



# **Eastbourne College (Incorporated)**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021**

Registered Charity No 307071  
Company Registration No 115408

**EASTBOURNE COLLEGE (INCORPORATED)**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**EASTBOURNE COLLEGE (INCORPORATED)**  
**PRESIDENT, VICE-PRESIDENTS, GOVERNORS, OFFICERS AND ADVISORS**

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**President**

His Grace The Duke of Devonshire KCVO CBE DL

**Vice-Presidents**

The Earl of Burlington  
His Excellency Nasser Judeh BSc  
General The Lord Richards of Herstmonceux GCB CBE DSO DL

**Chairman**

Mr Philip Broadley MA MSc FCA

**Vice-Chairman**

Mr Jonathan Watmough LLB

**Governors**

Mr Charles Burrows MA  
Mr Charles Bush MA  
Mr Jeremy Compton BSc MRSC  
Mr Richard Davidson-Houston BA  
Mr Colin Davies FRICS ACI Arb  
Mr Freddie Dennis BA MA  
Mrs Nicola Eckert BA  
Mr Nick Elliott BA  
Mr James Fok MEng MSc MBA ACA  
Prof Keith Gull CBE DSc(Hon) FRS FMedSci FRSB  
Mrs Victoria Henley BA  
Mrs Mary Ireland BSc DipEd  
Mrs Claire Locher  
Mr John Maidens BSc ACA  
Mr George Marsh MA  
Mr Darren Meek LLB FCA  
Mrs Suzanne Ornsby QC  
Mr James Piper BA MEd  
Mr Andrew Robinson BA ACA  
Mrs Fionnuala Rodgers BA MA  
Mrs Helen Rowe BA DipRAM  
Mrs Julie Wheeldon BA FCA  
Dr Robert Wicks MBBS

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**Headmasters**

Eastbourne College: The Hon Tom Lawson MA  
St Andrew's Prep: Mr Tom Gregory BA

**Chief Operating Officer and Clerk to the Governors**

Mrs Abbey Gough BA FCA

**Company Secretary**

Mr Chris Bentley-Mawer ACMA

**EASTBOURNE COLLEGE (INCORPORATED)**  
**PRESIDENT, VICE-PRESIDENTS, GOVERNORS, OFFICERS AND ADVISORS**

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**Registered Office**

Marlborough House, Old Wish Road, Eastbourne, East Sussex BN21 4JY

**Auditors**

Crowe U.K. LLP, 55 Ludgate Hill, London, EC4M 7JW

**Bankers**

Natwest Plc, 96 Terminus Road, Eastbourne, East Sussex BN21 3AA

Lloyds Bank Plc, 104 Terminus Road, Eastbourne, East Sussex BN21 2AH

**Insurance Brokers**

Marsh Limited, Capital House, 1-5 Perrymount Road, Haywards Heath, West Sussex RH16 3SY

**Investment Advisors**

Charles Stanley & Co Limited, 25 Luke Street, London EC2A 4AR

**Solicitors**

Moore Barlow LLP, The Oriel, Sydenham Road, Guildford, Surrey GU1 3SR

**Surveyors**

Strutt & Parker LLP, 201 High Street, Lewes, East Sussex BN7 2NR

## **EASTBOURNE COLLEGE (INCORPORATED)**

### **CHAIRMAN'S INTRODUCTION**

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#### **Chairman's report**

I am pleased to introduce the Charity's Annual Report describing the activities of our two schools, Eastbourne College and St Andrew's Prep, over the year. For the second successive year the Charity's pupils and staff, its educational provision and its financial performance were affected by the pandemic.

Everything we do as a charity is for the benefit of those we educate. We proudly devote much of the Annual Report to setting out the achievements of our approximately 1,000 pupils over another extraordinary year. Whether dealing with the uncertainties of the format of public exams, or in national academic and sporting competition, our pupils, through their achievement and resilience, continued to show the value of the education we have long sought to provide.

Both the College and St Andrew's Prep were inspected by the Independent Schools Inspectorate in June. The two separate inspection teams reported that both schools met all the relevant compliance standards, and that the quality of the pupils' academic and other achievements and their personal development are "excellent", the highest possible rating. I was delighted to read in the detail of the reports the inspectors' sense of the ethos of both schools.

The defining event of the academic year was the government's decision to close schools on the day the Lent term started. Building on the experience of last year, the College and St Andrew's Prep both immediately provided full programmes of remote teaching for all Year groups, taking advantage of the investment made in technology in recent years. Both schools remained open for those boarders who had already returned and the children of key workers to attend in person. The Governors recognise the extraordinary efforts of all of our teachers to respond quickly to these circumstances, thank our pupils for once again embracing remote learning with enthusiasm, and our parents for their support.

The Governors decided to offer a reduction in the fees for the Lent term to reflect the lack of normal boarding and day provision, including co-curricular activities. Furthermore, continuing travel restrictions reduced the amount we were able to earn from summer lettings, much of which comes from overseas language schools. After maintaining tight control over all costs, the Charity recorded an operational surplus of £631k, compared to the prior year surplus of £115k. This is a very good result in testing circumstances, although continued prudent financial management will be needed over the coming years to build reserves and achieve the target operating margin we set ourselves of 5% in order to fund reinvestment in our existing facilities.

The Charity is financially resilient, and its education continues to be in demand: the 2021-22 academic year started with 985 pupils across all ages in the two schools. Nonetheless, the reduction in surplus generated over the last two years requires the Governors to defer some capital expenditure, and to look once again at the costs of providing every aspect of the Charity's education. Three years ago, the Governors and the Heads agreed a five-year strategic plan looking forward to 2023. The Annual Report sets out our progress in achieving the objectives of this plan in its third year as we aim to deliver the best for our pupils. We are about to begin the process of setting the next strategic plan reflecting not only the financial effects of the pandemic but also what we have learned from it in the better use of technology and in the art of being flexible.

## **EASTBOURNE COLLEGE (INCORPORATED)**

### **CHAIRMAN'S INTRODUCTION**

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The Charity plays an important role in the Coastal Schools Partnership (CSP), previously known as the Eastbourne Schools Partnership (ESP), an organisation that brings together the maintained and independent schools in Eastbourne and the surrounding area. The Annual Report sets out how the activities of the CSP operated, despite challenging circumstances, and how it provided a range of opportunities for our pupils and teachers to work together with other schools to mutual benefit.

The College was established in 1867 'to provide a general education of the highest class'. Both schools strive to live up to that founding principle. We want to increase our ability to provide support to those pupils who cannot afford our full fees. Through legacies we have added £3.5m to our bursary funds in the last five years. Our long-term target is to increase our restricted and endowed funds from £11m currently to £30m. During the year 234 pupils, 25% of the total, received some assistance with their fees through means-tested bursaries. The Governors greatly appreciate the support of a number of trusts and individuals who, in addition, contribute to the fees of 7 current pupils. We also value the commitment of our Devonshire Society members who have promised to support the Charity in their wills. It is the generosity of Devonshire Society members that has been the source of our recent bursary funding.

The Right Reverend Monsignor John Klyberg's estate was fully realised during the year and a further £346k has been recognised in the accounts and added to the John Klyberg Bursary Fund. The Charity is his principal beneficiary, and his wish was for his legacy to be used in support of providing education at the College for those, including the children of Old Eastbournians, otherwise unable to afford it. John's remarkable generosity to his former school will add significantly to our Bursary provision.

During the year we received a donation of £450k from the Richard Holliday Foundation in memory of Richard Durden Holliday, OE, and his wife Gillian. The Richard Holliday Fund has been set up as an expendable endowment and will fund one new sixth form entrant per annum for the next twenty-five years.

Taking account of the Charity's income from educational and letting activities, and supplemented by investment income, donations and legacies, the Charity's total funds increased by £1.2m during the year. As we are a charitable company, all our funds are used to support the education we provide at the College and St Andrew's Prep.

On behalf of the Governors, I thank Tom Lawson and Gareth Jones, our two Heads, Abbey Gough, our Chief Operating Officer, and the over four hundred staff who teach at and support the two schools. I also thank all those who continue to support our fundraising. Without them all we would not be able to provide the education we do. At the end of the summer term, we said farewell to Gareth Jones who left St Andrew's Prep after six successful years to take up the headship of Bilton Grange Preparatory School in Warwickshire. The Governors were pleased to be able to appoint Tom Gregory as his successor and welcomed him and his family to St Andrew's at the start of the academic year.



Philip Broadley  
8 December 2021

**EASTBOURNE COLLEGE (INCORPORATED)**  
**ANNUAL REPORT OF THE GOVERNORS**  
**YEAR ENDED 31 AUGUST 2021**

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The Board of Governors presents its Annual Report for the year ended 31 August 2021 under the Charities Act 2011 and the Companies Act 2006 (including the Board of Governors' Report and Strategic Report under the 2006 Act) together with the audited accounts for the year and confirms that the latter complies with the requirements of the Acts and the Charities Statement of Recommended Practice (SORP) 2015.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

Eastbourne College was founded in 1867 by a group of Eastbourne residents led by Dr Charles Hayman and with the patronage of the 7th Duke of Devonshire. It is constituted as a company limited by guarantee (company registration no. 115408) and is registered with the Charity Commission (charity registration no. 307071). It is governed by a Memorandum and Articles of Association dating from incorporation on 22 April 1911 and last amended on 14 March 2014. Legal and administrative information is set out on pages 2 and 3 and forms part of this report.

In February 2010 the assets and liabilities of St Andrew's School Eastbourne were acquired by Eastbourne College (Incorporated). St Andrew's School began life in 1877. Since the amalgamation, the enlarged group consists of the Charity/Charitable Company, Eastbourne College (Incorporated), which includes Eastbourne College (the 'College') and St Andrew's Prep (the 'School'), together known as the 'schools', with a wholly-owned trading subsidiary, Eastbourne College Enterprises Limited.



The Board of Governors (the 'Board') is aware of The Charity Governance Code published in 2017, which sets out the principles and recommended practice for good governance within the sector. The Governors are satisfied that the Charity applies the principles of the Code within its current governance arrangements except in two respects - the current Board comprises 25 Governors, which is greater than the recommended maximum of 12; and 7 of the Governors have served for longer than 9 years. Having given due regard to the code, the Governors consider the current range of expertise on the Board to be necessary given the size and complexity of the Charity, with the schools operating across two sites providing education to 1,000 children aged from 9 months to 18 years, and the Governors' statutory responsibilities for matters such as safeguarding, risk management, employment law, health and safety, finance, and education. Those who have served beyond 9 years are considered to provide a wealth of experience and valued continuity that is believed to outweigh any risk of a loss of objectivity or independence, particularly as collectively they comprise less than a third of the Board. The Board has adopted the principles of the Code, proportionately to the Charity's circumstances, and routinely challenges itself on areas for improvement.

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The Governors of the Charitable Company are also its Directors for the purpose of Company Law. Throughout this report they are collectively referred to as Governors or the Board. The Governors who have served on the Board from 1 September 2020 to the date of signing this Annual Report are shown below, and have served throughout the period, unless shown otherwise.

|  |                               | Committee Memberships as of the date of this report are shown below<br>(C denotes chairperson) |                       |   |   |                                |                      |   |                     |
|--|-------------------------------|--|-----------------------|---|---|--------------------------------|----------------------|---|---------------------|
|  |                               | Remuneration Committee   | Nominations Committee | Eastbourne College Education and Pastoral Committee | St Andrew's Prep Education and Pastoral Committee | Finance and Property Committee | Investment Committee | Foundation and Development Advisory Board | Marketing Committee |
| Mr Philip Broadley MA MSc FCA (Chairman)                   |                               | C  | •                     |   |   |                                |                      |   |                     |
| Mr Alex Brown BSc  | Resigned<br>21 May 2021       |  |                       |   |   | •                              |                      |   |                     |
| Mr Charles Burrows MA                                      |                               |  |                       |   |   | C                              | C                    |   |                     |
| Mr Charles Bush MA   |                               |  |                       | •   |   |                                |                      |   |                     |
| Mr Jeremy Compton BSc MRSC (Health and Safety Governor)    |                               |  |                       |   |   | •                              | •                    |   |                     |
| Mrs Amanda Coxen LLB (Boarding Governor - School)          | Resigned<br>12 March 2021     |  |                       |   | •   |                                |                      |   |                     |
| Mr Richard Davidson-Houston BA                             |                               |  |                       |   |   |                                |                      |   | C                   |
| Mr Colin Davies FRICS ACIARB (Boarding Governor - College) |                               |  |                       |   |   | •                              |                      |   |                     |
| Mr Freddie Dennis BA MA                                    | Appointed<br>1 September 2021 |  |                       | •   |   |                                |                      |   |                     |
| Mrs Nicola Eckert BA (Safeguarding Governor - School)      |                               |  |                       |   | •   |                                |                      |   |                     |
| Mr Nick Elliott BA   |                               |  |                       |   |   |                                |                      |   | •                   |
| Mr James Fok MEng MSc MBA ACA                              | Appointed<br>3 February 2021  |  |                       |   |   | •                              | •                    |   |                     |
| Prof Keith Gull CBE DSc(Hon) FRS FMedSci FRSB              |                               |  |                       | •   |   |                                |                      |   |                     |
| Mrs Victoria Henley BA                                     |                               | •  |                       |   | C   |                                |                      |   |                     |
| Mrs Mary Ireland BSc DipEd                                 |                               | •  |                       | •   |   |                                |                      |   |                     |
| Mrs Claire Locher (Boarding Governor - College)            |                               |  |                       |   |   |                                |                      |   | •                   |
| Mr John Maidens BSc ACA                                    |                               |  |                       |   |   |                                |                      | C   | •                   |
| Mr George Marsh MA   |                               |  |                       | •   |   |                                |                      |   |                     |
| Mr Darren Meek LLB FCA                                     |                               | •  |                       | C   |   |                                |                      |   |                     |
| Mrs Suzanne Ornsby QC                                      | Appointed<br>4 January 2021   |  |                       |   |   | •                              |                      |   |                     |
| Mr James Piper BA MEd                                      |                               |  |                       |   | •   |                                |                      |   |                     |
| Mr Andrew Robinson BA ACA                                  |                               | •  |                       |   |   | •                              | •                    |   |                     |
| Mrs Fionnuala Rodgers BA MA (Boarding Governor - School)   |                               |  |                       |   | •   |                                |                      |   |                     |
| Mrs Helen Rowe BA DipRAM                                   | Appointed<br>1 December 2021  |  |                       |   | •   |                                |                      |   |                     |
| Mr John Ryley BA AMP                                       | Resigned<br>12 March 2021     |  | •                     |   |   |                                |                      |   |                     |
| Mr Jonathan Watmough LLB (Vice-Chairman)                   |                               | •  | C                     |   |   |                                |                      |   |                     |
| Mrs Julie Wheeldon BA FCA                                  |                               |  |                       |   |   | •                              |                      |   |                     |
| Dr Robert Wicks MBBS (Safeguarding Governor - College)     |                               |  |                       | •   |   |                                |                      |   |                     |



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**YEAR ENDED 31 AUGUST 2021**

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**Recruitment, induction and training of Governors**

Governors are appointed at a meeting of the Board following nominations received from the Nominations Committee, which regularly considers the range of skills, experience and diversity required by the Board and the Board's performance. The Nominations Committee reviews personal competence, specialist skills and availability before nominating for appointment. The Committee also carefully considers the length of service of Governors. Currently 7 Governors have served over 9 years, including the Chairman. The Nominations Committee carefully considers the contribution and expertise these Governors bring to the Board and ensures that there is appropriate balance provided by those Governors appointed more recently.

Persons appointed to the Board during the course of a year are subject to re-election by members of the Company at the first annual general meeting following appointment. Thereafter one third of the Board is required to retire by rotation at each AGM. The first appointed, or longest serving since the last re-appointment, are the first to retire. Members retiring by rotation can be re-elected. Any Governor who has served for more than 15 years must be re-elected annually. New Governors are inducted into the workings of the Charity, including the Board's policies and procedures, by the issue of appropriate documents, a personal briefing from the Chief Operating Officer and placement on Independent Schools Council (ISC) briefing days on governance if required. They also visit the College and the School for a day's familiarisation and receive appropriate training on child protection and safeguarding and other training as required, including the AGBIS e-learning module for new governors.

**Organisational management**

The Board is accountable to the members of the Company who are its guarantors; is responsible for the overall management and control of Eastbourne College (Incorporated) and normally meets four times a year; once each term plus a further annual meeting focusing on the Charity's strategic challenges and opportunities, as well as trends in education in both the maintained and independent sectors. Additional ad-hoc meetings were held with a sub-set of Governors and senior management across both schools in the current year to monitor the Charity's response to the lockdown in January and its effect on the schools' operations and income.

The Headmasters, Second Master at the College and Deputy Head of the School, together with the Chief Operating Officer, attend all termly meetings of the Board and relevant committees. The Board's policy is implemented via senior management teams at both the College and School, which are led by the relevant Headmaster. Governance is conducted with the assistance of appropriate committees, as referenced in the table above. Key management personnel are considered to be the Headmaster of Eastbourne College, the Headmaster of St Andrew's Prep and the Chief Operating Officer.

The Charity encourages all employees to be fully involved in the affairs of both schools and information and consultation committees for both teaching and support staff meet regularly to ensure efficient and constructive communication at all levels. Robust policies exist to fulfil the Charity's commitment to develop diversity of staffing across all disciplines through equal opportunity policies, training and practical action. The Charity holds that every person has the same rights and is entitled to the same opportunities, regardless of age, gender, pregnancy or

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maternity, disability, race, religion or belief, cultural background, linguistic background, special educational need, sexual orientation, gender reassignment or academic or sporting (or any other) ability.

The schools do not discriminate on the grounds of gender, disability, age, sexual orientation, marital status or racial, ethnic or national origin. The Governors expect everyone involved throughout the Charity to:

1. respect and promote equal opportunities for all people
2. encourage harmony and understanding in society
3. recognise and oppose all forms of prejudice and discrimination
4. remove both outward and hidden discrimination
5. enable differences to become positive and enriching attributes
6. develop each person's skills to the highest possible level
7. promote an environment where all can share equally in the opportunities offered
8. help pupils to learn acceptance and tolerance
9. enable pupils to communicate confidently without fear or prejudice
10. encourage pupils to accept responsibility for their behaviour and show they can contribute positively to society
11. further tolerance and harmony between different cultural traditions
12. encourage respect for other people, paying particular regard to the protected characteristics set out in the 2010 Equality Act.

The Charity is committed to providing equal opportunities in employment and to avoiding unlawful discrimination in employment and against its customers be they parents, visitors, suppliers, contractors or members of the public. During the year a new focus group was established to look at encouraging diversity in staff recruitment at all levels. Ideas were shared on where to advertise jobs and how application processes and selection processes can be modified to avoid bias in recruitment.

