



# **Esher Sixth Form College**

**(A Company Limited by Guarantee)**

**Annual Report and Financial Statements**

**For the year 1 September 2020 to 31 August 2021**

**Company Registration number: 12062118 (England and Wales)**

# **Esher Sixth Form College**

## **Contents**

	<b>Page</b>
Reference and Administrative Details	3
Trustees' Report	5
Governance Statement	17
Statement on Regularity, Propriety and Compliance	23
Statement of Trustees' Responsibilities	24
Independent Auditors' Report on the Financial Statements	25
Independent Reporting Accountant's Report on Regularity	28
Statement of Financial Activities incorporating Income & Expenditure Account	30
Balance Sheet	31
Statement of Cash Flows	32
Notes to the Financial Statements	33

# Esher Sixth Form College

## Reference and Administrative Details

### Members

P Collyer	Appointed 21 April 2021
D Irving	Appointed 21 April 2021
D Lavarack	
T Price	
C Wilks	

### Trustees

T Oliver	Chair of Trustees
E Bennison (Student Trustee)	Resigned 6 June 2021
P Collyer	
C Dawes	Appointed 10 November 2020
D Dean	Principal and Accounting Officer
J Duscherer	Appointed 15 November 2021
R John	Resigned 31 October 2020
I Leigh	Resigned 29 June 2021
D Mason (Staff Trustee)	
A McVeigh	
N Meade	Appointed 29 June 2021
M Nelligan	
B Obese-Jecty	Appointed 29 June 2021
F Owiny (Student Trustee)	Resigned 6 June 2021
K Pattison	Resigned 9 November 2020
K Rowsell	Resigned 10 March 2021
B Sanda	Resigned 14 November 2021
R Seabrook	
P Singh (Student Trustee)	Appointed 7 June 2021
F Stewart	
E Vanstone (Student Trustee)	Appointed 7 June 2021
T Webb (Staff Trustee)	

### Senior Management Team

Principal	D Dean
Deputy Principal	H Odhams
Assistant Principal	D Hards
Assistant Principal	L Bentley-Pattison

<b>Clerk to Trustees</b>	K Kehoe
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<b>Company name</b>	Esher Sixth Form College
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<b>Company Registration number</b>	12062118 (England and Wales)
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<b>Principal and Registered Office</b>	Weston Green Road Thames Ditton, KT7 0JB
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<b>Independent auditor</b>	Crowe U.K. LLP Chartered Accountants St James House St James Square Cheltenham, GL50 3PR
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# Esher Sixth Form College

## Reference and Administrative Details (continued)

<b>Internal auditor</b>	Wylie Bisset 168 Bath Street Glasgow G2 4TP	
<b>Bankers</b>	National Westminster Bank Plc Commercial Banking 1 <sup>st</sup> Floor, 440 Strand London, WC2R 0QS	Lloyds Bank Plc Commercial banking 3 <sup>rd</sup> Floor, 2 City Place Beehive Ring Road Gatwick, RH6 0PA
<b>Solicitors</b>	Eversheds Kett House Station Road Cambridge, CB1 2JY	

# **Esher Sixth Form College**

## **Trustees' Report**

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2020 to 31 August 2021. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

Esher Sixth Form College operates a 16-19 Academy Trust for students aged 16 to 19 serving a catchment area of North East Surrey and South West London.

## **Structure, Governance and Management**

### **Constitution**

The Academy Trust is a private company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The Trustees of Esher Sixth Form College are also the Directors of the charitable company for the purposes of company law. The charitable company is known as Esher Sixth Form College.

Details of the Trustees who served during the period are included in the Reference and Administrative Details on page 3.

### **Members' liabilities**

Each Member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a Member, or within one year after they cease to be a Member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a Member.

### **Trustees' Indemnities**

Trustees benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of negligence, default or breach of duty of which they may be guilty in relation to the Academy Trust, provided that such insurance shall not extend to any claims arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or not, and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy Trust.

# Esher Sixth Form College

## Trustees' Report (continued)

### Method of Recruitment and Appointment or Election of Trustees

Eligibility to act as a Trustee of the academy Trust is detailed within the constitutional framework and clauses 45 - 80 of the Articles of Association.

The Academy looks to ensure a mix of skills and selects new Trustees from the local community, local businesses, local government, the parent body, the student body and the staff body, the Academy places adverts on Women on Boards and via the Surrey Chamber of Commerce. Parent Trustees are elected by parents and individuals exercising parental responsibility of registered students at Esher Sixth Form College. Staff are elected by the staff body and students by the student body. Trustees other than Parent Trustees, Staff Trustees and Student Trustees are appointed by the Members via the Recruitment Committee, there is an application and interview process and these external Trustees are selected based on skills, background and ability to provide the Academy Trust with the best possible advice and support.

### Policies and Procedures Adopted for the Induction and Training of Trustees

The Board of Trustees is responsible for ensuring that appropriate training is provided as required. All new Trustees are invited for induction training and receive a pack of all relevant guidance to their role, including access to the Trustees' portal. Trustees are provided with support from the Clerk to the Trustees. The Academy Trust provides training presentations as part of Trustee meetings on topical issues according to need.

An annual Trustee training session is usually held in the summer term, to update Trustees on latest developments within the sector and the possible impact for the Academy Trust. This year's training has been delayed to the autumn term 2021 due to Covid-19. An annual skills audit is undertaken to identify gaps and used to direct training requirements.

### Organisation Structure

The Senior Management Team of the College consists of:

- Principal
- Deputy Principal
- Assistant Principal (Student Services)
- Assistant Principal (Curriculum, Development and Innovation)

The Principal is also the Accounting Officer.

The Committee structure of the Board of Trustees consists of:

• Audit	• Remuneration
• Finance and Estates	• Recruitment and,
• Strategy and Policy	• Special Committee
• Quality and Standards	

The decision making process is detailed within the Governance Statement.

# Esher Sixth Form College

## Trustees' Report (continued)

### Arrangements for setting pay and remuneration of key management personnel

At Esher Sixth Form College, the Accounting Officer (Principal) and the Deputy Principal are the only roles defined as senior post holder. Decisions relating to senior post holder appointments and remuneration are made by the Trustees after detailed review of benchmarking data and recommendation by the Remuneration Committee.

Decisions relating to other members of the senior management team are taken by the Principal having regard to benchmarking data, Sixth Form Colleges Association pay increases and affordability. Trustees / Members do not receive any remuneration.

### Trade Union facility time

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

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
2	1.76
Percentage of time spent on facility time	Number of employees
1-50%	2
Percentage of total pay bill spent on facility time	0.04%
Time spent on paid trade union activities as a percentage of total paid facility time hours	100%

### Related Parties and other Connected Charities and Organisations

Esher Sixth Form College has no formal related parties and is not connected with any other charity or organisation. However, the Academy Trust works closely with local schools and is a member of the S7 consortium of sixth form colleges which provides training and other cross college activities. Esher Sixth Form College is also a member of the Sixth Form Colleges Association (SFCA) and works closely with the Elmbridge 14-19 Consortium, and has established relationships with Higher Education Institutions and local employers. In line with other colleges and universities, Esher Sixth Form College has many stakeholders. These include:

- Students
- Parents
- Staff
- Education and Skills Funding Agency (ESFA)
- Regional Schools Commissioner and the Sixth Form Commissioner
- Higher education institutions
- Local employers
- Local authorities
- Other FE institutions
- Trade unions
- Professional Bodies

# **Esher Sixth Form College**

## **Trustees' Report (continued)**

### **Objectives and Activities**

#### **Objectives, Activities and Strategies**

Esher Sixth Form College's mission is to provide non-selective, open-access, specialised sixth form college education for North East Surrey and South West London.

The College is committed to:

- creating a culture of high expectations and outstanding achievement for 16-19 year olds
- delivering high quality teaching and learning, tailored to individual learning needs
- developing a broad range of skills and experiences to ensure students fulfil their potential and progress to further study or employment
- promoting inclusivity, tolerance and respect for others within a supportive and caring College community which values diversity
- making a positive contribution to the wider community, including a diverse range of courses for adults

#### **Public Benefit**

The College is an exempt charity under Part 3 of the Charities Act 2011 and following the Machinery of Government changes in July 2016, is regulated by the Secretary of State for Education.

