supported by a further NLG. With the support and input of the NLGs and through a rigorous self-assessment process (in summer 2021) and research and comparison, led by the Director of Governance, against sector best governance practice (AoC Good Governance Framework), the ESCG board has set a robust governance development plan that focuses on:

- Improving student voice representation in governance
- Streamlining committee structures and rebalancing board/committee decision making
- Gaining assurance about internal controls, harmonisation of College policies, compliance, and risk management
- Ensuring Equality and Diversity statutory requirements are met, and exceeded
- Re-setting the trust and relationship between the board and the executive following the new CEO appointment
- Pursuing a tailored governance training and development plan arising from the self and external assessment processes above mentioned
- Reviewing and streamlining agenda setting, board paperwork and the use of digital 'boardpacks' as a repository 'knowledge area' to improve decision making

The Director of Governance maintains a register of financial and personal interests of the governors. This register is available for inspection from:

Director of Governance
East Sussex College Group
Cross Levels Way
Eastbourne
BN21 2UF

The Board self-assesses its performance annually and provides an assessment on its own effectiveness. The Governance Development Committee is responsible for oversight and analysis of Board self-assessments. Each Committee is responsible for annually reviewing its terms of reference and monitoring its performance against these criteria.

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

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

The Board has a strong and independent non-executive element and no individual or group dominates its decision making process. The Board 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 Board and Accounting Officer of the College are separate.

Appointments to the Board

Any new appointments to the Board are a matter for the consideration of the Board as a whole. The Board has a Search Performance and Remuneration Committee comprising four members which is responsible for the selection and nomination of any new member (save the staff and student governors) for the Board's consideration. The Board is responsible for ensuring that appropriate induction and ongoing training is provided as required. Governors are appointed for a term of office not exceeding four years and going forward will not normally serve more than two terms of office.

Search Performance and Remuneration Committee

Throughout the year ending 31 July 2021, the College's Remuneration Committee comprised four members. The committee's responsibilities are to make recommendations to the Board on the remuneration and benefits of the Accounting Officer and other senior post-holders. Details of remuneration for the year ended 31 July 2021 are set out in note 7 to the financial statements.

Audit, Risk and Compliance Committee

The Audit, Risk and Compliance Committee comprises four members of the Board (who exclude the Accounting Officer, Chair and members of the Finance Committee). The Committee operates in accordance with written terms of reference approved by the Board and consistent with the Audit Code of Practice. Its purpose is to advise the Board on the adequacy and effectiveness of the College's system of internal control and its arrangements for risk management, control and governance processes. The Audit, Risk and Compliance Committee meets on a termly basis and provides a forum for reporting by the College's internal, reporting accountants and financial statements auditors, who have access to the Committee for independent discussion, without the presence of College management. The College's internal auditors review the systems of internal control, risk management controls and governance processes in accordance with an agreed plan of input and report their findings to management and the Audit, Risk and Compliance Committee. Management is responsible for the implementation of agreed audit recommendations and internal audit undertakes periodic follow-up reviews to ensure such recommendations have been implemented.

The Audit, Risk and Compliance Committee also advises the Board on the appointment of internal, reporting accountants and financial statements auditors and their remuneration for audit and non-audit work as well as reporting annually to the Board. The Committee also receives and considers reports from the Education and Skills Funding Agency, as they affect the College's business.

Internal Control

Scope of responsibility

The Board 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 Board has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives whilst safeguarding the public funds and assets for which they are personally responsible, in accordance with the responsibilities assigned to them in the Financial Memorandum between the College and the Education and Skills Funding Agency. They are also responsible for reporting to the Board any material weaknesses or break-downs in internal control.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of College policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in East Sussex College Group for the year ended 31 July 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board 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 Board is of the view that there is a formal ongoing process for identifying, evaluating and managing the College's significant risks that has been in place for the period ending 31 July 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board.

The risk and control framework

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

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

The College has an internal audit service, which operates in accordance with requirements of the ESFA Audit Code of Practice. The work of the internal audit service is informed by an analysis of the risks to which the College is exposed, and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the Board on the recommendation of the Audit Committee.

Review of effectiveness

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

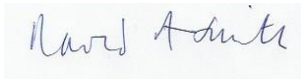
- The work of the internal auditors

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

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

The Executive 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 Executive Team and Audit, Risk and Compliance Committee also receive regular reports from internal audit, which include recommendations for improvement. The Audit, Risk and Compliance Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Board's agenda includes a regular item for consideration of risk and control and receives reports thereon from the Executive Team and the Audit, Risk and Compliance Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception.

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



David Smith
Chair of Governors
31 January 2022



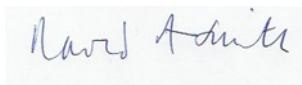
Rebecca Conroy
Accounting Officer
31 January 2022

Statement of Regularity, Propriety and Compliance

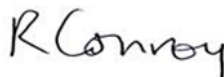
The corporation has considered its responsibility to notify the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of funding, under the corporation's grant funding agreement and contracts with the ESFA. As part of our consideration we have had due regard to the requirements of the grant funding agreements and contracts with the ESFA.

We confirm on behalf of the corporation that after due enquiry, and to the best of our knowledge, we are able to identify any material irregular or improper use of funds by the corporation, or material non-compliance with the terms and conditions of funding, under the corporation's grant funding agreements and contracts with the ESFA, or any other public funder.

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



David Smith
Chair of Governors
31 January 2022



Rebecca Conroy
Accounting Officer
31 January 2022

Statement of Responsibilities of the Members of the Board

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

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

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

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

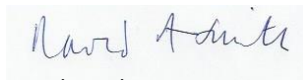
The corporation is also required to prepare a Members' Report which describes what it is trying to do and how it is going about it, including information about the legal and administrative status of the corporation.