Remuneration is set by the Board, with the policy objective of providing appropriate incentives to encourage enhanced performance, recruitment and retention, and of rewarding fairly and responsibly contributions to the Charity's success.

The remuneration of key management personnel is set by the Remuneration Committee based on benchmarking, performance and target attainment.

The Charity aims to recruit, subject to experience, at the relevant point within its pay scale. Delivery of the Charity's vision and purpose is primarily dependent on key management personnel. Staff costs are the largest single element of its charitable expenditure.

### **Group structure and relationships**

Since amalgamation, the College and the School have continued to run independently with their own Headmasters and senior management teams, but a number of steps have been taken to create more unity including sharing a number of support services and staff. A further step towards greater cohesion has been taken with effect from 1 September 2021, with the newly appointed

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Headmaster at the School now reporting into the Headmaster at the College rather than directly to the Board. The enlarged Charity continues to provide choice regarding the selection of a senior school at 13 years and the College accepts children from a wide range of schools.

The Charity has one wholly-owned, non-charitable subsidiary as at the year end, having officially dissolved SACS (Eastbourne) Limited as of 6 July 2021. The decision was taken last year to wind up SACS (Eastbourne) Limited, having moved the purchase of school uniform online across both schools. The investment in SACS (Eastbourne) Limited was considered fully impaired with the charge reflected in last year's financial statements. The remaining subsidiary company, Eastbourne College Enterprises Limited, continues to provide bussing services, sports and letting facilities and school shop facilities to the schools, generating an alternative income stream to support the Charity's core objectives. Further information and details of the subsidiary's trading performance are set out on page 70.

The Charity actively supports promotion of the highest standards in the independent schools sector through networking with other major schools and through membership of various associations which support the sector, including the ISC, the Boarding Schools' Association (BSA); the Association of Governing Bodies of Independent Schools (AGBIS); and the Independent Schools' Bursars Association (ISBA). The Headmaster of the College is a member of the Headmasters' and Headmistresses' Conference (HMC). The Headmaster of the School is a member of the Independent Association of Prep Schools (IAPS).

The Charity also co-operates with many other charities and organisations, both local and national, in its efforts to optimise the educational use of its sporting and cultural facilities and to awaken in its pupils an awareness of the social context of the all-round education that is provided at both schools. Despite a further period of national lockdown in the Spring, the Charity continued to support the local community where possible and put its facilities to good use as referenced within the public benefit section below. The Charity also benefits from the generosity of a thriving network of Old Eastbournians, Old Androvians, Old Aschamians, Friends of St Andrew's Prep, current and former parents and staff, and other friends and supporters of the College, (collectively the Eastbournian Society), whose close support is greatly appreciated and gladly acknowledged.

## **PUBLIC BENEFIT**

The Governors have given due consideration to the Charity Commission's general guidance on public benefit and are satisfied that the Charity's objectives, strategy, future plans and activities as referenced throughout this report fall within the charitable purpose of 'the advancement of education' as required by the Charities Act 2011. The objects of the Charity, shown on page 13, are central to all that the Governors do: they are read out at the start of all Board meetings and when the Eastbourne College and St Andrew's Prep Education and Pastoral Committees meet.

The Charity meets these objects through its principal activity of providing education to approximately 1,000 children from the ages of 9 months to 18 years. The Charity's aim continues to be to provide a high-quality independent education to its pupils, through strong academic tuition and the development of wider artistic, social and sporting skills in all its pupils.

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It provides an environment where each pupil can develop and fulfil their potential, building self-confidence and a desire to contribute to the wider community and go on to live rewarding, positive and happy lives. The Charity puts an emphasis on the nurturing of enduring values, confident that this will result in the successful attainment of a range of goals, and in young people who are equipped to work well with and for others. The Charity is committed to safeguarding and promoting the welfare of its pupils. The Charity's employees share this commitment. In particular, the College's primary stated aim is to equip children in a safe environment to lead happy, fulfilled lives. It provides a broad education that takes place in the classroom, the house, the assembly hall, on the games field and in the wider community. It operates on the basis of shared values: pursuit of excellence, participation, integrity, courtesy, kindness, and taking care of those who take care of us. It aims for all its pupils to enjoy learning. It encourages their creativity and inspires them to be ambitious and successful, including in public examinations. It provides an aspirational environment for pupils to experience success and enjoy their friends' successes.

The further period of national lockdown in the Spring meant that the Charity had to adapt once again and provide remote learning for the majority of pupils for a period of eight weeks. Both the School and the College remained open throughout the lockdown, to look after the children of key workers, as well as those international pupils who had arrived prior to lockdown being announced in January and who were unable to return home. Both schools implemented robust coronavirus testing procedures for staff and pupils ahead of the national programme being rolled out with the aim of keeping both the school and local community safe. Through regular testing, the schools are able to identify positive cases early and minimise the risk of further transmission. The schools continue to strongly encourage twice-weekly testing using the freely available lateral flow tests with Public Health England commenting that the schools' participation rates are incredibly pleasing and compare favourably to national averages.

Supporting education and providing facilities to other schools and to the wider community of Eastbourne are further examples of the way in which the Charity benefits the public at large. The Charity is committed to continuing and improving the provision of direct and indirect public benefit, in accordance with its objects, not least as a founder member of the Eastbourne Schools Partnership (ESP), rebranded in 2021 as the Coastal Schools Partnership during the year to reflect its broader reach, which now includes schools from Seaford across to Bexhill and up to Hailsham.

The policies of the Charity in relation to the provision of scholarships and means-tested bursaries, to the extent that resources permit, provide access to those unable to pay the full fees of the College and the School. Fee remission amounted to £5,236k during the year (2020: £5,020k) and included 16 fully funded places, funded by the Charity and known as the Professor Soddy scholarships, to pupils coming to the College from maintained schools. The Foundation and Development Office raises funds directly for means-tested bursaries by a number of different means, including building a programme of legacy giving from which a number of awards have been established; raising, by its own activities, funds from events and donations, which are applied to the bursary provision, for example the Peter Bibby award; and engaging in partnerships with trusts and individuals to enable means-tested bursarial support. There are a number of means-tested bursaries and awards available to pupils whether they are from disadvantaged backgrounds or scholars and these are discussed throughout the report.

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In addition to the direct benefit created through means-tested bursaries and other fee remission, discussed further in the financial review below, the Governors believe it is an important point of principle that a record is maintained of the degree to which its commitment to educating approximately 1,000 pupils relieves the state of the burden of funding the education of these pupils: at the College, given the published per capita funding per pupil for Key Stages 3 and 4, 544 pupils saved the Exchequer in the order of £2.4m; the School saved it a further £895k. In addition, the Charity paid £1.2m of irrecoverable VAT during the year on its operational and capital expenditure.

Indirectly, a cross-section of society has, for many years, benefited from the Charity through partnerships and community engagement including:

- sharing its facilities for the educational benefit of many young people who are not studying at either school
- sharing its facilities for the educational benefit of all ages
- educating pupils by involving them actively in the education of others, both young and old
- educating pupils in the importance of serving others
- working with, and for, the wider Eastbourne town community and local region.

Activity has undoubtedly been reduced owing to the pandemic but a few highlights from the current year include:

- Over 120 pupils from the Lower Sixth have been involved in service activities during the year, with a number of these moving online owing to continued restrictions.
- Pupils have been giving remote support via Teams to pupils from local secondary schools at the Wednesday afternoon homework club and linguists have been running conversation classes in French, German and Spanish in the Modern Foreign Languages club.
- As part of the ongoing collaboration between partner schools, pupils from the College mentored 30 Year 11 pupils from a local school, offering support through online sessions for their maths studies as they built towards their GCSEs.
- Zoom calls have replaced face to face visits to residents at Chaseley Trust, and when lockdown restrictions have allowed, a number of pupils have continued to help out in charity shops.
- Members of the Gardening Group have been collaborating with the residents of Chaseley Trust to design and create a sensory garden and have also been working on other local garden projects, and the Green Team have been taking part in weekly beach cleaning sessions.
- Pupils from the Coastal Schools Partnership took part in an exciting Festival element of the 'Making Natural History' Environment Conference in November 2020. The Festival was in part a celebration of the 25<sup>th</sup> anniversary of the 1995 UN Children's Conference 'Leave it up to us' on the Environment, which took place in Eastbourne and was attended by over 800 pupils from around the world through a series of online events. The Festival showcased shining examples of environmental activism, conservation and education, discussion and masterclasses, including presentations from a number of CSP pupils on their initiatives, which they have undertaken linked to improving our environment.
- Following the Conference, the 'Reconnect' working group was set up, comprising pupils from across the partnership schools. The working group meet regularly online with discussions

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developing around ideas for a local cross-curricular syllabus, shared by all partner schools. Current ideas being explored include CPD sessions for staff, sharing of best practice, shared cross-curricular trips and embedding a sustainability ethos. The introduction of the Natural History GCSE is linked with this project and is hoped will be launched in 2022.

- As part of a project to strengthen the quality of arts and cultural opportunities for children and young people, the Artsmark Champions programme enables senior leaders to become advocates for cultural capital in schools. The College have been funded until May 2022 to champion work in partnership schools.
- Both schools continue to make their facilities available for local schools to benefit from, including the swimming pool at the College and the School's Forest School, allowing them to learn crucial skills.

The Governors are proud that the Coastal Schools Partnership, which was founded in March 2014 by four headteachers, including the former Headmaster of Eastbourne College, continues to evolve, benefitting over 15,000 pupils in the Eastbourne, Seaford and Bexhill areas across 13 secondary schools and colleges. Lord Agnew, Parliamentary Under-Secretary of State for Education said 'The Eastbourne Schools Partnership provides an excellent model for how schools can work together for the mutual benefit of all pupils and staff. The way you collaborate across sectors, pool resources and share expertise offers genuinely exciting opportunities to young people, while at the same time having a real impact on the community.' There has inevitably been less activity during the current year as a result of continued Covid-19 restrictions but further details on the Charity's outreach including through the Coastal Schools Partnership can be found at <https://coastalschoolspartnership.org> as well as within this report and on the College's website at <https://www.eastbourne-college.co.uk/about-us/community/partnerships/>

## **STRATEGIC REPORT**

### **Objectives and activities**

The objects under the Articles of Association are 'to carry on and conduct a College for the education of boys and girls; and to provide education of such type and in such manner as may from time to time be expedient for other persons'.

The principal activity undertaken to achieve this objective is the provision of education in Eastbourne to children from the ages of 9 months to 18 years across the two schools.

The Charity's 5-year Strategic Plan covers the period 2018-2023 and sets out the key business and education targets for the Charity. Having invested approximately £45m over the last decade in school facilities, which includes new sports centres on both sites, a state-of-the-art music centre and a transformative dining experience at the College, plus changes of personnel at the top of each school, the theme of this plan is to get the best out of everything the Charity has at its disposal. It deliberately puts the development of the relationship between the two schools at its heart. The cornerstones of the plan are to deliver **healthy learning for the long term, modern connected schooling / inspiring modern minds** and **good people that others want to be with**.

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The objectives, as set out in the Strategic Plan for 2018-2023, were agreed as follows:

- Continuous improvement of academic quality
- Pastoral care second to none
- Co-curriculum embeds 'whole of learning' and unique healthiness of Eastbourne
- Improve affordability and optimise staffing structure
- Achieve optimum size, structure and develop campus
- Partnership and public benefit adds value to pupil experience and benefits the local community

### **Achievements and performance**

The Independent Schools Inspectorate (ISI), the body which inspects independent schools in England, conducted a full inspection across the two schools in June 2021. The inspection reviewed both Regulatory Compliance as well as Educational Quality. The Governors are delighted with the respective reports for each school, which can be found at [Combined report template \(eastbourne-college.co.uk\)](http://Combined%20report%20template%20(eastbourne-college.co.uk).htm) and [Combined report template \(standrewsprep.co.uk\)](http://Combined%20report%20template%20(standrewsprep.co.uk).htm).

Regulatory compliance is judged simply as **met** or **not met** and all schools are required to meet the standards applicable to them.

**The reports confirm that both schools meet the standards in the schedule to the Education (Independent School Standards) Regulations 2014, the National Minimum Standards for Boarding Schools 2015 and associated requirements with no further action required as a result of the inspection.**

The Educational Quality inspection reports on the quality of the schools' work, focussing on the two key outcomes:

- The achievement of the pupils, including their academic development, and
- The personal development of the pupils.

**The Governors are delighted that both schools were awarded the highest possible ranking of 'excellent' for both outcomes.**

The ISI report praised Eastbourne College for enabling pupils to be themselves and achieve their best, and said they demonstrate "remarkably high levels of self-confidence, self-reliance and resilience". Pupils were also found to have excellent communication skills, purposeful and supportive relationships with each other and great respect for diversity in the school community. The School were equally commended on successfully helping the day and boarding children to achieve at high levels in all areas of school life as well as supporting them to develop personally as characters and individuals. The report for the School highlights the excellence in the pupils' attitudes to learning as well as their attainment, and emphasises strong and articulate communication skills alongside outstanding social skills and moral sensibilities. This is what the schools set out to achieve and is testament to the hard work of the staff and pupils.

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The Governors and senior management team remain focussed on the targets set out in the Strategic Plan, despite a second year of disruption with continued uncertainty and ongoing restrictions as a result of the pandemic. Encouraging progress continues to be made against these targets as set out below.

Pupil numbers in the College averaged 646 (2020: 650) with a further 288 (2020: 276) at the School and 80 (2020: 85) in the nursery. Pupil numbers have benefitted from families recognising the value of independent education, particularly in a pandemic, where the quality of remote learning has significantly exceeded the experience received in many maintained schools. The closure of a local independent girls school further bolstered numbers, particularly at the School. Offsetting this slightly, has been a small reduction in the number of international pupils as a result of the ongoing uncertainty around the virus and continued travel restrictions. Despite the reduction in overseas pupils, the ratio of boarding pupils held up well at the College at 44.5% (2020: 45.4%). Boarding numbers fell marginally year on year at the School, with ongoing restrictions making flexi-boarding more challenging, but numbers have encouragingly more than bounced back going into September 2021 with the easing of restrictions.

The ratio of boys to girls is 58:42 at the College, 54:46 at the School and 56:44 in the nursery.

**Continuous improvement of academic quality**

The Charity has worked very hard to provide its pupils with uninterrupted learning throughout national lockdowns and other disruption as a consequence of the pandemic. For pupils unable to return, or those in periods of self-isolation, the Charity provided live lessons online, with a full programme of tuition and other enrichment. This allowed our pupils to make expected progress in their studies in preparation for their GCSE, A-level, or equivalent exams.

Provision for online learning was made possible as a consequence of the Charity's prudent investment in appropriate technology infrastructure over a number of years. All pupils in Years 9 to 11 are issued with a Charity-managed iPad, allowing teachers and learners to all have the same blended learning experience. Effective use of platforms such as Microsoft Teams and Planet eStream (amongst many others) equipped teachers and pupils across both schools with the tools needed to ensure that their learning could continue unimpeded.

In line with government guidance, public examinations were awarded as teacher assessed grades (TAGs) with pupils sitting a number of assessments under high levels of control to generate evidence of their achievement. The College believes that grades were awarded fairly and with integrity; final outcomes were representative of the improvement in the College's outcomes seen in recent years, including those in which examinations were sat as normal.

The 2021 examination cohorts were the first to benefit from the restructuring of the curriculum model, which was implemented in September 2019. This model has afforded pupils more guided learning hours (GLHs) per subject, a little above the expected amount of contact time to prepare them for their public exams. Allied to small class sizes and strong teaching, pupils are well-served to achieve at, or above, their potential. Value added outcomes (how pupils achieve in relation to their underlying ability) remain very strong – as much as one grade or more above expectation in the majority of subjects.



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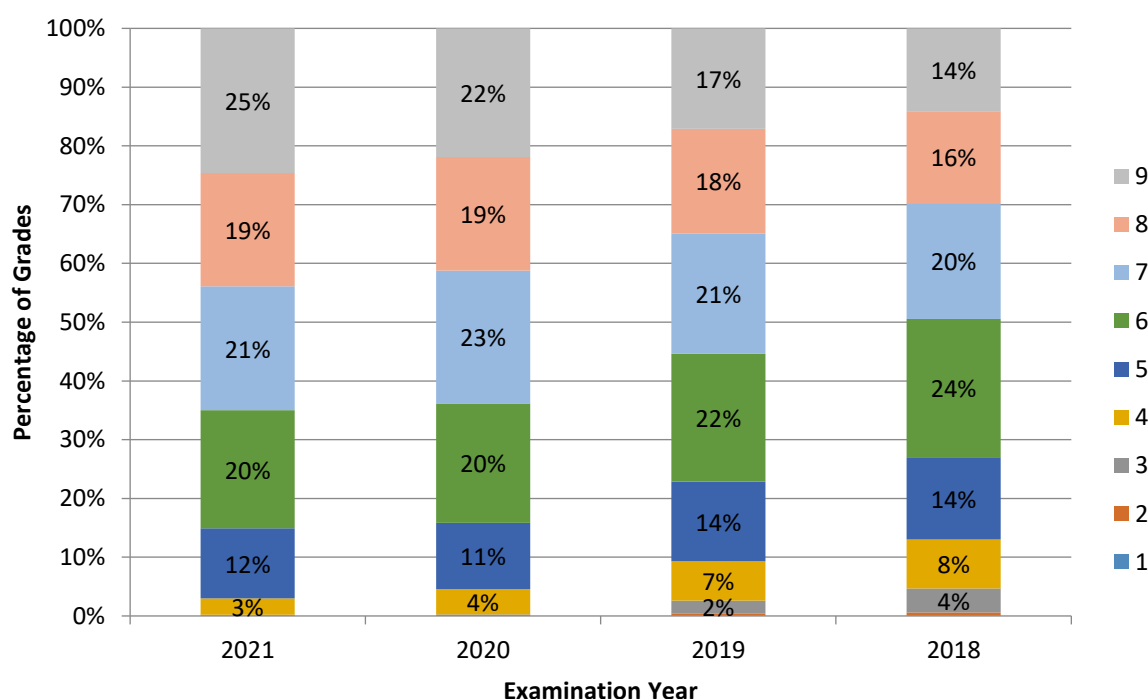
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The College offers a combination of GCSE and International GCSE (IGCSE) qualifications. In the summer session 2021, 44% of grades were 9 or 8 (the equivalent of the former A\*) and 65% were grades 9 to 7 (formerly A\* or A). When assessing against historical outcomes from years when examinations were sat as normal, the teacher assessed grades awarded in 2021 fell broadly in line with previous years. There was an increase in the number of top grades awarded, rising from a 2017-2019 average of 15.6% to 24.6%. This was, in part, accounted for by a relatively large number of pupils in the cohort being entered for GCSE or IGCSE in their native language and a particularly strong cohort of Year 10 mathematicians taking their IGCSE a year early. More widely, the grades awarded in 2021 were very similar to those from years in which exams were taken. For example, in 2021 65.0% of grades awarded by teachers were 9 to 7 compared with 61.0% in 2017 when the cohort was of similar ability. Similarly, 85.1% of grades in 2021 were 9 to 6 compared to 83.5% in 2017. Nationally, the Joint Council for Qualifications (JCQ) reported a rise in the number of grades 9 to 7 to 28.9% from 26.2%. The sector average was 61.2%.

