



**SOUTH ESSEX COLLEGE OF  
FURTHER AND HIGHER  
EDUCATION**

**Report and Financial Statements  
for the year ended 31 July 2021**

## **Key management Personnel, Board of Governors and Professional advisers**

### **Key management personnel**

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

Angela O'Donoghue Principal and CEO; Accounting officer  
Anthony McGarel Deputy Principal and CEO  
Sarah Lane Deputy Principal Curriculum & Quality (leaver 30/11/21)  
Phil Brisco Interim Vice Principal Curriculum & Quality (appointed 15<sup>th</sup> November 2021)  
Jayne Sheehan Vice Principal (appointed 18/08/21)  
Matthew Twitchett Vice Principal Curriculum & Quality (appointed 1/2/19 to 31<sup>st</sup> August 2021)  
Steve Smith Vice Principal Corporate Resources

### **Board of Governors**

A full list of Governors is given on pages 20 & 21 of these financial statements.

### **Company Secretary**

Melissa Drayson

### **Professional advisers**

#### **Financial Statements auditor and reporting accountants:**

Price Bailey LLP  
Causeway House  
1 Dane Street  
Bishops Stortford  
Herts  
CM23 3BT

#### **Internal Auditor:**

Scrutton Bland  
Fitzroy House  
Crown Street  
Ipswich  
Suffolk  
IP1 3LG

#### **Banker:**

Barclays  
PO Box 885  
Mortlock House  
Histon  
Cambridge  
CB24 9DE

#### **Solicitor:**

Irwin Mitchell  
Thomas Eggar House  
Priory Lane  
Chichester  
West Sussex  
PO19 1LF

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# Members' Report

## NATURE, OBJECTIVES AND STRATEGIES:

The members present their report and the audited financial statements for the year ended 31 July 2021. South Essex College of Further and Higher Education, known as South Essex College, SEC or the College throughout this report.

These statements also include the result of the College's wholly owned subsidiary business, South Essex Commercial Services Ltd, Prospects Learning Foundation Ltd, Prospects Training Solutions Ltd, Backstage Centre Ltd, and 50% share of the assets and liabilities of Essex Shared Services Ltd.

### Legal status

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

### Strategic Plan

South Essex College is the largest provider of technical and vocational education and training for 16-18 year olds, adults and Apprenticeship provision within Greater Essex. The plan outlines the strategic direction and ambitions from 2020-2023 and follows on from our previous Strategic Plan which ended in 2020.

### Mission

The mission statement was updated in FY20 as outlined below:

'To develop highly skilled, active citizens of all ages and abilities, leading to meaningful lives and productive careers'.

The core values have been changed to align with the strategic plan and the new mission.

### Core Values

#### Partnership

To forge strong partnerships that enable us to continually improve our training and education provision, and create opportunities that benefit all of the communities we serve.

#### Respect

An inclusive environment built on mutual respect, positive experiences and the celebration of talented and diverse communities.

#### Outstanding

To be outstanding in everything we do, including curriculum delivery, student support and behaviour.

#### United

To be united in what we do, why we do it and how we achieve it.

#### Determined

To provide high quality education and training locally, regionally and nationally.

### The college's strategic aims and objectives are:

#### 1. Provide high quality, inclusive teaching which raises aspirations

- a) Place our students at the heart of everything we do, listening carefully to student feedback and incorporating their views into decision making
- b) Support the delivery of high quality, innovative and inspiring teaching and learning which is celebrated and promoted with students and our wider stakeholders
- c) Continually improve student performance to ensure high quality outcomes which raise the aspirations and ambitions of all our students

- d) Provide fair and transparent procedures for recognising, assessing, recording and accrediting all learning
- e) Embed English and maths in all of our programmes
- f) Provide good quality work placements for all 16-18 year olds, with increasing numbers undertaking extended work placements
- g) Increase the vocational relevance of our teaching, learning and assessment to better meet the needs of employers
- h) Embed and expand the use of technology to promote innovative learning

**2. Design and deliver high quality progression pathways to support student progression and regional skills needs**

- a) Continue to deliver and expand our range of high quality technical and professional pathways/programmes for students of all ages
- b) Review, revise and grow our 16-18 study programme and apprenticeship offer to reflect labour market information and employers' needs
- c) Ensure all programmes have clearly signposted progression pathways for students into higher level study, (including university), apprenticeships or employment
- d) We will provide all young people with a work placement opportunity and continue to increase the percentage of our students accessing an extended work placement year-on-year.
- e) We will extend our offer to young people to include T-Levels from 2021
- f) We will expand our adult provision including level 4 and 5 courses to include a range of professional and high level qualifications to support adults in employment wishing to upskill or reskill
- g) Bid for the development of an Institute of Technology in automation, logistics and construction
- h) Grow our commercial and full-cost provision to better meet the need for upskilling of the existing workforce

**3. Provide excellent facilities, resources and support for staff and students by achieving robust financial health**

- a) Employ qualified, confident, inspirational professionals across the college to enable our students to have high aspirations and to achieve their potential. This includes dual professionals with up-to-date, current and emerging workplace practice who work in line with college values and behaviours
- b) Provide opportunities for continual improvement and development for all managers so that they set clear, concise but stretching targets for their teams
- c) Develop a culture of professional, innovative and flexible practice through competent and clear strategic management and by providing a supportive environment in which staff can develop, flourish and progress

- d) Implement a range of rewards and recognition for staff who exceed expectations. We will also provide support for our staff's mental health and wellbeing
- e) Improve the financial viability and resilience of the College through a range of measures, including accurate student number targeting and recruitment to targets set, growth in adult and professional programmes including HE, Apprenticeship growth for both levy and non-levy employers. Ensure effective staff utilisation and reduction in the use of agency staffing and pay down debt to reduce interest rates
- f) Complete the Basildon Digital Technologies campus and refurbish existing Southend buildings to enable growth and consolidation
- g) Continue to explore new ways of working and new arrangements which may include joint venture arrangements, mergers, and partnerships and any other appropriate arrangements

**4. The College will extend and develop partnerships to embed our reputation and improve the economic prosperity of the South East and Essex Region**

- a) Build on our reputation for working in partnership with a wide range of organisations and agencies across the region and beyond
- b) Support and contribute to the economic prosperity of the region through the development of sustained partnership with Local Authorities, Unitary Authorities, the County Council, the SELEP and its boards, including the Skills Advisory Panel and the Federated Opportunity South Essex Board, schools, higher education Institutions (HEIs), ACL, business and industry
- c) Build on our work with employers to extend the reach of our partnerships including developing seven industrial partnerships to inform our curriculum development, co-design and co-deliver new programmes, including apprenticeships to better meet their skills needs
- d) Maintain and build upon our partnership arrangements with our higher education partners to validate, support and inform our curriculum development at Levels 4-6. We will also develop partnerships with HE to bring research capacity to our employer partners
- e) Improve our student engagement through a range of channels including questionnaires, focus groups, student representatives from course teams, student representatives on committees and boards, alongside building relationships with the student union and other student bodies to ensure that their voice contributes and informs a wide range of decision making
- f) Continue to position the College as a key strategic influencer and partner in the development and growth of the south Essex region and the Thames estuary, as an economic growth corridor

## **Public Benefit**

South Essex College is an exempt charity under the Part 3 of the Charities Act 2011 and following the Machinery of Government changes in July 2016 is regulated by the Secretary of State for Education. The members of the Governing Body, who are trustees of the charity, are disclosed on pages 20 & 21.

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
- Links with Local Enterprise Partnerships (LEPs)

## **CURRICULUM REVIEW**

The Curriculum Plan 2020-23 has been developed to build upon the Good Ofsted result and meet the College strategic aims and objectives. The plan follows on from the College's previous Curriculum Plan which ended in 2020.

**Our key drivers for the curriculum are:**

***To continually improve outcomes for students choosing to study at South Essex College***

The College made good progress and academic outcomes are shown below

***To better reflect the needs of industry by being totally industry informed***

The College continues to build and develop its links with industry and local employers.

***To rationalise our curriculum offer across the College campuses to create specialisation at higher levels***

The College continues to review and update its offer in high-level specialists areas

***To increase and expand our higher education offer in sub-degree and degree programmes including higher and degree apprenticeships.***

The College recognises that it cannot compete directly with Universities in the region with respect to research and will focus on delivery of taught degrees, which are technically and vocationally relevant to the local labour market. We offer local access to Higher and Degree qualifications which are predominantly vocational/technical degrees.

***To continue to grow the apprenticeship offer, particularly at higher levels.***

The College has made good progress on growing quality apprenticeship provision.

***Improve Teaching, Learning and Assessment for all students***

Teaching Learning and Assessment was graded Good by Ofsted.

## Curriculum achievements

Curriculum performance is shown in the table below which was presented to the Curriculum & Quality Committee as well as the FE Corporation and supports the grade of 'Good' in the College Self-Assessment Report (SAR).

		Target	No.of Starts	2019-20	2018-19 GFEC NR
Overall Achievement Rates			15,556	75.8%	86.7
Overall Achievement Rates (excl. English and Maths)			10,787	75.2%	89.2
16-19 Study Programmes	Level 1		996	51.0%	82.3
	Level 2		1,332	54.0%	82.8
	Level 3		2,632	78.9%	85.5
	<b>Overall</b>		<b>4,960</b>	<b>66.6%</b>	<b>83.4</b>
Adult Programmes	Level 1		3,349	87.5%	92
	Level 2		2,090	78.7%	88.1
	Level 3		294	66.0%	80.9
	<b>Overall</b>		<b>5,733</b>	<b>83.3%</b>	<b>89.9</b>
Functional Skills	16-18		370	33.0%	68.8
	19+		714	31.1%	80.6
	GCSE English		1,657	91.6%	82.5
	GCSE Maths		2,028	89.6%	82.4
	High Grades English*			17.7%	25.4
	High Grades Maths*			12.9%	18.5
	Apprenticeships Timely		671	41.1%	59.9
	Apprenticeships Overall		594	56.9%	66.7
College Retention Rate			15,556	93.7%	92.9

\* high grades of passes

2019-20 rates as at 29/09/2020

2018-19 rates as at R14

Published national rates (NR) for 2018/19

## Higher Education Outcomes

	Dist	First	Fail	Merit	Pass	2nd Lower	2nd Upper	Third	Grand Total
BA (Hons) Costume Construction	-	4	-	-	-	-	3	1	8
BA (Hons) Counselling	-	14	-	-	-	7	5	1	27
BA (Hons) Digital Animation	-	4	-	-	-	1	7	-	12
BA (Hons) Early Years Education	-	1	-	-	-	1	4	1	7
BA (Hons) Fashion Communication	-	-	-	-	-	1	2	-	3
BA (Hons) Fashion Design	-	-	-	-	-	4	1	-	5
BA (Hons) Fine Art	-	4	-	-	-	1	8	-	13
BA (Hons) Graphic Design	-	1	-	-	-	3	6	-	10
BA (Hons) Interior Design	-	2	-	-	-	5	3	-	10
BA (Hons) Photography	-	1	-	-	-	2	2	1	6
BA (Hons) Special Educational Needs and Disability Studies	-	-	-	-	-	2	2	1	5
BA (Hons) Film & Television Production	-	1	-	-	-	-	4	-	5
BSc (Hons) Criminology & Forensic Investigation	-	2	-	-	-	5	4	1	12
BSc (Hons) Games Design	-	2	1	-	-	1	4	-	8
BSc (Hons) Psychology and Sociology	-	1	1	-	-	5	6	-	13
HND Performing Arts - Acting	5	-	-	2	1	-	-	-	8
HND Performing Arts - Dance	2	-	-	-	-	-	-	-	2
HNC Engineering - General	4	-	1	4	3	-	-	-	12
HNC Engineering - Electrical & Electronic	4	-	4	2	5	-	-	-	15
ITE - PgCE - Full-time	3	-	2	2	3	-	-	-	10
ITE - PgCE - Part-time	3	-	0	2	2	-	-	-	7
ITE - CertEd - Part-time	0	-	0	0	3	-	-	-	3
<b>Total</b>	<b>21</b>	<b>37</b>	<b>9</b>	<b>12</b>	<b>17</b>	<b>38</b>	<b>61</b>	<b>6</b>	<b>201</b>

## Apprenticeships - Timely

	2020-21 Leavers	2020-21 Fwrk Ach. %
16-18	39	17.9
19-23	34	55.9
24+	7	0
<b>Total</b>	<b>80</b>	<b>32.5</b>

**Timely rates exclude Apprenticeship Standards. Also note Due to Covid, for 2020-21 the Timely measure is excluded for all Apprenticeships.**

## Apprenticeships - Overall

	2020-21 Leavers	2020-21 Fwrk Ach. %
16-18	171	40.9
19-23	103	49.5
24+	151	39.7
<b>Total</b>	<b>425</b>	<b>42.6</b>

## FINANCIAL REVIEW

### Financial objectives

The college was issued with a financial notice of concern in November 2016 due to reporting inadequate financial health for the year ending 31<sup>st</sup> July 2016. The notice was lifted in October 2018 following assessment of the College financial plan. The College's current Financial Health Score is Good. The financial strategy since this date is

- Achieve a minimum financial health score of Requires Improvement under current ESFA methodology
- Improve cash flow and current ratio

A series of performance indicators were agreed by the board and monitored monthly. The year-end positions were:

Key performance Indicator	Measure/Target	Actual for FY21
Deficit as a % of Turnover	-2.10%	-3.36%
Deficit value (before effects of FRS102 and exceptional items)	(£0.9m)	(£1.5m)
Pay expenditure as a percentage of income	63.20%	64.51%
Minimum cash balance at year end	£1.80m	£2.923m
Adjusted Current Ratio	<1	2.01
Financial health	Good	Good

The College is committed to observing the importance of sector measures and indicators. The College is required to complete the annual finance record for the Education and Skills Funding Agency (ESFA). The assessment for 2020/21 has been confirmed as "Good" financial health.