In setting and reviewing the College's strategic objectives, the Board 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, an inclusive Admissions Policy which aims to tackle social exclusion and support social mobility
- Excellent progression for students
- Strong student support systems
- Links with higher education institutions, employers, industry and commerce



# Esher Sixth Form College

## Trustees' Report (continued)

### Implementation of Strategic Plan and College Self-assessment

Every year the College undertakes the process of self-assessment in which every teaching department and key support team produces a self-assessment report (SAR) based on evaluating performance against key benchmarks and performance indicators with the intention of improving the quality of its service. On the basis of this, the College produces an overall SAR and Quality Improvement Plan (QIP) in December. This QIP provides the operational targets for the coming year within the context of College strategic planning, which has most recently been reviewed by the Board in September 2021. At the same time the self-assessment process allows the College, its management and the Board to update and amend its strategic planning priorities in accordance with changing needs and circumstances. The QIP, approved by the Board in December 2020, acts as an Operational Plan for the College and is the mechanism through which the College's strategic priorities are delivered. The 3-year Strategic Plan sets the strategic direction for the College. An updated Strategic Plan for 2019-22 was approved by the Corporation in March 2019 and ratified by the Board of Trustees in September 2019. The process for developing the next Strategic Plan will begin in Summer 2022. The strategic priorities set provides the focus for the targets in the new QIP for 2021-22.

### The College's main strategic priorities are as follows:

- **Financial health:**  
to ensure that the College continues its strategies for managing the College's financial position, such that the College continues to achieve its financial objectives as detailed below
- **Student numbers:**  
to ensure that strategies, as detailed in the admissions analysis, are developed for planned growth in student numbers in line with budget forecasts, as far as this is possible
- **Quality of provision:**  
to ensure that student achievement and the overall student experience are of the highest possible quality, particularly in the context of a new Common Inspection Framework, and that curriculum development reflects both student need and the constraints imposed by a challenging financial climate
- **Curriculum Developments**  
to ensure its provision for 16-19 year olds is a broad, balanced and coherent curriculum offer.
- **Campus development:**  
to ensure that funds, including grant funding, are deployed effectively to improve the quality of the estate, in line with plans for a limited increase in student numbers

# **Esher Sixth Form College**

## **Trustees' Report (continued)**

### **Financial objectives**

The financial aim of the College is to keep the expenditure within the income received, 96% of which is provided by the Education and Skills Funding Agency (ESFA) as recurrent funding, and to manage finances in general on a prudent basis. More specifically, the College's financial objectives are:-

- Financial Health to be maintained such that an operating surplus of 1% or more is delivered\*
- A minimum of £1 million in cash reserves to be maintained
- To maintain a current ratio of 2:1\*
- To minimise exposure to debt\*
- To maximise other sources of income and ensure value for money in expenditure
- Student enrolment to be within 2% of budgeted numbers
- To generate sufficient income to enable continued maintenance of teaching and support facilities and to have the funds to keep a well maintained estate.

\*Each of these objectives went towards gaining a "Good" score on the ESFA's financial health scorecard for Sixth Form Colleges. Although we are no longer measured like this, it is felt prudent to continue with this as an objective.

### **Strategic Report**

#### **Achievement and Performance**

##### **Student Numbers**

16-19 student numbers for 2020-21 were above the budgeted target of 1920 students, with an enumeration figure of 2012. 16-19 student numbers for 2021-22 were well above the target number, with an expected enumeration figure of circa 2090 students, against a budgeted figure of 1950.

##### **Student Achievements**

Students achieved a 99.7% pass rate at A level and an A\*-B rate of 67.6%. Performance on our BTEC courses was strong with all subject courses achieving a 100% pass rate at the end of a 2 year study programme. The College is also currently rated as Outstanding by OFSTED.

The College's specific operational objectives for 2020-21 and achievement of these objectives is addressed below:

- the College achieved an A level pass rate of 99.7%
- the College was above its numbers target for 2021
- for 2020 College leavers, 85% went on to University or Art Foundation courses (including those applying during their gap year), 6% went into an apprenticeship or employment. The remaining 9% are either looking for employment or we don't have an update.
- the College continues to progress its property strategy. Phase 1, the canteen and additional classroom extension is complete as is the 3G all-weather football pitch. Phase 2, the building of a new Dance Studio with break out practise rooms and a new Student Support building with increased LRC space has commenced and is scheduled for completion mid-2022.

# **Esher Sixth Form College**

## **Trustees' Report (continued)**

### **Going Concern**

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Trust continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of going concern basis can be found in the Statement of Accounting Policies.

### **Financial results**

These results are for the year 1 September 2020 to 31 August 2021. The Company generated a surplus before other gains and losses for the year of £858,000. (2020: £13,095,000 inclusive of transfer of assets on conversion to academy status)

At the end of the period ended 31 August 2021 the College had:

- Financial Health operating surplus before depreciation and FRS102 pension adjustments of 10%
- Cash Reserves of £4,997,000 (2020: £4,156,000)
- A current ratio of 4.9:1 (2020: 3.6:1)
- No loans
- The College had other income of £224,000 (2020: £261,000), and had achieved good control over expenditure against budget
- Student enrolment objective was achieved

### **Covid-19**

The Covid-19 pandemic continued to affect Esher Sixth Form College throughout the 2020-21 academic year. The College invested in and implemented a number of measures to ensure the site had the best Covid controls feasible and that blended or remote learning could be delivered when necessary. These measures included:

- Covid-19 Health and Safety risk assessment
- Hygiene supplies provided throughout the College
- Implementation of a one way system around the College
- Two metre demarcation in classrooms to help teachers maintain a safe distance
- Installation of protective screens in Reception, the canteen, offices and the LRC
- Purchase of laptops, cameras and tripods
- Increased day time cleaning resource
- The compulsory wearing of face masks in communal areas including a staffing resource to help enforce this
- Installation of two marquees to provide additional space to better enable social distancing
- Maintenance of classroom seating plans to facilitate the College's ability to track and trace
- Online learning available to any student required to self-isolate.

Despite the pandemic student recruitment for 2021-22 has been strong with an enumeration in October 2021 of circa 2090 students which is an increase of 4% over the previous year.

# Esher Sixth Form College

## Trustees' Report (continued)

### Performance Indicators

Performance indicators relating to key areas of the College's activity are:

- achievement rates and progress
- progression - destinations data
- achievement of student recruitment targets

### Reserves Policy

At 31 August 2021 in total, balance sheet reserves amounted to £13,352,000 (2020: £12,865,000). This includes total restricted funds of £10,369,000 (2020: £9,980,000). Included within restricted funds are £12,276,000 represented by Fixed Assets (2020: £12,342,000) and a pension reserve deficit of £3,128,000 (2020: £2,757,000). Unrestricted reserves totalled £2,983,000 (2020: £2,885,000). Following the latest actuarial valuation as at 31 March 2019, the employer's agreed contribution rate for future years is 17.9% with effect from 1 September 2020, with no additional contributions payable.

A balance of reserves is required to ensure that the College has funds in place to cover day to day expenditure that in the short term may not be covered due to differing phasing of receipts. A balance is also required should there be a shortfall in receipts in any one year. Having taken all these considerations into account, the College maintains cash reserves of a minimum of £1,000,000 at any one time. At 31 August 2021 cash at bank and in hand was £4,997,000 (2020: £4,156,000). The current cash balance is higher than usual in readiness for phase 2 of the Property Strategy.

### Investment Policy

The College monitors its cashflow closely so that any funds not required in the short term for day to day operations can be identified and placed on term deposits with the College bankers. The terms of these deposits typically range from three to twelve months.