In the cohort of 114 pupils, 51 (45%) achieved at least seven grades 9 to 7 which was a rise of 6% on the previous year.

#### GCSE / IGCSE in 2021



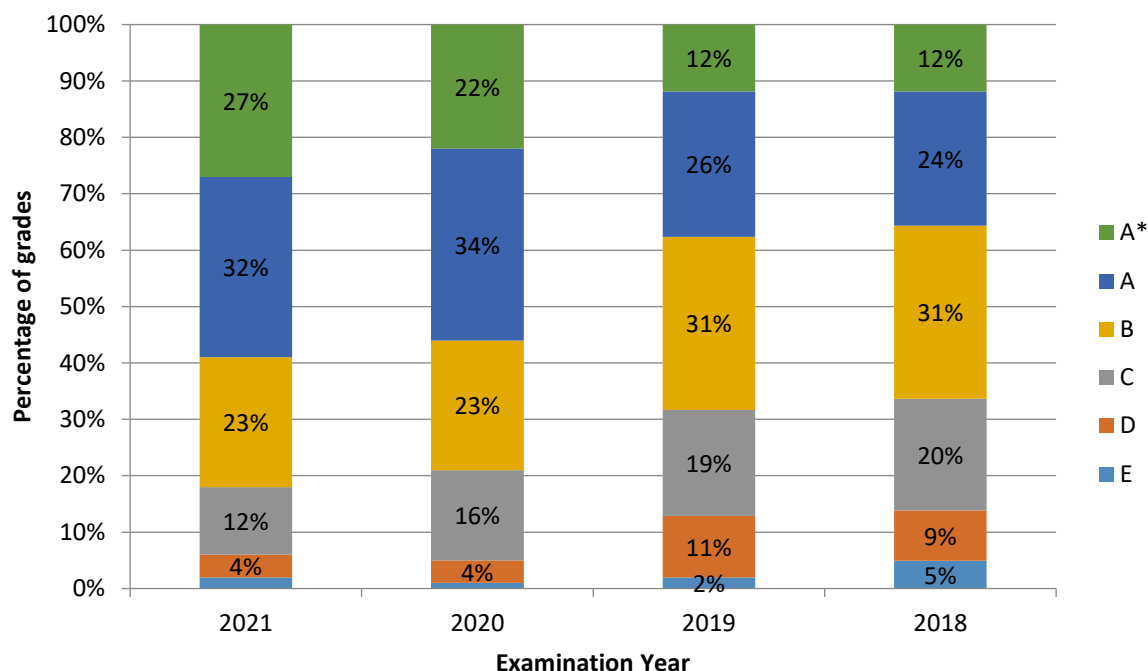
At A-level, centre level performance was 82% A\*, A or B in 2021, a 3% rise on the previous year when grades were based on teachers' predictions of likely outcomes. This was the College's best performance by this measure since 2012 (87%). The cohort of 161 pupils made 548 entries, the largest A-level entry in the College's history; the average of the three preceding years was 423.

A little over one in four grades were awarded A\* which was above the national average (19.1%), itself a significant increase on 2020 (14.3%).

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**A-level in 2021**



59.0% of grades were A\* or A against rising national average of 44.3% (38.1% in 2020 and 25.0% in 2019). In England 88.2% of grades were A\* to C.

The difference in performance between boys and girls continued to follow the pattern seen in recent years. Over a third of grades awarded to girls were A\* and two thirds A\* or A. Girls were seen to perform particularly strongly in STEM subjects, with almost all grades in chemistry, maths, further maths and physics being A\*, A or B.

Six pupils successfully achieved their offers for entry to Oxford or Cambridge across a range of subjects including: medicine, economics, modern languages and Arabic & Islamic studies.

The College's sixth form programme continues to meet the academic and aspirational needs of its pupils. Almost all pupils continue to choose 3 or more A-levels alongside a tailored enrichment programme. Most pupils embarked on either the Extended Project Qualification, the Arts Award or the European Computer Driving Licence programme as an additional option. In the Arts Award, for example, 44 pupils are working towards their silver and gold awards in dance, film, music, photography and theatre, providing an attractive opportunity for those pupils engaging across the creative arts to gain a further nationally accredited award. A broad range of other sixth form enrichment opportunities continue to be offered including: competitive debating; cookery; DIY; film/media; first aid; the model United Nations; photography and Young Enterprise.

The College continues deliberately to retain the gold standard A-level offer but keeps a weather eye on the landscape of A-level, T-level, BTECs, Pre-Us and IB.

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As the College emerges from the pandemic, lessons learned through the provision of remote learning have been capitalised on in order to improve efficiency, quality of learning and, albeit in small measure, an attempt to reduce the school's consumption of paper and other resources. A working group has been established with a remit to evaluate and then develop all of the positive changes brought through the leverage of technology for learning.

At the School, the Bridge Curriculum continues to develop, combining the best aspects of the Common Entrance syllabus with the National Curriculum and other programmes to create a learning pathway that is exciting, dynamic and more effective in preparing pupils for the demands of GCSE and beyond. The Bridge Curriculum provides continuity of study across the curriculum for Years 7 and 8 at the School and Year 9 at the College or any senior school to which a pupil moves.

The School continues to build on the 'whole-of-learning' thinking skills programme, which is now embedded throughout the Prep school, with a clear programme of intellectual character and thinking skills now in place in the nursery and Pre-Prep. The programme is supported through the range of cognitive co-curricular activities on offer.

The Governors were delighted that the School was nominated for Prep School of the Year and Pre-Prep of the Year in the 2021 Independent School of the Year Awards.

All Year 8 pupils at the School achieved places at the seven senior schools of their choice and 18 awards were made to pupils who gained academic scholarships, as well as scholarships in dance, drama, music, the performing arts and sport.

Investment in information technology infrastructure has provided very real gains in functionality, performance and reliability. The cross Charity Wi-Fi development strategy has delivered nearly complete indoor coverage across campus to encourage more fluid learning and collaboration. The College and the School were able to provide continuous provision of remote learning in all subjects throughout the Spring term, despite the School being closed for the majority of the term to everyone other than the children of key workers and international boarders owing to the Covid-19 pandemic. Building on the success of managed devices through Years 9-11 at the College, the programme is being expanded to include Years 7 and 8 at the School with effect from September 2021.

#### **Pastoral care second to none**

Safeguarding and child protection remain at the top of the Charity's agenda with staff regularly trained in best practice and safeguarding Governors integral at both schools. Safeguarding is a standing item on the agenda of weekly meetings of the senior management teams and is discussed at termly meetings of the Governors, with additional meetings held with the safeguarding Governors as and when required.

All staff received updates at the start of the academic year following the updated KCSIE guidance and all new staff received full training during their induction. With the consequences of Covid and lockdown still very much on our agenda, all staff are aware of how pupils, and their parents, might present with concerns or issues. A recovery plan for pupil welfare was drafted in the Spring,

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anticipating how our pupils and families might present in the two-week return before the Easter holiday and then after the break when the majority were expected to return. The plan covered issues such as development, including both mental and social maturity, loneliness during lockdown, self-harm, eating issues, anxiety, bereavement and grief, attachment, and abuse. Most of the issues and concerns that had been anticipated were sadly realised to varying degrees with staff working hard to deliver individual support to pupils and families as they readjusted to the return to school.

The staff inset at the School included a wellbeing training session focussing on the importance of securing a child's wellbeing before there can be an expectation for that child to be able to access the curriculum effectively. The importance of getting to know and making connections with each child was emphasised and different ways of achieving this discussed.

Pupil issues continue to be quickly picked up by staff and reported in a timely fashion and managed appropriately. A new reporting system, CPOMS, was launched during the year at the School, which has further improved reporting and tracking of pupil behaviour. Throughout the year, both schools have engaged outside speakers to deliver a range of topical talks, including: presentations on the dangers of too much screen time; talks on respecting each other; staff training on dealing with eating disorders and self-harm and workshops on understanding mental health issues amongst young people. As part of the Inset programme, the Reverend Professor Keith Magee, public theologian and scholar, addressed staff in January 2021 on the topic of diversity.

The assembly programme, planned on a termly basis to dovetail with Chapel and PSHE continues to raise awareness of key issues and address important age-appropriate matters. These are now followed up with 'fireside chats' with house parents/tutors and our new prefect chats with house Year groups to follow up the main themes.

The counselling services at the College and Listening service at the School continue to be well utilised by pupils with 15 staff now trained as listeners at the School. Both of these services were made available remotely throughout the second lockdown. All staff are mindful of the effects of the pandemic on both pupils and colleagues and a new well-being working group has been established to focus on the well-being needs of staff across the Charity. The group met for the first time in June 2021 with a follow up meeting scheduled for the Autumn.

Awareness days bring mental health and wellbeing issues to the front of minds for that day but the schools want to embed wellbeing and good mental health into daily lives. The schools raised awareness during mental health week, the theme for which was nature, which played to our blue health and location. A variety of different events took place during the week, including meditation sessions and beach walks, enabling the pupils to focus on their own wellbeing.

During the lockdown in the Spring, houseparents and tutors at the College held regular meetings with all pupils. Senior pupils were asked to drop in on Year group virtual chats and a list of those in our most vulnerable category were contacted more frequently and followed up if there was no reply. Houses continued to meet, function and embrace the situation with challenges, competitions, parent chats and daily registration.

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The remote provision at the School during the national lockdown was a huge success, with timetables balanced to provide rigorous academic work, intertwined with plenty of opportunities to develop pupils' mental wellbeing through daily exercise and mindfulness challenges to encourage time away from screens. The House Lands' End to John o Groats competition, which very quickly became Lands' End to Hong Kong was a real example of people pulling together, despite not being together. Daily tutor check-ins facilitated regular contact between pupils and staff and allowed early identification of any issues.

As part of the Covid safety measures parents were not allowed to be on site for most of the academic year and so alternative means of engaging with new and existing parents continued to be used. Creative solutions were put in place to support enabling parent evenings to go ahead across all ages and weekly zoom calls were facilitated for parents to drop in and raise questions and provide reassurance for all, especially our overseas parent body.

Both Schools continue to be supported by medical centres on each site, which play an important role in everyday school life and they, together with the School Doctor, have been central to our Covid response planning.

The inspection in June enabled the pastoral teams across both schools to showcase the provision at the schools and the ISI reports speak for themselves. The reports provide a pleasing reflection of the hard work and dedication by all those working with our pupils and their families to provide first rate pastoral care.

After a challenging period both schools were delighted to be able to operate under more 'normal' conditions during the Summer term with the welcome return of events such as sports day and speech day for the pupils, albeit with the continued restrictions around operating in bubbles.

Following the decision to move school uniform online in 2020, the two previous school shops have been put to good use, with the shop at the School being repurposed as 'The Snug', a wellbeing hub for pupils and staff, which opened during the year, providing a calm and relaxed location for the listening service. The old school shop at the College has been redeveloped and now serves as the relocated Tim's café, which opened at the end of August. The new location and redeveloped space has proved popular with all age groups and is a social hub during the day.

Exciting developments for September 2021 include: the addition of a day house matron, providing further support to two day houses; senior pupil volunteers developing their skills as peer listeners to play a vital role in their Houses; and the launch of the online Wellbeing Hub, which has been rolled out to pupils, staff and parents at the start of the new academic year, providing an excellent resource for the whole community and a safe point of advice and support for all, as well as offering professional CPD for staff. The community has welcomed the easing of restrictions and the return to all Year groups meeting together at the start and end of days, house activities including pizza nights and film nights, town leave and inter house activities including bbqs, games and trips to help integrate all pupils but especially welcome our new intake.

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### **Whole of learning**

The Charity endeavours to provide an education of the highest class harnessing our coastal location to the benefit of our pupils' physical and mental wellbeing. The College sees itself as the 'blue health school'. Blue health is a state of mind which aims at developing in our pupils a healthy mind and body (healthy living). This comes through regular exercise, healthy eating, good sleep patterns and healthy social relationships, all culminating in a strong sense of self-worth. Living near the sea is positively associated with health and wellbeing, not just as a result of the water-based activities that it inspires but because the views, smells and sounds all inspire active healthy engagement.

By encouraging a regular involvement in games or other exercise activities, by ensuring the quality of experience is a positive one and by allowing our pupils to feel the direct benefits from such activity, the Charity aims to imprint on to them an understanding of what it means to live healthily and to imbue in them a life-long desire to seek opportunities to be fit and energetic as an integral part of this. All pupils are expected to take part in 2-3 sessions of sport and exercise per week. Sport ranges from the core sports through to the wider offering available to older pupils (aerobics, badminton, basketball and pilates, to name a few).

The beginning of the academic year saw pupils return to the schools but each element of the co-curriculum programme was risk assessed against the requirements needed to make activities Covid safe (as directed by the Department of Education (DfE) and the numerous activity national governing bodies (NGBs) who themselves were moving through a scaled return to normality via Tiers of activity). The schools continued to offer 95% of the normal co-curriculum activities but the actual shape and feel of them had to be modified (e.g. sport was in Year group bubbles and started as a zero contact/skills-based activity then progressed to limited contact but no matches; choir and orchestra was subdivided into smaller bubbles, junior activities subdivided down to avoid multiple Year groups). Calculated risks were taken where the survival of an activity required cross bubble participation (e.g. DT Scholar activity, dance, some musical ensembles, some cricket). The vast majority of interschool sports remained off the menu for most of the academic year although equestrians and golfers continued to compete due to the solitary nature of the activities. Notwithstanding the frustrations of this modified programme, pupils' school days remained richly varied with both creative activity and exercise.

A further period of lockdown ensued for all but two weeks of the Lent term. The focus switched to "directly supporting a pupil's online learning experience" with the programme including a range of live interactive activities including drop-in exercise programmes, dial-in cooking, textiles etc. Uptake was very favourable. Meanwhile, for the small cohort of pupils compelled to attend school during the day, a daily session of games in the sports hall and gym time provided a much needed break from their online tuition. The dance studio and music rehearsal rooms were also available for these pupils to receive their remote tuition from teachers working from home. We continued to offer a programme of virtual Saturday drop-ins at the College, which were academically oriented, primarily aimed at those who wished time to engage their teachers outside of the very focussed virtual class lessons.

By Summer, the schools were able to return to a more 'normal' programme. Each sport continued to abide by the overarching NGB guidelines and bubbles were cautiously broadened for outdoor

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sports, allowing some return to the usual team training constructs. The implementation of Covid safe coach travel, in conjunction with careful communication with our sports opponents on Covid safety, resulted in the resumption of the fixture programme. All fourteen sports were able to run again with the joy of our pupils getting back to some form of normality in this regard was abundantly evident. The sports teams across both schools enjoyed an array of successes including: the senior boys cricket 1<sup>st</sup> XI who made it to the area finals; the U15, 16 and 18 tennis teams each winning their respective Sussex county titles with the senior girls A and B tennis teams and the boys A team all competing at the national finals in the summer holidays; the equestrian team secured a place at the national finals once again; in shooting, two pupils at the School won the Pardoe Cup, a national competition; and in golf, a win in the ISGA Wellington College Salver competition, with two pupils going on to the qualifier for the World Championships (age 13-14).

Creating opportunities for creativity is an important cornerstone of the curriculum. As part of the aspiration to increase participation in art, drama and music, while maintaining excellence, a wide range of non-sport activities are well-structured within the co-curriculum offering. The delivery of much of our creatives programme experienced degrees of curtailment during lockdown but we ensured that these remained accessible as far as possible. The music department at the College conducted three virtual music events, the most diverse of which was the new Creative Arts Beacon, an exciting fresh concept showcasing not just music but poetry as well. The College's Singer Songwriters live lounge album was also hugely successful with over 3,000 downloads.

This year, Year 10 and Year 12 textiles pupils again entered the Royal Opera House's prestigious annual Design Challenge competition giving pupils the opportunity to test and develop design skills.

In Drama, our LAMDA programme continues to be incredibly popular across both schools with an increase in lessons for scholars and non-scholars alike. At the School, 78 children took LAMDA exams during the summer term, 13 of them at grade 6, which is post GCSE level and which carries UCAS points.

At the College, the Duke of Edinburgh's Award continues to act as a conduit through which pupils are given the opportunity to extend and challenge themselves. The number of pupils pursuing the Silver or Gold Award remains healthy and we were able to conduct local expeditions in spite of lockdown restrictions. Covid restrictions did not dampen the programme with most pupils continuing to work towards their awards by adopting the DoE lockdown complaint activities.

The CCF continues to flourish as one of the largest tri-service units in the country with over 280 cadets and 25 officers. One of our RAF cadets was appointed the Lord Lieutenant's CCF Cadet for East Sussex for 2020-21 and no less than 18 of our Year 11 pupils completed our new Leadership Development Programme.

We were able to continue our Charity endeavours and this year we highlighted some of the wonderful contributions our pupils made to the Covid relief effort – whether it was through making masks or assisting in their local community.

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The Saturday 'Guided Opportunities' enrichment programme at the College continues unabated with over 250 pupils attending, taking brunch and participating in activities around any games commitments they may have.

**Improve affordability and optimise staffing structure**

The continued effects of the pandemic have placed additional pressure on affordability of fees for parents as has been evidenced by the increased level of requests received for financial support. The Governors took the decision to discount fees for the Spring term to reflect the reduced provision during lockdown with no boarding, catering, and a diminished sport and co-curricular offering. Reduced fee income for two consecutive years, as a result of the two periods of lockdown (summer 2020 and spring 2021), together with greater demand for fee assistance going forwards, places increased pressure on the Charity to manage costs in order that it may generate an adequate surplus for reinvestment in the Charity's facilities.

The Charity has taken every opportunity to maximise savings during the two periods of lockdown and to access government support where available in order to offset the reduction in revenue as a result of reduced fees and lost lettings income. Additional measures were put in place to manage expenditure and ensure that only business critical costs were incurred whilst so much uncertainty remains.

Staff across the Charity are aware of the need to be responsible with, and to make the best use of, the Charity's resources. The senior management teams routinely review and challenge current working practices across the Charity, ensuring that they are as effective and efficient as possible. Where appropriate, scale economies are made through sharing staff across the schools, with consideration given to whether to outsource certain services and suppliers routinely challenged to ensure that we are achieving the best value from contractors.