### Financial results

The Group generated a deficit before other gains and losses in the year of £4,470,000 (2019/20 – deficit of £3,531,000).

The Group has accumulated reserves of £63,307,000 and cash and short term investment balances of £2,923,000. The Group wishes to continue to accumulate reserves and cash balances in order to reduce the need for short term funding in the period January to March of each year.

Tangible fixed asset additions during the year amounted to £11,590,000. This was split between land and buildings acquired of £3,983,000, Furniture & Equipment £1,728,000 and assets under construction £5,879,000 relating to work in progress mainly on the new Basildon town centre campus with equipment and furniture purchased of £112,000.

All College buildings include learning resource centres and blended learning and tutorial suites, which enabled the College to change its teaching methods efficiently and effectively during the Covid-19 pandemic to on-line learning enabling student to continue their education. Additionally, to support this transition the College purchased new laptops for students and developed the IT infrastructure at pace to facilitate the process and to cope with demand.

The restricted surplus funds arising from the disposal of the College's Basildon campus (Nethermayne) in 2020/21 continues to be re-invested in major capital projects to re-locate the activities at Nethermayne to new facilities.

The Group has significant reliance on the education sector funding bodies for its principal funding source, largely from recurrent grants. In 2020/21 the FE funding bodies provided 79.0% of the Group's total income.

The College has four 100% owned subsidiary companies, South Essex Commercial Services Ltd, Prospects Learning Foundation Ltd, Prospects Training Solutions Ltd and Backstage Centre Ltd. Their results are consolidated into this set of financial statements.

### **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 separate treasury management policy in place.

Short term borrowing for temporary revenue purposes is authorised by the Accounting Officer. All other borrowing requires the authorisation of the Corporation and shall comply with the requirements of the Financial Memorandum.

### **Cash flows and liquidity**

Net cash inflow from operating activities was £7,692,000 (2019/20 £2,052,000 inflow), an increase of £5,640,000. The College repaid debt of £1,398,000 and the net decrease in cash and cash equivalents was £2,400,000 (2019/20 increase £1,843,000).

The sales proceeds from the sale of the Nethermayne are received in stages until 2027. Receipts from the sale are controlled by the College on behalf of the partners through a trust account. The College applies for drawdowns from the trust as expenditure is committed/incurred. During the year, the College received £3.325m from the trust and made payments of £7.806m to acquire assets in relation to sale proceeds of the Nethermayne disposal. The sale proceeds must explicitly be reinvested in the College build projects and not utilised for general working capital/operating expenditure.

The merger with NCCI has provided additional facilities for the performing arts students within the SEC Group. As a result, there is potential for moderate growth within this curriculum area and under the NCCI brand at the Backstage Centre.

### **Reserves Policy**

The College has no formal Reserves Policy but recognises the importance of reserves in the financial stability of any organisations, and ensures that there are adequate reserves to support the College's core activities.

## **CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE**

### **Student numbers**

South Essex College allocation for the financial year ending 31 July 2021 was 4,736 and achieved 4,713, This under performance has resulted in an allocation for FY22 of 4,780.

## **Curriculum developments**

The key drivers in the 2020-2023 Curriculum plan are:

- To continually improve outcomes for students choosing to study at South Essex College.
- To better reflect the needs of industry by being totally industry-informed
- To rationalise our curriculum offer across the College and focus on specialisation at higher levels.
- To increase and expand our higher education offer in sub-degree and degree programmes including higher and degree apprenticeships.
- To continue to grow the apprenticeship offer, particularly at higher levels
- To address the need for Apprenticeship specialisation alongside growth to replace sub-contracted income
- To provide education and training to upskill and retrain Adults through maximising adult loans and employers' Apprenticeship Levy.
- To grow our full cost provision to meet the identified need to increase high level professional skills in the workforce.
- Improving our financial health to reach a 3% surplus in the next 3 years.

We will focus on our planned growth areas including Apprenticeships, Higher Level Skills and Degrees, and our key growth sectors.

## **Payment performance**

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires Colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. The target set by the Treasury for payment to suppliers within 30 days is 95 per cent. During the accounting period 1 August 2020 to 31 July 2021, the College paid 30% per cent of its invoices within 30 days, however the agreed terms with most suppliers is the month following date of invoice. The College did not incur any interest charges in respect of late payments for this period.

## **Events after the end of the reporting period**

There are no events after the reporting period.

## **Future prospects**

The revised curriculum plan for South Essex College has been developed to clearly articulate the College ambition to be the main provider of Industry-led vocational education and training for South Essex. Our plans are all based on Labour Market Intelligence and the voice of employers in the region and our growth plans are concentrated on the key growth sectors identified by the South East Local Enterprise Partnership, the Essex Employment and Skills Board, Thames Gateway Partnership and the Business Boards of the three main towns we serve: Southend, Basildon and Thurrock.

The Curriculum Strategy over the next 5 years is to specialise in areas of provision which meet the needs of our local and regional employers, particularly at levels 3, 4 and 5 and to expand into some key areas of identified growth including:

- Transport and logistics
- Professional Services
- Construction & Construction Management
- Engineering
- IT & Digital Skills
- Health & Child Care

## **Capital Projects**

The College has had a long term strategy to relocate to new state of the art premises in the towns of Southend, Basildon and Grays. The first phase was a new campus at Luker Road in Southend which opened in 2004. This was financed by a combination of sale proceeds, bank borrowing and government grants. Phase two involved the new Thurrock Campus in Grays town centre and disposal of the existing campus for residential development. Phase two successfully completed with the new campus opening in September 2014.

The existing site at Basildon, Nethermayne was disposed of together with Homes England and Basildon Borough Council. The site is now owned by Redrow and being replaced by three projects. The first opened in 2018 at Stephenson Road to provide Motor Vehicle, Construction and Engineering provision. The second, a new Digital Technologies Campus in Basildon town centre, completed in December 2020 and opened in March 2021.

The third strand involved a new performing and cultural arts campus in partnership with Southend Council opposite the Forum building. Following the impact of COVID 19 and the significant additional floor space liabilities which would flow, the College and the Council jointly agreed to halt this project. The College is now using residual funding from the disposal receipt, which must be spent on capital projects, on restructuring and refurbishment of Luker Road / Queens Road to provide similar facilities in a more consolidated estate. Whilst the "Forum II" project itself was halted, the design development including briefing, spatial layouts, cost plans, exemplar room data sheets and performance specifications were kept, valid and fed into the restructuring and refurbishment of Luker Road. This enabled the team to rapidly develop the revised plans.

Works included with the Capital Programme will also include elements of capital maintenance to offset College operational liabilities going forwards.

### **RESOURCES:**

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

#### **Financial**

The College has £63.3 million of net assets (2019/20: £59.4 million). This is after providing for £31.5m million net pension liability (2019/20: £35.3 million). Deferred capital grants £26.7 million have been moved to liabilities under FRS102. Debtors include £5.9 million in relation to the College asset sale that is being re-invested on College buildings and is included current debtors. The College has total bank debt of £17.4 million (2019/20: £18.8 million).

#### **People**

The College employed 721 people (expressed as full time equivalents), as at 31 July 2021, of which 344 are teaching staff. The remainder includes staff that support teaching and learning in learning resource centres, student services, additional learning support and learning coaches as well as college overheads.

#### **Reputation**

The College has a good reputation locally and nationally and this was recognised by achieving Ofsted good status in June 2017. Maintaining a quality brand is essential for the College's success in attracting students and external relationships.

### **PRINCIPAL RISKS AND UNCERTAINTIES:**

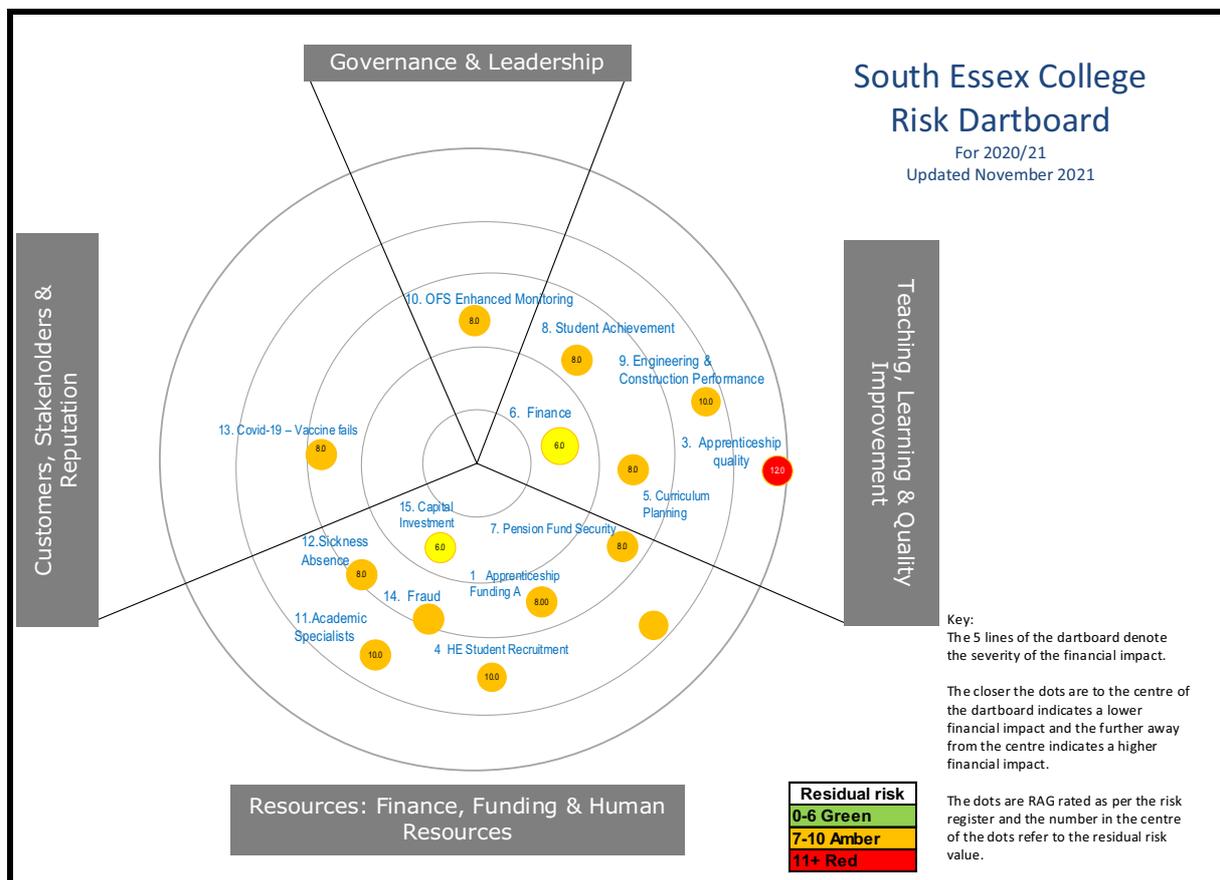
The College has undertaken further work during the year to develop and embed the system of internal control, including financial, operational and risk management which is designed to protect the College's assets and reputation. In addition, the College had incorporated a separate risk register which identified the key risks associated with Covid-19. During the pandemic lockdown period, the College set up an Emergency Governors Committee (EGC) which met fortnightly to review the new Covid-19 risk register. The EGC disbanded post-lockdown, and the Covid-19 risk register is now

incorporated into the College Wide risk register and continues to be reviewed regularly at each Audit and Risk Committee indefinitely.