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

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

Members of the corporation are responsible for ensuring that expenditure and income are applied for the purposes intended by Parliament and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from the ESFA and any other public funds are used only in accordance with the ESFA's grant funding agreements and contracts and any other conditions that may be prescribed from time to time by the ESFA or any other public funder. 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 economical, efficient and effective management of the corporation's resources and expenditure so that the benefits that should be derived from the application of public funds from the ESFA and other public bodies are not put at risk.

Approved by order of the members of the corporation on *31 January 2022* and signed on its behalf by:



David Smith
Chair of Governors

Independent auditor's report to the Board of East Sussex College Group

Opinion

We have audited the financial statements of East Sussex College Group (the 'College') and its subsidiary (the 'group') for the year ended 31 July 2021 which comprise the Consolidated and College Statements of Comprehensive Income, the Consolidated and College Statements of Changes in Reserves, the Consolidated and College Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice) and the 2019 Statement of Recommended Practice: Accounting for Further and Higher Education.

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and College's affairs as at 31 July 2021 and of the Group's and College's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Basis for opinion

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- the information given in the report of the Members of the Corporation, including the operating and financial review and statement of corporate governance, is inconsistent with the financial statements; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Corporation

As explained more fully in the Statement of Responsibilities of the Members of the Board set out on page 22, the Corporation is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Corporation determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the College and its industry, we identified that the principal risks of non-compliance with laws and regulations related to compliance with the ESFA funding agreements, the OFS regulatory framework, the OFSTED regulatory framework, safeguarding, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements.

We evaluated the Members of the Corporation and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the Members of the Corporation and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Group and the College which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the Members of the Corporation and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

Other required reporting

Opinion on other matters prescribed in the OfS Audit Code of Practice issued under the Further and Higher Education Act 1992

In our opinion, in all material respects:

- funds provided by the OfS and UK Research and Innovation (including Research England) have been applied in accordance with the relevant terms and conditions attached to them; and
- the requirements of OfS's accounts direction have been met.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the OfS Audit Code of Practice requires us to report to you if, in our opinion:

- the provider's grant and fee income, as disclosed in the notes to the financial statements, has been materially misstated; or
- the provider's expenditure on access and participation activities, as disclosed in the financial statements, has been materially misstated.

Use of the audit report

This report is made solely to the Corporation as a body in accordance with Article 22 of 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 Group and College and the Corporation as a body for our audit work, for this report, or for the opinions we have formed.

Mazars LLP

Mazars LLP
Chartered Accountants and Statutory Auditor
6 Sutton Plaza, Sutton Court Road, Sutton, Surrey, SM1 4FS.

Date: 31 January 2022

Reporting Accountants' Report on Regularity to the Board of East Sussex College Group and the Chief Executive of the Education and Skills Funding Agency (ESFA)

To: The Board of East Sussex College Group and Secretary of State for Education acting through the Department for Education ("the Department")

In accordance with the terms of our engagement letter and further to the requirements of the funding agreement with the Education and Skills Funding Agency we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest that in all material respects the expenditure disbursed and income received by East Sussex College Group during the period 1 August 2020 to 31 July 2021 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

The framework that has been applied is set out in the Post 16 Audit Code of Practice ("the Code") issued by the Department. In line with this framework, our work has specifically not considered income received from the main funding grants generated through the Individualised Learner Record (ILR) returns, for which the Department has other assurance arrangements in place.

This report is made solely to the corporation of East Sussex College Group and the Department in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the corporation of East Sussex College Group and the Department 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 East Sussex College Group and the Department for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of East Sussex College Group and the reporting accountant

The Board of East Sussex College Group is responsible, under the requirements of the Further & Higher Education Act 1992, subsequent legislation and related regulations and guidance, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and 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 Code. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 August 2020 to 31 July 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Reviewed the statement on the College's regularity, propriety and compliance with Funding body terms and conditions of funding.
- Reviewed the College's completed self-assessment questionnaire on regularity.
- Read the financial memorandum with the ESFA
- Tested a sample of expenditure disbursed and income received to consider whether they have been applied to purposes intended by Parliament and in accordance with funding agreements where relevant.
- Reviewed all payments to senior post holders on termination of employment or in respect of claims made in the year
- Reviewed approved policies and procedures operating during the year for each funding stream that has specific terms attached
- Obtained the policy for personal gifts and/or hospitality.
- Obtained the register of personal interests.
- Obtained the financial regulations/financial procedures.
- Obtained the College's whistleblowing policy.

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 2020 to 31 July 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Signed: *Mazars LLP*

Mazars LLP
6 Sutton Plaza
Sutton Court Road
Sutton
Surrey
SM1 4FS

Date: 31 January 2022

East Sussex College Group
Consolidated and College statements of comprehensive income
For year ended 31 July 2021

		2021	2021	2020	2020
		£'000	£'000	£'000	£'000
INCOME	Note	Group	College	Group	College
Funding Body Grants	2	32,319	32,319	30,418	30,418
Tuition Fees And Education Contracts	3	12,427	12,427	15,407	15,407
Other Grants And Contracts	4	3,810	3,605	4,873	4,874
Other Income	5	1,131	1,054	163	18
Investment Income	6	-	-	2	2
Total Income		49,687	49,405	50,863	50,719
EXPENDITURE					
Staff Costs - Group And College	7	29,791	29,589	30,450	30,327
Other Operating Expenses	8	14,546	14,496	19,848	20,306
Depreciation	11	3,328	3,304	3,482	3,460
Interest And Other Finance Costs	9	803	803	757	757
Total expenditure		48,468	48,192	54,537	54,850
Surplus / (deficit) before other gains and losses		1,219	1,213	(3,674)	(4,131)
Loss on disposal of assets		(6)	(6)	(3)	(3)
Surplus / (deficit) before tax		1,213	1,207	(3,677)	(4,134)
Taxation	10	-	-	-	-
Surplus / (deficit) for the year retained within general reserves		1,213	1,207	(3,677)	(4,134)
Actuarial gain (loss) in respect of defined benefit pension schemes	17&23	5,116	5,116	(13,856)	(13,856)
Total Comprehensive Income / (Expenditure)		6,329	6,323	(17,533)	(17,990)