In an effort to keep fees as low as possible and improve affordability, there is a focus on making the best use of the Charity's assets outside of term time with an increasing number of external hires being arranged across the school holidays. The summer programme was once again significantly diminished as a result of ongoing travel restrictions and concerns over the virus but the College was able to host a small number of international students bringing in some welcome revenue. In addition, a few SPARK activity programmes were able to be run, which were accessed by pupils from a number of different schools.

Both schools have taken the opportunity to review the staffing provision where the occasion has arisen, resisting the temptation to replace like for like and instead appraising the business/educational need and considering how best this can be addressed. Tuition costs as a percentage of gross fee income are routinely monitored as a key performance indicator, with the schools driving efficiency through better timetabling and control of responsibilities whilst being mindful of the need to retain the culture of both schools that benefits from our committed and motivated staff. A full review of salaries and conditions of service remains a priority for the forthcoming year to ensure that the pay structure is fit for purpose, affordable and rewards responsibility equitably.



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Staff morale has undoubtedly and understandably taken a hit during the pandemic with increased anxiety over safety and concerns around job security and pay. Recruitment and retention of staff are recognised by the Governors as greater risks in the current environment and efforts are being made to manage these.

**Achieve optimum size, structure and develop campus**

Whilst overall pupil numbers at the College are in line with objectives, the spread across Year groups is still skewed towards sixth form, although the Year 9 entry in 2020 was ahead of target. This is largely as a result of early offer systems introduced by competitor schools ahead of the Charity adopting this approach. However, the commitment and hard work of the marketing and admissions teams, is starting to bear fruit with pupils now signing up for the College as early as Year 5 and the recent open morning at the College oversubscribed. The Governors are mindful however that subsequent years may see a decline as a result of the longer-term impacts of the pandemic. At the School there is still scope to increase pupil numbers, particularly in the Pre-Prep, although there have been a number of late registrations for 2021/22 which is encouraging.

Although boarding numbers are currently below the ambitious targets set across both schools, Governors are encouraged by how the boarding numbers are holding up across the Charity and by how many international pupils have returned for the start of the Michaelmas term 2021 despite continuing travel restrictions and uncertainty. It is reassuring to see that a healthy balance of UK and international boarders remain within our boarding houses at the College. At the School the full boarders in the house are mainly international but there are a healthy number of weekly and (in non-Covid times) flexi-boarders who stay for one, two or three nights a week.

Fee remission has increased year on year with a focus on those without the means to pay. The value of means-tested bursaries awarded during the year amounted to £2,308k (2020: £1,819k) enabling 234 pupils (2020: 206 pupils) to attend the schools who otherwise would not have been able. This includes a number of hardship bursaries, expected to be temporary, awarded during the academic year to support those families whose income had been affected by the financial consequences of the pandemic. During the year, the Charity engaged Bursary Administration Limited (BAL) to further strengthen the process around awarding means tested bursaries. Not only are BAL independent from the Charity but as part of their review of a family's means to pay, they conduct a house visit, which makes the process even more robust.

The Board's policy, in line with that of other independent schools, is to award scholarships on the basis of an individual's educational potential. There are a number of named awards which are subject to the particular conditions imposed by the original donor, where the award is made from specific funds. In keeping with the strategic plan, work continues on reviewing the level of scholarships and bursaries awarded out of general reserves with a view to ensuring remission is increasingly awarded to those without the means to pay. Bursary awards and allowances are means-tested (in line with ISBA guidelines) and are met from both restricted and unrestricted funds. The policy aims to relieve cases of hardship where a current pupil's education and future prospects would otherwise be at risk and to widen access for those who would otherwise not be able to benefit from either school's education. The availability of all such awards for fee assistance, together with the terms and conditions for each type of award, is advertised on the

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College's website at [www.eastbourne-college.co.uk](http://www.eastbourne-college.co.uk) and on the School's website at [www.standrewsprep.co.uk](http://www.standrewsprep.co.uk).

Mindful that the educational offering needs to remain competitive in order to help retain and attract pupils, as well as generate additional revenue outside of term time, the Governors commissioned a Master Plan, which was presented to the Board in August 2020. The Master Plan will serve as a useful document for the future, however the focus in the short term needs to be on making the most of the resources at our disposal whilst we rebuild reserves. Fortunately, both schools have recently benefitted from significant capital expenditure, which allows for a period of consolidation.

IT infrastructure continues to be a key area of focus with connectivity being imperative once again to the delivery of remote learning, ensuring pupils are able to engage meaningfully with the education provision as well as maintain contact with friends and family. Whilst the existing provision was sufficient to support the nature and volume of usage across the site pre-pandemic, remote learning, with a number of pupils learning remotely from their boarding houses, has altered the profile of usage requiring additional mobile Wi-Fi points to be installed during the year.

A number of other measures have been required as a result of the pandemic including additional lighting at the School to support multiple entry and exit points for pupils and staff enabling social distancing; additional cleaners and cleaning materials necessary to support an enhanced cleaning regime; and additional signage throughout to support everyone in adhering to the Charity's risk assessment. All of these measures have come at an additional cost but the Governors recognise that this is essential expenditure in order to provide a safe environment for pupils and staff and to provide reassurance to parents that we are taking appropriate action to protect all those in the local community.

Progress has been made during the year towards creating a common database across both schools with the implementation of a new management information system, iSAMS. The transition to the new system took place in January 2021, despite the lockdown, with work continuing to ensure that the new system provides the same, or better, functionality for all end users. Development of the parent portal is ongoing with a number of features rolled out to parents across both schools.

The Governors are keen to capitalise on the use of IT and upskilling that took place during the periods of lockdown by both pupils and staff and have approved the rollout of iPads to Years 7 and 8 at the School with effect from September 2021. This will complement the programme for Years 9-11 at the College and enable pupils to strengthen their ICT skills further.

### **Partnership**

The Coastal Schools Partnership continues to thrive and provide measurable benefit to pupils in the maintained sector and the Charity as discussed above under Public Benefit. There have been a number of highly successful projects during the year. The CSP has undertaken many other academic, artistic and environmental initiatives. Throughout lockdown the College hosted an online forum to share good practice in remote teaching and learning across the Partnership. Several colleagues continue to sit on local schools governing boards.

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The CSP continues the work started by the Your Town, Your Ideas, Your Future in 2018, which worked with professionals to explore ideas about how to make Eastbourne a more vibrant place to live in and visit. Eastbourne Borough Council, the Chamber of Commerce, and Lord and Lady Lucas have continued to work with the Partnership on this, and through this connection, Sir Tim Smit from the Eden Project has been inspired by the engagement and commitment of our young people and has begun to strongly consider bringing Eden to Eastbourne. A working party of young people from across the Partnership are now engaged with this vision and will continue to act as advisers going forward through the CSP Reconnect Group. The project will focus on the revitalisation of the Jubilee Way through the auspices of the Queen's Platinum Jubilee Green Canopy Project.

Throughout the Lockdown, the Partnership continued to flourish and amongst other initiatives produced new artwork for Eastbourne station and a well-being booklet. The College was also a major partner in the Making Natural History Conference in November 2020. This online conference brought together major environmentalists, with key appearances from Sir Tim Smit, Dr William Bird and Dame Fioella Benjamin amongst others. There was a live stream with Millennium Kids in Australia as part of the event.

The Charity continues to work with the Lawn Tennis Association and supported the 2021 Viking International Eastbourne, which was held at Devonshire Park in June, providing catering for the ball crew. Ongoing restrictions prevented the Charity from offering wider facilities to players, as it has done in previous years, but we hope that we will be able to resume our normal level of support in 2022.

The College is excited to be partnering with Team Bodyworks, creating opportunities for aspiring young triathletes to benefit from the location and facilities on site alongside the world class training from Team Bodyworks coaches. The partnership reflects both parties' mutual aspiration to instil and inspire health and wellbeing in pupils and a desire to support them in being the best they can be.

The School continues to partner with Brighton University, to the extent Covid restrictions have allowed, providing placements for a number of students, mainly in the Pre-Prep, and supporting these students in their journey towards becoming qualified teachers.

### **Stakeholder engagement**

The Governors, as directors of the company, have a duty under section 172 of the Companies Act 2006 to act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- a. the likely consequences of any decision in the long term
- b. the interests of the company's employees
- c. the need to foster the company's business relationships with suppliers, customers and others
- d. the impact of the company's operations on the community and the environment
- e. the desirability of the company maintaining its reputation
- f. the need to act fairly as between members of the company

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The Governors consider that they have fulfilled their duties in accordance with section 172(1) of the U.K. Companies Act 2006 and have acted in a way in which is most likely to promote the success of the Charity for the benefit of its stakeholders as a whole in the following ways:

**Role of Governors**

The duties and responsibilities of Governors both as Charity trustees and company directors are clearly set out and communicated as part of the governor appointment process. In addition to the usual termly Board meetings, additional meetings were called to consider the impact of the pandemic and the Charity's course of action. With significant uncertainty created by the pandemic, the Board oversaw the Charity's response with the aim of ensuring both schools emerge from the crisis well positioned for long-term success.

**Business relationships with key stakeholders**

The Governors work closely with key stakeholders to understand their views, which help to shape Board discussions and decision-making, and are key to the long-term success of the Charity. Key stakeholders include pupils and parents (current, prospective and former), employees, the local community, suppliers, finance providers and regulatory bodies. These relationships and the need to work flexibly and respond to events as they evolve has never been more important than in recent times, with all parties pulling together to weather the effects of the Covid-19 pandemic. The Governors have worked with senior management to ensure that appropriate and proportionate measures are in place to support employees and create a safe environment to enable the continued delivery of education to our pupils. Throughout the decision making process consideration has been given to the health, safety and wellbeing of employees and pupils; balancing staff welfare with the need to protect employees' longer term interests and ensure the continued financial viability of the Charity through accessing the Coronavirus Job Retention Scheme; continuity plans and the schools' ability to deliver an education to pupils in the event of a significant proportion of staff being unable to work due to sickness; how best to support our families both pastorally and financially and to keep them engaged; how the Charity could support the local community through redeploying our resources to support the NHS; and ensuring that the Charity was keeping all key stakeholders informed of decisions and the Charity's position every step of the way.

**Pupils and parents**

The Board includes some Governors who are parents and who provide additional insight and perspective. Governors visit regularly and attend a number of key school events each year, providing opportunities to meet with staff, pupils and parents. While there were not the same opportunities as normal for Governors to visit the schools during the year and meet with parents, owing to ongoing Covid restrictions for much of the academic year, the Governors were delighted to be able to attend the speech days in person at the end of the summer term, which rounded off an unusual year and provided an opportunity for the Chair of Governors to address parents and pupils and thank them for their contribution during the year. The Foundation office continues to work with alumni/ae across both schools arranging a wide range of activities allowing former pupils and parents to continue to engage with the Charity. This programme was curtailed for much of the academic year as a result of the pandemic but following the appointment of a new

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Development Director and the easing of many Covid restrictions, the events programme has now resumed providing a welcome opportunity for people to reconnect.

### **Employees**

The Governors understand that the Charity's success is heavily contingent on the commitment and performance of its staff and, in order to maintain a current understanding of any issues and to assess morale, Governors attend termly Staff Liaison Committee meetings and report any issues to the wider Board for consideration. The Governors aim to provide employees with information on matters of concern to them as employees and to consult employees or their representatives on a regular basis, so that the view of employees can be taken into account in making decisions which are likely to affect their interests.

### **The local community**

The Charity continues to work with the CSP enabling wider access to the Charity's facilities. Pupils are encouraged to actively support the local community through initiatives such as the St Andrew's Prep Community Award, designed to combine personal development with a strong sense of community through developing pupils' sense of responsibility for their school environment and for society as a whole. Both schools engage with members of the local community routinely on matters of mutual interest or concern.

### **Suppliers**

The Charity engages with key suppliers regularly to review the level of service provided and ensure strong and sustainable business relationships are fostered for the mutual benefit of both parties. Pupils and staff are given the opportunity to provide feedback on core suppliers, including catering and uniform, which is useful in improving the offering and supporting long-term successful relationships.

### **Finance providers and regulatory bodies**

The Governors are grateful for the ongoing support from the Charity's bankers and other advisers, as well as advice from the many regulatory bodies who support the Independent Education sector. Communication with these parties has been both important and hugely beneficial during the pandemic. Governors and senior management within the Charity regularly attend sessions provided by ISBA, AGBIS, ISC, HMC and IAPS which help to inform decision making and support the Charity in remaining compliant with new and upcoming legislation.

### **Streamlined Energy and Carbon Reporting**

The Charity continues to partner with Planet First, who manage the Planet Mark accreditation programme, designed to recognise a company's commitment to continuous improvement in sustainability. The Planet Mark is partnered with two outstanding charities in this field that deliver transformational projects globally - the Eden Project and Cool Earth - the latter being supported by Her Majesty The Queen and Sir David Attenborough. Through the Planet Mark, the Charity has already taken action to protect one acre of rainforest with Cool Earth.

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The Charity is committed to improving its sustainability. Newer buildings, such as the Nugee and Winn, which were completed in March 2018, have BREEAM certification. Older buildings are subject to a programme of repair and renewal, as part of the ten-year estate's strategy. The strategy recognises that energy and carbon neutrality are key topics that require focus to not only reduce the Charity's carbon footprint but reduce energy usage across the two schools. The Charity has identified several projects that support energy efficiency including upgrading heating systems and the installation of LED and PIR lighting across the two sites. Six different LED projects were undertaken during the year and five boilers were also replaced with more efficient versions.

The Charity continues to work with PEP Energy, who conduct energy efficiency audits and assist the Charity in completion of its ESOS obligations. Five buildings were audited during the year along with the CHP systems in the Winn and Nugee buildings, with all recommendations and actions from those audits being implemented.

An increasing proportion of the Charity's energy supply is REGO backed, coming from a UK renewable source, which should lead to a reduction in emissions from electricity next year. However, over half of the Charity's emissions come from gas usage. Green gas has not been commercially available until very recently but this will be considered when the contract comes up for tender in August 2023.

The pandemic has inevitably affected the Charity's carbon footprint over the past 18 months with the two periods of school closures skewing the results shown below. This level of reduction was always going to be unsustainable once the schools reopened, with a more realistic comparative being the result for the year ended 31 August 2019 (pre-pandemic) of 2,325.7 tCO<sub>2</sub>e. With both schools back to full operation from September 2021, the strong eco-committee, which already exists within the schools, can work alongside the team at Planet First to develop and enhance the programme across the Charity to drive further positive change.

### **Energy consumption**

The following table reflects usage across both schools split by emission source. The carbon footprint is measured in metric tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e) and includes emissions from natural gas, purchased electricity, transmission and distribution losses, fleet, waste, water and paper procurement. The carbon footprint from electricity, water supply and water treatment has decreased year on year, despite the consumption increasing, as a result of new formulae, to calculate emissions, having been issued by the Department for Business, Energy and Industrial Strategy. The Charity's total carbon footprint for the year was 2,037.5 tCO<sub>2</sub>e (2020: 1,893.3 tCO<sub>2</sub>e) and the relative carbon footprint was 1.6 (2020: 1.51) per member of staff or pupil.

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| Source   | Scope | Unit   | 1 September 2020 to<br>31 August 2021 |                    | 1 September 2019 to<br>31 August 2020 |                    |
|--|-------|--------|---------------------------------------|--------------------|---------------------------------------|--------------------|
|  |       |        | Amount                                | tCO <sub>2</sub> e | Amount                                | tCO <sub>2</sub> e |
| <b>BUILDING</b>  |       |        |                                       |                    |                                       |                    |
| Natural Gas  | 1     | kWh    | 7,943,040.6                           | 1,454.8            | 7,045,347.0                           | 1,295.4            |
| Electricity  | 2     | kWh    | 1,984,202.6                           | 421.3              | 1,832,921.8                           | 427.3              |
| Transmission & Distribution losses   | 3     |        |                                       | 37.3               |                                       | 36.8               |
| <b>TRAVEL</b>  |       |        |                                       |                    |                                       |                    |
| Fleet - Diesel   | 1     | Litres | 39,888.4                              | 100.2              | 36,981.7                              | 94.2               |
| Fleet - Petrol   | 1     | Litres | 288.0                                 | 0.6                | 555.5                                 | 1.2                |
| <b>WASTE</b>   |       |        |                                       |                    |                                       |                    |
| Recycled   | 3     | Tonnes | 69.9                                  | 0.5                | 35.9                                  | 0.4                |
| Energy from waste  | 3     | Tonnes | 134.2                                 | 2.9                | 96.7                                  | 2.1                |
| Composting   | 3     | Tonnes | 43.3                                  | 0.4                | 23.8                                  | 0.2                |
| <b>WATER</b>   |       |        |                                       |                    |                                       |                    |
| Water supply   | 3     | Tonnes | 27,080.6                              | 4.0                | 26,370.9                              | 9.1                |
| Water treatment  | 3     | Tonnes | 25,636.3                              | 7.0                | 24,867.1                              | 17.6               |
| <b>PROCUREMENT</b>   |       |        |                                       |                    |                                       |                    |
| Paper - Primary content  | 3     | Tonnes | 9.2                                   | 8.5                | 9.8                                   | 9.0                |
| <b>Associated Greenhouse gas emissions<br/>(tCO<sub>2</sub>e)</b>          |       |        |                                       | <b>2,037.5</b>     |                                       | <b>1893.3</b>      |
| <b>Intensity ratio:<br/>tCO<sub>2</sub>e per member of staff and pupil</b> |       |        |                                       | <b>1.6</b>         |                                       | <b>1.51</b>        |

Associated greenhouse gases have been calculated using the GHG Protocol Corporate Accounting and Reporting Standard, which categorises greenhouse gas emissions into three scopes:

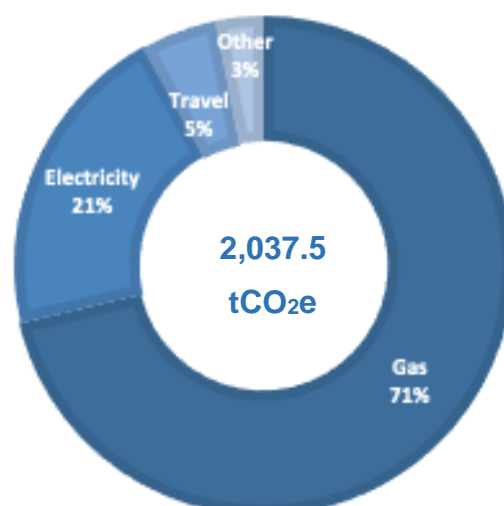
**Scope 1** covers direct emissions from owned or controlled sources

**Scope 2** covers indirect emissions from the generation of purchased energy

**Scope 3** covers other indirect emissions related to the value chain of an organisation.

The intensity ratio has been calculated using full time equivalent staff numbers plus average pupil numbers across the year.

The primary emitters of carbon are gas and electricity consumption used for operational buildings.