Based on the strategic plan, the Risk Management Group undertakes a comprehensive review of the risks to which the College is exposed. They identify systems and procedures, including specific preventable actions, which should mitigate any potential impact on the College. The internal controls are then implemented and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions. In addition to the annual review, the Risk Management Group will also consider any risks which may arise as a result of a new area of work being undertaken by the College.

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

The risk dashboard below shows the principal risk factors that may affect the College. Not all the factors are within the College's control. Other factors besides those listed below may also adversely affect the College. The risks are split into different segments. The greatest risks surround financing and funding and mainly relate to recruitment and retention. A risk that is closer to the centre of the dashboard denotes a smaller financial impact and the further away towards the edges denote a bigger impact.



### The impact of uncertainties due to the UK exiting the European Union

Uncertainties related to the effects of Brexit are relevant to understanding our financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as the valuation of debtors and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is still one of the most significant economic events for the UK even though the UK left the EU on 31st January 2020. The UK and EU Officials have now agreed new rules and how their future relationship will work. Both sides are now working out how the new rules effect their relationship. These rules were signed off by the EU and UK Parliaments on 31st December 2020. The UK has recently suffered shortages in fuel, food and essential chemicals due to the effects of the new Brexit rules. The effect of this on the Company in the medium to long term is unknown and could affect future prospects and performance positively or negatively. As the effects are unknown it is extremely difficult for directors and their auditors to predict the outcomes.

The College is currently reviewing its procurement policies to ensure compliancy with the new rules post Brexit.

The College recruits students and staff primarily from the UK and should see little impact in this regard. The College has benefitted from EU funding in the past for project based delivery and will work with DFE and other representatives to ensure we are able to access any future funding to replace this.

### **The impact of uncertainties due to the Covid-19 Pandemic**

Uncertainties of the effects of the Global Pandemic Covid-19 are relevant to understanding the SEC Group financial statements. All audits assess and challenge the reasonableness of estimates made by the governors, such as the valuation of debtors and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the College's future prospects and performance.

The Covid-19 pandemic was declared by the World Health Organisation (WHO) on 11th March 2020. The pandemic has caused global social and economic disruption, including a global recession. The UK went into lockdown 3 on 5th January 2021 and during that time the Company premises were closed between January and April 2021 with staff working from home or furloughed, and students undertaking on-line learning or taking a break in learning, in line with the Government policy. Inevitably, this had a negative impact on activity levels and income streams. However, the College received some Government support for furloughed staff under the Provider Relief Scheme (PRS).

Lockdown measures have gradually been eased since April 2021 with the Company re-opening fully in May 2021. The UK Government implemented a roadmap to ease the UK out of lockdown which began in February 2021 and concluded in July 2021 following the success of the vaccination rollout. However, the current economic climate still remains uncertain as the UK enters Autumn/Winter which could lead to further lockdowns both locally and nationally. Additionally, currently and in recent months the UK has suffered fuel, food and chemical shortages due to the negative impact of both Covid-19 and Brexit. Therefore, it is extremely difficult for governors and their auditors to predict the outcomes.

### **STAKEHOLDER RELATIONSHIPS**

In line with other colleges and with universities, South Essex College has many stakeholders. These include:

- Students;
- Education sector funding bodies;
- Staff;
- Local employers (with specific links);
- Local authorities;
- Local Enterprise Partnerships (LEPs);
- 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.

The College entered into a tripartite agreement with Basildon Council and the Homes England during 2015/16 to progress the disposal of the Basildon Campus to enable over 700 homes to be built over 5 years with the College relocating to Market Square in Basildon town centre. Basildon Council will relocate the market as part of the arrangement. This has resulted in the 'Basildon Landowners Trust Account' being established. The Trust Account is managed by South Essex College and all transactions are agreed by resolution of all parties.

### **Equal opportunities and employment of disabled persons**

South Essex College is committed to the promotion of equality of opportunity for all learners, employees and all other users of the College.

Our ethos is to create and maintain the conditions whereby learners and staff are treated solely on the basis of their merits, abilities and potential, regardless of ethnic or national origin, disability, gender, age, religion or belief, sexual orientation, social class and background, or other distinction.

The College's Equality and Diversity Policy is published on the College's Internet site. The College considers all applications from disabled persons, bearing in mind the aptitudes of the individuals concerned. Where an existing employee becomes disabled, every effort is made to ensure that employment with the College continues. The College's policy is to provide training, career development and opportunities for promotion, which are, as far as possible, identical to those for other employees. An Equality and Diversity plan is published each year and monitored by managers and governors.

The College actively promotes a culture of celebrating diversity and will take reasonable steps to prevent discrimination occurring. This includes promoting the significance of the Equality and Diversity Policy and what is expected of learners and staff while they study or work at the College.

### **Disability statement**

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

- a) As part of its accommodation strategy the College updated its access audit. Experts in this field conducted a full access audit during 2007/08, and the results of this formed the basis of a bid to the LSC for funding capital projects aimed at improving access.
- b) The College has an Additional Learning Support Team, who provide information, advice and arranges support where necessary for learners with disabilities.
- c) There is a list of specialist equipment which the College can make available for use by learners and staff and a range of assistive technology is widely available.
- d) The College has an Admissions policy for all learners. Appeals against a decision not to offer a place are dealt with under the policy.
- e) The College has made a significant investment in the appointment of specialist lecturers to support learners with learning difficulties and/or disabilities. There are a number of Learning Support Assistants who can provide a variety of support for access to learning. There is a continuing programme of staff development to ensure the provision of a high level of appropriate support for learners who have learning difficulties and/or disabilities.
- f) Specialist programmes are described in College prospectuses, and achievements and destinations are recorded and published in the standard College format.

- g) Counselling, welfare and support services are described on the College website. Learners can access relevant policies and procedures (including the Compliments & Complaints and Behaviour Policy and Procedure) via Moodle and My Day (Student Intranet).

### 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 during the relevant period	FTE employee number
9	1
Percentage of time	Number of employees
0%	-
1-50%	9
51-99%	-
100%	-

Total cost of facility time	£33,350
Total pay bill	£30,733,000
Percentage of total bill spent on facility time	0.08%

Time spent on paid trade union activities as a percentage of total paid facility time	23%
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### Safeguarding and Child Protection

The College places significant importance on safeguarding children and vulnerable adults and meets fully the statutory requirements for safeguarding and child protection. Specifically, the College has:

- Implemented statutory guidance contained within the revised Department for Education publication: 'Keeping Children Safe in Education September 2018 and ensured that staff are fully aware of their responsibilities in Part 1 through training and making the document available through the Intranet for everyone to read.
- Key staff are designated WRAP trainers and have home office registration approved.
- Ensured that all new staff receive training on safeguarding, child protection and PREVENT and that refresher training is carried out regularly for existing staff.
- Maintained a Safeguarding Committee, designated senior leadership team member and designated governor with responsibility for safeguarding.
- Audited its safeguarding practices through the 'Essex Schools & Colleges Safeguarding Audit' and maintained the outcome of "very high compliance".

- f) Ensured that key Staff are appropriately trained as Designated Child Protection Officers and their training is regularly updated as 'designated persons' for child protection purposes, which is regularly updated in accordance with statutory guidance.
- g) Developed robust arrangements for the planning and approval of educational visits. We are planning the implementation of the use of EVOLVE, an online recording portal early 2017.
- h) Student Supervisors are established across all sites to support in the management of safeguarding and learner behaviour and welfare.
- i) Implemented a revised Recruitment and Retention Policy and Procedure incorporating safeguarding statutory guidance along with relevant employment legislation.
- j) All staff responsible for employing staff to complete mandatory safer recruiting training by 1<sup>st</sup> September 2020 in line with the 2020 Keeping Children Safe in Education (KCSIE) statutory guidance.
- k) The College maintains a 'Single Central Record' of all vetting and barring checks for all individuals undertaking Regulated Activity.

The College ensures that all relevant individuals undertake appropriate Disclosure and Barring Service (DBS) checks and these are vetted and risk assessed by the Head of HR prior to individuals commencing work. This includes an Enhanced DBS check including the 'barred lists' check where appropriate. Well established arrangements exist to manage any issues arising and ensure that concerns about individuals who may pose a threat to children or vulnerable adults are reported to the DBS.

The College complies fully with its statutory PREVENT duties under the Counter Terrorism and Security Act 2015. The PREVENT strategy aims to stop people from being drawn into terrorism, including violent and non-violent extremism, by working with individuals and communities to support and challenge views and activities that may be conducive to terrorism, or that seek to popularise views which extremism may seek to exploit. Central to the College's strategy is the promotion of fundamental British values, including democracy, the rule of law, individual liberty and mutual respect and tolerance of different faiths and beliefs.

The 2017 Ofsted Inspection concluded that the arrangements for safeguarding were effective, and staff understand well the part they play in safeguarding learners. Learners feel safe, and are kept safe, in College.

#### **Disclosure of information to auditors**

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

**Approved by order of the members of the Corporation on 13th December 2021 and signed on its behalf by:**

**Elizabeth Sipiery**

**Chair**

## 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 2016 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 College has adopted and 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/exceeds all the provisions of the Code, and it has complied throughout the year ended 31 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 of Good Governance for English Colleges issued by the Association of Colleges in March 2015, which it formally adopted on 6 July 2015.

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 Corporation

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

Name	Date of appointments	Term of office	Date of resignation	Status of appointment	Committees served	Board Attendance 2020/21
Ms E Sipiye	25/03/2019	4 years		External Governor	Chair: Corporation from 01/08/19: Policy & Resources: Search & Governance: Remuneration	100%
Ms A O'Donoghue CBE	13/8/12			Principal and Chief Executive	Curriculum & Quality; Policy & Resources; Search & Governance	100%
Mr R Anderson	13/1/20	4 years		External Governor	Audit & Risk	50%
Ms L Anderson	22/3/21	1 year	31/7/21	Student Governor	Curriculum & Quality	50%
Mr G Bender	1/8/20	4 years		External Governor	Curriculum & Quality	100%
Mr M Connor	7/12/20	1 year	11/1/21	Student Governor	Curriculum & Quality	0%
Mr L Freeman	23/3/20	4 years		External Governor	Policy & Resources	88%
Dr R Gray	First appointed 01/03/1998 Reappointed 15/07/1999;15/07/2003; 15/07/2007;15/07/2011; 15/07/2015: 15/07/19	2 years then 4 years		External Governor	Chair of Policy & Resources; Chair of Search & Governance; Remuneration	100%
Ms N Hill	13/1/20	4 years		Staff Governor	Audit & Risk	100%
Mrs R Koya	12/10/20	4 years		External Governor	Audit & Risk	100%
Mr R Launder	First Appointed 01/01/2010 Reappointed 01/01/2014;1/1/18	4 years	13/7/2021	External Governor	Chair: Corporation until 31/07/2015, Policy & Resources; Remuneration; Search & Governance. Acting Chair: Corporation 01.01.19 to 31.07.19	100%
Mrs S Leonard	23/3/20	4 years		External Governor	Curriculum & Quality; Audit & Risk	100%
Mrs J McGee	First Appointed 04/12/17	4 years		Staff Governor	Curriculum & Quality	71%
Mr R Olver	1/8/20	4 years		External Governor	Curriculum & Quality	100%
Mrs L Parr-Morley	1/8/20	4 years		External Governor	Policy & Resources	100%
Mr B Patterson	First Appointed 01/08/2012 Reappointed 01/08/16; 1/8/20	4 years 31/12/21		External Governor	Chair: Audit & Risk; Search & Governance	100%
Mr A Ray	23/3/20	4 years		External Governor	Audit & Risk; Search & Governance	100%

Mrs S Stone	01/08/2019	4 years		External Governor	Audit & Risk; Curriculum & Quality	88%
Ms M West	First appointed 01/01/2014 Reappointed 1/1/2018	4 years		External Governor	Policy & Resources; Chair Curriculum & Quality; Remuneration	75%
Mrs G Williams	First Appointed 01/08/2012 Reappointed 01/08/16; 01/08/20	4 years		External Governor	Vice Chair: Corporation wef 01/08/15, Curriculum & Quality; Search & Governance; Chair: Remuneration	100%
Ms F Worsley	07/12/2020	1 year	31/7/21	HE Student Governor	Curriculum & Quality	75%
Mr A. Orimalade	12/10/20	4 years		Co-opted member of the Board	Audit & Risk	43%
Mr T Thompson	First Appointed 01/08/2012 Appointed 26/03/2013 Reappointed 26/3/17	4 years	25/3/21	Co-opted member of Audit & Risk External Governor  Co-opted member of of Audit & Risk	Audit & Risk	N/A
Ms L Everard	22/03/2021	4 years		Co-opted member Audit & Risk	Audit & Risk	N/A

The Clerk to the Corporation during the year was Melissa Drayson

### **The governance framework**

The Corporation is provided with regular and timely information on the overall financial performance of the College together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel-related matters such as health and safety and environmental issues. The Corporation met seven times during the year, with four scheduled full Board meetings, and three Special meetings.