# **Esher Sixth Form College**

## **Trustees' Report (continued)**

### **Principal risks and uncertainties**

The system of internal controls maintained by the Academy Trust includes financial, operational and risk management which is designed to help protect College assets and reputation. A Risk Register is maintained by the Academy Trust. The Risk Register identifies the key risks, the likelihood of those risks occurring, their potential impact on the Academy Trust and the actions being taken to reduce and mitigate the risk. Key risks identified by the College include:

- The College fails to recruit planned student numbers and as a result grant funding in the next academic year could be at reduced levels based on lagged funding
- Changes to staff terms and conditions including pay restraint could have a negative impact on staff morale
- Any increase in employer contributions or withdrawal of the Teacher Pension Scheme (TPS) subsidy could negatively affect the College's ability to set a balanced budget
- Failure to adhere to new regulations like UK GDPR and the DPA 2018
- Low level of funding compared to other educational sectors

The key issues affecting the College form the basis of this Strategic Risk Register, approved annually by the Board at its July meeting. The Register is reviewed and updated twice a year by both the College management and the Audit Committee.

In response to the Covid-19 pandemic an additional risk register specific to this risk has been prepared to support the College in its response to these new developing risks and uncertainties.

### **Fundraising statement**

The Academy Trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

### **Plans for future periods**

The Academy Trust is well aware that the continued underfunding of post 16 education will impact on the 16-19 sector, and this makes it difficult to plan for the future. The real terms cut in funding for sixth form provision continues to present a number of challenges for the sector which include maintaining the quality of outcomes and experience for students and staff despite these cuts. The uplift in funding for the 2020-21 academic year provided some short-term relief, but does not address the impact of successive cuts from 2011-12 onwards. The outcome of the comprehensive spending review will therefore be crucial. The Strategic Plan is due for review for 2023-26. This process will begin in the summer of 2022. However, we don't expect a significant change to the core mission of the College.

### **Events after the end of the Reporting Period**

There are no significant or material events to report after the period end.

# **Esher Sixth Form College**

## **Trustees' Report (continued)**

### **Equality**

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

As an Academy Trust we are committed to Equality, Diversity and Inclusion, not just because it is a legal requirement, but because we value difference and believe that learning and working environments should be places where everyone feels valued and respected. Equality and Diversity regularly features in the Academy Trust's INSET programme, with the aim of raising staff awareness of issues. Training is held with a focus on exploring and developing staff awareness of various topics including unconscious bias, neurodiversity and dialectical behaviour therapy amongst others. We recognise that fulfilling our commitment to Equality and Diversity is not just about fulfilling our legal obligations but about being pro-active and celebrating diversity. We also recognise that embedding Equality and Diversity is an ongoing process with a series of changing goals that we need to action. As part of our legal responsibility, we have a duty that covers each of the 'protected characteristics' under the Equality Act 2010. The duties are outlined in one key document for ease of access and to ensure regular re-visiting and use. This document is our Equality and Diversity Policy. For further information please see our website.

The Academy Trust is a Disability Confident scheme employer. Any applicant with a disability wishing to be considered under the scheme will be guaranteed an interview for the post for which they are applying, provided they meet the minimum criteria for the job. Where an existing employee becomes disabled, every effort is made to ensure that employment within the Academy Trust continues. The Academy Trust's policy is to provide training, career development and opportunities for promotion which are, as far as possible, identical to those for other employees.

#### **Disability statement**

The Academy Trust seeks to achieve the objectives set down in the Equality Act 2010.

- The Academy Trust is committed to providing specific facilities and equipment for the disabled in all existing and new buildings as far as funding permits.
- As far as possible and reasonable students who have a medical condition or disability which affects their capacity to learn will be supported with advice, practical help, and a suitably tailored learning programme.
- An Admissions Policy for all students was last approved by the Board of Trustees in March 2021.
- The Academy Trust has made significant investment in the appointment of learning support mentors to support students with learning difficulties and / or disabilities.
- There is a continuing programme of staff development to ensure that support for students is appropriate.
- Counselling and welfare services are aimed at catering for individual needs, and are as described in the College Charter.

# Esher Sixth Form College

## Trustees' Report (continued)

### Streamlined Energy and Carbon Reporting

#### UK Greenhouse gas emissions and energy use data for the period 1 September to 31 August

	2020-21	2019-20
Energy consumption used to calculate emissions (kWh)	1,774,522	1,544,082
Energy consumption breakdown (kWh):		
Gas	1,172,586	944,232
Electricity	601,928	598,403
Transport fuel	8	1,447
Scope 1 emissions in metric tonnes CO <sub>2</sub> e		
Gas consumption	215	173
Owned transport – minibus	0	0
Scope 2 emissions in metric tonnes CO <sub>2</sub> e		
Purchased electricity	128	173
Scope 3 emissions in metric tonnes CO <sub>2</sub> e		
Business travel in employee owned vehicles	0	0
<b>Total Gross emissions in metric tonnes CO<sub>2</sub>e</b>	<b>343</b>	<b>300</b>
<b>Intensity ratio tonnes CO<sub>2</sub>e per student</b>	<b>0.17</b>	<b>0.16</b>
<b>Intensity ratio tonnes CO<sub>2</sub> per square metre</b>	<b>0.03</b>	<b>0.03</b>

The comparative data for 2019-20 is not indicative of normal usage as the College was closed due to lockdown during some of the normally high usage months.

Actions taken to improve energy efficiency during the year include:

- Solar panels fitted on the new canteen and classroom extension
- LED light replacement programme underway. Approximately 35% of the College campus has been converted, with the remainder planned over the next 3 years.

## **Esher Sixth Form College**

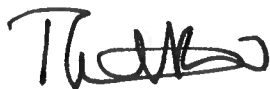
### **Trustees' Report (continued)**

#### **Disclosure of Information to Auditors**

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

The Trustees' report, incorporating a strategic report, was approved by order of the Board of the Trustees, as the company directors, on 8 December 2021 and signed on the Board's behalf by:



T Oliver (Chair of Trustees)



# Esher Sixth Form College

## Governance Statement

### Scope of Responsibility

As Trustees we acknowledge we have overall responsibility for ensuring that Esher Sixth Form College has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board of Trustees has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform to the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Esher Sixth Form College and the Secretary of State for Education.

### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees Responsibilities. The Board of Trustees has formally met 4 times during the year.

Attendance was as follows:

<b>Trustees</b>	<b>Meetings attended</b>	<b>Out of a possible</b>	<b>% Attendance</b>
E Bennison (Student)	3	3	100
P Collyer	4	4	100
C Dawes	2	3	67
D Dean (Principal)	4	4	100
I Leigh	3	3	100
D Mason (Staff)	4	4	100
A McVeigh	3	4	75
N Meade	1	1	100
M Nelligan	2	4	50
B Obese-Jecty	1	1	100
T Oliver	4	4	100
F Owiny (Student)	2	3	67
K Pattison	0	1	0
K Rowsell	0	2	0
B Sanda	4	4	100
R Seabrook	3	4	75
P Singh (student)	1	1	100
F Stewart	3	4	75
E Vanstone (Student)	1	1	100
T Webb (Staff)	2	4	50

# **Esher Sixth Form College**

## **Governance Statement (continued)**

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

The Board of the Academy Trust meets four times during the year, but additional meetings will be convened as required. The Trust Board also conducts its business through a number of committees. These committees are: Audit, Finance and Estates, Strategy and Policy, Remuneration, Quality and Standards and Special Committee. All Committees, other than the Special Committee, which is only convened when necessary, and the Audit Committee and Quality and Standards Committee, which meet twice per annum, meet at least three times per annum. Each committee has terms of reference which were adopted by the Board of Trustees and are reviewed each year.

The Board is provided with regular, timely information on the overall financial performance of the academy trust, together with other information such as performance against funding targets, proposed capital expenditure, quality matters, health and safety and environmental activities. The AGM was held on 9 December 2020. Effective oversight of the Trust's funds was maintained through the four meetings of the Trust Board and three meetings of the Finance and Estates Committee. In addition, monthly management accounts were made available to the Finance and Estates Committee and the Chair of the Board.