East Sussex College Group
Statement of changes in reserves
For year ended 31 July 2021

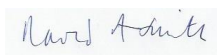
	Revaluation Reserve £'000	I&E Account £'000	Total £'000
Group			
Balance at 1 August 2019	8,606	(5,528)	3,078
Deficit from I&E	-	(3,677)	(3,677)
Other comprehensive income:			
Actuarial loss on defined benefit pension scheme	-	(13,856)	(13,856)
Transfer between revaluation reserve and Income & Expenditure reserves	(237)	237	-
Total comprehensive income for the year	(237)	(17,296)	(17,533)
Balance at 31st July 2020	8,369	(22,824)	(14,455)
Surplus from I&E	-	1,213	1,213
Other comprehensive income:			
Actuarial gain on defined benefit pension scheme	-	5,116	5,116
Transfer between revaluation reserve and Income & Expenditure reserves	(237)	237	-
Total comprehensive (expenditure) / income for the year	(237)	6,566	6,329
Balance at 31 July 2021	8,132	(16,258)	(8,126)

	Revaluation Reserve £'000	I&E Account £'000	Total £'000
College			
Balance at 1 August 2019	8,606	(5,138)	3,468
Deficit from I&E	-	(4,134)	(4,134)
Other comprehensive income:			
Actuarial loss on defined benefit pension scheme	-	(13,856)	(13,856)
Transfer between revaluation reserve and Income & Expenditure reserves	(237)	237	-
Total comprehensive (expenditure) / income for the year	(237)	(17,753)	(17,990)
Dividends paid	-	-	-
Transfers	-	-	-
Balance at 31st July 2020	8,369	(22,891)	(14,522)
Surplus from I&E	-	1,207	1,207
Other comprehensive income:			
Actuarial gain on defined benefit pension scheme	-	5,116	5,116
Transfer between revaluation reserve and Income & Expenditure reserves	(237)	237	-
Total comprehensive (expenditure) / income for the year	(237)	6,560	6,323
Balance at 31 July 2021	8,132	(16,331)	(8,199)

East Sussex College Group
Balance sheets as at 31st July 2021

		Group	College	Group	College
		2021	2021	2020	2020
		£'000	£'000	£'000	£'000
Fixed assets	Note				
Tangible assets	11	111,456	111,425	114,806	114,751
Total fixed assets		111,456	111,425	114,806	114,751
Current assets					
Stocks		10	8	21	20
Trade and other receivables	13	2,324	2,230	1,992	1,938
Cash at bank and in hand	18	7,845	7,814	2,739	2,739
Total current assets		10,179	10,052	4,752	4,697
Less: Creditors – amounts falling due within one year	14	(11,255)	(11,170)	(10,548)	(10,505)
Net current liabilities		(1,076)	(1,118)	(5,796)	(5,808)
Total assets less current liabilities		110,380	110,307	109,010	108,943
Less: Creditors – amounts falling due after more than one year	15	(77,591)	(77,591)	(80,250)	(80,250)
Provisions					
Defined benefit obligations	23	(40,353)	(40,353)	(42,650)	(42,650)
Other provisions	17	(562)	(562)	(565)	(565)
TOTAL NET ASSETS		(8,126)	(8,199)	(14,455)	(14,522)
Reserves					
Income and expenditure account including pension reserve		(16,258)	(16,331)	(22,824)	(22,891)
Revaluation reserve		8,132	8,132	8,369	8,369
TOTAL RESERVES		(8,126)	(8,199)	(14,455)	(14,522)

The financial statements on pages 28 to 54 were approved by the Corporation and authorised for issue on 31 January 2022 and were signed on its behalf on that date by:



David Smith
 Chair



Rebecca Conroy
 Accounting Officer

East Sussex College Group
Consolidated Statement of Cash Flows
For year ended 31 July 2021

	2021	2020
	£'000	£'000
Cash flow from operating activities		
Surplus / (deficit) after tax for the year	1,213	(3,677)
Adjustment for non-cash items:		
Depreciation	3,328	3,482
Decrease in stocks	11	11
(Increase) / decrease in debtors	(332)	1,618
Increase / (decrease) in creditors due within one year	2,115	(2,271)
Decrease in creditors due after one year	(1,692)	(170)
Pension costs less contributions payable	2,857	2,525
(Decrease) / increase in provision	(41)	35
Adjustment for investing or financing activities:		
Interest receivable	-	(2)
Interest payable	211	184
Loss on disposal of tangible asset	6	-
Cash generated from operations	7,676	1,735
Investing activities		
Purchase of tangible assets	(179)	(202)
Proceeds on disposal of tangible assets	195	-
Interest received	-	2
Net cash provided by / (used in) investing activities	16	(200)
Financing activities		
Interest paid	(211)	(184)
New loans	-	1,500
Repayments of loans	(2,375)	(741)
Net cash (used in) / provided by financing activities	(2,586)	575
Net increase in cash and cash equivalents	5,106	2,110
Cash and cash equivalents at beginning of year	2,739	629
Cash and cash equivalents at end of year	7,845	2,739

Notes

(forming part of the financial statements)

1 Accounting policies

General information

East Sussex College Group is a corporation established under the Further and Higher Education Act 1992 as an English general college of further education. The address of the College's principal place of business is given on page 17. The nature of the College's operations is set out in the Members' Report.