The Corporation conducts its business through a number of committees. Each committee has terms of reference, which have been approved by the Corporation. These committees are Curriculum and Quality, Policy and Resources (including Finance), Audit and Risk, Remuneration and Search and Governance. Full minutes of all meetings, except those deemed to be confidential by the Corporation, are available via the college's website at [southessex.ac.uk](http://southessex.ac.uk) or from the Clerk to the Corporation at the college's registered address.

South Essex College  
Luker Road  
Southend  
Essex  
SS1 1NN

The Clerk to the Corporation maintains a register of financial and personal interests of the governors. The register is available for inspection at the above address.

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

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

The Corporation has a strong and independent non-executive element and no individual or group dominates its decision-making process. The Corporation considers that each of its non-executive

members is independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement.

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

The Corporation operated its usual business cycle during 2020-21 despite the constraints of Covid-19. Most meetings were held entirely online, although governors were able to convene for face-to-face meetings in July.

### **Appointments to the Corporation**

Any new member appointments to the corporation are a matter for the consideration of the Corporation as a whole. The Corporation has a Search and Governance committee, consisting of six Governors, which is responsible for the selection and nomination of any new Governor's consideration. The Corporation is responsible for ensuring that appropriate training is provided as required and has delegated the responsibility for developing and monitoring a governor development plan to the Search and Governance Committee.

Members of the corporation are appointed for a term of office not exceeding four years. The Corporation has strengthened its policy on maximum length of service, so that all governors reaching the end of eight years' service will automatically stand down unless it is considered that there are exceptional reasons to extend their tenure beyond eight years.

### **Corporation performance**

The corporation carried out a self-assessment of its own performance for the year ended 31 July 2021 and graded itself as "Good" on the Ofsted scale. The self-assessment judgement was based on self-evaluation by individual governors using indicators of governance effectiveness used by Ofsted. Committee level self-assessment undertaken by governors was also taken into account.

### **Remuneration Committee**

Throughout the year ending 31 July 2021 the college's Remuneration Committee comprised five external members of the Corporation. The Committee's responsibilities are to make recommendations to the Board on the performance, remuneration and benefits of the Accounting Officer, other designated Senior Postholders and the Clerk. The College has adopted the AOC's Senior Staff Remuneration Code and aims to comply with all of its provisions.

Details of remuneration for the year ended 31 July 2021 are set out in note 8 to the financial statements.

### **Audit & Risk Committee**

The Audit Committee comprises five members of the Corporation (excluding the Accounting Officer and Chair) and two co-opted members. The Committee operates in accordance with written terms of reference approved by the Corporation.

The Audit Committee meets four times a year and provides a forum for reporting by the College's internal auditors, reporting accountants and financial statements auditors, who have access to the Committee for independent discussion without the presence of college management. The Committee also receives and considers reports from the main FE funding bodies as they affect the College's business.

The College's internal auditors review the systems of internal control, risk management controls and governance processes in accordance with an agreed plan of input and report their findings to management and the Audit 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 and Risk Committee also advises the corporation on the appointment of internal auditors, reporting accountants and financial statements auditors and their remuneration for audit and non-audit work as well as reporting annually to the corporation.

The Audit and Risk Committee met five times in the year to 31 July 2021. The members of the committee and their attendance records are shown below:

<b>Committee member</b>	<b>Meetings attended</b>
Mr R Patterson (Chair)	5/5
Mr R Anderson	5/5
Ms N Hill (from Nov 20)	4/4
Mr A Ray	5/5
Ms R Koya (from Nov 20)	4/4
Mrs S Saxton (from Mar 21)	3/3
Mrs S Stone (to Nov 20)2/2	
Mrs L Everard (co-opted member from June 21)	1/1
Mr A Orimalade (from Nov 20)	3/4
Mr T Thompson (co-opted member to 8 March 21)	3/3.

## **Internal control**

### *Scope of responsibility*

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

The Corporation has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives, whilst safeguarding the public funds and assets for which she is personally responsible, in accordance with the responsibilities assigned to her in the Financial Memorandum between South Essex College and the funding bodies. She is also responsible for reporting to the Corporation any material weaknesses or breakdowns in internal control.

### *The purpose of the system of internal control*

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all 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 South Essex College for the year ended 31 July 2021 and up to the date of approval of the annual report and accounts.

### *Capacity to handle risk*

The Corporation has reviewed the key risks to which the College is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Corporation is of the view that there is a formal ongoing process for identifying, evaluating and managing the College's significant risks that has been in place for the period ending 31 July 2019 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Corporation.

### *The risk and control framework*

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

- comprehensive budgeting systems with an annual budget, which is reviewed and agreed by the governing body
- regular reviews by the governing body of periodic and annual financial reports which indicate financial performance against forecasts
- setting targets to measure financial and other performance
- clearly defined capital investment control guidelines
- the adoption of formal project management disciplines, where appropriate.

South Essex College has procured an internal audit service, which operates in accordance with the requirements of the ESFA's post 16 Audit Code of Practice. The work of the internal audit service is informed by an analysis of the risks to which the College is exposed, and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the Corporation on the recommendation of the Audit & Risk Committee. At a minimum, annually, the Chair of the Audit & Risk Committee provides the governing body with a report on internal audit activity in the College. The report includes the Committee's opinion on the adequacy and effectiveness of the College's system of risk management, controls and governance processes.

### *Review of effectiveness*

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

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

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

During the year-end audit in FY21, the auditors identified some internal control issues relating to both balance sheet and bank reconciliations. There has been a change in the year in key financial personnel and these issues have now been dealt with following a review and restructure of the management accounts process. This will remain a regular item on the audit and risk committee indefinitely.

The Senior Leadership team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The Senior Leadership and the Audit & Risk Committee also receive regular reports from internal audit and other sources of assurance, which include recommendations for improvement. The Audit & Risk Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Corporation's agenda includes a regular item for consideration of risk and control and receives reports thereon from the Senior Leadership team and the Audit & Risk Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its September 2021 meeting, the Audit & Risk Committee carried out the annual assessment for the year ended 31 July 2021 by

considering documentation from the Senior Leadership team and internal audit and other sources and taking account of events since 31 July 2021.

Based on the advice of the Audit & Risk Committee and the Accounting Officer, the Corporation is of the opinion that the College does have 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*”.

### Going concern

South Essex College has for the last two years been graded as “Requires Improvement” for its Financial Health. The Board of Governors recognise that it was a strategic decision to invest in its estate strategy. The Board of Governors and Senior Managers have done so in the full knowledge this would mean that the College may go through a period of being in “Requires Improvement” Financial Health according to the ESFA measures, however, in March 2021 the College’s financial health improved to “Good” which was exceptional given the circumstances i.e. the Covid-19 pandemic.

The Governors are confident that the College is still a going concern.

A 24 month cash flow is prepared and included in the management accounts. Cashflow is monitored on a daily basis with reports to SMT. A monthly update is then included in the management accounts for governors and senior managers. This cashflow forecast includes the receipt from the disposal of Nethermayne together with the expenditure on subsequent capital projects paid for as a result of the disposal. These receipts and payments are shown separately so that the College can review the underlying operating position and capital projects separately.

The assumptions in the forecast are:

- The College will achieve its income target or take action to reduce expenditure where necessary
- The College limits capital investment to build up cash reserves. This is separate from investment in major capital projects which are funded from the disposal of Nethermayne.
- A separate bank account is maintained for the Nethermayne funds and drawdowns are made to meet contractual payments once signed off by the partners.
- The College debt with Barclays is in a revolving credit facility which is interest only with limited capital repayments in order to manage cashflow.

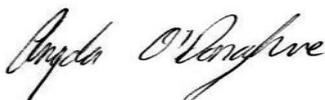
The revolving credit facility has been renewed as at the end of January 2021. The revolving cash facility will terminate in January 2023, however, the College has two extension options for a period of twelve months each, 60 days prior to the termination date (January 2023 and January 2024).

The College will carry out a reforecast in October/November post enrolment. Currently, the College is forecasting small surpluses over the next two financial years, £877k in FY22 and £1m in FY23. The latest year-to-date management accounts for the College show a small surplus of £6k and a financial health score of “Good”. However, this may change during the reforecast in October/November.

In FY22, the College enters phase two of its restructure plan to realise annualised savings of £0.6m. In FY21 the College’s annualised savings target was set at £1.5m, however, the College achieved just under £1m and the remainder will be achieved in the current financial year.

**Approved by order of the members of the Corporation on 13<sup>th</sup> December 2021 and signed on its behalf by:**

Signed



Angela O'Donoghue

Accounting Officer

13<sup>th</sup> December 2021

Signed



Elizabeth Sipiery

Chair of Governors

13<sup>th</sup> December 2021

## **Governing Body's statement on the College's regularity, propriety and compliance with Funding body terms and conditions of funding**

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

**Signed**



**Angela O'Donoghue**

**Accounting Officer**

**13<sup>th</sup> December 2021**

**Signed**



**Elizabeth Sipiery**

**Chair of Governors**

**13<sup>th</sup> December 2021**

## Statement of Responsibilities of the Members of the Corporation

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, within the Members' Report, 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 gives a true and fair view of the state of affairs of the corporation and surplus/deficit of income over expenditure for that period

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

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

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

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

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

Members of the corporation are responsible for ensuring that expenditure and income are applied for the purposes intended 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 economic, efficient and effective management of the corporation's resources and expenditure so that the benefits that should be derived from the application of public funds from the ESFA and other public bodies are not put at risk

Approved by order of the members of the Corporation on 13<sup>th</sup> December 2021 and signed on its behalf by:



**Elizabeth Sipiery**  
Chair

# **INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF SOUTH ESSEX COLLEGE**

## **Opinion**

We have audited the financial statements of South Essex College (the 'College') and its subsidiaries (the 'Group') for the year ended 31 July 2021 which comprise the Consolidated and College Statements of Comprehensive Income, the Balance Sheets, the Consolidated and College Statements of Changes in Reserves, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, including 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 the College's affairs as at 31 July 2021 and of the Group and the College's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the 2019 Statement of Recommended Practice: Accounting for Further and Higher Education.

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK))

and applicable law. Our responsibilities under those standards are further described in the Auditor's

responsibilities for the audit of the financial statements section of our Report. We are independent of the College in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Conclusions relating to going concern**

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

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

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

## **Other information**

The Corporation are responsible for the other information. The other information comprises the information included in the Report and Financial Statements other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, except to the extent otherwise explicitly stated in our Report, and 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 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 2020 to 2021 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;
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations required for our audit.