All Trustees are able to take independent professional advice in furtherance of their duties at the academy trust's expense and have access to the Clerk to the Board, which is responsible to the Board for ensuring that all applicable [procedures and regulations are complied with.

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

Full minutes of all meetings, except those deemed to be confidential by the Board, are available on the academy trust's website ([Esher Sixth Form College | Esher Sixth Form College Academy Trust](#))

The committee structure was reviewed in 2017/18 as part of the College's ongoing quality improvement process. Review of Board performance is through the annual Governance Self-Assessment Report (SAR). This is considered by the Strategy and Policy Committee and approved by the Board. This is available on the College website. An internal audit review of Corporate Governance and Risk Management is scheduled for next year 2021-22.

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

During the Covid-19 lockdown Board meetings continued as normal but in an online, remote form rather than in person.

# Esher Sixth Form College

## Governance Statement (continued)

### Appointment to the Board

Recruitment is through an open and transparent recruitment process. The members may appoint by ordinary resolution up to 15 Trustees. The Trustees may appoint co-opted Trustees. The Trustees of the Board are appointed for a term of office not exceeding 4 years.

### Audit Committee

The Audit Committee comprises five members of the Board of Trustees (excluding the Accounting Officer (Principal) and the Chair). The Committee operates in accordance with written terms of reference approved by the Board. Its purpose is to advise the Board on the adequacy and effectiveness of the College's systems of internal control and its arrangements for risk management, control and governance processes.

The Audit Committee meets twice a year and provides a forum for reporting by the College's financial statements/regularity 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 academy trust's internal auditors review the systems of internal control, risk management controls and governance processes in accordance with an agreed audit plan. Their findings are reported to the Audit Committee. This year's review was on the academy trust's purchasing and procurement function. The academy trust achieved substantial level of assurance on controls in this area.

The Audit Committee advises the Board on the appointment of the financial statements/regularity auditors and their remuneration for any work undertaken.

Attendance during the period was as follows:

<b>Trustees</b>	<b>Meetings attended</b>	<b>Out of a possible</b>	<b>% Attendance</b>
C Dawes	1	2	50
I Leigh	2	2	100
A McVeigh	2	2	100
K Rowsell	0	1	0
F Stewart	2	2	100

# Esher Sixth Form College

## Governance Statement (continued)

### Finance and Estates Committee

The Finance and Estates committee is a sub-committee of the Academy Board. Its purpose is to review the financial position of the Academy Trust, including cash flow and receive regular reports on capital projects. It advises the Board on all financial matters. The committee is advised by the Director of Finance and Estates.

Attendance during the period was as follows:

<b>Trustees</b>	<b>Meetings attended</b>	<b>Out of a possible</b>	<b>% Attendance</b>
P Collyer	3	3	100
D Dean	3	3	100
D Mason	2	3	67
M Nelligan	2	3	67
T Oliver	3	3	100
B Sanda	1	3	33
F Stewart	1	3	33
T Webb	2	3	67

### Review of Value for Money

As Accounting Officer, the Principal has responsibility for ensuring that the Academy Trust delivers good value for money in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Academy Trust's use of resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved. The Accounting Officer for the Academy Trust has delivered value for money during the year by:

- Three year financial planning, cash flow forecasting and tight monitoring of expenditure against budgets
- Robust challenging of all expenditure
- Collaborative procurement programme with S7 covering staff development and benchmarking of costs
- Use of tendering procedures for any significant expenditure
- Continuing to achieve excellent student outcomes

# **Esher Sixth Form College**

## **Governance Statement (continued)**

### **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 on-going 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 at Esher Sixth Form College for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

### **Capacity to handle risk**

The Board has reviewed the key risks to which the College is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board is of the view that there is a formal on-going process for identifying, evaluating and managing the College's significant risks that has been in place for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board.

### **The Risk and Control Framework**

The system of internal control is based on a framework of regular management information, 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 and a further two year forecast, along with a 24 month cashflow forecast, which is reviewed and agreed by the Board of Trustees
- regular reviews by the Finance and Estates Committee of periodic and annual financial reports which indicate financial performance against forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase, capital investment or contract purchasing) control guidelines
- delegation of authority and segregation of duties
- identification and management of risks through the Risk Register, which is reviewed by the Audit Committee twice a year

The Audit Committee considers it prudent to maintain a degree of oversight of internal controls by commissioning independent auditor reviews. This has in the past been achieved by the financial statements/regularity auditors carrying out specific reviews of particular areas as requested. The College has now appointed an internal auditor independent of the external auditors to carry out a programme of reviews each year. The annual plan for this additional systems work is informed by an analysis of the risks to which the College is exposed, a three year plan was submitted to and approved by the Audit Committee in June 2021. The analysis of risks and the plan for additional work is endorsed by the Board on the recommendation of the Audit Committee.

# Esher Sixth Form College

## Governance Statement (continued)

### Review of effectiveness

As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- 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/regularity auditors and the internal auditors in their management letters and other reports.
- The financial management and governance self-assessment process

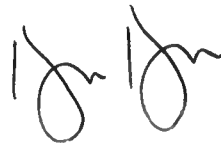
The Accounting Officer has been advised on the implications of these reviews and the system of internal control and ensures continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 8 December 2021 and signed on its behalf by:



T Oliver

Chair of Trustees



D Dean

Accounting Officer and Principal

## **Esher Sixth Form College**

### **Statement of Regularity, Propriety and Compliance**

As Accounting Officer of Esher Sixth Form College, I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academy Trust Handbook 2021.

I 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 Board of Trustees and ESFA.



D Dean  
Accounting Officer and Principal

Date: 8 December 2021

# Esher Sixth Form College

## Statement of Trustees' Responsibilities

The Trustees (who are the Directors of the charitable company for the purposes of company law), are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with the Annual Accounts Direction published by the Education and Skills Funding Agency (ESFA), United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for the period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2020 to 2021
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare financial statements on the going concern basis unless it is inappropriate to assume that the charitable company will continue in business

The Trustees are responsible for keeping adequate records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operations the charitable company applies financial and other controls, which conform to the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA / DfE have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Trustees of the Academy Trust on 8 December 2021 and signed on its behalf by:



T. Oliver  
Chair of the Trustees



# **Esher Sixth Form College**

## **Independent Auditor's Report to the Members of Esher Sixth Form College**

### **Opinion**

We have audited the financial statements of Esher Sixth Form College (the 'academy') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2021 and of 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 prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

### **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 academy 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 trustees' 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 academy'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 trustees with respect to going concern are described in the relevant sections of this report.

### **Other information**

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

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

# Esher Sixth Form College

We have nothing to report in this regard.

## **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion based on the work undertaken in the course of our audit:

- the information given in the Trustees' Report including the Strategic Report for the financial period for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

## **Matters on which we are required to report by exception**

In light of the knowledge and understanding of the academy and their environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees 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 trustees are responsible for assessing the academy'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 trustees either intend to liquidate the academy 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the academy operates,

## Esher Sixth Form College

focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102), Companies Act 2006, Academies Accounts Direction and the Academy Trust Handbook. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the academy's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the academy for fraud. The key laws and regulations we considered in this context were General Data Protection Regulation, health and safety legislation, Ofsted and employee legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquire of the Trustees and other management and inspection of regulatory and legal correspondence, if any. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing and completeness of income recognition and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Board about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the ESFA, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

### Use of our report

This report is made solely to the academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Guy Biggin**  
Senior Statutory Auditor  
For and on behalf of

**Crowe U.K. LLP**

Statutory Auditor

Cheltenham

Date: 16 December 2021

## **Esher Sixth Form College**

### **Independent Reporting Accountant's Assurance Report on Regularity to Esher Sixth Form College and the Education and Skills Funding Agency ("ESFA")**

In accordance with the terms of our engagement letter dated 1 October 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies: Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether, the expenditure disbursed and income received by the Esher Sixth Form College Academy Trust during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

#### **Respective responsibilities of Esher Sixth Form College Academy Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Esher Sixth Form College Academy Trust's funding agreement with the Secretary of State of Education dated 22 July 2019 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. 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 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

#### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2020 to 2021 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure. The work undertaken to draw to our conclusion includes a review of the design and implementation of the Academy's internal controls and review processes on regularity, supported by detailed tests on samples of costs incurred by the academy and specific transactions identified from our review.