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## **FINANCIAL REVIEW**

Income from tuition fees continues to be the principal funding source for the Charity. Gross school fees receivable in the year amounted to £23,063k (2020: £22,365k). Following the second national lockdown, which began at the start of January 2021, the Governors decided to discount the fees for the Lent term for the eight weeks of the term the school operated remote learning. This reduced gross fee income by £1,514k. Further hardship bursaries were awarded to families facing financial difficulties as a result of the pandemic and further arrangements had to be made for those overseas pupils who were unable to return to school due to the lack of flights all of which reduced net fee income. After taking into account all fee remissions and the amount of awards paid for by restricted funds, total net fee income was £17,958k (2020: £17,506k).

The Charity operates a means-tested bursary scheme remitting up to 100% of fees for able young people who would not otherwise be able to attend the two schools. In the year to 31 August 2021 a total of 452 pupils (2020: 416) across the two schools benefited from help with their fees through means-tested bursaries, hardship bursaries, scholarships and grants totalling £5,236k (2020: £5,020k). The Professor Soddy scholarships, named after an Old Eastbournian Nobel Prize winner, were awarded to a further seven pupils for academic excellence, making a total of 16 Professor Soddy awards. The Charity welcomed its first two pupils as part of the Royal National Children's Springboard Foundation scheme at St Andrew's Prep and assisted five further pupils at Eastbourne College. The Royal National Children's Springboard Foundation scheme, is a national charity whose objects are to allow young people from impoverished backgrounds to attend independent boarding schools on a fully subsidised basis.

The Charity was able to run a summer lettings programme this year albeit significantly reduced on initial expectations due to continuing Covid restrictions impacting overseas travel. Income from the bussing service was also behind budget as a result of the lockdown. The Charity received a significant compensation payment during the year from a supplier used in the construction of the Winn and Nugee buildings and as a result the Charity saw an increase in its income from other activities to £379k (2020: £7k). The start of the Michaelmas term 2021 saw the opening of the school shop/café, Tim's Café, which is hoped will boost the non-ancillary trading income for the year to August 2022.

Voluntary income in the form of legacies, donations and grants continue to provide a welcome source of additional income totalling £1,326k for the year (2020: £2,314k). Legacies and donations accounted for £998k of this (2020: £1,394k), with a further £328k received, exceptionally, through accessing the Government's Coronavirus Job Retention Scheme grant in respect of staff who were furloughed. The income from legacies and donations includes further income from The Right Reverend Monsignor John Klyberg. As at 31 August 2020, the legacy was treated as a debtor, comprising both an investment portfolio and property which had been left to the Charity. The property was sold during the year for significantly more than the estate agent's original estimate and a further cash sum was received from the estate. In addition, the Charity received a donation from the Richard Holliday Charitable Foundation, which will be used to support bursaries for the next 25 years. The Governors have accounted for this as an expendable endowment.



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With revenue from fees and lettings significantly reduced as a result of the pandemic for the second year, robust cost control measures continued to be in place to minimise the financial impact for the Charity. The Charity benefitted from its withdrawal from the Teacher Pension Scheme at the end of the last financial year. Furthermore, anything that could not be done remotely was turned off and only business critical expenditure incurred in order to maximise savings. As a result, total expenditure reduced by a further 1.9% to £21,343k (2020: £21,765k) in addition to the 5.2% savings made in the previous financial year. The depreciation charge for the year ended 31 August 2021 was in line with expectations at £1,638k (2020: £1,578k).

The accounts include the results of the Charity's wholly owned subsidiary, Eastbourne College Enterprises Limited ('ECEL'). The principal activities of ECEL comprise the operation of a bussing service for day pupils on routes to surrounding areas, letting College facilities and running the College's school shop, all of which were curtailed as a result of the pandemic and national lockdown. ECEL recorded a profit before tax of £17k (2020: £12k loss) for the year ended 31 August 2021.

The Charity made an overall loss for the year before gains on investments of £58k (2020: £482k loss). However, at an operational level the Charity made an overall surplus of £631k (2020: £115k), excluding the agreed settlement of a commercial dispute received in the year. This represents 2.7% of gross fee income (2020: 0.5%) against a target of 5%. The target reflects the minimum level of surplus considered necessary to maintain and reinvest in the Charity over the long term. The Board review and monitor operational earnings as set out in the table and are pleased that the

Charity is able to report an operating surplus that is reasonably close to its target despite the continued difficult circumstances it faced during the year.

| <b><u>Operational Earnings</u></b> | <b>2021<br/>£'000s</b> | <b>2020<br/>£'000s</b> |
|------------------------------------|------------------------|------------------------|
| Earnings                           | (58)                   | (482)                  |
| Add back: Depreciation             | 1,638                  | 1,578                  |
| Interest                           | 399                    | 413                    |
|                                    | <hr/>                  | <hr/>                  |
| 'EBITDA'                           | 1,979                  | 1,509                  |
| Less: donations                    | (998)                  | (1,394)                |
| Less: compensation received        | (350)                  | -                      |
|                                    | <hr/>                  | <hr/>                  |
| Operating (deficit)/surplus        | 631                    | 115                    |

The decision to hold fees flat for the year to 31 August 2021 and the decision to reduce fees for the Lent term placed considerable pressure on the Charity to ensure the bank covenant was achieved. However, with the Government's Coronavirus Job Retention scheme continuing, even though at a reduced level, the compensation pay out received and the income received from investments, the Charity was able to meet its covenant requirement before taking into account the further donations and legacies received.

As part of its Strategic Plan, the Board has set financial targets for both schools for the medium-term. However, as a result of the pandemic and the ongoing restrictions placed on the schools the Board recognise that these targets will need revision going forwards to reflect the impact of the pandemic. The focus for much of the year has necessarily been on cost control and financial

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planning around the ongoing uncertainties. Flexibility and adaptability of financial measures will be key in the short-term to ensure the long-term viability of the Charity.

### **Long-term Borrowings**

On 29 September 2017 the Charity borrowed a total of £10m from Lloyds Bank Plc secured by a debenture over the Charity's assets comprising two loans for £5m each for a period of 25 years. The first loan has a fixed rate of 4% for a period of 10 years, the second a fixed rate of 4.6% for a period of 15 years. It is the Board's intention to repay £5m of borrowings by 2027. Beyond 15 years the interest rate reverts to a floating rate. The amount of the Charity's debt and its terms remain under constant review by the Board to ensure that the Charity's borrowing remains prudent and that its servicing does not strain cash flow.

The Charity applied for an additional loan of £2m through the Coronavirus Business Interruption Loan Scheme ('CBILS'), which was received on 31 October 2020. This accounts for the increase in cash and creditors payable within one year. The loan had a term of 6 years with no interest or capital repayments required for the first 12 months. The additional funding was applied for in order to provide additional flexibility and resilience in the event of further uncertainties around the wider effects of the pandemic. The loan has been repaid in full post year end without incurring any penalties or interest.

### **Fundraising Performance**

The Foundation and Development Office (FADO) runs the Eastbournian Society (ES), to which all former pupils of both schools (and Ascham, the College's prep school until 1977), current and former parents and other College and School supporters belong. The FADO, together with the wider school community, raises funds for bursaries and the development of the schools' facilities. FADO continues to grow its activities and is now in its 16th year of operation.

A Foundation and Development Advisory Board has been set up by the Board of Governors to advise and monitor the work of FADO. This board meets 3 times a year in advance of the main Board meeting and the Chairman (and or the Director of FADO) reports to the full Board when necessary. In addition, the operation of the ES is monitored by the ES Committee. This Committee is made up of representatives of all constituent members of the society and meets twice a year and includes the Headmaster and a member of the Board of Governors.

During the course of the year FADO was unable to run its full programme of events due to the ongoing restrictions of the pandemic and the further period of lockdown in the Spring.

The ES continues to grow into a worldwide network, which allows Old Eastbournians, current College parents and prospective College parents to gather for events in different parts of the world. This network proves to be an effective means of marketing and recruitment for the school.

Total donations received in the year amounted to £998k (2020: £1,394k) which included further income from the estate of the Right Reverend Monsignor John Klyberg, £450k from the Richard Holliday Trust and a £25k legacy to be used towards the Charity's Duke of Edinburgh Scheme

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provision. Sixteen (2020: 16) pupils' fees are met substantially by charities, trusts and individuals with a further three pupils supported by a grant from Goldman Sachs Giving.

At 31 August 2021 81 (2020: 85), known pledges from Devonshire Society members were in existence. The Board is very grateful to all those who support the Charity's charitable objects and endeavours and is particularly grateful to members of the Devonshire Society for their continuing commitment to support the Charity by way of legacies and bequests.

The Charity is committed to best practice in relation to all fundraising activities, which are carried out by the FADO. The Charity did not engage any third parties to carry out any fundraising activities on its behalf during the year and no formal complaints have been received during the year. The Charity is registered with the Fundraising Regulator and adheres to the Code of Fundraising Practice to ensure fundraising is legal, open, honest and respectful. This national code of practice includes rules governing consent, data sharing, data protection and privacy relating to all electronic and print communications. Face-to-face meetings with donors and potential donors are only conducted with the prior consent of the individual. Unreasonably persistent behaviours by fundraisers or undue pressure on a person to give money or other property is neither tolerated nor encouraged by operating guidelines.

### **The Charity's Reserves**

The Board has adopted the format of accounts prescribed by the Charities SORP 2015, which stipulates that funds are placed within four generic groups:

|                    |  |
|--------------------|--|
| Endowed Funds      | These comprise both permanently endowed funds as well as expendable endowments. Permanently endowed funds are treated as capital and only the income can be used either for the general purposes of the Charity or according to the specific wishes of the donors, whereas an expendable endowment allows for the capital to be used in certain circumstances specified in the terms of the endowment document |
| Restricted Funds   | These have limitations on the use of both capital and income, according to the wishes of the donors  |
| Unrestricted Funds | These can be used at the discretion of the Board   |
| Designated Funds   | These form part of the Unrestricted Funds that the Board have allocated to a specific purpose  |

As set out in note 20, the fund established in 1978 from the sale proceeds of the Ascham and Granville sites, formerly referred to as the Permanent Endowment Fund, has been renamed during the year and is now accounted for as an expendable endowment. The decision to change the fund's name and presentation was made after taking legal advice and follows extensive investigation of the historic accounting records.

The Charity needs to have sufficient reserves and capacity to borrow to mitigate the operational risk of an unexpected revenue shortfall. The Charity's annual surpluses from its operations are used to grow the General Fund. The Fund is available to develop and maintain the Charity's plant and equipment used for educational purposes and to provide fee assistance to those unable to

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afford the full fees. The Board intends to continue using the General Fund for these purposes. It seeks actively donations and legacies to grow its funds over the long term.

The Finance and Property Committee reviews the Charity's reserves policy and forecast levels of reserves regularly and reports to the Board. The majority of the Charity's incoming resources arise through charging school fees in respect of the 1,000 pupils it educates so its sources of income are well diversified. The Board recognise the importance of being in a position to fund the Charity's operations out of operating income and, with the exception of the Coronavirus Job Retention Scheme Grant unusually received in the current year, the Charity is not dependent on third party grants or donations to fund its operations.

|  | <b>2021</b>   | <b>2020</b>   |
|--|---------------|---------------|
|  | <b>£'000s</b> | <b>£'000s</b> |
| Total Group reserves                                     | 50,025        | 48,806        |
| <b>Less:</b> Endowed funds                               | (8,647)       | (6,797)       |
| Restricted funds   | (2,039)       | (1,849)       |
|  | <u>39,339</u> | <u>40,160</u> |
| Unrestricted funds                                       | <u>39,339</u> | <u>40,160</u> |
| Unrestricted fixed assets<br>less value of related loans | (48,417)      | (49,115)      |
| <b>Free reserves</b>                                     | <b>Nil</b>    | <b>Nil</b>    |

### **Free Reserves**

In common with other charities that have substantial fixed assets in use, the Charity has nil free reserves. This position was expected as a result of the considerable investment in construction of the Nugee and Winn Buildings. The project was funded by two £5m loans, which are repayable over the next 23 years. The cash flows are expected to be positive over the coming years, allowing the loans to be repaid and the Charity's reserves to increase. The Charity has a bank overdraft in place for £4.5m to assist with its day-to-day liquidity. This is monitored by cash flow forecasts, which are produced and updated regularly to ensure the Charity has sufficient funds for its current and future operations. The CBILS loan of £2m received in the year to provide further flexibility has now been paid back in full with no penalties or interest being charged.

The Charity accounts for its land and buildings, including residential property, at depreciated historic cost, with much of the estate having been owned for many decades. The Master Plan exercise that was undertaken last year supports the Governors' opinion that the current market value of its estate is considerably higher than its carrying value shown in the accounts. If necessary, the Charity could sell some of its residential property to generate liquidity although it has no current plans to do so. The Board expects to operate without free reserves for the foreseeable future but it considers the current level of reserves, substantially represented by fixed assets, taken together with the long-term loan and bank overdraft facilities in place, to be adequate to enable the Charity to continue its operations.

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### **Investment Policy and Objectives**

The Board's investment policy is to seek a minimum return of 3% in excess of the underlying rate of inflation on the Charity's investments so as to preserve their capital while providing an income to support the Charity's activities. The policy is reviewed annually by the Board. Investment performance is managed by the Investment Committee with regard to market conditions and performance of relevant indices.

Following the falls in the equity markets last year, the year to 31 August 2021 saw significant recovery in the value of its investments. Overall gains on investments for the year were £1,277k (2020: £39k loss) and investment income was £254k (2020: £171k) delivering a combined return of 19% (2020: 2.16%) against a target of inflation +3%. The Investment Committee monitors performance over the long term and is currently satisfied with this return, especially considering the current volatility of the stock markets.

The investments held in Restricted Funds and Expendable Endowments provide income to be applied according to the wishes of donors. The income from the investments of the non-Expendable Endowment Funds is applied to the charitable activity of the Charity as the Board decides.

### **Going Concern**

The Board has assessed the ability of the company to continue as a going concern and have considered several factors when forming their conclusion as to whether the use of the going concern basis is appropriate when preparing these financial statements. This has included the revised budget for 2021/22 and forecast for 2022/23, cash flow forecast to 31 December 2022 and a consideration of the key risks, including the impact of the pandemic and scenario planning.

The Board have assessed the potential longer-term impact and risks presented by the pandemic, as well as the impact of increases in National Insurance contributions and the National Living Wage, which take effect from April 2022. Scenario planning has been conducted reviewing the sources of income and planned expenditure. The Board recognise the dependence on fees and lettings income to fund operations and are mindful of the need to maintain fees at an affordable level as well as the ongoing travel restrictions, which impact both our international families as well as our summer lettings programme. The Charity continues to explore opportunities for further diversification within the lettings programme in order to maximise the return on facilities out of term time, particularly whilst international markets continue to face uncertainty. Alongside these measures to protect key revenue streams, the Charity has the ability to put in place additional measures to reduce expenditure, to only that which is deemed business critical, if necessary.

The scenarios also consider the terms and conditions of the existing bank facilities. The Charity has a strong relationship with the bank and has maintained regular communication throughout the pandemic keeping the bank apprised of the Charity's financial position. The bank recognises the strong asset base supporting the Charity's activities that provides additional financial resilience if required.

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The Board are comfortable that the Charity has sufficient resources to fund its ongoing operations and to service the long-term debt with current forecasts indicating the Charity can meet its commitments for the foreseeable future. These forecasts are reviewed by the Finance and Property Committee at least termly. Accordingly, the Board are satisfied that there are no material uncertainties surrounding the Charity's ability to continue as a going concern and the accounts have been prepared on that basis.

**Plans for future periods**

Despite the challenges of the past two years, both schools have fared remarkably well due to careful management and the quality product that they offer, the latter having been independently confirmed by ISI this year. Pupil numbers are holding up well and interest in both schools has increased dramatically over the past 12 months with the pipeline for future years looking very strong indeed. This is in part testament to the strength of the Charity's remote learning during lockdown but also reflects the growing reputation of the schools. However, the Governors are very aware that the financial effects of the pandemic are yet to be fully felt and the Charity is prepared for a few difficult years whilst the economy recovers.

The pandemic and the UK government's response to the virus has created an additional challenge for boarding schools, particularly where a number of pupils are international. Communication and engagement with parents is more important than ever to provide much needed reassurance about the safety and wellbeing of their children in order to retain their support. The schools continue to adapt to the challenges presented by the pandemic, including supporting overseas boarders with travel and isolation arrangements, and changing operating guidance for schools.

Further challenges created by political and macro-economic uncertainty remain, with the UK's transition period on leaving the EU having come to an end on 31 December 2020. Labour shortages and inflation undoubtedly present challenges for the year ahead, which will need careful modelling and management.

The Governors are acutely aware of the challenge of keeping our education provision affordable. The competition for the School is predominantly local and includes maintained primary schools. A number of prep schools within the UK have closed during the year with the increased costs of the TPS, compounded by the pandemic, making them unsustainable. The School has benefitted from a number of new pupils joining from other schools but it has been a stark reminder of the landscape, and the benefit of the amalgamation between the two schools has provided greater resilience against such events. For the College the competition is primarily local and regional. The Governors are determined to enhance the quality of the educational provision to maintain and improve the College's competitive strength. The Charity's vision of healthy learning for the long term is particularly pertinent at the moment, with many families welcoming the coastal location and encouraged by the low levels of virus transmission that have been experienced in Eastbourne during the pandemic. The Charity remains primed to evolve and respond to the needs, both educational and pastoral, of pupils and parents both now and into the future. The Governors are by no means complacent about the current economic climate and political uncertainty but equally recognise the need to continue to be in a position to invest in the future in order that the Charity's offering remains competitive. In the short term the focus will be on

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continuing to broaden the reach and engagement of both schools and cost efficiency in order to build reserves. It is a necessary condition of committing to any substantial capital project that the Board can be confident of generating operating surpluses in excess of 5% for a sustained period. This is not likely to be the case within the short term and therefore any significant capital investment is likely to fall within the next strategic plan unless absolutely essential to current operations.

In spite of the ongoing effects of the pandemic the Governors are encouraged by the progress that has been made against the Strategic Plan in its third year. With both schools now reaching the point where they are having to implement waiting lists, the focus will be on ensuring that the schools remain competitively positioned in the market place. Efforts will be made to further strengthen links and unity between the two schools, maximising the opportunities for new and exciting ways of utilising the resources at the Charity's disposal to further improve the experience for all.

## **RISK MANAGEMENT**

The Board is responsible for the management of risks faced by the Charity. Detailed consideration of risks is delegated to appropriate committees, as directed by the Finance and Property Committee. Risks are identified, assessed and controls established throughout the year. A formal review of the risk management process is undertaken on an annual basis. The key controls used by the Charity include

- formal agendas for all committee and Board activity
- detailed terms of reference for all committees
- comprehensive strategic planning, budgeting and management accounting
- established organisational structures and lines of reporting
- formal written policies
- clear authorisation and approval levels
- safeguarding procedures as required by law for the protection of the vulnerable
- annual consideration of the risk register.