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

- the College's grant and fee income, as disclosed in the note to the accounts, has been materially misstated.

## **Responsibilities of the Corporation of South Essex College**

As explained more fully in the Statement of the Corporation's Responsibilities set out on page 27, the Corporation is responsible for the preparation of financial statements and for being satisfied that

they give a true and fair view, and for such internal control as the Corporation determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## **Auditor's responsibilities for the audit of the financial statements**

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

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

We gained an understanding of the legal and regulatory framework applicable to the Corporation and the sector in which it operates and considered the risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations. This included those regulations directly related to the financial statements, including financial reporting and tax legislation and FE sector regulations including GDPR, employment law, health and safety and safeguarding.

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified. These included the following:

- We reviewed systems and procedures to identify potential areas of management override risk. In particular, we carried out testing of journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions to identify large or unusual transactions.
- We reviewed key authorisation procedures and decision making processes for any unusual or one-off transactions.
- We reviewed minutes of Governor Board meetings and other relevant sub-committees of the Board such as the Finance Committee and agreed the financial statement disclosures to underlying supporting documentation.
- We have made enquiries of the senior management team including the Accounting Officer regarding laws and regulations applicable to the Corporation and obtained the report details of any breaches where applicable in order to assess the impact upon the Corporation.
- We reviewed the risk management processes and procedures in place including a review of the Risk Register and Board assurance reporting and the Internal Scrutiny Reports.
- We have reviewed any correspondence with the ESFA / DfE and reviewed the procedures in place for the reporting of incidents to the Board including serious incident reporting of any such matters to the Regulator if necessary.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial

statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

<http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Use of our Report**

This Report is made solely to the Corporation, as a body, in accordance with Article 22 of the College's Articles of Government. Our audit work has been undertaken so that we might state to the Corporation, as a body, those matters we are engaged to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Corporation, as a body, for our audit work, for this Report, or for the opinions we have formed.



Gary Miller FCA (Senior Statutory Auditor)

### **For and on behalf of Price Bailey LLP**

Chartered Accountants, Statutory Auditor

Causeway House

1 Dane Street

Bishop's Stortford

Hertfordshire

CM23 3BT

Date 21 December 2021

## **INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON REGULARITY TO THE CORPORATION OF SOUTH ESSEX COLLEGE AND THE SECRETARY OF STATE FOR EDUCATION ACTING THROUGH EDUCATION AND SKILLS FUNDING AGENCY (THE ESFA)**

In accordance with the terms of our engagement letter dated [x] and further to the requirements and conditions of funding in the ESFA's grant funding agreements and contracts, or those of any other public funder, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by South Essex College 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 ESFA and in any relevant conditions of funding concerning adult education notified by a relevant funder. In line with this framework, our work has specifically not considered income received from the main funding grants generated through the Individualised Learner Record data returns, for which the ESFA has other assurance arrangements in place.

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

We are independent of South Essex College in accordance with the ethical requirements that are applicable to this engagement and we have fulfilled our ethical requirements in accordance with these requirements. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion.

### **Respective responsibilities of the corporation of South Essex College and the Reporting Accountant**

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

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Code. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received, during the period 1 August 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 ESFA. We performed a limited assurance engagement as defined in that framework. The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion. Our engagement includes examination, on a test basis, of evidence relevant to the regularity of the corporation's income and expenditure.

The work undertaken to draw to our conclusion included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including the specific requirements of the grant funding agreements and contracts with the ESFA and high-level financial control areas where we identified a material irregularity is likely to arise. We undertook detailed testing, on a sample basis, on the identified areas where a material irregularity is likely to arise where such areas are in respect of controls, policies and procedures that apply to classes of transactions.

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

## 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 that govern them.

## Use of our Report

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



## Price Bailey LLP

Chartered Accountants, Statutory Auditor

Causeway House

1 Dane Street

Bishop's Stortford

CM23 3BT

Date 21 December 2021

## South Essex College

### Consolidated Statements of Comprehensive Income and Expenditure

	Notes	Year ended 31 July		* Restated	* Restated
		2021	2021	Year ended 31 July	
		Group	College	2020	2020
		£'000	£'000	Group	College
				£'000	£'000
<b>INCOME</b>					
Funding body grants	2	36,146	36,125	35,625	35,604
Tuition fees and education contracts	3	6,156	6,156	6,354	6,354
Loan Write off Income	25	-	-	1,250	1,250
Other income	4	3,570	1,932	3,194	2,556
<b>Total income</b>		<b>45,872</b>	<b>44,212</b>	<b>46,423</b>	<b>45,764</b>
<b>EXPENDITURE</b>					
Staff costs	5	31,229	30,296	31,482	30,427
Fundamental restructuring costs	5	143	134	165	114
Other operating expenses	6	14,182	13,605	13,568	14,429
Release of VAT Provision	6	(271)	(271)	-	-
Depreciation	9	4,326	4,099	3,785	3,557
Interest and other finance costs	7	733	732	954	954
<b>Total expenditure</b>		<b>50,342</b>	<b>48,595</b>	<b>49,954</b>	<b>49,481</b>
<b>(Deficit)/surplus before other gains and losses</b>		<b>(4,470)</b>	<b>(4,382)</b>	<b>(3,531)</b>	<b>(3,717)</b>
Gain/(Loss) on disposal of assets		1,171	1,171	(13)	-
Gain on assets and liabilities acquired on the merger with with National College	24	-	-	(446)	(1,118)
Share of operating surplus/(deficit) in Essex Shared Services		(36)	-	(15)	-
Release of funds from Revaluation Reserve		10	-		
<b>(Deficit)/surplus before and after tax</b>		<b>(3,325)</b>	<b>(3,211)</b>	<b>(4,005)</b>	<b>(4,835)</b>
<b>(Deficit)/surplus for the year</b>		<b>(3,325)</b>	<b>(3,211)</b>	<b>(4,005)</b>	<b>(4,835)</b>
Actuarial (loss)/gain in respect of pensions schemes		7,208	6,962	* (11,010)	(10,918)
<b>Total Comprehensive Income for the year</b>		<b>3,883</b>	<b>3,751</b>	<b>(15,015)</b>	<b>(15,753)</b>

The accompanying notes on pages 38 to 64 form part of these financial statements.

**South Essex College**  
**Consolidated and College Statement of Changes in Reserves**

	<b>Total *Restated</b>
	<b>£'000</b>
<b>Group</b>	
<b>Balance at 1st August 2019</b>	74,439
Surplus/(deficit) from the income and expenditure account	(4,005)
Actuarial gain in respect of pension scheme	(11,010)
	<u>(15,015)</u>
<b>Balance at 31st July 2020</b>	59,424
Surplus/(deficit) from the income and expenditure account	(3,325)
Actuarial Gain in respect of pension scheme	7,208
	<u>3,883</u>
<b>Total comprehensive income for the year</b>	3,883
<b>Balance at 31st July 2021</b>	<u><u>63,307</u></u>
<b>College</b>	
<b>Balance at 1st August 2019</b>	71,944
Surplus/(deficit) from the income and expenditure account	(4,835)
Actuarial gain in respect of pension scheme	* (10,918)
	<u>(15,753)</u>
<b>Balance at 31st July 2020</b>	56,191
Surplus/(deficit) from the income and expenditure account	(3,211)
Actuarial loss in respect of pension scheme	6,962
	<u>3,751</u>
<b>Total comprehensive income for the year</b>	3,751
<b>Balance at 31st July 2021</b>	<u><u>59,942</u></u>

The accompanying notes on pages 38 to 64 form part of these financial statements.

**South Essex College**  
**Balance sheets as at 31 July**

	Notes	Group	College	*Restated Group	*Restated College
		2021 £'000	2021 £'000	2020 £'000	2020 £'000
<b>Fixed assets</b>					
Tangible fixed assets	9	141,318	135,141	134,054	127,647
Investments	10	-	830	-	830
		<b>141,318</b>	<b>135,971</b>	<b>134,054</b>	<b>128,477</b>
<b>Current assets</b>					
Stocks		14	14	85	81
Trade and other receivables	11	7,182	6,962	8,086	7,843
Receivables due after more than one year	11	-	-	2,535	2,535
Investments	15	-	-	-	-
Cash and cash equivalents	16	2,923	2,169	5,323	5,179
		<b>10,119</b>	<b>9,145</b>	<b>16,029</b>	<b>15,638</b>
<b>Less: Creditors – amounts falling due within one year</b>	12	(7,854)	(9,925)	(6,032)	(8,624)
<b>Net current assets</b>		<b>2,265</b>	<b>(780)</b>	<b>9,997</b>	<b>7,014</b>
<b>Total assets less current liabilities</b>		<b>143,583</b>	<b>135,191</b>	<b>144,051</b>	<b>135,491</b>
Less: Creditors – amounts falling due after more than one year	13	(48,676)	(43,758)	(48,713)	(43,705)
<b>Provisions</b>					
Defined benefit obligations	15	(31,491)	(31,491) *	(35,324)	(35,324)
Other provisions	15	(109)	-	(590)	(271)
<b>Total net assets</b>		<b>63,307</b>	<b>59,942</b>	<b>59,424</b>	<b>56,191</b>
<b>Unrestricted reserves</b>					
Income and expenditure account		63,307	59,942	59,424	56,191
<b>Total unrestricted reserves</b>		<b>63,307</b>	<b>59,941.537</b>	<b>59,424</b>	<b>56,191</b>
<b>Total reserves</b>		<b>63,307</b>	<b>59,942</b>	<b>59,424</b>	<b>56,191</b>

**Restatement**

Balances in the prior year have been restated to adjust the Pension Deficit to match the FRS102 actuary report for FY21. In the prior year, adjustments had been made to reflect the actual results of the assets and liabilities. These have been adjusted for in FY21 figures in the report. The subsequent notes (21) have been adjusted accordingly and indicated by an asterisk.

The financial statements on pages 34 to 37 were approved and authorised for issue by the Corporation on 13th December 2021 and were signed on its behalf on that date by:

**Elizabeth Sidiere**



**Chair**

**Angela O'Donoghue**



**Accounting Officer**

**South Essex College**  
**Consolidated Statement of Cash Flows**

	Notes	2021 £'000	2020 £'000
<b>Cash inflow from operating activities</b>			
Surplus/(deficit) for the year		(3,361)	(3,987)
<b>Adjustment for non cash items</b>			
Depreciation		4,326	3,785
(Increase)/decrease in stocks		71	(36)
(Increase)/decrease in debtors		115	757
Increase/(decrease) in creditors due within one year		1,439	(1,354)
Increase/(decrease) in creditors due after one year		1,757	5,626
Increase/(decrease) in provisions		(481)	107
Pensions costs less contributions payable		2,665	1,638
Net value of fixed assets acquired from merger		-	(5,237)
Share of operating (surplus)/deficit in Essex Shared Services		36	15
Actuarial (loss)/gain in respect of Essex Shared Services		247	-
<b>Adjustment for investing or financing activities</b>			
Investment income		-	-
Interest payable		878	954
Cash acquired on acquisition		-	(216)
		<u>7,692</u>	<u>2,052</u>
<b>Net cash flow from operating activities</b>			
<b>Cash flows from investing activities</b>			
Draw down from Basildon Landowners Trust Account		3,324	13,750
Payments made to acquire fixed assets		(11,590)	(12,369)
Cash acquired on acquisition		-	216
		<u>(8,266)</u>	<u>1,597</u>
<b>Cash flows from financing activities</b>			
Interest paid		(409)	(503)
Interest element of finance lease rental payments		(5)	(5)
Repayments of amounts borrowed		(1,399)	(1,200)
Capital element of finance lease rental payments		(13)	(98)
		<u>(1,826)</u>	<u>(1,806)</u>
<b>Increase / (decrease) in cash and cash equivalents in the year</b>			
		<u>(2,400)</u>	<u>1,843</u>
Cash and cash equivalents at beginning of the year		5,323	3,480
Cash and cash equivalents at end of the year		2,923	5,323

## Notes to the Accounts

### 1. Statement of accounting policies and estimation techniques

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

#### Basis of preparation

These financial statements have been prepared in accordance with the *Statement of Recommended Practice: Accounting for Further and Higher Education 2015* (the 2019 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). The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

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

#### Basis of accounting

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

#### Basis of consolidation

The consolidated financial statements include the College and its subsidiaries, South Essex Commercial Services Ltd, Prospects Training Solutions Ltd and Prospects Learning Foundation Ltd controlled by the Group. Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. 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.