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

## **Esher Sixth Form College**

### **Independent Reporting Accountant's Assurance Report on Regularity to Esher Sixth Form College and the Education and Skills Funding Agency ("ESFA") (cont.)**

#### **Use of our report**

This report is made solely to the governing body and the ESFA in accordance with the terms of our engagement. Our work has been undertaken so that we might state to the Esher Sixth Form College Academy Trust 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 governing body and the ESFA, for our review work, for this report, or for the conclusion we have formed.

*Crowe UK LLP*

**Crowe U.K. LLP**

Statutory Auditor

**Cheltenham**

**Date: 16 December 2021**

# Esher Sixth Form College

## Statement of Financial Activities for the period ended 31 August 2021 (including Income and Expenditure Account)

	Notes	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	2020-21 Total £000	2019-20 Total £000
<b>Income and endowment funds:</b>						
Donations and capital grants	2	53	-	709	762	911
Donations - Transfer from the former Esher College on conversion	27	-	-	-	-	13,008
<b>Charitable activities:</b>						
Funding for the Academy Trust's educational operations	3	67	10,458	-	10,525	9,356
Other trading activities	4	18	-	-	18	19
Investments	5	5	-	-	5	29
<b>Total Income</b>		<b>143</b>	<b>10,458</b>	<b>709</b>	<b>11,310</b>	<b>23,323</b>
<b>Expenditure on:</b>						
<b>Charitable activities:</b>						
Academy Trust educational operations	6	45	9,869	983	10,897	10,228
Transfers between funds						
<b>Total</b>		<b>45</b>	<b>9,869</b>	<b>983</b>	<b>10,897</b>	<b>10,228</b>
<b>Net Income / Expenditure</b>		<b>98</b>	<b>589</b>	<b>(274)</b>	<b>413</b>	<b>13,095</b>
<b>Transfers between funds</b>	16	-	(208)	208	-	-
<b>Other recognised gains / (losses):</b>						
Actuarial (losses) / gains on defined benefit pension schemes	23	-	74	-	74	(230)
<b>Net movement in funds</b>		<b>98</b>	<b>455</b>	<b>(66)</b>	<b>487</b>	<b>12,865</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		2,885	(2,362)	12,342	12,865	-
<b>Total funds carried forward</b>	17	<b>2,983</b>	<b>(1,907)</b>	<b>12,276</b>	<b>13,352</b>	<b>12,865</b>

All activities derive from continuing operations during the period.

# Esher Sixth Form College


Company Registration number: 12062118 (England and Wales)

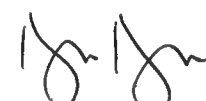
## Balance Sheet as at 31 August 2021

	Notes	2021 £'000	2021 £'000	2020 £'000	2020 £'000
<b>Fixed assets</b>					
Tangible fixed assets	11		12,276		12,342
<b>Current assets</b>					
Debtors	12	308		382	
Cash at bank and in hand		4,997		4,156	
		<u>5,305</u>		<u>4,538</u>	
<b>Less: Creditors – amounts falling due within one year</b>	<b>13</b>	<b>(1,101)</b>		<b>(1,258)</b>	
<b>Net current assets</b>			<u>4,204</u>		<u>3,280</u>
<b>Total assets less current liabilities</b>			<b>16,480</b>		<b>15,622</b>
Less: Creditors – amounts falling due after more than one year			-		-
<b>Provisions</b>					
Defined benefit obligations	16 /23		<u>(3,128)</u>		<u>(2,757)</u>
<b>Total net assets</b>			<u><b>13,352</b></u>		<u><b>12,865</b></u>
<b>Funds of the Academy Trust:</b>					
<b>Restricted funds:</b>					
Fixed Asset Fund	16/17	12,276		12,342	
Restricted Income Fund		1,221		395	
Pension Reserve		<u>(3,128)</u>		<u>(2,757)</u>	
<b>Total restricted reserves</b>			<b>10,369</b>		<b>9,980</b>
<b>Unrestricted Income funds</b>			<b>2,983</b>		<b>2,885</b>
<b>Total funds</b>			<u><b>13,352</b></u>		<u><b>12,865</b></u>

The Notes on pages 33 to 53 form a part of these financial statements.

The financial statements on pages 30 to 53 were approved and authorised for issue by the Trustees on 8 December 2021 and are signed on their behalf by:

  
**T Oliver**  
 Chair of the Trustees

  
**D M Dean**  
 Principal

# Esher Sixth Form College

## Cash Flow Statement for the period ended 31 August 2021

	Note	2021 £'000	2020 £'000
<b>Cash inflow from operating activities</b>			
Net cash provided by (used in) operating activities	18	1,044	492
Cash received on conversion on 1 September 2019		-	4,663
Cash flows from Investing activities	19	(203)	(999)
Cash flows from financing activities		-	-
<b>Change in cash and cash equivalents in the reporting period</b>	<b>20</b>	<b>841</b>	<b>4,156</b>
Cash and cash equivalents at 1 September 2020		4,156	-
<b>Cash and cash equivalents at 31 August 2021</b>	<b>20</b>	<b>4,997</b>	<b>4,156</b>

The notes on pages 33 to 53 form part of these financial statements.



# **Esher Sixth Form College**

## **Notes to the Financial Statements for the period ended 31 August 2021**

### **1. Accounting policies**

#### **Statement of accounting policies**

Esher Sixth Form College is a charitable company limited by guarantee, incorporated in England and Wales (Company number 12062118) and is a public benefit entity, the registered office of which is Weston Green Road, Thames Ditton, KT7 0JB. The financial statements are presented in sterling which is the functional currency of the College and are rounded to the nearest £'000. A summary of the principal accounting policies adopted (which have been applied consistently), judgements and key sources of estimation uncertainty, is set out below.

#### **Basis of preparation**

The financial statements of the Academy Trust, which is a public benefit entity under FRS102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (Charities SORP (FRS102)), the Academies Accounts Direction 2020-21 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. There have been no material departures from these applicable standards.

#### **Going concern**

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events of conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Trustees have considered the impact of Covid-19 on the College's ability to continue in operation and believe that as a significant part of the College's funding is sourced from the Government, a going concern approach continues to be appropriate. In making this assessment the Trustees have considered a period of at least one year from the date of authorisation for the issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

## **Esher Sixth Form College**

### **Notes to the Financial Statements for the period ended 31 August 2021 (cont.)**

#### **1. Accounting policies (cont.)**

##### **Income**

All incoming resources are recognised when the Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

##### *Grants*

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance sheet in the restricted fixed asset fund.

##### *Donations*

Donations are measured on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

##### *Other income*

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the Academy Trust has provided the goods or services.

## **Esher Sixth Form College**

### **Notes to the Financial Statements for the period ended 31 August 2021 (cont.)**

#### **1. Accounting policies (cont.)**

##### **Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

##### *Expenditure on raising funds*

This includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fund raising activities and non-charitable trading.

##### *Charitable activities*

These are costs incurred on the Academy Trust's educational operations, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

##### **Tangible fixed assets**

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted funds.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight line basis over its expected useful life, as follows:

- Freehold buildings – 50 years
- Buildings Refurbishments – 10 years
- Motor vehicles – 4 years
- Furniture, fixtures and fittings – 4 years
- Computer hardware and software – 4 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

# Esher Sixth Form College

## Notes to the Financial Statements for the period ended 31 August 2021 (cont.)

### 1. Accounting policies (cont.)

#### Tangible fixed assets (cont.)

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

#### Liabilities

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advance payments for the goods or services it must provide.

#### Provisions

Provisions are recognised when the Academy Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

#### Leased Assets

Rentals under operating leases are charged on a straight line basis over the lease term.