Through the risk management processes, the Board is satisfied that the major risks to which the Charity is exposed have been reviewed and that systems have been established in order to manage those risks. It is recognised, however, that systems can provide only reasonable, but not absolute, assurance that major risks have been adequately managed.

The key specific risks for the foreseeable future, identified through this process, together with mitigation plans comprise:

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| Risk  | Management  |
|---|---|
| Operational and financial impact of the current pandemic (or future pandemics) threatening viability of the Charity   | <ul style="list-style-type: none"> <li>• Scenario planning and robust financial controls in place to respond and adapt to the changing situation and provide financial flexibility</li> <li>• Live risk assessment with additional measures put in place across both schools to provide for a safe working environment for both pupils and staff</li> <li>• IT infrastructure in place to facilitate continued delivery of education remotely</li> <li>• Monitoring of staff welfare with steps taken where possible to boost morale</li> <li>• Enhanced flexibility to support compliance with Covid-19 restrictions, for example through accommodating pupils unable to get home on site over half term and allowing pupils to return home before the end of term in order that they may complete any necessary isolation period ahead of Christmas.</li> </ul>   |
| Government policy posing a threat to charitable status of independent schools   | <ul style="list-style-type: none"> <li>• The Governors are in regular contact with key advisory bodies (ISC, ISBA, IAPS, BSA, Auditors) as well as other independent schools and schools in the maintained sector and are continuously reviewing the situation and taking steps to respond and prepare as appropriate to any changes to legislation and regulation</li> <li>• The Charity continues to demonstrate the public benefit that the schools deliver as outlined in the report.</li> </ul>  |
| Reputational risk as a result of poor performance in any aspect of the business, increased competition from other independent schools, or non-compliance with legislation or regulatory guidelines, impacting all income streams and the Charity's ability to attract and retain pupils | <ul style="list-style-type: none"> <li>• The Governors and senior management teams take their compliance responsibilities very seriously and ensure that all staff receive appropriate training and are kept up to date with key legislation including safeguarding and child protection</li> <li>• Staff are trained in Safer Recruitment and the Single Central Register is monitored and reviewed regularly by the SMT and school committees. Outsourced services such as catering are held to the same high standards as those employed by the Charity</li> <li>• Pastoral care, academic and co-curricular provision, together with academic results, are routinely reviewed and monitored against the 5-year Strategic Plan supported by staff appraisals and benchmarking against peers</li> <li>• The Charity has partnered with external providers to support the marketing efforts across both schools with analysis performed on the annual intake of pupils to inform future strategy</li> <li>• Health and safety risks, ranging from risks to the Charity's infrastructure such as fire or flood to personal risks, are minimised through appropriate planning and risk assessment as well as ensuring the Charity has adequate insurance cover.</li> </ul> |



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|   |  |
|---|--|
| Financial Sustainability – a sudden or persistent decline in the affordability of the schools’ high quality educational offering resulting from a reduction in after-tax income of parents, or an increase in the schools’ operating costs as a result of changes in taxation or changes to pension obligations | <ul style="list-style-type: none"> <li>• The Governors are carefully monitoring the budget and cost base for both schools, as well as seeking to diversify their income streams</li> <li>• The FADO continues to raise funds to support bursary and scholarship places for pupils who otherwise would be unable to attend.</li> </ul>      |
| Risk of cyber attack  | <ul style="list-style-type: none"> <li>• Cyber insurance and Cyber Incident Response Plan</li> <li>• Regular training provided to all staff regarding cyber awareness</li> <li>• Penetration testing undertaken</li> <li>• Two factor authentication implemented to further strengthen suite of systems in place.</li> </ul>               |
| Labour shortages, predominantly amongst support roles   | <ul style="list-style-type: none"> <li>• Regular benchmarking of salaries and conditions of service to ensure competitive offering</li> <li>• Non-financial benefits of working for the Charity to be more widely publicised</li> <li>• Well-being group</li> <li>• Exit interviews</li> <li>• Exploring recruitment incentives</li> </ul> |

## **STATEMENT OF GOVERNORS’ RESPONSIBILITIES**

The Governors (who are also directors for the purposes of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Governors to prepare financial statements for each financial year. Under company law, the Governors 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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Governors are required to

- select suitable accounting policies and apply them consistently
- observe the methods and principles in the Charities’ SORP
- 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, and

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- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the charitable company will continue in business.

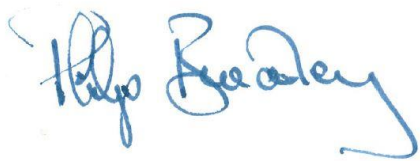
The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply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

Insofar as each of the Governors of the Charity at the date of approval of this Report is aware, there is no relevant audit information (information needed by the Charity's auditor in connection with preparing the audit report) of which the Charity's auditor is unaware. Each Governor has taken all of the steps that they should have taken as a Governor in order to make themselves aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

#### **AUDITORS**

Crowe U.K. LLP has expressed its willingness to be reappointed as statutory auditor.

The Annual Report of the Governors was approved by the Governing Body of Eastbourne College (Incorporated) on 8 December 2021, including, in their capacity as company directors, approving the Directors' and Strategic Reports contained therein, and signed on its behalf by



**Philip Broadley MA MSc FCA**  
Chairman of the Board of Governors

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EASTBOURNE COLLEGE (INCORPORATED)**

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## **Independent Auditor's Report to the Members of Eastbourne College (Incorporated)**

### **Opinion**

We have audited the financial statements of Eastbourne College (Incorporated) ('the charitable company') and its subsidiary ('the group') for the year ended 31 August 2021 which comprise the Consolidated Statement of Financial Activities, Consolidated and Charity Balance Sheets, Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 August 2021 and of the group's income and receipts of endowments 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.

### **Basis for opinion**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's or the group'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.

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EASTBOURNE COLLEGE (INCORPORATED)**

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## **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.

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, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' 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 group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' 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
- 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 charitable company 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

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EASTBOURNE COLLEGE (INCORPORATED)**

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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 charitable company'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 charitable company 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 charitable company and group operates, 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 Companies Act 2006, taxation legislation, employment legislation and general data protection legislation, together with the Charities SORP (FRS 102). 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 charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were The Education (Independent School Standards) Regulations 2014.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EASTBOURNE COLLEGE (INCORPORATED)**

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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.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing and recognition of non-fee income, procurement processes for significant capital projects and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Finance and Investment Committee 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 Charity Commission, Independent Schools Inspectorate, Ofsted 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 charitable company'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 charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Tina Allison  
Senior Statutory Auditor  
For and on behalf of  
Crowe U.K. LLP  
Statutory Auditor  
London

10 December 2020

**EASTBOURNE COLLEGE (INCORPORATED)**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

| (Including Income and Expenditure account)   | Notes | Unrestricted<br>Funds | Restricted<br>Funds | Endowed<br>Funds | <b>2021<br/>Total</b> | <i>2020<br/>Total</i> |
|--|-------|-----------------------|---------------------|------------------|-----------------------|-----------------------|
|  |       | £'000                 | £'000               | £'000            | <b>£'000</b>          | £'000                 |
| <b>Income and endowments from</b>  |       |                       |                     |                  |                       |                       |
| <b>Charitable activities</b>   |       |                       |                     |                  |                       |                       |
| School fees receivable   | 3     | 17,958                | -                   | -                | <b>17,958</b>         | 17,506                |
| Ancillary trading income   | 4     | 833                   | -                   | -                | <b>833</b>            | 732                   |
| <b>Other trading activities</b>  |       |                       |                     |                  |                       |                       |
| Non-ancillary trading income   | 5     | 535                   | -                   | -                | <b>535</b>            | 547                   |
| Other activities   | 5     | 379                   | -                   | -                | <b>379</b>            | 7                     |
| <b>Investments</b>   |       |                       |                     |                  |                       |                       |
| Investment income  | 6     | 165                   | 45                  | 44               | <b>254</b>            | 171                   |
| Bank and other interest  | 7     | -                     | -                   | -                | -                     | 6                     |
| <b>Voluntary sources</b>   |       |                       |                     |                  |                       |                       |
| Legacies, donations and grants   | 8     | 344                   | 186                 | 796              | <b>1,326</b>          | 2,314                 |
| <b>Total incoming resources</b>  |       | 20,214                | 231                 | 840              | <b>21,285</b>         | 21,283                |
| <b>Expenditure on raising funds</b>  |       |                       |                     |                  |                       |                       |
| Non-ancillary trading  | 9     | (492)                 | -                   | -                | <b>(492)</b>          | (792)                 |
| Financing costs  | 10    | (499)                 | -                   | -                | <b>(499)</b>          | (495)                 |
| Investment management  |       | -                     | (7)                 | (37)             | <b>(44)</b>           | (31)                  |
| Fundraising & development  |       | (180)                 | -                   | -                | <b>(180)</b>          | (206)                 |
| <b>Total expenditure on raising funds</b>  |       | (1,171)               | (7)                 | (37)             | <b>(1,215)</b>        | (1,524)               |
| <b>Charitable activities</b>   |       |                       |                     |                  |                       |                       |
| Education and grant-making   | 9     | (19,965)              | (163)               | -                | <b>(20,128)</b>       | (20,241)              |
| <b>Total expenditure</b>   |       | (21,136)              | (170)               | (37)             | <b>(21,343)</b>       | (21,765)              |
| <b>Net (outgoing)/incoming funds from operations before transfers and investment gains</b> |       | (922)                 | 61                  | 803              | <b>(58)</b>           | (482)                 |
| Gains/(losses) on investments  | 14    | 13                    | 217                 | 1,047            | <b>1,277</b>          | (39)                  |
| <b>Net income/(expenditure) for the year</b>   |       | (909)                 | 278                 | 1,850            | <b>1,219</b>          | (521)                 |
| Transfers between funds  | 21    | 88                    | (88)                |                  | -                     | -                     |
| <b>Net movement in funds for the year</b>  |       | (821)                 | 190                 | 1,850            | <b>1,219</b>          | (521)                 |
| Fund balances brought forward at 1 September 2020  |       | 40,160                | 1,849               | 6,797            | <b>48,806</b>         | 49,327                |
| <b>Fund balances carried forward at 31 August 2021</b>                                     |       | 39,339                | 2,039               | 8,647            | <b>50,025</b>         | 48,806                |

The notes on pages 50 to 70 form part of these financial statements.

**EASTBOURNE COLLEGE (INCORPORATED)**  
**CONSOLIDATED AND CHARITY BALANCE SHEETS**  
**AS AT 31 AUGUST 2021**

|                                   | Note | Group<br>2021<br>£'000 | 2020<br>£'000  | Charity<br>2021<br>£'000 | 2020<br>£'000  |
|-----------------------------------|------|------------------------|----------------|--------------------------|----------------|
| <b>FIXED ASSETS</b>               |      |                        |                |                          |                |
| Tangible assets                   | 12   | 57,654                 | 58,622         | 56,222                   | 57,178         |
| Investments                       | 14   | 9,816                  | 7,043          | 10,908                   | 8,119          |
|                                   |      | <b>67,470</b>          | <b>65,665</b>  | <b>67,130</b>            | <b>65,297</b>  |
| <b>CURRENT ASSETS</b>             |      |                        |                |                          |                |
| Stock                             |      | 21                     | 28             | -                        | -              |
| Debtors                           | 15   | 476                    | 1,717          | 450                      | 1,598          |
| Cash and deposits                 |      | 4,298                  | 1,215          | 4,122                    | 1,064          |
|                                   |      | <b>4,795</b>           | <b>2,960</b>   | <b>4,572</b>             | <b>2,662</b>   |
| <b>CURRENT LIABILITIES</b>        |      |                        |                |                          |                |
| Creditors payable within one year | 16   | (11,390)               | (8,734)        | (12,103)                 | (9,386)        |
|                                   |      | <b>(6,595)</b>         | <b>(5,774)</b> | <b>(7,531)</b>           | <b>(6,724)</b> |
| <b>NET CURRENT (LIABILITIES)</b>  |      |                        |                |                          |                |
|                                   |      | <b>60,875</b>          | <b>59,891</b>  | <b>59,599</b>            | <b>58,573</b>  |
| <b>LONG-TERM LIABILITIES</b>      |      |                        |                |                          |                |
| Creditors payable after one year  | 17   | (10,850)               | (11,085)       | (10,850)                 | (11,085)       |
|                                   |      | <b>50,025</b>          | <b>48,806</b>  | <b>48,749</b>            | <b>47,488</b>  |
| <b>NET ASSETS</b>                 |      |                        |                |                          |                |
| <b>REPRESENTED BY</b>             |      |                        |                |                          |                |
| <b>ENDOWED FUNDS</b>              |      |                        |                |                          |                |
| Permanent Endowments              | 21   | 2,326                  | 4,628          | 2,326                    | 4,628          |
| Expendable Endowments             | 21   | 6,321                  | 2,169          | 6,321                    | 2,169          |
|                                   |      | <b>2,039</b>           | <b>1,849</b>   | <b>2,039</b>             | <b>1,849</b>   |
| <b>RESTRICTED FUNDS</b>           |      |                        |                |                          |                |
| <b>UNRESTRICTED FUNDS</b>         |      |                        |                |                          |                |
| General Reserve                   | 21   | 39,022                 | 39,937         | 37,746                   | 38,619         |
| Designated                        | 21   | 317                    | 223            | 317                      | 223            |
|                                   |      | <b>50,025</b>          | <b>48,806</b>  | <b>48,749</b>            | <b>47,488</b>  |

The net result for the financial year dealt with in the financial statements of the parent charity was a surplus of £1,261k (2020: £470k deficit).

These financial statements were approved by the Board of Governors on 8 December 2021 and were signed on its behalf by



**Philip Broadley MA MSc FCA**  
Chairman



**Charles Burrows MA**  
Chairman Finance and Property Committee

The notes on pages 50 to 70 form part of these financial statements.



**EASTBOURNE COLLEGE (INCORPORATED)**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

|   |      | <b>2021</b>    |       | <b>2020</b>    |
|---|------|----------------|-------|----------------|
|   | Note | £'000          | £'000 | £'000          |
| <b>Net cash inflow/(outflow) from operations</b>                |      |                |       |                |
| Net cash provided/(used) by operating activities                | (i)  | <u>2,847</u>   |       | <u>(2,243)</u> |
| <b>Cash flows from investing activities</b>                     |      |                |       |                |
| Payments for tangible fixed assets                              |      | (689)          |       | (152)          |
| Proceeds on sale of tangible fixed assets                       |      | 40             |       | 25             |
| Additions to securities investments portfolio                   |      | (1,534)        |       | (1,006)        |
| Withdrawals from securities investments portfolio               |      | 38             |       | 31             |
| Investment income and bank interest received                    |      | <u>254</u>     |       | <u>178</u>     |
| <b>Net cash (used in) investing activities</b>                  |      | <u>(1,891)</u> |       | <u>(924)</u>   |
| <b>Cash flows from financing activities</b>                     |      |                |       |                |
| New endowment   |      | 796            |       | 1,168          |
| Cash inflows from new borrowing                                 |      | 2,000          |       | -              |
| Repayment of bank loan  |      | (270)          |       | (263)          |
| Bank interest and arrangement fees paid                         |      | <u>(399)</u>   |       | <u>(414)</u>   |
| <b>Net cash provided/(used) by financing activities</b>         |      | <u>2,127</u>   |       | <u>491</u>     |
| <br>Change in cash and cash equivalents in the reporting period |      | <br>3,083      |       | <br>(2,676)    |
| Cash and cash equivalents at the beginning of period            |      | 1,215          |       | 3,891          |
| Cash and cash equivalents at the end of the reporting period    | (ii) | <u>4,298</u>   |       | <u>1,215</u>   |

The notes on pages 50 to 70 form part of these financial statements.

**EASTBOURNE COLLEGE (INCORPORATED)**  
**NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**(i) Reconciliation of net income to net cash flow from operating activities**

|   | 2021                | 2020                  |
|---|---------------------|-----------------------|
|   | £'000               | £'000                 |
| Net (outgoing)/incoming resources   | (58)                | (482)                 |
| Elimination of non-operating cash flows   |                     |                       |
| - Investment income   | (254)               | (178)                 |
| - Endowment donations   | (796)               | (1,168)               |
| - Finance costs   | 399                 | 414                   |
| Depreciation charge   | 1,638               | 1,578                 |
| (Profit)/loss on sale/disposal of assets  | (21)                | (24)                  |
| (Increase)/Decrease in debtors  | 1,241               | (1,172)               |
| Decrease in stocks  | 7                   | 163                   |
| Increase/(Decrease) in creditors (excluding fees in advance scheme and deposit) | 326                 | (1,646)               |
| Increase in fees in advance scheme creditors                                    | 391                 | 181                   |
| Increase in parents' deposits   | (26)                | 91                    |
|   | <u>2,905</u>        | <u>(1,761)</u>        |
| <b>Net cash inflow/(outflow) from operations</b>                                | <u><b>2,847</b></u> | <u><b>(2,243)</b></u> |

**(ii) Analysis of cash and cash equivalents**

|              | 2021                | 2020                |
|--------------|---------------------|---------------------|
|              | £'000               | £'000               |
| Cash at bank | 4,298               | 1,215               |
| Deposits     | -                   | -                   |
|              | <u><b>4,298</b></u> | <u><b>1,215</b></u> |

**(iii) Analysis of changes in net debt**

|                                  | At 1<br>Sept.<br>2020<br>£'000 | Cash<br>Flows<br>£'000 | Other non<br>cash changes<br>£'000 | At 31<br>August<br>2021<br>£'000 |
|----------------------------------|--------------------------------|------------------------|------------------------------------|----------------------------------|
| <b>Cash and cash equivalents</b> |                                |                        |                                    |                                  |
| Cash at bank                     | 1,215                          | 3,083                  | -                                  | 4,298                            |
| <b>Borrowings</b>                |                                |                        |                                    |                                  |
| Debt due within one year         | (270)                          | (1,730)                | (285)                              | (2,285)                          |
| Debt due after one year          | (9,237)                        | -                      | 285                                | (8,952)                          |
|                                  | <u>(9,507)</u>                 | <u>(1,730)</u>         | <u>-</u>                           | <u>(11,237)</u>                  |
| <b>Net debt</b>                  | <u>(8,292)</u>                 | <u>1,353</u>           | <u>-</u>                           | <u>(6,939)</u>                   |

**EASTBOURNE COLLEGE (INCORPORATED)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**1. CHARITY INFORMATION**

Eastbourne College (Incorporated) is a charitable company limited by guarantee incorporated in England (charity number 307071, company number 115408) and is a public benefit entity operating from its registered office, Marlborough House, Old Wish Road, Eastbourne BN21 4JY.