#### Going concern

The financial position of the College, its cashflow, liquidity and borrowings are presented in the Financial Statements and accompanying Notes.

The financial statements have been prepared on a going concern basis which the Corporation considers to be appropriate for the following reasons.

The College has prepared cash flow forecasts for a period of 12 months from the date of signing of these accounts. After reviewing these forecasts, the College is of the opinion that, taking account of severe but plausible downsides, including the anticipated impact of the pandemic, the College will have sufficient funds to meet its liabilities as they fall due over the going concern assessment period. The College has planned capital investment of £7.7m which includes several projects over the next two years, and the College will delay projects if income significantly decreases during this period. Additionally, the College received a planning overage payment (£1.1m) at the end of FY21 which has been ring-fenced to repay debt in July 2022. The College is not bound to make this early repayment and could delay this indefinitely if cash balances decreased. However, the College does not foresee this materialising as cash balances are strong and over and above the minimum covenant criteria. The College's has carried out income sensitivities and during FY22 a reduction of 10% (£400k) reduces the Financial Health to Inadequate. The College would take corrective action to mitigate this risk by reducing costs and delaying capital projects accordingly.

The College had set out a two-year financial strategy to the Corporation in FY20 showing that a breakeven position, increased cash reserves and maintaining “Good” financial health is achievable within this period. The planned strategy is over a two year period, which commenced in FY21 and completes in FY22 and includes a restructure. The restructure commenced in October 2020 and will conclude in July 2022 realising the following:

- £1m savings achieved in pay costs in FY21
- £0.6m annualised savings to be achieved in FY22

## **Notes to the Accounts (continued)**

The College, as at 31st July 2021 has £17.4m of loans outstanding with bankers on a revolving credit facility basis due to mature in January 2023. In January 2021 the College entered into an amended and restated agreement for a further two years and an extension option beyond this. The new facility includes a capital repayment increase from £100k per month to £133k. This increase does not adversely impact the Financial Health of the College. The new agreement has new covenants attached. The College's forecasts and financial projections indicate that it will be able to operate within this facility and comply with the covenants for the forecast period.

Accordingly, the College has a reasonable expectation that it has adequate resources to continue in operational existence for a period of at least 12 month from the date of signing of these financial statements, 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. Funding body recurrent grants are measured in line with best estimates for the period of what is receivable and depend on the particular income stream involved. Any under or over achievement for the Adult Skills Budget 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 following the year end, and the results of any funding audits. 16-18 learner-responsive funding is not normally subject to reconciliation and is therefore not subject to contract adjustments.

The recurrent grant from HEFCE 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.

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

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-employment benefits**

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

The TPS is an unfunded scheme. Contributions to the TPS are calculated so as to spread the cost of pensions over employees' working lives with the College in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of valuations using a prospective benefit method. The TPS is a multi-employer scheme and 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 plan and the contributions recognised as an expense in the income statement in the periods during which services are rendered by employees.

## Notes to the Accounts (continued)

The LGPS is a funded scheme. The assets of the LGPS are measured using closing fair values. LGPS liabilities are measured using the projected unit credit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Comprehensive Income and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

### Short term Employment benefits

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

### Enhanced Pensions

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

### Non-current Assets - Tangible fixed assets

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

#### *Land and buildings*

Freehold buildings are depreciated on a straight line basis over their expected useful lives as follows:

- Thurrock and Southend Campuses – 60 years
- All other buildings – 50 years
- Refurbishments – 10 years

Freehold land is not depreciated.

## Notes to the Accounts (continued)

The College has a policy of depreciating major adaptations to buildings over the period of their useful economic life of between 20 and 60 years.

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

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

On adoption of FRS 102, the College followed the transitional provision to retain the book value of land and buildings, which were revalued in 1992 at deemed cost but not to adopt a policy of revaluations of these properties in the future.

### **Assets in the course of construction**

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

### **Subsequent expenditure on existing fixed assets**

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

### **Equipment**

Equipment costing less than £1,000 per individual item is recognised as expenditure in the period of acquisition. All other equipment is capitalised at cost.

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

- technical equipment 5 years
- motor vehicles & plant 5-10 years
- computer equipment 3 years
- fixtures and fittings 10 years
- Furniture 10 – 20 years

### **Borrowing costs**

Borrowing costs are recognised as expenditure in the period in which they are incurred. However, the College elects to capitalise such costs which are directly attributable to the acquisition, construction or production of a qualifying asset.

### **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 1<sup>st</sup> 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 1<sup>st</sup> 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.

## **Notes to the Accounts (continued)**

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

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

### **Investments**

#### ***Investments in subsidiaries***

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

#### ***Investments in joint ventures***

The College accounts for its share of joint ventures using the equity method within the Group financial statements. Under the equity method in group accounts, if an investor's share of losses in a joint venture equals or exceeds the carrying amount of its investment, the investor shall discontinue recognising its share of further losses, unless it has incurred legal or constructive obligations or has made payments on behalf of the joint venture, in which case provision is required.

### **Inventories**

Inventories are stated at the lower of their cost and net realisable value, being selling price less costs to complete and sell. Where necessary, provision is made for obsolete, slow-moving and defective items.

### **Cash and cash equivalents**

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

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

### **Financial liabilities and equity**

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

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

### **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 to the Accounts (continued)

### Taxation

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

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

The College employed a VAT specialist company to challenge its Lennartz VAT position. The College has been successful in not having to repay future payments. In addition, there is still a possibility to reclaim old payments. If the case is successful a repayment of £755k will be received from HMRC, partly offsetting this is a £236k assessment from HMRC for VAT. The net liability (£271k) is included in provisions plus the VAT consultancy fees. However, in FY21 the Lennartz part of the Colchester case against HMRC was successful. As a result, the College no longer is required to make a provision (£271k) in the financial statements and this has now been released into the income and expenditure account.

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

### Provisions and contingent liabilities

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

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

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

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

### Agency arrangements

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

### Job Retention Scheme (JRS)

The monthly JRS grant income will be recognised in the period in which the underlying furloughed staff costs relate to. The payroll liability has been incurred by the entity, and it has therefore, met the conditions to claim for that payroll accounting period.

## Notes to the Accounts (continued)

### Judgements in applying accounting policies and key sources of estimation uncertainty

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

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

#### *Other key sources of estimation uncertainty*

- *Tangible fixed assets*

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

- *Local Government Pension Scheme*

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 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.

## Notes to the Accounts (continued)

### 2 Funding council grants

	Year ended 31 July		Year ended 31 July	
	2021	2021	2020	2020
	Group	College	Group	College
	£'000	£'000	£'000	£'000
<b>Recurrent grants</b>				
Education and Skills Funding Agency - adult	3,610	3,610	3,217	3,217
Education and Skills Funding Agency – 16 -18	26,376	26,376	25,355	25,355
Education and Skills Funding Agency - apprenticeships	3,656	3,656	4,241	4,241
Local Authorities	950	950	895	895
<b>Specific Grants</b>				
Access funds	765	765	1,185	1,185
Free meals in FE	133	133	144	144
Releases of government capital grants	626	605	557	536
HE grant	30	30	31	31
<b>Total</b>	<b>36,146</b>	<b>36,125</b>	<b>35,625</b>	<b>35,604</b>

### 3 Tuition fees and education contracts

	Year ended 31 July		Year ended 31 July	
	2021	2021	2020	2020
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Adult education fees	672	672	282	282
Fees for FE loan supported courses	233	233	765	765
Fees for HE loan supported courses	4,045	4,045	4,482	4,482
International students fees	595	595	229	229
Full cost provision	138	138	237	237
Total tuition fees	5,683	5,683	5,995	5,995
Education contracts	473	473	359	359
<b>Total</b>	<b>6,156</b>	<b>6,156</b>	<b>6,354</b>	<b>6,354</b>

## Notes to the Accounts (continued)

### 4 Other income

	Year ended 31 July		Year ended 31 July	
	2021	2021	2020	2020
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Catering and residences	225	171	560	290
Other income generating activities	78	-	110	-
Other income generating activities - PTS income	118	-	266	-
Non government capital grants	90	13	58	16
Transactions Unit merger funding	-	-	100	100
Unwinding of discount rate on Redrow payments	-	-	987	987
Miscellaneous income	3,059	1,748	1,113	1,163
<b>Total</b>	<b>3,570</b>	<b>1,932</b>	<b>3,194</b>	<b>2,556</b>

## Notes to the Accounts (continued)

### 5 Staff costs - Group

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

	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>
Teaching staff	344	355
Non teaching staff	377	401
	<u>721</u>	<u>756</u>
<b>Staff costs for the above persons</b>		
	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	21,724	21,884
Social security costs	1,923	1,964
Pension costs, including FRS102 adjustment of £2,508k (2020 £1,745k)	6,835	5,917
	<u>30,482</u>	<u>29,765</u>
<b>Payroll sub total</b>	<b>30,482</b>	<b>29,765</b>
Contracted out staffing services	753	1,685
	<u>31,235</u>	<u>31,450</u>
Increase/(Decrease) in employee leave	(6)	32
Fundamental restructuring costs	143	165
	<u>31,372</u>	<u>31,647</u>

### Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College and are represented by the Senior Leadership Team which comprises the Principal and Chief Executive, the Deputy Principal and Chief Executive and the Vice Principals.

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

	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>
The number of key management personnel including the Accounting Officer was:	4	4
	<u>4</u>	<u>4</u>

## Notes to the Accounts (continued)

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

	Senior post-holders		Other staff	
	2021 No.	2020 No.	2021 No.	2020 No.
£25,001 to £30,000	1	-	*	-
£40,001 to £45,000	-	1	*	1
£60,001 to £65,000	-	-	4	-
£65,001 to £70,000	-	-	2	-
£70,001 to £75,000	-	-	1	-
£75,001 to £80,000	-	-	1	-
£80,001 to £85,000	-	-	-	-
£95,001 to £100,000	-	1	-	1
£100,001 to £105,000	1	-	-	-
£105,001 to £110,000	1	-	-	-
£110,001 to £115,000	-	1	-	1
£120,001 to £125,000	-	1	-	1
£165,001 to £170,000	1	1	-	1
	<u>4</u>	<u>5</u>	<u>8</u>	<u>5</u>

\* Disclosure not required.

One senior postholder in the above table also received cash payments in lieu of pension contributions in the band of £20,000 to £25,000 (£20,000 to £25,000 2020). This has not been included in the value the above table.

## Notes to the Accounts (continued)

### 5 Staff costs - Group and College

Key management personnel compensation is made up as follows:

	<b>2021</b> <b>£'000</b>	<b>2020</b> <b>£'000</b>
Salaries - gross of salary sacrifice and waived emoluments	402	380
Employers National Insurance	<u>51</u>	<u>51</u>
	<b>453</b>	<b>431</b>
Pension contributions	39	36
Payments in lieu of pension contributions	<u>21</u>	<u>21</u>
<b>Total emoluments</b>	<b><u>513</u></b>	<b><u>488</u></b>

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

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

	<b>2021</b> <b>£'000</b>	<b>2020</b> <b>£'000</b>
Salaries	161	161
Employers National Insurance	25	25
Benefits in Kind	<u>6</u>	<u>6</u>
	<u>192</u>	<u>192</u>
Payments in lieu of pension contributions	21	21
	<u>21</u>	<u>21</u>

The remuneration package of 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 Committee is content with the level of pay for the financial year.