#### Financial Instruments

The Academy Trust only holds basic financial instruments as defined in FRS102. The financial assets and financial liabilities of the Academy Trust and their measurement are as follows:

*Financial assets* – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 12. Prepayments are not financial instruments.

*Cash at bank* – is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 13. Taxation and social security are not included in the financial instruments' disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

# Esher Sixth Form College

## Notes to the Financial Statements for the period ended 31 August 2021 (cont.)

### 1. Accounting policies (cont.)

#### Taxation

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

#### Pensions Benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). These are defined benefit schemes.

##### *Teachers' Pension Scheme (TPS)*

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

##### *The Surrey Local Government Pension Scheme (LGPS)*

The Surrey Local Government Pension Scheme (LGPS) is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension Scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to 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 Financial Activities 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.

# **Esher Sixth Form College**

## **Notes to the Financial Statements for the period ended 31 August 2021 (cont.)**

### **1. Accounting policies (cont.)**

#### **Fund Accounting**

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the Trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder / donor and grants received from the Education and Skills Funding Agency.

#### **Critical accounting estimates and areas of judgement**

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

#### **Critical accounting estimates and assumptions**

The Academy Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

##### *Tangible Fixed Assets*

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of assets 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.

##### *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, inflation rate and rate of increase in salaries. Any changes in these assumptions, which are disclosed in Note 23, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 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.

## Esher Sixth Form College

### Notes to the Financial Statements for the period ended 31 August 2021 (cont.)

#### 2 Donations and capital grants

	Unrestricted Funds £'000	Restricted Funds £'000	2020-21 Total £'000	2019-20 Total £'000
Capital grants – DfE / ESFA	-	509	509	841
Capital grants - CIL	-	200	200	-
Other donations	53	-	53	70
	<u>53</u>	<u>709</u>	<u>762</u>	<u>911</u>

The CIL capital grant was from Elmbridge Borough Council towards the construction of a 3G all weather football pitch.

#### 3 Funding for the Academy Trust's educational operations

	Unrestricted Funds £'000	Restricted Funds £'000	2020-21 Total £'000	2019-20 Total £'000
<b>DfE / ESFA Grants</b>				
General Annual Grant (GAG)	-	9,714	9,714	8,595
Other DfE Group grants	-	588	588	560
	<u>-</u>	<u>10,302</u>	<u>10,302</u>	<u>9,155</u>
<b>Other Government grants</b>				
Local authority grants	-	75	75	58
Other income (DfE / ESFA) – 16-19 tuition fund	-	15	15	-
Other income - Covid-19 mass testing	-	38	38	-
Other income from the Academy Trust's educational operations	50	-	50	143
Other income	17	28	45	-
	<u>67</u>	<u>10,458</u>	<u>10,525</u>	<u>9,356</u>

The academy received £15k of funding for the 16-19 tuition fund, costs in respect of this tuition exceeded £15k.

#### 4 Other trading activities

	Unrestricted Funds £'000	Restricted Funds £'000	2020-21 Total £'000	2019-20 Total £'000
Hire of facilities	18	-	18	19
Income from other charitable activities	-	-	-	-
	<u>18</u>	<u>-</u>	<u>18</u>	<u>19</u>

# Esher Sixth Form College

## Notes to the Financial Statements for the period ended 31 August 2021 (cont.)

5 Investment income	Unrestricted Funds £'000	Restricted Funds £'000	2020-21 Total £'000	2019-20 Total £'000
Short term deposits	5	-	5	29
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>5</u>	<u>-</u>	<u>5</u>	<u>29</u>

6 Expenditure	Staff Costs £'000	Non-Pay expenditure Premises £'000	Other £'000	2020-21 Total £'000	2019-20 Total £'000
<b>Academy's educational operations:</b>					
Direct costs	6,304	-	498	6,802	6,438
Allocated support costs	1,889	721	1,485	4,095	3,790
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<u>8,193</u>	<u>721</u>	<u>1,983</u>	<u>10,897</u>	<u>10,228</u>

Net income / (expenditure) for the period includes:

	2020-21 £'000	2019-20 £'000
Operating lease rentals	24	-
Depreciation	983	924
Net interest on defined benefit pension scheme	50	42
- External Audit fees	14	14
- External audit – other	4	5
- Internal auditors	2	-
	<hr/>	<hr/>



# Esher Sixth Form College

## Notes to the Financial Statements for the period ended 31 August 2021 (cont.)

<b>7 Charitable Activities</b>	<b>2020-21</b>	<b>2019-20</b>
	<b>£'000</b>	<b>£'000</b>
<b>Direct costs – education operations</b>		
Teaching and educational support staff costs	6,304	5,921
Educational supplies	202	194
Examination fees	272	310
Staff development	24	13
Other direct costs	-	-
	<hr/>	<hr/>
<b>Direct Costs</b>	<b>6,802</b>	<b>6,438</b>
	<hr/>	<hr/>
<b>Support costs – educational operations</b>		
Support staff costs	1,883	1,731
Depreciation	983	924
Technology costs	103	82
Recruitment and support	37	53
Premises costs	721	637
Other support costs	343	338
Governance costs	25	25
	<hr/>	<hr/>
<b>Support costs</b>	<b>4,095</b>	<b>3,790</b>
	<hr/>	<hr/>
<b>Total direct and support costs</b>	<b>10,897</b>	<b>10,228</b>
	<hr/>	<hr/>

Included within Support staff costs and other support costs are costs of £38,000 (2020: £52,000) and £7,000 (2020: £12,000) respectively relating to costs incurred in direct relation to the unrestricted income received.

<b>8 Staff</b>	<b>2020-21</b>	<b>2019-20</b>
	<b>£'000</b>	<b>£'000</b>
<b>a Staff costs</b>		
Staff costs during the period were:		
Wages and Salaries	5,899	5,504
Social security costs	578	537
Pension costs	1,626	1,546
	<hr/>	<hr/>
	<b>8,103</b>	<b>7,587</b>
	<hr/>	<hr/>
Agency staff costs	90	70
	<hr/>	<hr/>
<b>Total Staff costs</b>	<b>8,193</b>	<b>7,657</b>
	<hr/>	<hr/>

# Esher Sixth Form College

## Notes to the Financial Statements for the period ended 31 August 2021 (cont.)

### 8 Staff (cont.)

#### b Staff numbers

The average number of persons employed by the Academy during the period, expressed as headcount was as follows:

	<b>2020-21</b>	<b>2019-20</b>
	<b>No.</b>	<b>No.</b>
Teachers	118	115
Administration and support	73	66
Management	3	3
	<u>194</u>	<u>184</u>

The average number of persons employed by the Academy during the period, expressed as full-time equivalents was as follows:

	<b>2020-21</b>	<b>2019-20</b>
	<b>No.</b>	<b>No.</b>
Teachers	93	92
Administration and support	53	49
Management	3	3
	<u>149</u>	<u>144</u>

#### c Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs and employer national insurance) exceeds £60,000 on a 12 month period basis was:

	<b>2020-21</b>	<b>2019-20</b>
	<b>No.</b>	<b>No.</b>
£60,001 - £70,000	3	2
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-
£120,000 - £130,000	1	1
	<u>1</u>	<u>1</u>

#### d Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 3. The total amount of employee benefits (including pension contributions and employer national insurance) received by key management personnel for their services to the Academy Trust was £373,000 comprising:

	<b>2020-21</b>	<b>2019-20</b>
	<b>£'000</b>	<b>£'000</b>
Salaries	274	263
Pension and Employers National insurance	99	95
Benefits in kind	-	-
	<u>373</u>	<u>358</u>

## Esher Sixth Form College

### Notes to the Financial Statements for the period ended 31 August 2021 (cont.)

#### 8 Staff (cont.)

##### e Accounting Officer (Principal)

	2020-21 £'000	2019-20 £'000
Salaries	130	125
Pension and Employers National insurance	47	46
Benefits in kind	-	-
	<u>177</u>	<u>171</u>

##### f Staff Trustees

The two staff Trustees (who are named in the Trustees' report) received no remuneration in respect of their voluntary role as staff Trustees.