**2. ACCOUNTING POLICIES**

The financial statements have been prepared on the historical cost basis of accounting, as modified by the revaluation of investments and in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Companies Act 2006 and the Statement of Recommended Practice applicable to charities and the accounting policies set out below.

The financial statements consolidate, on a line-by-line basis, the Endowment Funds and Restricted and Unrestricted Funds of Eastbourne College (Incorporated) together with the financial statements of its wholly owned subsidiary Eastbourne College Enterprises Limited, Company No. 3061136, prepared for the same financial period. No separate SoFA has been presented for the Charity alone, as permitted by Section 408 of the Companies Act 2006. The Charity has taken advantage of the exemption available to a qualifying entity in FRS 102 from the requirement to present a Charity only Cash Flow Statement with the consolidated financial statements.

Having reviewed the funding facilities available to the Charity, together with the revised budget for 2021/22, the forecast for 2022/23 and the Charity's future projected cash flows, the Governors have a reasonable expectation that the Charity has adequate resources to continue its activities for the foreseeable future. As discussed on page 36 of the Annual Report, the Governors have given due consideration, through scenario planning, to the potential longer-term impact and risks presented by the pandemic, as well as the impact of increases in National Insurance contributions and the National Living Wage, which take effect from April 2022. The Governors are comfortable that the Charity has sufficient resources to fund its ongoing operations and to service the long-term debt. Accordingly, the Board are satisfied that there are no material uncertainties surrounding the Charity's ability to continue as a going concern and the accounts have been prepared on that basis.

**Critical accounting judgements and key sources of estimation uncertainty**

In the application of the accounting policies, Governors are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects current and future periods.

In the view of the Governors, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

**EASTBOURNE COLLEGE (INCORPORATED)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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

**2.1 Fees and similar earned income**

Fees receivable and charges for services and use of the premises, less any allowances, scholarships, bursaries granted by the Charity against those fees, but including contributions received from Restricted Funds, are accounted for in the period in which the services are provided.

Amounts received under the Charity's Fees In Advance Scheme not yet utilised to settle school fees are recorded as deferred income and allocated as current liabilities where the education will be provided within 12 months from the reporting date and as long-term liabilities where the education will be provided in subsequent years.

**2.2 Investment income**

Dividend income is accounted for at the date on which the College has entitlement to the dividends. Interest on bank balances and fixed interest securities is accounted for in the period in which the interest is earned.

**2.3 Donations, legacies, grants and other voluntary incoming resources**

Voluntary income is accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the Charity is considered probable.

Voluntary income for the Charity's general purposes is accounted for as unrestricted and is credited to the General Reserve. Where through terms of an appeal or from the donor there is a trust law restriction on the use of any voluntary income, the income is credited to the relevant Restricted Funds or Endowment. Gifts in kind are valued at estimated open market value at the date of gift, in the case of assets for retention or consumption, or at the value to the Charity in the case of donated services or facilities.

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants relating to revenue are recognised in income over the period in which the related costs are recognised.

**2.4 Expenditure**

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer term liabilities. Expenditure attributable to more than one cost category in the SoFA is apportioned to them on the basis of the estimated amount attributable to each activity in the year, either by reference to staff time or the use made of the underlying assets, as appropriate. Irrecoverable VAT is included with the item of expenditure to which it relates.

Grants awarded are expensed as soon as they become a legal or constructive liability. Governance costs comprise the costs of complying with constitutional and statutory requirements.

Intra-group sales and charges between the Charity and its subsidiaries are excluded from trading income and expenditure.

**EASTBOURNE COLLEGE (INCORPORATED)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**2.5 Tangible fixed assets**

Expenditure on the acquisition, construction or enhancement of land and buildings, vehicles, furniture, machinery, ICT infrastructure and other equipment costing more than £2k is capitalised and carried in the balance sheet at historical cost. In certain circumstances, where the original costs of assets are not ascertainable, a reasonable estimate of the cost, if material, has been used. Other expenditure on equipment incurred in the normal day-to-day running of the Charity and its subsidiaries is charged to the Statement of Financial Activities as incurred.

**2.6 Depreciation**

Depreciation is provided to write off the cost of all relevant tangible fixed assets less estimated residual value based on current market prices, in equal annual instalments over their expected useful economic lives, as follows:

|   |          |
|---|----------|
| Newly constructed buildings                 | 60 years |
| Other buildings, including major extensions | 50 years |
| Furniture and equipment                     | 10 years |
| IT equipment                                | 3 years  |
| Motor vehicles                              | 5 years  |

**2.7 Investments**

Unlisted and alternative investments are stated at their fair values at the balance sheet date. For all listed and other investments where there is an active market the investments are listed at their quoted market prices.

Unrealised gains and losses arising on the revaluation of investments are credited or charged to the Statement of Financial Activities and are allocated to the appropriate fund according to the 'ownership' of the underlying assets.

Investments in subsidiaries are valued at cost less provision for impairment.

**2.8 Loans**

The Charity's bank loans are non-derivative financial liabilities and are recognised originally at transaction cost.

Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest rate method.

**2.9 Stock**

Stock represents goods for resale and is valued at the lower of cost and net realisable value.

**2.10 Fund accounting**

The charitable trust funds of the Charity and its subsidiaries are accounted for as unrestricted or restricted income, or as endowment capital, in accordance with the terms of trust imposed by the donors or any appeal to which they may have responded.

**EASTBOURNE COLLEGE (INCORPORATED)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**Unrestricted** income belongs to the Charity's corporate reserves, spendable at the discretion of the Governors either to further the Charity's objects or to benefit the Charity itself. Where the Governors decide to set aside any part of these funds to be used in future for some specific purpose, this is accounted for by transfer to the appropriate designated fund.

**Restricted** income comprises gifts, legacies and grants where there is no capital retention obligation or power but only a trust law restriction to some specific purpose intended by the donor.

**Expendable endowment** arises where a donor attaches specific conditions to the gift meaning that it cannot be spent except in those circumstances specified in the terms of the endowment document.

**Permanent endowment** arises where a donor intends the gift to be retained permanently for use by the Charity (e.g. freehold land) or for its financial benefit (i.e. by investment). If the donor or the terms of an appeal has restricted the purpose for which the gift or any income from it is to be used, such income will accrue to the appropriate Restricted Fund.

**2.11 Pension costs**

Retirement benefits to employees of the Charity are provided through a defined contribution pension scheme, The Eastbourne College Worksave Pension, managed by Legal & General. Employers' pensions costs are charged in the period in which the salaries to which they relate are payable.

**2.12 Financial instruments**

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised value with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with all debtors other than prepayments. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and fees received in advance. Assets and liabilities held in foreign currency are translated to GBP at the balance sheet date at an appropriate year-end exchange rate.

**2.13 Foreign currencies**

The financial statements are presented in Sterling, which is also the functional currency of the Charity. Transactions in currencies other than Sterling are recorded at the rate of exchange at the date the transaction occurred. Monetary assets and liabilities denominated in other currencies are translated at the exchange rate prevailing at the end of the reporting period. All differences are taken to the Statement of Financial Activities.

**EASTBOURNE COLLEGE (INCORPORATED)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**3. CHARITABLE ACTIVITIES - FEES RECEIVABLE**

|  | <b>2021</b>    | <i>2020</i>    |
|--|----------------|----------------|
|  | <b>£'000</b>   | <i>£'000</i>   |
| <b>Fees receivable consist of</b>                                |                |                |
| School fees  | <b>23,063</b>  | <i>22,365</i>  |
| Less total scholarships, bursaries and other fee remission       | <b>(5,236)</b> | <i>(5,020)</i> |
|  | <b>17,827</b>  | <i>17,345</i>  |
| Add back bursaries and other awards paid for by Restricted Funds | <b>131</b>     | <i>161</i>     |
|  | <b>17,958</b>  | <i>17,506</i>  |

Scholarships, bursaries and other awards were paid to 452 pupils (2020: 416). Within this, means-tested bursaries totalling £2,308k were paid to 234 pupils (2020: £1,819k to 206 pupils).

**4. CHARITABLE ACTIVITIES - OTHER INCOME**

|                                | <b>2021</b>  | <i>2020</i>  |
|--------------------------------|--------------|--------------|
|                                | <b>£'000</b> | <i>£'000</i> |
| Extra tuition                  | <b>416</b>   | <i>446</i>   |
| Entrance and registration fees | <b>341</b>   | <i>242</i>   |
| Trip income                    | <b>19</b>    | <i>22</i>    |
| Commissions and other income   | <b>57</b>    | <i>22</i>    |
|                                | <b>833</b>   | <i>732</i>   |

**5. OTHER TRADING ACTIVITIES**

|                                    | <b>2021</b>  | <i>2020</i>  |
|------------------------------------|--------------|--------------|
|                                    | <b>£'000</b> | <i>£'000</i> |
| <b>Trading income</b>              |              |              |
| Bussing operations                 | <b>179</b>   | <i>156</i>   |
| School shop                        | <b>69</b>    | <i>267</i>   |
| Lettings                           | <b>193</b>   | <i>109</i>   |
| Others                             | <b>94</b>    | <i>15</i>    |
|                                    | <b>535</b>   | <i>547</i>   |
| <b>Other activities</b>            |              |              |
| Settlement of commercial dispute   | <b>350</b>   | <i>-</i>     |
| Interest on overdue fees           | <b>2</b>     | <i>7</i>     |
| Profit on disposal of fixed assets | <b>27</b>    | <i>-</i>     |
|                                    | <b>379</b>   | <i>7</i>     |

**EASTBOURNE COLLEGE (INCORPORATED)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**6. INVESTMENT INCOME**

|                                     | Unrestricted | Restricted | Endowed   | <b>Total</b>      | <i>Total</i>      |
|-------------------------------------|--------------|------------|-----------|-------------------|-------------------|
|                                     | £'000        | £'000      | £'000     | <b>2021</b>       | <i>2020</i>       |
|                                     |              |            |           | <b>£'000</b>      | <i>£'000</i>      |
| <b>Securities investment income</b> |              |            |           |                   |                   |
| Equities                            | 160          | 44         | 44        | <b>248</b>        | <i>164</i>        |
| Fixed interest                      | 5            | 1          | -         | <b>6</b>          | <i>7</i>          |
|                                     | <u>165</u>   | <u>45</u>  | <u>44</u> | <b><u>254</u></b> | <i><u>171</u></i> |

**7. BANK AND OTHER INTEREST**

|               | Unrestricted | Restricted | <b>Total</b> | <i>Total</i>    |
|---------------|--------------|------------|--------------|-----------------|
|               | £'000        | £'000      | <b>2021</b>  | <i>2020</i>     |
|               |              |            | <b>£'000</b> | <i>£'000</i>    |
| Bank interest | -            | -          | -            | <i>6</i>        |
|               | <u>-</u>     | <u>-</u>   | <u>-</u>     | <i><u>6</u></i> |

**8. LEGACIES, DONATIONS AND GRANTS RECEIVABLE**

|  | Unrestricted | Restricted | Endowed    | <b>Total</b>        | <i>Total</i>        |
|--|--------------|------------|------------|---------------------|---------------------|
|  | £'000        | £'000      | £'000      | <b>2021</b>         | <i>2020</i>         |
|  |              |            |            | <b>£'000</b>        | <i>£'000</i>        |
| Designated Development Fund            | -            | -          | -          | -                   | <i>19</i>           |
| Devonshire Society Bursary Fund        | 5            | -          | -          | <b>5</b>            | <i>35</i>           |
| Le Brocq Fund                          | -            | 6          | -          | <b>6</b>            | <i>6</i>            |
| Arnold Embellishers                    | -            | 3          | -          | <b>3</b>            | <i>9</i>            |
| College Duke of Edinburgh Fund         | -            | 25         | -          | <b>25</b>           | <i>-</i>            |
| Foundation Office Bursary Fund         | -            | 107        | -          | <b>107</b>          | <i>69</i>           |
| Foundation Office Development Fund     | -            | 45         | -          | <b>45</b>           | <i>28</i>           |
| Richard Holliday Fund                  | -            | -          | 450        | <b>450</b>          | <i>-</i>            |
| John Klyberg Bursary Fund              | -            | -          | 346        | <b>346</b>          | <i>1,168</i>        |
| General Donations                      | 11           | -          | -          | <b>11</b>           | <i>60</i>           |
| Coronavirus Job Retention Scheme Grant | 328          | -          | -          | <b>328</b>          | <i>920</i>          |
|  | <u>344</u>   | <u>186</u> | <u>796</u> | <b><u>1,326</u></b> | <i><u>2,314</u></i> |

During the year to 31 August 2021 the Charity received £328k from the government as part of its Coronavirus Job Retention Scheme. There are no unfulfilled conditions attached to this Grant which has been recognised as income.



**EASTBOURNE COLLEGE (INCORPORATED)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**9. ANALYSIS OF EXPENDITURE**

**(a) Total expenditure**

|  | Staff costs<br>(note 11)<br>£'000 | Depreciation<br>(note 12)<br>£'000 | Other<br>£'000 | <b>Total<br/>2021<br/>£'000</b> | <i>Total<br/>2020<br/>£'000</i> |
|--|-----------------------------------|------------------------------------|----------------|---------------------------------|---------------------------------|
| <b>Expenditure on raising funds</b>                          |                                   |                                    |                |                                 |                                 |
| Trading costs  | 268                               | 48                                 | 176            | <b>492</b>                      | 792                             |
| Financing costs (note 10)                                    | -                                 | -                                  | 499            | <b>499</b>                      | 495                             |
| Investment management  | -                                 | -                                  | 44             | <b>44</b>                       | 31                              |
| Development costs  | 132                               | -                                  | 48             | <b>180</b>                      | 206                             |
| <b>Total expenditure on raising funds</b>                    | <b>400</b>                        | <b>48</b>                          | <b>767</b>     | <b>1,215</b>                    | <b>1,524</b>                    |
| <b>Charitable expenditure<br/>education and grant-making</b> |                                   |                                    |                |                                 |                                 |
| Teaching   | 8,562                             | -                                  | 738            | <b>9,300</b>                    | 9,785                           |
| Welfare  | 1,195                             | -                                  | 2,819          | <b>4,014</b>                    | 3,595                           |
| Premises repair and maintenance                              | 484                               | 1,433                              | 929            | <b>2,846</b>                    | 2,822                           |
| Support costs and governance                                 | 2,021                             | 157                                | 1,624          | <b>3,802</b>                    | 3,851                           |
| Grants, awards and prizes (b)                                | -                                 | -                                  | 166            | <b>166</b>                      | 188                             |
| <b>Total charitable expenditure</b>                          | <b>12,262</b>                     | <b>1,590</b>                       | <b>6,276</b>   | <b>20,128</b>                   | <b>20,241</b>                   |
| <b>Total expended</b>  | <b>12,662</b>                     | <b>1,638</b>                       | <b>7,043</b>   | <b>21,343</b>                   | <b>21,765</b>                   |

**(b) Grants, awards and prizes**

|                                       | <b>2021<br/>£'000</b> | <i>2020<br/>£'000</i> |
|---------------------------------------|-----------------------|-----------------------|
| <b>From Restricted Funds</b>          |                       |                       |
| Bursaries and other grants and awards | <b>153</b>            | 175                   |
| Prizes and leaving awards             | <b>9</b>              | 9                     |
| <b>From Unrestricted Funds</b>        |                       |                       |
| Prizes and leaving awards             | <b>4</b>              | 4                     |
|                                       | <b>166</b>            | 188                   |

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**9. ANALYSIS OF EXPENDITURE (CONTINUED)**

**(c) Charity Governance included in support costs**

|  | <b>2021</b>      | <i>2020</i>      |
|--|------------------|------------------|
|  | <b>£'000</b>     | <i>£'000</i>     |
| Remuneration paid to auditor for audit services                | <b>23</b>        | <i>22</i>        |
| Reimbursement of personal expenses to Governors - travel costs | <b>-</b>         | <i>1</i>         |
| Other governance costs   | <b>1</b>         | <i>-</i>         |
|  | <b><u>24</u></b> | <i><u>23</u></i> |

Travel expenses were reclaimed by 2 members (2020: 3) of the Board of Governors. In addition to the above audit remuneration, the auditor received fees for the audit of the trading subsidiary totalling £4k (2020: £4k) and fees for tax services amounting to £2k (2020: £2k).

**10. FINANCE AND OTHER COSTS**

|                                  | <b>2021</b>       | <i>2020</i>       |
|----------------------------------|-------------------|-------------------|
|                                  | <b>£'000</b>      | <i>£'000</i>      |
| Bank loan and overdraft interest | <b>381</b>        | <i>398</i>        |
| Bank arrangement fees            | <b>18</b>         | <i>15</i>         |
| Fees in Advance debt-financing   | <b>100</b>        | <i>82</i>         |
|                                  | <b><u>499</u></b> | <i><u>495</u></i> |

**11a. STAFF COSTS**

|   | <b>2021</b>           | <i>2020</i>           |
|---|-----------------------|-----------------------|
|   | <b>£'000</b>          | <i>£'000</i>          |
| The aggregate payroll costs for the year were as follows    |                       |                       |
| Wages and salaries  | <b>10,392</b>         | <i>10,578</i>         |
| Social security costs                                       | <b>948</b>            | <i>983</i>            |
| Other pension costs   | <b>1,322</b>          | <i>1,491</i>          |
|   | <b><u>12,662</u></b>  | <i><u>13,052</u></i>  |
| <br>Aggregate employee benefits of key management personnel | <br><b><u>348</u></b> | <br><i><u>359</u></i> |

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**11a. STAFF COSTS (CONTINUED)**

|  | 2021     | 2020     |
|--|----------|----------|
| Number of higher paid employees (excluding termination payments) in bands of |          |          |
| £60,001 to £70,000   | 7        | 8        |
| £70,001 to £80,000   | 4        | 2        |
| £80,001 to £90,000   | 2        | 2        |
| £110,001 to £120,000   | 1        | 1        |
|  | <u>1</u> | <u>1</u> |

The number with retirement benefits accruing

|  |          |          |
|--|----------|----------|
| - in defined contribution schemes was  | 14       | 4        |
| of which the contributions amounted to | £107,304 | £20,900  |
| - in defined benefit schemes was       | <u>-</u> | <u>8</u> |

The average number of the Charity's employees during the year was 438 (2020: 441).

|                  | 2021       | 2020       |
|------------------|------------|------------|
| Teaching         | 253        | 257        |
| Welfare          | 76         | 72         |
| Premises         | 24         | 26         |
| Support          | 57         | 56         |
| Other activities | 28         | 30         |
|                  | <u>438</u> | <u>441</u> |

Employee numbers are based on the average number of staff employed over the year and not full-time equivalents. Included within teaching are nursery staff, teaching assistants, teaching technicians and visiting music teachers.

Redundancy or termination payments amounting to £25k (2020: £18k) were paid to three people during the year (2020: two).