Basis of accounting

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (the FE HE SORP), the College Accounts Direction for 2020 to 2021 and in accordance with Financial Reporting Standard 102 – "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (FRS 102) under the historical cost convention. The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been applied consistently to all the years presented, unless otherwise stated.

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

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

Basis of consolidation

The consolidated financial statements include the College and its subsidiary, Plaza Trading Hastings Limited. Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The results of subsidiaries acquired or disposed of during the period are included in the consolidated income and expenditure account from the date of acquisition or up to the date of disposal. Intra-group sales and profits are eliminated fully on consolidation. In accordance with FRS 102, the activities of the student union have not been consolidated because the College does not control those activities. All financial statements are made up to 31 July 2021.

All intra-group transactions, balances and unrealised gains on transactions between group entities are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, adjustments are made to the financial statements of the subsidiary to bring the accounting policies used into line with those used by other members of the Group.

Notes (continued)

1 Statement of accounting policies (continued)

Going Concern

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

The College notes that the Balance Sheet at 31 July 2021 shows current liabilities exceeding current assets by £1,076k. This position is not expected to cause any financial short-term issues as worst-case cash flow forecasts, prepared out to July 2024, indicate that the College has sufficient funding to pay all liabilities as they fall due.

The College has long term loan facilities agreed with its finance providers. These were approved at merger and comprise £3.5m of commercial debt with Barclays, and £3.9m of loans from the ESFA PMO Team. These loans are repayable over a 10 year period. The College also has a revolving credit facility with Barclays of £2.5m. The College has prepared cash flow forecasts for the period to 31 July 2024 and on the basis of these forecasts the College has concluded that it can continue to operate within the terms of the agreed facilities for the foreseeable future.

Accordingly, the College has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future, and for this reason will continue to adopt the going concern basis in the preparation of its Financial Statements.

Recognition of Income

Government revenue grants include funding body recurrent grants and other grants and are accounted for under the accrual model as permitted by FRS 102. Any under achievement of the adult skills budget allocation outside of the permitted tolerance level is adjusted for and reflected in the level of recurrent grant recognised in the income and expenditure account. The final grant income is normally determined with the conclusion of the year end reconciliation process with the funding body at the end of November following the year end. This process may involve negotiations in respect of over achievement or adjustment to clawback in respect of underachievement, however where negotiations are subsequent to the year end, they are not reflected in the income recognised. 16-18 learner-responsive funding is not normally subject to a reconciliation and is therefore not subject to contract adjustments, the income recognised is the allocation for the year.

Other discrete Education and Skills Funding Agency (ESFA) funds received during the year are taken to income as expenditure is incurred, in line with the specific terms and conditions attached to each fund by the organisation.

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

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

Where the College receives and disburses funds in which it has no direct beneficial interest, such funds are excluded from the income and expenditure account on the grounds that the College does not have direct control over the future economic benefits derived from these funds.

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

Income from tuition fees is recognised in the period for which it is receivable and includes all fees payable by students or their sponsors, for example the National Health Service.

Notes (continued)

1 Statement of accounting policies (continued)

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

Accounting for post-retirement benefits

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

The TPS is an unfunded pension scheme and contributions 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 quinquennial valuations using a projected unit method. As stated in Note 23, the TPS is a multi-employer scheme and the College is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as an expense in the Statement of Comprehensive Income in the periods during which services are rendered by employees. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

The LGPS is a funded scheme and the assets are held separately from those of the College in separate trustee administered funds. Pension scheme assets are measured using closing fair values and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on 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. The net interest cost on the net defined benefit liability is charged to comprehensive income and included within finance costs. Re-measurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in other comprehensive income.

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.

Non-current Assets – Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Land and buildings

Freehold land is not depreciated. Each freehold building is depreciated on a straight-line basis over the estimated useful life to the College (currently up to sixty years for some buildings). Building works (improvements) are depreciated over a 15 year period.

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

Finance costs which are directly attributable to the construction of land and buildings are not capitalised as part of the costs of those assets. The College has a policy of depreciating major adaptations to buildings over the period of their useful economic life.

Notes (continued)

1 Statement of accounting policies (continued)

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

Subsequent expenditure on existing fixed assets

Where significant expenditure is incurred on tangible fixed assets it is charged to the income and expenditure account in the period it is incurred, unless it meets certain criteria, in which case it is capitalised and depreciated on the relevant basis. The College adopted new financial regulations during 2020/2021 that included a change in the economic life of assets. The updated information is shown in the table below.

Equipment

Computer equipment costing less than £5,000 per individual item is written off to the income and expenditure account in the period of acquisition, unless purchased as a larger group of assets. All other equipment is capitalised at cost.

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

Computer equipment	-	5 years
Plant	-	10 years
Vehicles	-	5 years
Equipment	-	5 years
Furniture, fixtures and fittings	-	3 years

Leased assets

Costs in respect of operating leases are charged on a straight line basis over the lease term. Any lease premiums or incentives relating to leases signed after 1st August 2014 are spread over the minimum lease term. The College has taken advantage of the transitional exemptions in FRS 102 and has retained the policy of spreading lease premiums and incentives to the date of the first market rent review for leases signed before 1st August 2014.

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

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

Investments

Fixed asset endowment investments are carried at valuation on the basis of depreciated replacement cost. The building concerned is depreciated on a straight line basis over its estimated useful life.

Current asset investments, which may include listed investments, are stated at the lower of their cost and net realisable value.

Notes *(continued)*

1 Statement of accounting policies *(continued)*

Stocks

Stocks are stated at the lower of their cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stocks.