#### 9 Related Party Transactions – Trustees' Remuneration and Expenses

The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their role as Trustees. Non staff Trustees are not remunerated for their services. Trustee expenses paid during the year in respect of travel and subsistence totalled £Nil (2020: £36).

#### 10 Trustees' and Officers Insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The Insurance policy provides cover up to £5,000,000 on any one claim at an annual cost of £1,000 (2020: £1,000 for £1,000,000). The cost of this insurance is included in the total insurance cost.

# Esher Sixth Form College

## Notes to the Financial Statements for the period ended 31 August 2021 (cont.)

11 Tangible Fixed Assets	Freehold Land and Buildings £'000	Equipment £'000	Total £'000
<b>Cost</b>			
At 31 August 2020	19,133	3,597	22,730
Additions	577	340	917
Disposals	(14)	(531)	(545)
<b>At 31 August 2021</b>	<b>19,696</b>	<b>3,406</b>	<b>23,102</b>
<b>Depreciation</b>			
At 31 August 2020	7,459	2,929	10,388
Charged in the year	667	316	983
Disposals	(14)	(531)	(545)
<b>At 31 August 2021</b>	<b>8,112</b>	<b>2,714</b>	<b>10,826</b>
<b>Net book value at 31 August 2021</b>	<b>11,584</b>	<b>692</b>	<b>12,276</b>
Net book value at 31 August 2020	11,674	668	12,342

The Trust's transactions relating to land and buildings included:

- The completion of the new classroom and canteen extension block - £363,000, CIF receipts totalled £464,000 covering these costs and costs incurred by the College last year.
- Work started on the new Dance Studio and Student Support build, spend to date is £143,000

12 Debtors	2021 £'000	2020 £'000
Trade Debtors	-	-
VAT recoverable	125	213
Other debtors	82	25
Prepayments and accrued income	101	144
	<b>308</b>	<b>382</b>

# Esher Sixth Form College

## Notes to the Financial Statements for the period ended 31 August 2021 (cont.)

<b>13 Creditors: amounts falling due within one year</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Trade Creditors	454	207
Other taxation and social security	145	140
Other creditors	198	186
Accruals and deferred income	304	725
	<u>1,101</u>	<u>1,258</u>
 <b>Deferred Income</b>	 <b>2021</b>	 <b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Deferred income at 1 September 2020	208	-
Transfer on conversion	-	595
Release from previous years	(196)	(534)
Resources deferred in the year	202	147
Deferred Income at 31 August 2021	<u>214</u>	<u>208</u>

At the balance sheet date the Academy Trust was holding funds received in advance for the Devolved Formula Capital Grant, trips, general fund donations, adult education and bursary. (2019 all the same income streams plus General Annual Grant)

<b>14 Capital Commitments</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Commitments contracted for at 31 August	<u>1,377</u>	<u>314</u>

### 15 Operating Leases

At 31 August 2020 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Amounts due within one year	24	9
Amounts due between one and five years	56	18
Amounts due after five years	-	-
	<u>80</u>	<u>27</u>

# Esher Sixth Form College

## Notes to the Financial Statements for the period ended 31 August 2021 (cont.)

16 Funds	Balance at 1 September 2020 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2021 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	(238)	9,714	(8,746)	(208)	522
Other Grants	618	663	(663)	-	618
Covid-19 funding (DfE / ESFA) – 16-19 Tuition fund	-	15	(15)	-	-
Covid-19 – NHS mass Testing	-	38	-	-	38
Other income	15	28	-	-	43
Pension reserve	(2,757)	-	(445)	74	(3,128)
	<u>(2,362)</u>	<u>10,458</u>	<u>(9,869)</u>	<u>(134)</u>	<u>(1,907)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	11,397	-	-	-	11,397
DfE / ESFA capital grants	841	509	-	-	1,350
Other capital grants	-	200	-	-	200
Capital expenditure from GAG	1,028	-	-	208	1,236
Depreciation	(924)	-	(983)	-	(1,907)
	<u>12,342</u>	<u>709</u>	<u>(983)</u>	<u>208</u>	<u>12,276</u>
<b>Total restricted funds</b>	<u>9,980</u>	<u>11,167</u>	<u>(10,852)</u>	<u>74</u>	<u>10,369</u>
<b>Total unrestricted funds</b>	<u>2,885</u>	<u>143</u>	<u>(45)</u>	<u>-</u>	<u>2,983</u>
<b>Total funds</b>	<u>12,865</u>	<u>11,310</u>	<u>(10,897)</u>	<u>74</u>	<u>13,352</u>

The specific purposes for which these funds are to be applied are as follows:

The Restricted General Fund includes GAG and other grants received from the ESFA and the Local Authority towards educational activities.

The Restricted Asset Fund includes amounts received from the ESFA in respect of tangible assets held for use by the academy trust. Transfers between the Restricted General Fund and the Restricted Asset Fund relate to amounts used for purchases from this fund.

The transfer of £208k during the year was made in relation to capital spend which was funded from GAG and therefore was subsequently transferred into the Restricted Fixed Asset Fund.

The Pension Reserve relates to the academy trust's share of the deficit of the Local Government Pension Scheme overseen by Surrey County Council.

Under the Funding Agreement with the Secretary of State for Education, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

# Esher Sixth Form College

## Notes to the Financial Statements for the period ended 31 August 2021 (cont.)

### 16 Funds (cont.)

Comparative information in respect of the preceding period is as follows:

	Balance at 1 September 2019	Income	Expenditure	Gains, losses and transfers	Balance at 31 August 2020
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	8,595	(8,833)	-	(238)
Other Grants	-	618	-	-	618
Other income	-	15	-	-	15
Pension reserve	-	(2,120)	(407)	(230)	(2,757)
	-	7,108	(9,240)	(230)	(2,362)
<b>Restricted fixed asset funds</b>					
Transfer on conversion	-	11,397	-	-	11,397
DfE / ESFA capital grants	-	841	-	-	841
Capital expenditure from GAG	-	-	-	1,028	1,028
Depreciation	-	-	(924)	-	(924)
	-	12,238	(924)	1,028	12,342
<b>Total restricted funds</b>	-	19,346	(10,164)	798	9,980
<b>Total unrestricted funds</b>	-	3,977	(64)	(1,028)	2,885
<b>Total funds</b>	-	23,323	(10,228)	(230)	12,865

### 17 Analysis of Net Assets between Funds

Fund balances at 31 August 2021 are represented by:

	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Fund £'000	31 August 2021 Total Funds £'000
Tangible fixed asset	-	-	12,276	12,276
Current Assets	3,052	2,253	-	5,305
Current liabilities	(69)	(1,032)	-	(1,101)
Pension Scheme liability	-	(3,128)	-	(3,128)
<b>Total net assets</b>	<b>2,983</b>	<b>(1,907)</b>	<b>12,276</b>	<b>13,352</b>

# Esher Sixth Form College

## Notes to the Financial Statements for the period ended 31 August 2021 (cont.)

### 17 Analysis of Net Assets between Funds (cont.)

Comparative information in respect of the preceding period is as follows:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Fund	31 August 2020 Total Funds
Tangible fixed asset	-	-	12,342	12,342
Current Assets	2,941	1,597	-	4,538
Current liabilities	(56)	(1,202)	-	(1,258)
Pension Scheme liability	-	(2,757)	-	(2,757)
<b>Total net assets</b>	<u>2,885</u>	<u>(2,362)</u>	<u>12,342</u>	<u>12,865</u>

### 18 Reconciliation of Net Income / (expenditure) to Net Cash Flow from Operating Activities

	2021 £'000	2020 £'000
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	413	13,095
Adjusted for:		
Net assets on conversion	-	(13,008)
Depreciation charges (note 11)	983	924
Capital grants from DfE and other capital income	(709)	(841)
Interest receivable (note 5)	(5)	(29)
Defined benefit pension scheme costs	445	407
Decrease / (Increase) in debtors	74	(259)
(Decrease) / Increase in creditors	(158)	203
<b>Net cash provided by / (used in) Operating Activities</b>	<u>1,044</u>	<u>492</u>

### 19 Cash Flows from Investing Activities

	2021 £'000	2020 £'000
Dividends, interest and rents from investments	5	29
Purchase of tangible fixed assets	(917)	(1,869)
Capital grants from the DfE / ESFA	709	841
<b>Net cash provided by / (used in) investing activities</b>	<u>(203)</u>	<u>(999)</u>

### 20 Analysis of cash and cash equivalents

	2021 £'000	2020 £'000
Cash in hand and at bank	4,997	4,156
<b>Total cash and cash equivalents</b>	<u>4,997</u>	<u>4,156</u>



# Esher Sixth Form College

## Notes to the Financial Statements for the period ended 31 August 2021 (cont.)

### 21 Contingent liabilities

Apart from Capital Commitments noted at note 14, the Academy Trust had no contingent liabilities at 31 August 2021.