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

### Median Pay Disclosure

	<b>2021</b>	<b>2020</b>
Principal's basic salary as a multiple of the median of all staff based on Salary	6.3	8.6
Principal's total emoluments as a multiple of the median of all staff based on total emoluments	7.1	7.1

## Notes to the Accounts (continued)

### 6 Other operating expenses

	Note	Year ended 31 July		Year ended 31 July	
		2021	2021	2020	2020
		Group	College	Group	College
		£'000	£'000	£'000	£'000
Teaching costs		4,848	4,628	4,960	4,802
Subcontracting costs		509	509	621	621
Non teaching costs		5,295	5,149	4,559	5,743
Premises costs		3,530	3,319	3,428	3,263
Release of VAT Provision	15	(271)	(271)	-	-
<b>Total</b>		<b>13,911</b>	<b>13,334</b>	<b>13,568</b>	<b>14,429</b>

#### Other operating expenses include:

	2021	2020
	£'000	£'000
Auditors' remuneration:		
Financial statements audit*	52	60
Internal audit**	21	17
Other services provided by the financial statements auditors	2	1
Other services provided by the internal auditors	-	-

\* includes £41,200 in respect of the College (2019/20 £49,000)

\*\* all relating to the College

## Notes to the Accounts (continued)

### 7 Interest payable - Group and College

	2021 £'000	2020 £'000
On bank loans, overdrafts and other loans:	<u>264</u>	<u>503</u>
	264	503
On finance leases	5	5
Net interest on defined pension liability (note 25)	<u>464</u>	<u>446</u>
<b>Total</b>	<b><u>733</u></b>	<b><u>954</u></b>

In 2020 to 2021, all interest paid on the Southend Borough Council loan was deemed to be capital expenditure and £145k was moved from interest paid to capital assets. Actual payments of interest on loans was £409k in 2021

### 8 Taxation - Group only

	2021 £'000	2020 £'000
Provision for deferred corporation tax in the accounts of the subsidiary company	<u>-</u>	<u>-</u>
	-	-
<b>Total</b>	<b><u>-</u></b>	<b><u>-</u></b>

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

## Notes to the Accounts (continued)

### 9 Tangible fixed assets (Group)

	Freehold Land and buildings	Furniture	Equipment	Assets in the Course of Construction	Total
	£'000	£'000	£'000		£'000
<b>Cost or valuation</b>					
At 1 August 2020	148,797	4,180	12,654	14,391	180,022
Additions	3,983	-	1,728	5,879	11,590
Transfers	18,526	-	-	(18,526)	-
Revaluation of assets acquired from merger with National College for Creative and Cultural Industries	-	-	-	-	-
Disposals	-	-	-	-	-
<b>At 31 July 2021</b>	<b>171,306</b>	<b>4,180</b>	<b>14,382</b>	<b>1,744</b>	<b>191,612</b>
<b>Depreciation</b>					
At 1 August 2020	32,741	1,995	11,232	-	45,968
Charge for the year	3,112	240	974	-	4,326
Elimination in respect of disposals	-	-	-	-	-
<b>At 31 July 2021</b>	<b>35,853</b>	<b>2,235</b>	<b>12,206</b>	<b>-</b>	<b>50,294</b>
<b>Net book value at 31 July 2021</b>	<b>135,453</b>	<b>1,945</b>	<b>2,176</b>	<b>1,744</b>	<b>141,318</b>
Net book value at 31 July 2020	116,056	2,185	1,422	14,391	134,054

### 9 Tangible fixed assets (College only)

	Freehold Land and buildings	Furniture	Equipment	Assets in the Course of Construction	Total
	£'000	£'000	£'000		£'000
<b>Cost or valuation</b>					
At 1 August 2019	142,529	3,976	12,212	14,390	173,107
Additions	3,984	-	1,729	5,880	11,593
Transfers	18,526	-	-	(18,526)	-
Acquired on merger with National College for Creative and Cultural Industries	-	-	-	-	-
Disposals	-	-	-	-	-
<b>At 31 July 2020</b>	<b>165,039</b>	<b>3,976</b>	<b>13,941</b>	<b>1,744</b>	<b>184,700</b>
<b>Depreciation</b>					
At 1 August 2019	32,595	1,941	10,924	-	45,460
Charge for the year	3,045	185	868	-	4,099
Elimination in respect of disposals	-	-	-	-	-
<b>At 31 July 2020</b>	<b>35,640</b>	<b>2,126</b>	<b>11,792</b>	<b>-</b>	<b>49,559</b>
<b>Net book value at 31 July 2020</b>	<b>129,399</b>	<b>1,850</b>	<b>2,149</b>	<b>1,744</b>	<b>135,141</b>
Net book value at 31 July 2019	109,934	2,035	1,288	14,390	127,647

## Notes to the Accounts (continued)

### 10 Non current Investments

	College 2021 £'000	College 2020 £'000
Investments in subsidiary companies	830	830
<b>Total</b>	<b>830</b>	<b>830</b>

The College owns 100 per cent of the issued ordinary £1 shares of South Essex Commercial Services Limited, a company incorporated in England and Wales. The principal business activity of South Essex Commercial Services Limited is the operation of the car park, retail and conferencing activities. The interest in South Essex Commercial Services Limited was acquired on 22 July 2003 on its incorporation.

Prospects Learning Foundation Limited, a company incorporated in England and Wales is a wholly owned subsidiary of the College. The principal business activity of Prospects Learning Foundation Limited is to provide educational services to learners and to the College. The interest in Prospects Learning Foundation Limited was acquired on 1 February 2019 upon merger with Prospects College of Advanced Technology.

Prospects Learning Foundation Limited owns 100 per cent of the issued £1 shares of Prospects Training Solutions Limited, a company incorporated in England and Wales. The principal business activity of Prospects Training Solutions Limited is the provision of training services. The interest in Prospects Training Solutions Limited was acquired on 1 February 2019 upon merger with Prospects College of Advanced Technology.

The College owns 100 per cent of the issued ordinary £1 shares of The Backstage Centre Limited, a company incorporated in England and Wales. The principal business activity of South Essex Commercial Services Limited is to provide educational services to learners. The interest in The Backstage Centre Limited was acquired on 1 February 2020 upon merger with the Natinal College for Creative and Cultural Industries.

The College owns 50% of the ordinary shares of Essex Shared Services Limited. The company is incorporated in England and Wales and its primary activity is to provide administrative support to educational institutions.

	Profit/ (Loss) for Year of Entity 2021 £'000	Net assets/ (Liabilities) of Entity 2021 £'000
<b>Ownership</b>		
South Essex College Commercial Services Ltd (100% owned by South Essex College)	(159)	(203)
Prospects Learning Foundation Ltd (100% owned by South Essex College)	-	3,106
Prospects Training Solutions Ltd (100% owned by Prospects Learning Foundation)	(45)	(259)
Backstage Centre Ltd (100% owned by South Essex College)	64	445

The registered address for the above entities is Luker Road, Southend on Sea, Essex. SS1 1ND

### 11 Trade and other receivables

	Group 2021 £'000	College 2021 £'000	Group 2020 £'000	College 2020 £'000
Amounts falling due within one year:				
Trade receivables	148	48	476	356
Prepayments and accrued income	604	484	540	418
*Amount owed from Basildon Trust account			192	192
Short term Redrow debtor receivable July 2021	3,373	3,373	6,505	6,505
Short term Redrow debtor receivable July 2022	2,535	2,535		
Amounts owed by the ESFA	370	370	193	193
VAT	-	-	48	47
Joint Venture control - ESS	85	85	132	132
Reclaim of Nethermayne rates paid in error	64	64	-	-
Other receivables	3	3	-	-
Total	<u>7,182</u>	<u>6,962</u>	<u>8,086</u>	<u>7,843</u>
Other debtors due after more than one year:				
*Long term debtor			2,535	2,535
*Long term notes receivable	-	-	-	-
<b>Total</b>	<b><u>7,182</u></b>	<b><u>6,962</u></b>	<b><u>10,621</u></b>	<b><u>10,378</u></b>

\*The Basildon Trust debtor along with long term debtors and notes receivable relate to the sale of Nethermayne and are designated to invest in major capital building projects.

## Notes to the Accounts (continued)

### 12 Creditors: amounts falling due within one year

	Group 2021 £'000	College 2021 £'000	Group 2020 £'000	College 2020 £'000
Bank loans and overdrafts	1,596	1,596	1,200	1,200
Obligations under finance leases	-	-	13	-
Trade payables	960	937	370	369
Amounts owed to group undertakings:				
Subsidiary undertakings	2	1,912	-	3,000
Impairment	-	516	-	-
VAT	207	207	-	-
Corporation tax	-	-	-	-
Other taxation and social security	577	570	1,097	1,062
Accruals and deferred income	2,411	2,353	1,304	1,210
Employee leave accrual	750	742	757	742
Deferred income - government capital grants	951	853	657	552
Amounts owed to the ESFA	100	100	241	241
Other creditors	300	139	393	248
<b>Total</b>	<b><u>7,854</u></b>	<b><u>9,925</u></b>	<b><u>6,032</u></b>	<b><u>8,624</u></b>

### 13 Creditors: amounts falling due after one year

	Group 2021 £'000	College 2021 £'000	Group 2020 £'000	College 2020 £'000
Bank loans	15,781	15,781	17,575	17,575
Pension liability to joint venture	207	207	207	207
Deferred income - government capital grants	25,789	20,871	24,032	19,024
Southend Borough Council loan	1,500	1,500	1,500	1,500
Essex County Council loan	2,000	2,000	2,000	2,000
Other creditors	144	144	144	144
Recoverable grant from Transactions Unit	3,255	3,255	3,255	3,255
<b>Total</b>	<b><u>48,676</u></b>	<b><u>43,758</u></b>	<b><u>48,713</u></b>	<b><u>43,705</u></b>

## Notes to the Accounts (continued)

### 14 Maturity of debt

#### (a) Bank loans and overdrafts

Bank loans and overdrafts are repayable as follows:

	<b>Group</b>	<b>College</b>	<b>*Restated</b>	<b>*Restated</b>
	<b>2021</b>	<b>2021</b>	<b>Group</b>	<b>College</b>
	<b>£'000</b>	<b>£'000</b>	<b>2020</b>	<b>2020</b>
			<b>£'000</b>	<b>£'000</b>
In one year or less	1,596	1,596	* 18,775	* 18,775
Between one and two years	1,698	1,698	-	-
Between two and five years	5,400	5,400	-	-
In five years or more	8,683	8,683	-	-
<b>Total</b>	<b><u>17,377</u></b>	<b><u>17,377</u></b>	<b><u>18,775</u></b>	<b><u>18,775</u></b>

#### Restatement

Balances in the prior year have been restated to reflect the correct balance as at 31st July 2020. In the prior year only eleven repayments had been accounted for in the year end balance. The restated balances have been acknowledged with an asterisk.

The College's loan with Barclays has been converted into a revolving credit facility which allowed the refinancing of the Lloyds loan. This RCF of £17,377,000 is secured on the Southend Campus at Luker Road, the Thurrock Campus on Grays High Street and the Beauty Accademy on Queens Road, Southend. The current final maturity date is January 2021 and the rate of interest is a marginal rate of 2.00% on top of a variable base rate.

#### (b) Finance leases

The net finance lease obligations to which the institution is committed are:

	<b>Group</b>	<b>College</b>	<b>Group</b>	<b>College</b>
	<b>2021</b>	<b>2021</b>	<b>2020</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
In one year or less	-	-	13	-
Between two and five years	-	-	-	-
In five years or more	-	-	-	-
<b>Total</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>13</u></b>	<b><u>-</u></b>

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

## Notes to the Accounts (continued)

### 15 Provisions

	Defined Benefit Obligations £'000	Group and College Other £'000	Total £'000
At 1 August 2020	(35,324)	(590)	(35,914)
Transferred to/(from) income and expenditure account	3,833	481	4,314
<b>At 31 July 2021</b>	<b><u>(31,491)</u></b>	<b><u>(109)</u></b>	<b><u>(31,600)</u></b>

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

Other Provisions relates to the liability for the pension deficit of the joint venture Essex Shared Services Limited (£109k).

### 16 Cash and cash equivalents

	At 1 August 2020 £'000	Cash flows £'000	Other changes £'000	At 31 July 2021 £'000
Cash and cash equivalents	5,323	(2,400)	-	2,923
Overdrafts	-	-	-	-
<b>Total</b>	<b><u>5,323</u></b>	<b><u>(2,400)</u></b>	<b><u>-</u></b>	<b><u>2,923</u></b>

### 17 Capital commitments

	Group and College 2021 £'000	2020 £'000
Commitments contracted for at 31 July	<u>1,275</u>	<u>1,068</u>

The commitments relate to the restructure projects which consists of six individual projects listed below.