Financial liabilities and equity

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

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

Provisions

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

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 unwind

ing 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. The only contingent liability relates to an on-going investigation into historic funding issues and is shown in Note 21.

Cash and cash equivalents

Cash includes cash in hand, deposits which have a maturity of less than three months and overdrafts. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

Foreign currency translation

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

Notes (continued)

1 Statement of accounting policies (continued)

Taxation

The College is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the College is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

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

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

Deferred taxation

Deferred taxation is provided on timing differences, arising from the different treatment of items for accounting and taxation purposes, which are expected to reverse in the future, calculated at the rates at which it is expected that tax will arise.

Agency arrangements

The College acts as an agent in the collection and payment of Discretionary Learner Support Funds. Related income received from the Main Funding Body and subsequent disbursements to students and other further education colleges are excluded from the income and expenditure account (and are shown separately in note 25), except for the 5% of the grant received which is available to the College to cover administration costs relating to the grant.

Judgements in applying accounting policies and key sources of estimation uncertainty

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

- Determine whether leases entered into by the College 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.

Other key sources of estimation uncertainty

- Tangible fixed assets

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

Notes *(continued)*

1 Statement of accounting policies *(continued)*

- Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, 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 2019 has been used by the actuary in valuing the pensions liability at 31 July 2021. 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.

East Sussex College Group
Notes to the accounts (continued)
For year ended 31 July 2021

2 Funding body grants

	2021	2021	2020	2020
	Group	College	Group	College
	£'000	£'000	£'000	£'000
2.1 Recurrent Grants				
Education And Skills Funding Agency - Adult Education	5,096	5,096	5,305	5,305
Education And Skills Funding Agency - 16 - 18	24,439	24,439	22,494	22,494
Office For Students	323	323	275	275
2.2 Specific Grants				
Teachers' Pension Scheme Contribution Grant	910	910	811	811
Releases Of Government Capital Grants	1,551	1,551	1,533	1,533
Total	32,319	32,319	30,418	30,418

3 Tuition Fees And Education Contracts

	2021	2021	2020	2020
	Group	College	Group	College
	£'000	£'000	£'000	£'000
3.1 Tuition Fees				
Adult Education Fees	1,022	1,022	2,677	2,677
Apprenticeship Contracts	4,655	4,655	6,466	6,466
Fees For FE Loan Supported Courses	1,965	1,965	492	492
Fees For HE Loan Supported Courses	3,957	3,957	4,339	4,339
International Students' Fees	405	405	130	130
3.2 Education Contracts				
Education Contracts	423	423	1,303	1,303
Total	12,427	12,427	15,407	15,407

4 Other Grants And Contracts

	2021	2021	2020	2020
	Group	College	Group	College
	£'000	£'000	£'000	£'000
4.1 Other Grants And Contracts				
Other Grant Income	1,382	1,356	3,245	3,271
Other Contract Income	2,055	2,055	1,348	1,348
Coronavirus Job Retention Scheme Grant	373	194	280	255
Total	3,810	3,605	4,873	4,874

East Sussex College Group
Notes to the accounts (continued)
For year ended 31 July 2021

5 Other Income

	2021	2021	2020	2020
	Group	College	Group	College
	£'000	£'000	£'000	£'000
5.1 Other Income				
Catering And Residences	859	782	163	18
Miscellaneous Income	272	272	-	-
Total	<u>1,131</u>	<u>1,054</u>	<u>163</u>	<u>18</u>

6 Investment Income

	2021	2021	2020	2020
	Group	College	Group	College
	£'000	£'000	£'000	£'000
6.1 Investment Income				
Other Interest Receivable	-	-	2	2
Total	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>

East Sussex College Group
Notes to the accounts (continued)
For year ended 31 July 2021

7 Staff Costs - Group And College

The average number of persons (including key management personnel) employed by the college during the year, described a full-time equivalents, was:

	2021	2020
	No.	No.
Teaching staff	302	306
Non-teaching staff	384	394
	<u>686</u>	<u>700</u>

The numbers above do not include estimates of the staff numbers employed through contracting out arrangements. Non-teaching FTEs include 46 classroom based teaching support staff (2020 - 45).

Staff costs for the above persons

	2021	2020
	£'000	£'000
Wages and salaries	20,615	21,105
Social security costs	1,618	1,715
Other pension costs (including defined benefit pension scheme adjustments of £2,265,000 - 2020 £1,948,000)	6,243	5,937
	<u>28,476</u>	<u>28,757</u>
Payroll sub total	28,476	28,757
Contracted Out Staffing Services	1,201	1,125
	<u>29,677</u>	<u>29,882</u>
Restructuring Costs - Non-contractual	114	568
	<u>29,791</u>	<u>30,450</u>
Total Staff costs	29,791	30,450

The corporation does not have any salary sacrifice arrangements in place.

**East Sussex College Group
 Notes to the accounts (continued)
 For year ended 31 July 2021**

7 Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College and are represented by the College Executive team which comprises the personnel listed at the top of page 3 of these accounts.

All members of the Executive team fall within the remit of the Remuneration Committee to determine their remuneration package with the exception of the Chief Financial Officer and Director of Human Resources.