### 22 Members' Liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

### 23 Pension and Similar Obligations

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

The LGPS relates to employees of the Academy Trust who were employees who transferred as past of the conversion from an incorporated Sixth Form College. The obligation in respect of the employees who transferred on conversion represents their cumulative service at the balance sheet date.

The latest actuarial valuation of the TPS related to the period ended 31<sup>st</sup> March 2016, and of the LGPS 31 March 2019.

Contributions amounting to £144,000 were payable to the schemes as at 31 August 2021 and included within creditors.

<b>Total pension cost for the year</b>		<b>2020-21 £'000</b>	<b>2019-20 £'000</b>
TPS contributions paid		985	938
LGPS contributions paid	246		243
FRS102 (28) charge	<u>395</u>		<u>365</u>
		<u>641</u>	<u>608</u>
<b>Total pension cost for the year within staff costs (note 8a)</b>		<u>1,626</u>	<u>1,546</u>

#### Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. The TPS is an unfunded scheme and members contribute on a "pay as you go" basis – these contributions, along with those made by the employer are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

## Notes to the Financial Statements for the period ended 31 August 2021 (cont.)

### 23 Pension and Similar Obligations (continued)

#### Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 and in accordance with the Public Services Pensions (Valuations and Employer Cost Cap) Directions 2014 except it has been prepared following the Government's decision to pause the operation of the cost control mechanisms at the time when legal challenges were still pending.

The valuation report was published by the Department for Education (DfE) in April 2019. The key results of the valuation and subsequent consultation are:

- Total scheme liabilities for service (pensions currently payable and the estimated cost of future benefits) of £218 billion
- Value of notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) of £196 billion
- Notional past service deficit of £22 billion
- Discount rate is 2.4% in excess of CPI

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018-19). DfE has agreed to pay a teachers' 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 <https://www.teacherspensions.co.uk/-/media/documents/member/documents/news-items/teachers-pension-scheme-actuarial-valuation-2016>.

The employer's pension costs paid to TPS in the year ended 31 August 2021 amounted to £985,000.

Under the definitions set out in FRS102, the TPS is a multi-employer pension plan and there is insufficient information to account for the scheme as a defined benefit plan so it is accounted for as a defined contribution plan.

#### Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate funds administered by Surrey County Council. The total contributions made for the year ended 31 August 2021 were £336,000 of which employer's contributions totalled £246,000 and employees' contributions totalled £90,000. The agreed contribution rates for future years are 17.9% for the employer and range from 5.5% to 8.5% for employees depending on salary according to a national scale.

Parliament has agreed, at the request of the Secretary of State for Education, to guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

# Esher Sixth Form College

## Notes to the Financial Statements for the period ended 31 August 2021 (cont.)

### 23 Pension and Similar Obligations (continued)

#### Principal Actuarial Assumptions

The following information is based on a full actuarial valuation of the fund at 31 March 2016 updated to 31 August 2021 by a qualified independent actuary.

	At 31 August 2021	At 31 August 2020
Rate of increase in salaries	3.80%	3.20%
Future pension increases	2.90%	2.30%
Discount rate for scheme liabilities	1.65%	1.70%
Inflation assumption (CPI)	2.90%	2.30%
Commutation of pensions to lump sums		
- Pre April 2008 Service	25%	25%
- Post April 2008 Service	63%	63%

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

	At 31 August 2021	At 31 August 2020
<i>Retiring today</i>		
Males	22.3	22.1
Females	24.7	24.3
<i>Retiring in 20 years</i>		
Males	23.4	22.9
Females	26.4	25.7

The academy trust's share of the assets in the scheme were:

	Fair value at 31 August 2021 £'000	Fair value at 31 August 2020 £'000
Equity instruments	6,198	4,740
Bonds	1,322	1,119
Property	578	527
Cash	165	197
<b>Total market value of assets</b>	<b>8,263</b>	<b>6,583</b>
Actual gain / (loss) on scheme assets	1,394	(256)

# Esher Sixth Form College

## Notes to the Financial Statements for the period ended 31 August 2021 (cont.)

### 23 Pension and Similar Obligations (continued)

Amounts recognised in the Statement of Financial Activities

	2020-21 £'000	2019-20 £'000
Current service cost	(395)	(365)
Net interest cost	(50)	(42)
Total operating charge	<u>(445)</u>	<u>(407)</u>

Changes in the fair value of academy's defined benefit obligations were as follows:

	2020-21 £'000	2019-20 £'000
<b>At 1 September</b>	9,340	-
Upon conversion	-	8,727
Current service cost	650	616
Interest cost	163	162
Employee contributions	90	80
Actuarial loss / (gain)	1,320	(26)
Benefits paid	(172)	(219)
<b>At 31 August</b>	<u>11,391</u>	<u>9,340</u>

Changes in the fair value of the academy's share of the scheme assets

	2020-21 £'000	2019-20 £'000
<b>At 1 September</b>	6,583	-
Upon conversion	-	6,607
Interest income	113	120
Actuarial gain / (loss)	1,394	(256)
Employer contributions	255	251
Employee contributions	90	80
Benefits paid	(172)	(219)
<b>At 31 August</b>	<u>8,263</u>	<u>6,583</u>

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

	31 August 2021 £'000	31 August 2020 £'000
Fair value of plan assets	8,263	6,583
Fair value of plan liabilities	(11,391)	(9,340)
<b>Net pensions liability</b>	<u>(3,128)</u>	<u>(2,757)</u>

# Esher Sixth Form College

## Notes to the Financial Statements for the period ended 31 August 2021 (cont.)

### 24 Related Party Transactions

Owing to the nature of the Academy Trust's operation and composition of the Board of Trustees being drawn from local public and private sector organisations, it is possible that transactions will take place with organisations in which a member of the Board may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the requirements of the AFH and the Academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. No related party transactions took place in the period of account, other than certain Trustees' remuneration and expenses already disclosed in note 9.

### 25 Post Balance Sheet events

There have been no events since the balance sheet date that would materially affect the results for the period.

### 26 Learner support funds

	2020-21 £'000	2019-20 £'000
Balance at 1 September	70	-
Balance transferred on conversion	-	146
Funding body grants	78	36
Disbursed to students	(77)	(108)
Administration costs	(4)	(4)
<b>Balance unspent at 31 August 2021, included in creditors</b>	<b>67</b>	<b>70</b>

Funding body grants are available solely for students. In the majority of instances, the College only acts as a paying agent. In these circumstances, the grants and related disbursements are therefore excluded from the Statement of Financial Activities.

### 27 Government provision of laptops and other devices

During 2020-21 the College received 33 HP200 series – 4GB RAM – 128GB SSD laptops from the DfE. These were configured to College settings and loaned out to disadvantaged students to aid access to remote learning. Once learning was back on site, laptops were returned. These are now stored on site in the College Learning Resource Centre and made available for use to students on a loan basis. These are kept ready to be loaned out to disadvantaged students should the need arise again for remote learning.