Health & Early Years T Level Space  
 Logistics Centre (Thurrock)  
 Luker Road AHU & ICT  
 Atrium Performance Structure  
 Beauty Relocation  
 Music Relocation  
 Forum II Historic Costs

## Notes to the Accounts (continued)

### 18 Lease Obligations

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

	Group and College	
	2021	*Restated 2020
	£'000	£'000
<b>Future minimum lease payments due</b>		
<b>Land and buildings</b>		
Not later than one year	151 *	155
Later than one year and not later than five years	120 *	269
later than five years	496 *	501
Total lease payments due	<u>767</u>	<u>925</u>

#### Restatement

The College has restated the prior year lease payments due in future years. Some new leases had previously been over-looked. The restated amounts have been acknowledged above with an asterisk.

### 19 Contingent liabilities

The College is currently appealing against HMRC's decision in regard to a VAT Lennartz claim. The College's claim relates to £1.75m of VAT the College has paid which it is seeking to recover and to £0.236m of VAT which it has not paid. The College had accrued for the unpaid VAT and held a VAT provision in this regard along with accrued interest of £271k (see note 15). The College's appeal, however, has been successful, and the provision has now been released.

### 20 Events after the reporting period

There are no post balance sheet events that require separate disclosure in this report

## Notes to the Accounts (continued)

### 21 Defined benefit obligations

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

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

<b>Total pension cost for the year</b>	<b>2020 £'000</b>	<b>2019 £'000</b>
Teachers Pension Scheme: contributions paid	2,370	2,424
Local Government Pension Scheme:		
Contributions paid	1,957	1,748
FRS 102 (28) charge	<u>2,508</u>	<u>1,745</u>
Charge to the Statement of Comprehensive Income	<b>4,465</b>	3,493
Enhanced pension charge to Statement of Comprehensive Income	-	-
<b>Total Pension Cost for Year</b>	<b><u>6,835</u></b>	<b><u>5,917</u></b>

#### Teachers' Pension Scheme

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

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

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

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

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

The latest actuarial review of the TPS was carried out as at 31 March 2016. 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.

## Notes to the Accounts (continued)

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 2018/9. DfE has agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2019-20 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 £2,370,000 (2020: £2,424,000)

### 21 Defined benefit obligations (continued)

#### FRS 102 (28)

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

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.

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by Essex County Council. The total contribution made for the year ended 31 July 2021 was £2,489,000, of which employer's contributions totalled £1,957,000 and employees' contributions totalled £532,000. The agreed contribution rates for future years are 20.1% for employers and range from 2.9% to 12.5% cent for employees, depending on salary.

#### Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2016 updated to 31 July 2017 by a qualified independent actuary

	At 31 July 2021	At 31 July 2020
Rate of increase in salaries	2.85%	2.25%
Future pensions increases	2.85%	2.25%
Discount rate for scheme liabilities	1.60%	1.35%
Inflation assumption (CPI)	2.85%	2.25%
Commutation of pensions to lump sums	50%	50%

## Notes to the Accounts (continued)

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

	<b>At 31 July 2021</b>	<b>At 31 July 2020</b>
	<b>years</b>	<b>years</b>
<i>Retiring today</i>		
Males	21.60	21.80
Females	23.60	23.80
<i>Retiring in 20 years</i>		
Males	22.90	23.20
Females	25.10	25.20

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

	<b>Split of assets held by the fund at 31 July 2021</b>	<b>Fair Value at 31 July 2021</b>	<b>Split of assets held by the fund at 31 July 2020</b>	<b>Fair Value at 31 July 2020</b>
		<b>£'000</b>		<b>£'000</b>
Equities	64.00%	44,074	62.00%	34,993
Bonds	3.00%	1,735	4.00%	2,412
Property	5.00%	3,201	6.00%	3,160
Gilts	7.00%	4,805	8.00%	4,388
Cash	3.00%	1,917	3.00%	1,535
Alternative Assets	11.00%	7,641	12.00%	6,561
Other Managed Funds	8.00%	5,479	6.00%	3,426
<b>Total market value of assets</b>		<b><u>68,852</u></b>		<b><u>56,475</u></b>
<b>Weighted average expected long term rate of return</b>	<b>1.60%</b>		<b>1.35%</b>	
<b>Actual return on plan assets</b>		<b><u>10,727</u></b>		<b><u>706</u></b>

## Notes to the Accounts (continued)

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

	2021		2020
	£'000		£'000
Fair value of plan assets	68,852	*	56,475
Present value of plan liabilities	(100,323)	*	(91,777)
Present value of unfunded liabilities	(20)		(22)
<b>Net pensions (liability)/asset (Note 15)</b>	<b>(31,491)</b>		<b>(35,324)</b>

\*Restated

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

	2021		2020
	£'000		£'000
<b>Amounts included in staff costs</b>			
Current service cost	4,465		3,425
Administration costs	37		36
Past service cost	120		32
	<b>4,622</b>		<b>3,493</b>
Acquired on merger (Note 24)	-		-
Interest expense (Note 7)	464		448
<b>Amount recognised in income and expenditure</b>	<b>5,086</b>		<b>3,941</b>

Amounts recognised in Other Comprehensive Income

			*Restated
Return on pension plan assets in excess of interest	10,727		706
Experience losses arising on defined benefit obligations	1,909		114
Changes in assumptions underlying the present value of plan liabilities	(6,847)	*	(12,767)
Change in demographic assumptions	1,173		1,029
<b>Amount recognised in Other Comprehensive Income</b>	<b>6,962</b>		<b>(10,918)</b>

## Notes to the Accounts (continued)

### Local Government Pension Scheme (Continued)

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

	<b>2021</b>	<b>*Restated 2020</b>
	<b>£'000</b>	<b>£'000</b>
Surplus/(deficit) in scheme at 1 August	(35,324)	(22,213)
Movement in year:		
Current service cost	(4,465)	(3,425)
Employer contributions	1,957	1,748
Past service cost	(120)	(32)
Net interest on the defined (liability)/asset	(464)	(448)
Acquired on merger		
Administration costs	(37)	(36)
Actuarial gain or loss	6,962	*
	<u>6,962</u>	<u>(10,918)</u>
<b>Net defined benefit (liability)/asset at 31 July</b>	<b><u>(31,491)</u></b>	<b><u>(35,324)</u></b>

#### Asset and Liability Reconciliation

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<b>Changes in the present value of defined benefit obligations</b>		
		<b>*Restated</b>
<b>Defined benefit obligations at start of period</b>	91,799	74,785
Current Service cost	4,465	3,425
Interest cost	1,233	1,560
Contributions by Scheme participants	532	540
Experience gains and losses on defined benefit obligations	(1,909)	1,269
Changes in financial assumptions	6,847	*
	6,847	12,767
Estimated benefits paid	(1,569)	(1,548)
Past Service cost	120	32
Unfunded pension payments	(2)	(2)
Change in demographic assumptions	(1,173)	(1,029)
<b>Defined benefit obligations at end of period</b>	<b><u>100,343</u></b>	<b><u>91,799</u></b>

#### Reconciliation of Assets

<b>Fair value of plan assets at start of period</b>	56,475	52,572
Interest on plan assets	769	1,112
Return on plan assets	10,727	706
Other actuarial gains/(losses)	-	1,383
Employer contributions	1,957	1,748
Contributions by Scheme participants	532	540
Administration costs	(37)	(36)
Settlements prices received/ (paid)	-	-
Estimated benefits paid	(1,571)	(1,550)
<b>Fair value of plan assets at end of period</b>	<b><u>68,852</u></b>	<b><u>56,475</u></b>

## Notes to the Accounts (continued)

### 22 Related party transactions

South Essex College entered in to a 50:50 joint venture agreement with Chelmsford College and formed Essex Shared Services Limited in August 2014 with the purpose to provide back office shared services to both Colleges. The annual cost for these services were £863k (£710k 2019-20). The Statement of Comprehensive Income includes a cost of £36k (£15k 2019-20) relating to the share of operating deficit in Essex Shared Services Ltd. The group balance sheet includes a total provision for the deficit of Essex Shared Services Ltd of £27k (£319k 2019-20).

The College entered into a tripartite agreement with Basildon Council and the Homes and Communities Agency (HCA) during 2015/16 to progress the disposal of the Basildon Campus and HCA land to enable circa 700 homes to be built over 5 years. The College will relocate some provision to Market Square in Basildon town centre and the Council will relocate the market as part of the arrangement. This has resulted in the 'Basildon Landowners Trust Account' being established. The first phase of land has been sold to the developers and on account payments have been received, of which the College has withdrawn £32.5m to offset work up costs to date and for the Council to commence works to relocate the market.

During the year the College has been rewarded a SELEP Grant for £0.6m of which £0.3m was drawn down in the current financial year. Additionally, the College received a further £0.410m (£1.740m 2019/20) SELEP Grant which is the remainder of the £2.150m SELEP Grant received in the prior financial year. An executive manager of the College is a board member of the South East Local Enterprise Partnership (SELEP). The executive manager declared the interest when the bid for the grants were made.

As part of the merger with Prospects College of Advanced Technology, the College received a performance related grant of £3,255k from the Department of Education to provide the College with financial stability. Additionally £3,888k was provided for repayment of an outstanding loan, the repayment of exceptional financial support and merger related costs incurred (note 4). Should the College meet the performance criteria associated with the grant, repayments to the Department of Education will automatically be made.

### 23 Amounts disbursed as agent

#### Learner support funds

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Discretionary support funds - ESFA	95	129
ALL bursary - ESFA	244	210
	<u>339</u>	<u>339</u>
Disbursed to students	(171)	(201)
Administration costs	(9)	(10)
	<u>159</u>	<u>128</u>
Balance unspent as at 31 July, included in creditors	<u>159</u>	<u>128</u>

Learner support funds provided by the ESFA are made available solely for the benefit of students. The administration costs are deducted in accordance with the ESFA regulations and represent a contribution towards the costs incurred by the College in disbursing these funds.

## Notes to the Accounts (continued)

<b>24</b>	<b>Specific Grants - Coronavirus Additional Funding</b>	<b>Year ended 31 July 2021</b>		<b>Year ended 31 July 2020</b>	
		<b>Group</b>	<b>College</b>	<b>Group</b>	<b>College</b>
		<b>£'000</b>	<b>£'000</b>		
	16-19 Tuition Fund	624	624	-	-
	High Value Courses for School & College Leavers	113	113	-	-
	Covid-19 Mass Testing Funding	151	151	-	-
	National Skills Fund	131	131	-	-
		-	-	-	-
	<b>Total</b>	<b>1,019</b>	<b>1,019</b>	<b>0</b>	<b>0</b>
<b>25</b>	<b>Job Retention Scheme</b>	<b>Year ended 31 July 2021</b>		<b>Year ended 31 July 2020</b>	
		<b>Group</b>	<b>College</b>	<b>Group</b>	<b>College</b>
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
	Job Retention Scheme	96	95	195	195
	<b>Total</b>	<b>96</b>	<b>95</b>	<b>195</b>	<b>195</b>
<b>26</b>	<b>OFS Grant &amp; Fee Income</b>	<b>Year ended 31 July 2021</b>		<b>Year ended 31 July 2020</b>	
		<b>Group</b>	<b>College</b>	<b>Group</b>	<b>College</b>
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
	Grant Income from the Ofs	473	473	359	359
	Grant Income from other bodies	-	-	-	-
	Fee Income for taught awards	4,045	4,045	4,482	4,482
	Fee Income for research awards	-	-	-	-
	Fee Income from non qualifying courses	-	-	-	-
	<b>Total</b>	<b>4,518</b>	<b>4,518</b>	<b>4,841</b>	<b>4,841</b>
<b>27</b>	<b>OFS Access &amp; Participation</b>	<b>Year ended 31 July 2021</b>		<b>Year ended 31 July 2020</b>	
		<b>Group</b>	<b>College</b>	<b>Group</b>	<b>College</b>
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
	Access & Participation	92	92	274	274
	Success	49	49	69	69
	Progression	84	84	41	41
	Access Agreement	25	25	40	40
	Bursary	116	116	43	43
	<b>Total</b>	<b>366</b>	<b>366</b>	<b>467</b>	<b>467</b>