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

	2021 No.	2020 No.
The number of key management personnel including the Accounting Officer was:	<u>7</u>	<u>8</u>

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

	Key management personnel		Other staff	
	2021 No.	2020 No.	2021 No.	2020 No.
£60,001 to £65,000 p.a.				
£65,001 to £70,000 p.a.	1		3	
£70,001 to £75,000 p.a.		1		
£75,001 to £80,000 p.a.	1			
£85,001 to £90,000 p.a.		2		
£90,001 to £95,000 p.a.	3			
£100,001 to £105,000 p.a.		2		
£105,001 to £110,000 p.a.	1	2		2
£130,001 to £135,000 p.a.		1		
£135,001 to £140,000 p.a.	1			
	<u>7</u>	<u>8</u>	<u>3</u>	<u>2</u>

East Sussex College Group
Notes to the accounts (continued)
For year ended 31 July 2021

7 Key management personnel compensation is made up as follows:

	2021	2020
	£'000	£'000
Basic salary	494	746
Seconded Management Cost	59	-
Benefits in kind	-	5
Pension contributions	<u>84</u>	<u>125</u>
Total key management personnel compensation	<u>637</u>	<u>876</u>

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

	2021	2020
	£'000	£'000
Basic salary	140	188
Pension contributions	<u>28</u>	<u>29</u>
	<u>168</u>	<u>217</u>

The governing body adopted AoC's Senior Staff Remuneration Code in July 2019 and assesses pay in line with its principals.

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

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

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

	2021	2020
Principal's basic salary as a multiple of the median of all staff	7.57	7.08
Principal and CEO's total remuneration as a multiple of the median of all staff	8.72	8.16

Compensation for loss of office paid to former key management personnel

	2021	2020
	£	£
Compensation paid to the former post-holder	-	64
Estimated value of other benefits, including provisions for pension benefits	-	75

The severance payment was approved by the college's Remuneration Committee.

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

East Sussex College Group
Notes to the accounts (continued)
For year ended 31 July 2021

8 Other operating expenses

	2021	2021	2020	2020
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Teaching costs	4,276	4,276	8,897	8,897
Non-teaching costs	5,472	5,427	6,921	7,401
Premises costs	<u>4,798</u>	<u>4,793</u>	<u>4,030</u>	<u>4,008</u>
Total	<u>14,546</u>	<u>14,496</u>	<u>19,848</u>	<u>20,306</u>

Other operating expenses

	2021	2020
	£'000	£'000
Auditors' remuneration		
Financial statements audit*	52	43
Other services	5	-
Internal Audit Fees	72	66
Other services	-	4
Hire of assets under operating leases	-	206
Subcontracting	3,604	6,275

* Includes £36,660 in respect of the college (2020: £40,000)

Access and participation spending

	2021	2020
	£'000	£'000
Access	15	11
Student success	63	54
Progression	<u>6</u>	<u>9</u>
Total	<u>84</u>	<u>74</u>

9 Interest and other finance costs - Group and College

	2021	2020
	£'000	£'000
On Bank Loans, Overdrafts And Other Loans	211	184
Net Interest On Defined Pension Liability (note 23)	<u>592</u>	<u>573</u>
	<u>803</u>	<u>757</u>

10 Taxation - Group only

The members believe that the College and Group was not liable for any Corporation Tax arising out of its activities during the year.

East Sussex College Group
Notes to the accounts (continued)
For year ended 31 July 2021

11 Tangible fixed assets (Group)

	Freehold Land and buildings	Equipment	Assets under construction	Total
	£'000	£'000	£'000	£'000
Cost or valuation				
At 1 August 2020	150,585	11,872	-	162,457
Additions	20	147	12	179
Disposals	(636)	(9,502)	-	(10,138)
At 31 July 2021	149,969	2,517	12	152,498
Depreciation				
At 1 August 2020	36,455	11,196	-	47,651
Charge for the year	2,719	609	-	3,328
Disposals	(435)	(9,502)	-	(9,937)
At 31 July 2021	38,739	2,303	-	41,042
Net book value at 31 July 2021	111,230	214	12	111,456
Net book value at 31 July 2020	114,130	676	-	114,806

Tangible fixed assets (College only)

	Freehold Land and buildings	Equipment	Assets under construction	Total
	£'000	£'000	£'000	£'000
Cost or valuation				
At 1 August 2020	150,423	11,748	-	162,171
Additions	20	147	12	179
Disposals	(636)	(9,502)	-	(10,138)
At 31 July 2021	149,807	2,393	12	152,212
Depreciation				
At 1 August 2020	36,314	11,106	-	47,419
Charge for the year	2,719	585	-	3,304
Disposals	(435)	(9,502)	-	(9,936)
At 31 July 2021	38,598	2,189	-	40,787
Net book value at 31 July 2021	111,209	204	12	111,425
Net book value at 31 July 2020	114,109	642	-	114,751

East Sussex College Group
Notes to the accounts (continued)
For year ended 31 July 2021

12 Non-current investments

In August 2011 East Sussex College (then Sussex Coast College Hastings) acquired 100% of Plaza Trading Hastings Limited on incorporation for £100. The principal activity of Plaza Trading Hastings Limited is the operation of commercial activities on behalf of the College. The activities of Plaza Trading Hastings Limited are consolidated in these accounts. In October 2021 the Board resolved to wind up the company.

13 Trade and other receivables

	2021	2021	2020	2020
	Group	College	Group	College
	£'000	£'000	£'000	£'000
<i>Amounts falling due within one year:</i>				
Trade Receivables	1,004	1,004	1,015	1,015
<i>Amounts owed by group undertakings:</i>				
Subsidiary Undertakings	-	20	-	-
Prepayments And Accrued Income	603	489	649	649
Amounts Owed By The ESFA	712	712	266	266
Other Debtors	5	5	62	8
	<u>5</u>	<u>5</u>	<u>62</u>	<u>8</u>
Total	<u>2,324</u>	<u>2,230</u>	<u>1,992</u>	<u>1,938</u>

14 Creditors: amounts falling due within one year

	2021	2021	2020	2020
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Bank Loans And Overdrafts	967	967	2,375	2,375
Trade Payables	858	813	695	686
Other Taxation And Social Security	877	872	1,327	1,316
Accruals And Deferred Income	4,896	4,887	3,690	3,667
Deferred Income - Government Capital Grants	1,363	1,337	1,329	1,329
Amounts Owed To The ESFA	1,883	1,883	577	577
Prepayments Received On Account	411	411	555	555
	<u>411</u>	<u>411</u>	<u>555</u>	<u>555</u>
Total	<u>11,255</u>	<u>11,170</u>	<u>10,548</u>	<u>10,505</u>

East Sussex College Group
Notes to the accounts (continued)
For year ended 31 July 2021

15 Creditors: amounts falling due after one year

	2021	2021	2020	2020
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Bank Loans	6,975	6,975	7,942	7,942
Accruals And Deferred Income	5,207	5,207	5,226	5,226
Deferred Income - Government Capital Grants	65,409	65,409	67,082	67,082
Total	<u>77,591</u>	<u>77,591</u>	<u>80,250</u>	<u>80,250</u>

16 Maturity of debt

(a) Bank loans and overdrafts

Bank loans and overdrafts are payable as follows:

Barclays Bank

	2021	2021	2020	2020
	Group	College	Group	College
	£'000	£'000	£'000	£'000
In one year or less	500	500	2,000	2,000
Between one and two years	500	500	500	500
Between two and five years	1,500	1,500	1,500	1,500
In five years or more	875	875	1,375	1,375
Total	<u>3,375</u>	<u>3,375</u>	<u>5,375</u>	<u>5,375</u>

The current loan structure is as follows:

	Loan	Interest	Final
	Principal	Rate	Payment
	£'000		Date
Barclays Bank	£5,000	LIBOR + 2.05% to Dec 21 Bank of England Rate (plus a Credit Adjustment Spread) from Jan 22	2028
Secured on the College's Eastbourne Campus			
(b) Other loans			
Other loans are payable as follows:			
ESFA Provider Market Oversight Team	£5,297	PWLB 1 year fixed rate	2028
Secured on the College's Hastings Campus			

	2021	2021	2020	2020
	Group	College	Group	College
	£'000	£'000	£'000	£'000
In one year or less	452	452	360	360
Between one and two years	728	728	452	452
Between two and five years	2,862	2,862	2,184	2,184
In five years or more	405	405	1,811	1,811
Total	<u>4,447</u>	<u>4,447</u>	<u>4,807</u>	<u>4,807</u>

East Sussex College Group
Notes to the accounts (continued)
For year ended 31 July 2021

16 University of Brighton

The College also has an interest free unsecured loan of £150k from the University of Brighton, repayable in ten equal tranches from March 2020.

	2021	2021	2020	2020
	Group	College	Group	College
	£'000	£'000	£'000	£'000
In one year or less	15	15	15	15
Between one and two years	15	15	15	15
Between two and five years	45	45	45	45
In five years or more	45	45	60	60
Total	120	120	135	135

17 Provisions

	Defined benefit obligations	Enhanced pensions	Total
	£'000	£'000	£'000
At 1 August 2020	(42,650)	(565)	(43,215)
Expenditure in the period	(4,261)	(38)	(4,299)
Additions in the period	6,558	41	6,599
At 31 July 2021	(40,353)	(562)	(40,915)

Defined benefit obligations relate to the liabilities under the college's membership of the Local Government Pension Scheme. Further details are given in note 23.

The enhanced pension provision relates to the cost of staff who have already left the college's employ and commitments for reorganisation costs from which the college cannot reasonably withdraw at the balance sheet date. Expenditure for EPP includes £8k on interest cost and £30k of actuarial losses

The principal assumptions for this calculation are:

	2021	2020
Price inflation	1.60%	1.30%
Discount rate	2.60%	2.20%

18 Cash and cash equivalents

	At 1 August 2020	Cash flows	Other changes	At 31 July 2021
	£'000	£'000	£'000	£'000
Cash And Cash Equivalents	2,739	5,106	-	7,845

**East Sussex College Group
 Notes to the accounts (continued)
 For year ended 31 July 2021**

19 Capital and other commitments

	2021	2020
	£'000	£'000
Commitments contracted for at 31 July	<u>-</u>	<u>-</u>

20 Lease obligations

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

	2021	2020
	£'000	£'000
Future minimum lease payments due		
Land and buildings		
Not later than one year	68	58
Later than one year and not later than five years	1	58
Later than five years	-	-
	<u>69</u>	<u>116</u>
Other		
Not later than one year	27	69
Later than one year and not later than five years	12	47
Later than five years	-	-
	<u>39</u>	<u>116</u>

21 Contingencies

The College has been advised by the ESFA of an ongoing investigation into a historic funding issue with a subcontractor. At the date of the signing of the accounts it was not possible to confirm the quantum of any possible clawback of funding but it is believed to be in the range of £0 - £266k. As such this amount has not been included in the balance sheet but disclosed as a contingent liability.

22 Events after the reporting period

Details of any relevant post balance sheet events are given in the report of the members of the Corporation.

East Sussex College Group
Notes to the accounts (continued)
For year ended 31 July 2021

23 Defined benefit obligations

The College's employees belong to two principal pension schemes: 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 East Sussex County Council. Both are defined-benefit schemes.

Total pension cost for the year

	2021		2020
	£'000		£'000
Teachers' Pension Scheme: contributions	2,280		2,263
Local Government Pension Scheme:			
Contributions paid	1,698		1,668
FRS 102 (28) charge	<u>2,193</u>		<u>1,948</u>
Charge to the statement of Comprehensive Income	3,891		3,616
Enhanced pension charge to Statement of Comprehensive Income	<u>41</u>		<u>34</u>
Total Pension Cost for Year within staff costs	<u>6,212</u>		<u>5,913</u>

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £447,385 (2020: £442,609) were payable to the schemes at 31st July and are included within creditors.

Teachers' Pension Scheme

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

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

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

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

East Sussex College Group
Notes to the accounts (continued)
For year ended 31 July 2021

23 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 2019. The valuation report was published by the Department for Education (the Department) in April 2019. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £198 billion giving a notional past service deficit of £22 billion.

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/19. DfE has agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2020-21 academic year.

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 £3,073,000 (2020: £3,077,000)

Local Government Pension Scheme

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by East Sussex County Council. The total contributions made for the year ended 31 July 2021 were £2,245,904, of which employer's contributions totalled £1,698,070 and employees' contributions totalled £547,834.

The following information is based upon a full actuarial valuation of the fund at 31 March 2019 updated to 31 July 2021

	At 31 July 2021	At 31 July 2020
Rate of increase in salaries	2.80%	2.20%
Future pensions increases	2.80%	2.20%
Discount rate for scheme liabilities	1.60%	1.40%
Inflation assumption (CPI)	2.80%	2.20%
Commutation of pensions to lump sums - pre April 2008 service	50.0%	50.0%
Commutation of pensions to lump sums - post April 2008 service	75.0%	75.0%

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

	At 31 July 2021	At 31 July 2020
<i>Retiring today</i>		
Males	21.2	21.6
Females	23.7	23.9
<i>Retiring in 20 years</i>		
Males	22.0	22.5
Females	25.1	25.3

East Sussex College Group
Notes to the accounts (continued)
For year ended 31 July 2021

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

	Fair value of assets	
	2021	2020
	£'000	£'000
Equity instruments	60,386	51,896
Debt instruments	13,510	12,796
Property	5,891	5,687
Cash	<u>1,589</u>	<u>711</u>
Total value of plan assets	<u>81,376</u>	<u>71,090</u>
Actual return on plan assets	<u>10,065</u>	<u>(3,791)</u>

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

	2021	2020
	£'000	£'000
Fair value of plan assets	81,376	71,090
Present value of plan liabilities	<u>(121,729)</u>	<u>(113,740)</u>
Net pensions (liability)/asset (note 17)	<u>(40,353)</u>	<u>(42,650)</u>

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

	2021	2020
	£'000	£'000
Amounts included in staff costs		
Current service cost	4,167	3,753
Past service cost	<u>22</u>	<u>37</u>
Total	<u>4,189</u>	<u>3,790</u>
Amounts included in investment income		
Net interest income	<u>584</u>	<u>573</u>

Amount recognised in Other Comprehensive Income

Return on pension plan assets	9,068	(5,365)
Changes in assumptions underlying the present value of plan liabilities	<u>(3,922)</u>	<u>(8,491)</u>
Amount recognised in Other Comprehensive Income	<u>5,146</u>	<u>(13,856)</u>

Movement in net defined benefit (liability)/asset during year

	2021	2020
	£'000	£'000
Net defined benefit (liability)/asset in scheme at 1 August	(42,650)	(26,273)
Movement in year:		
Current service cost	(4,167)	(3,753)
Employer contributions	1,996	1,838
Estimated contributions	-	4
Past service cost	(22)	(37)
Net interest on the defined benefit obligations	(584)	(573)
Administration expenses	(72)	-
Actuarial gain or loss	<u>5,146</u>	<u>(13,856)</u>
Net defined benefit (liability)/asset as at 31 July	<u>(40,353)</u>	<u>(42,650)</u>

East Sussex College Group
Notes to the accounts (continued)
For year ended 31 July 2021

23 Asset and Liability Reconciliation

	2021	2020
	£'000	£'000
Changes in the present value of defined benefit obligations		
Defined benefit obligations at start of period	113,740	101,004
Current service cost	4,167	3,753
Interest cost	1,581	2,147
Contributions by Scheme participants	544	538
Experience gain on defined benefit obligations	(2,455)	(974)
Changes in financial assumptions	8,469	10,265
Changes in demographic assumptions	(2,092)	(800)
Estimated benefits paid	(2,243)	(2,226)
Past service costs	22	37
Unfunded pension payments	<u>(4)</u>	<u>(4)</u>
Defined benefit obligations at end of period	<u>121,729</u>	<u>113,740</u>
Changes in fair value of plan assets		
Fair value of plan assets at start of period	71,090	74,731
Interest on assets	997	1,574
Return on assets less interest	9,068	(5,365)
Administration expenses	(72)	-
Contributions by Employer	1,996	1,838
Contributions by Scheme participants	544	538
Estimated benefits paid	<u>(2,247)</u>	<u>(2,226)</u>
Fair value of plan assets at end of period	<u>81,376</u>	<u>71,090</u>

East Sussex College Group
Notes to the accounts (continued)
For year ended 31 July 2021

24 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. Principal relationships with other entities were as follows:

Ms Catherine Manning employed by The Education and Training Foundation

Mr Ian Mehrtens is a Director of Plaza Trading Hastings Ltd

Mr Andy Vincent is Head of Housing and Property Services, Wealden District Council and Vice Chair of the Pathways to Independence Board.

Ms Averil Price Director of Avie Consultancy Ltd, Director of Sussex Weald Homes Ltd, Trustee of the De La Warr Pavilion and Wealden District Council

No fees were paid to related organisation

25 Amounts disbursed as agent - Learner support funds

	2021 £'000	2020 £'000
16-18 Bursary Grants	736	611
Other Funding Body Grants	<u>287</u>	<u>268</u>
	1,023	879
Disbursed to students	612	627
Administration Costs	<u>31</u>	<u>31</u>
Balance unspent as at 31 July, included in creditors	<u><u>380</u></u>	<u><u>221</u></u>