**11b. RELATED PARTY TRANSACTIONS**

The Chairman of the Board of Governors is a Director of Legal & General Group plc. The Charity's workplace pension scheme is managed by Legal & General. The Charity does not pay Legal & General directly for the management of this scheme and the scheme is provided on the company's standard commercial terms.

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**11b. RELATED PARTY TRANSACTIONS (CONTINUED)**

None of the Governors received any remuneration or other benefits from the Charity or from any connected body, apart from a payment of £475 to Humphrey & Co, where Mr AM Robinson is a partner, for reviewing the annual Teachers' Pension Scheme (TPS) return.

Four Governors had children attending either school on the same commercial terms as other parents.

|  | <b>2021</b>      | <i>2020</i>     |
|--|------------------|-----------------|
|  | <i>£'000</i>     | <i>£'000</i>    |
| Donations made to the Charity by Governors | <b><u>63</u></b> | <b><u>8</u></b> |

Three members of key management personnel had children attending the School on the same terms as other members of teaching staff.

**12. TANGIBLE FIXED ASSETS**

| <b>Group</b>             | <b>Freehold<br/>Land</b> | <b>Buildings</b>     | <b>Furniture<br/>and<br/>Equipment</b> | <b>IT<br/>Equipment</b> | <b>Motor<br/>Vehicles</b> | <b>Total</b>         |
|--------------------------|--------------------------|----------------------|--|-------------------------|---------------------------|----------------------|
|                          | <i>£'000</i>             | <i>£'000</i>         | <i>£'000</i>                           | <i>£'000</i>            | <i>£'000</i>              | <i>£'000</i>         |
| <b>Cost</b>              |                          |                      |  |                         |                           |                      |
| At 1 September 2020      | 1,556                    | 68,162               | 2,825                                  | 1,193                   | 609                       | <b>74,345</b>        |
| Additions                | -                        | 144                  | 117                                    | 347                     | 81                        | <b>689</b>           |
| Disposals                | -                        | -                    | (25)                                   | -                       | (78)                      | <b>(103)</b>         |
| <b>At 31 August 2021</b> | <b><u>1,556</u></b>      | <b><u>68,306</u></b> | <b><u>2,917</u></b>                    | <b><u>1,540</u></b>     | <b><u>612</u></b>         | <b><u>74,931</u></b> |
| <b>Depreciation</b>      |                          |                      |  |                         |                           |                      |
| At 1 September 2020      | -                        | 12,502               | 1,600                                  | 1,134                   | 487                       | <b>15,723</b>        |
| Charge for the year      | -                        | 1,214                | 208                                    | 158                     | 58                        | <b>1,638</b>         |
| Disposals                | -                        | -                    | (11)                                   | -                       | (73)                      | <b>(84)</b>          |
| <b>At 31 August 2021</b> | <b><u>-</u></b>          | <b><u>13,716</u></b> | <b><u>1,797</u></b>                    | <b><u>1,292</u></b>     | <b><u>472</u></b>         | <b><u>17,277</u></b> |
| <b>Net book value</b>    |                          |                      |  |                         |                           |                      |
| <b>At 31 August 2021</b> | <b><u>1,556</u></b>      | <b><u>54,590</u></b> | <b><u>1,120</u></b>                    | <b><u>248</u></b>       | <b><u>140</u></b>         | <b><u>57,654</u></b> |
| <i>At 31 August 2020</i> | <i><u>1,556</u></i>      | <i><u>55,660</u></i> | <i><u>1,225</u></i>                    | <i><u>59</u></i>        | <i><u>122</u></i>         | <i><u>58,622</u></i> |

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**12. TANGIBLE FIXED ASSETS (CONTINUED)**

| <b>Charity</b>           | <b>Freehold<br/>Land</b> | <b>Buildings</b> | <b>Furniture<br/>and<br/>Equipment</b> | <b>IT<br/>Equipment</b> | <b>Motor<br/>Vehicles</b> | <b>Total</b>  |
|--------------------------|--------------------------|------------------|--|-------------------------|---------------------------|---------------|
|                          | <b>£'000</b>             | <b>£'000</b>     | <b>£'000</b>                           | <b>£'000</b>            | <b>£'000</b>              | <b>£'000</b>  |
| <b>Cost</b>              |                          |                  |  |                         |                           |               |
| At 1 September 2020      | 1,556                    | 65,206           | 2,463                                  | 1,193                   | 176                       | <b>70,594</b> |
| Additions                | -                        | 144              | 76                                     | 346                     | 30                        | <b>596</b>    |
| Disposals                | -                        | -                | -                                      | -                       | (23)                      | <b>(23)</b>   |
| <b>At 31 August 2021</b> | <b>1,556</b>             | <b>65,350</b>    | <b>2,539</b>                           | <b>1,539</b>            | <b>183</b>                | <b>71,167</b> |
| <b>Depreciation</b>      |                          |                  |  |                         |                           |               |
| At 1 September 2020      | -                        | 10,872           | 1,258                                  | 1,134                   | 152                       | <b>13,416</b> |
| Charge for the year      | -                        | 1,172            | 207                                    | 157                     | 11                        | <b>1,547</b>  |
| Disposals                | -                        | -                | -                                      | -                       | (18)                      | <b>(18)</b>   |
| <b>At 31 August 2021</b> | <b>-</b>                 | <b>12,044</b>    | <b>1,465</b>                           | <b>1,291</b>            | <b>145</b>                | <b>14,945</b> |
| <b>Net book value</b>    |                          |                  |  |                         |                           |               |
| <b>At 31 August 2021</b> | <b>1,556</b>             | <b>53,306</b>    | <b>1,074</b>                           | <b>248</b>              | <b>38</b>                 | <b>56,222</b> |
| <i>At 31 August 2020</i> | <i>1,556</i>             | <i>54,334</i>    | <i>1,205</i>                           | <i>59</i>               | <i>24</i>                 | <i>57,178</i> |

The Charity has substantial long-held historic assets used in the course of the Charity's educational activities. These include listed buildings on the Eastbourne College campus, together with their contents. Because of their age and, in many cases, unique nature, reliable historical cost information is not available for these assets and could not be obtained except at disproportionate expense. However, in the opinion of the Governors, the depreciated historical cost of these assets would now be immaterial.

**13. CAPITAL COMMITMENTS**

As at 31 August 2021 there were no capital commitments (2020: none).

## 14. INVESTMENTS

The Charity's investments are held in a spread of direct equities and fixed interest bonds. In addition, there are a number of collective instruments held in funds and investment trusts that provide further diversification. The securities investments are managed for the Charity by Charles Stanley & Co Limited. Of the total amounts invested at 31 August 2021, £4,240k was held in overseas securities (2020: £3,097k).

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**15. DEBTORS**

|                                      | <b>Group</b> |              | <b>Charity</b> |              |
|--------------------------------------|--------------|--------------|----------------|--------------|
|                                      | <b>2021</b>  | <b>2020</b>  | <b>2021</b>    | <b>2020</b>  |
|                                      | <b>£'000</b> | <b>£'000</b> | <b>£'000</b>   | <b>£'000</b> |
| Fees and extras                      | 220          | 152          | 220            | 152          |
| Trade                                | 44           | 134          | 18             | 15           |
| Other debtors                        | 91           | 1,352        | 91             | 1,352        |
| Other prepayments and accrued income | 121          | 79           | 121            | 79           |
|                                      | <b>476</b>   | <b>1,717</b> | <b>450</b>     | <b>1,598</b> |

All debtors are due within one year.

**16. CREDITORS: amounts falling due within one year**

|   | <b>Group</b>  |              | <b>Charity</b> |              |
|---|---------------|--------------|----------------|--------------|
|   | <b>2021</b>   | <b>2020</b>  | <b>2021</b>    | <b>2020</b>  |
|   | <b>£'000</b>  | <b>£'000</b> | <b>£'000</b>   | <b>£'000</b> |
| Deposits from parents                         | 2,491         | 2,517        | 2,491          | 2,517        |
| Fees received from parents in advance of term | 3,726         | 3,409        | 3,726          | 3,409        |
| Trade creditors                               | 206           | 270          | 180            | 254          |
| Taxation and social security                  | 240           | 262          | 240            | 247          |
| Bank loans                                    | 2,285         | 270          | 2,285          | 270          |
| Other creditors                               | 234           | 219          | 233            | 219          |
| Fees in Advance scheme                        | 1,898         | 1,556        | 1,898          | 1,556        |
| Amount due to subsidiary company              | -             | -            | 749            | 687          |
| Accruals and deferred income                  | 310           | 231          | 301            | 227          |
|   | <b>11,390</b> | <b>8,734</b> | <b>12,103</b>  | <b>9,386</b> |

**17. CREDITORS: amounts falling due after more than one year**

|                        | <b>Group</b>  |               | <b>Charity</b> |               |
|------------------------|---------------|---------------|----------------|---------------|
|                        | <b>2021</b>   | <b>2020</b>   | <b>2021</b>    | <b>2020</b>   |
|                        | <b>£'000</b>  | <b>£'000</b>  | <b>£'000</b>   | <b>£'000</b>  |
| Fees in Advance scheme | 1,898         | 1,848         | 1,898          | 1,848         |
| Bank loan              | 8,952         | 9,237         | 8,952          | 9,237         |
|                        | <b>10,850</b> | <b>11,085</b> | <b>10,850</b>  | <b>11,085</b> |

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**18. FEES IN ADVANCE SCHEME**

Parents may enter into a contract to pay the Charity in advance for fixed contributions towards the tuition fees for up to 5 years at Eastbourne College and up to 8 years at St Andrew's Prep. The money may be returned subject to specific conditions on the receipt of notice. Assuming pupils will remain in the College or School, fees in advance will be applied as follows

|  | <b>2021</b>  | <i>2020</i>  |
|--|--------------|--------------|
|  | <b>£'000</b> | <i>£'000</i> |
| After five years                                   | -            | -            |
| Within two to five years                           | <b>888</b>   | 953          |
| Within one to two years                            | <b>1,010</b> | 895          |
|  | <b>1,898</b> | 1,848        |
| Within one year                                    | <b>1,898</b> | 1,556        |
|  | <b>3,796</b> | 3,404        |
| <b>Summary of movements in liability</b>           |              | £'000        |
| Balance at 1 September 2020                        |              | 3,404        |
| New contracts                                      |              | 2,260        |
| Repayments   |              | -            |
| Amounts used to pay fees                           |              | (1,968)      |
| Amounts accrued to contract as debt financing cost |              | 100          |
| <b>Balance at 31 August 2021</b>                   |              | <b>3,796</b> |

**19. BANK LOAN**

The bank loan is repayable as follows:

|                          | <b>2021</b>   | <i>2020</i>  |
|--------------------------|---------------|--------------|
|                          | <b>£'000</b>  | <i>£'000</i> |
| Within one year          | <b>2,285</b>  | 270          |
| Within two to five years | <b>1,258</b>  | 1,209        |
| After five years         | <b>7,694</b>  | 8,028        |
|                          | <b>11,237</b> | 9,507        |

The Charity borrowed a total of £10m from Lloyds Bank Plc on 29 September 2017 secured by a debenture over the Charity's assets. The first loan of £5m has a fixed rate of 4% for a period of 10 years. The second loan of £5m has a fixed rate of 4.6% for a period of 15 years. Additionally the Charity borrowed a further £2m on the 31 October 2020 as part of the Government's CBILS loan scheme. This loan was settled in full on 26 October 2021.



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**20. FUNDS OF THE CHARITY**

The Charity's funds are analysed under the following headings

**a) ENDOWED FUNDS**

**PERMANENT ENDOWMENTS**

**The Eastbourne College Endowment Fund**

The Eastbourne College Endowment Fund includes the original Endowment Fund provided by the members and friends of the Old Eastbournian Association in December 1939.

**The Rule Bequest**

The Rule Bequest was established in 1983 with a legacy from Reginald Yorke Rule OE.

Income from each of the Endowed Funds above is credited to Unrestricted Funds and has been designated by the Governors for development.

**EXPENDABLE ENDOWMENTS**

**The Ascham and Granville Fund (formerly the Permanent Endowment Fund)**

The Fund was established as a permanent endowment in 1978 by resolution of the Governors using the sale proceeds of the Ascham and Granville sites. The Charity's Memorandum and Articles of Association in force at the time contained no express power for the company directors to create permanent endowment trusts from the Charity's General Fund and therefore the restrictions created in 1978 are revocable. The Fund has been renamed in the current year to clarify that the Fund is not permanently endowed however the governors intend to continue to apply the income from the Fund towards development as has been the case to date. The Fund will be accounted for as an expendable endowment going forwards.

**Denso Scholarship Fund**

The Denso Scholarship Fund is an expendable endowment established in 2019 with a donation from David Winn OE. The income from the fund is used to fund scholarships for pupils studying STEM subjects who would otherwise not have the opportunity to attend the College.

**The John Klyberg Bursary Fund**

The John Klyberg Bursary Fund is an expendable endowment established in 2020 with a legacy from John Klyberg OE. The Fund is to be used to support means-tested bursaries in keeping with the donor's wishes to enable those, including but not limited to, children of Old Eastbournians who could not otherwise afford the full fees to attend the College.

**The Richard Holliday Fund**

The Richard Holliday Fund is an expendable endowment established in 2021 with a donation from the Richard Holliday Foundation in memory of Richard Durden Holliday OE, and his wife Gillian. The Fund is to be used to support means-tested bursaries in keeping with the donor's wishes to support pupils who would not otherwise be able to afford the full fees to attend the sixth form at the College.

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The awardees are known as Richard Holliday Scholars and the donor's wish is that the Fund should have a life of 25 years.

**b) RESTRICTED FUNDS**

**Prizes Fund**

The income from the assets of the fund assists with the payment of prizes and leaving awards.

**Le Brocq Fund**

The Le Brocq Fund was established by Philip and Sally Le Brocq in memory of their son, John, who died while a pupil at the College. The income from the fund is used to grant an annual award to a leaver who has made an outstanding contribution to the life of the College.

**Scoresby Fund**

The Scoresby Fund was established with a legacy from Thomas Scoresby-Jackson OE. The income from the fund assists with the payment of means-tested bursaries for pupils studying maths and sciences.

**Birley Fund**

The Birley Fund was set up to support musical causes in need of financial assistance.

**Old Eastbournian Charity Fund**

The income from the fund assists with the payment of means-tested bursaries. This Fund has been combined with the Devonshire Society Bursary Fund given the shared purpose for both Funds.

**Arnold Embellishers**

The Arnold Embellishers Fund is administered by an association of Old Eastbournians and friends of Eastbourne College. The purpose of the Fund is to finance improvements (embellishments) to the College in accordance with the wishes of its members.

**Trevor Pescud Fund**

The Trevor Pescud Fund was established in 2016 with a legacy from Trevor Pescud OE. The income from the fund is to be used to assist financing a place at the College for a talented female tennis player. Only the income can be expended for the first 21 years, after which the capital can then also be spent.

**Sevorg Scholarship Fund**

The Sevorg Scholarship Fund was established in 2018 with a legacy from James Groves OE. The income from the fund is to be used to fund one third of the fees for a pupil from the local area.

**Ted James School of Cricket**

This Fund was established in 2018 to fund cricket equipment at the College. The Funds were fully allocated by 31 August 2020.

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**College Duke of Edinburgh Fund**

The College Duke of Edinburgh Fund was established in 2021 with a legacy from Betty 'Skip' Charles. The fund is to be used in support of the College's Duke of Edinburgh Awards programme, including enabling pupils to participate who would otherwise not be able to.

**Foundation Office Bursary Fund**

The Foundation Office Bursary Fund is used to assist in financing specific bursaries.

**Foundation Office Development Fund**

The Development Fund exists to assist in the financing of future capital projects.

**c) UNRESTRICTED FUNDS**

**General Funds**

Unrestricted General Funds represent accumulated income from the Charity's activities and other sources that are available for the general purposes of the Charity.

**Designated Development Fund**

The Designated Development Fund is designated by the Governors for the purpose of assisting in the funding of the Charity's development plan.

**The Devonshire Society Bursary Fund**

The Devonshire Society was established by the Foundation and Development Office in 2002 and is Eastbourne College's legacy club. Unrestricted bequests and legacies left to the Charity by members of the Devonshire Society form part of this Fund, the income from which is used to support means tested bursaries to enable children who could not otherwise afford full fees to attend the College.

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**21. SUMMARY OF MOVEMENTS ON MAJOR FUNDS**

|                                    | At 1<br>Sept.<br>2020<br>£'000 | Incoming<br>resources<br>£'000 | Resources<br>expended<br>£'000 | Transfers<br>£'000 | Gains/<br>(Losses)<br>£'000 | At 31<br>August<br>2021<br>£'000 |
|------------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------|-----------------------------|----------------------------------|
| <b>Unrestricted Funds</b>          |                                |                                |                                |                    |                             |                                  |
| General Reserve                    | 39,937                         | 20,045                         | (21,136)                       | 176                | -                           | <b>39,022</b>                    |
| Designated Development Fund        | 19                             | 162                            |                                | (162)              | -                           | <b>19</b>                        |
| Devonshire Society Bursary Fund    | 204                            | 7                              | -                              | 74                 | 13                          | <b>298</b>                       |
|                                    | <u>40,160</u>                  | <u>20,214</u>                  | <u>(21,136)</u>                | <u>88</u>          | <u>13</u>                   | <u><b>39,339</b></u>             |
| <b>Restricted Funds</b>            |                                |                                |                                |                    |                             |                                  |
| Prizes Fund                        | 124                            | 3                              | (5)                            |                    | 26                          | <b>148</b>                       |
| Le Brocq Fund                      | 94                             | 8                              | (6)                            | -                  | 9                           | <b>105</b>                       |
| Scoresby Fund                      | 216                            | 9                              | (1)                            | (9)                | 30                          | <b>245</b>                       |
| Birley Fund                        | 7                              | -                              | -                              | -                  | -                           | <b>7</b>                         |
| Old Eastbournian Charity Fund      | 74                             | -                              | -                              | (74)               | -                           | <b>-</b>                         |
| Arnold Embellishers                | 98                             | 4                              | (1)                            | (14)               | 8                           | <b>95</b>                        |
| Trevor Pescud Fund                 | 465                            | 17                             | (2)                            | -                  | 72                          | <b>552</b>                       |
| Sevorg Scholarship Fund            | 395                            | 12                             | (2)                            | -                  | 72                          | <b>477</b>                       |
| College Duke of Edinburgh Fund     | -                              | 25                             | -                              | -                  | -                           | <b>25</b>                        |
| Foundation Office Bursary Fund     | 348                            | 107                            | (153)                          | 9                  | -                           | <b>311</b>                       |
| Foundation Office Development Fund | 28                             | 46                             | -                              | -                  | -                           | <b>74</b>                        |
|                                    | <u>1,849</u>                   | <u>231</u>                     | <u>(170)</u>                   | <u>(88)</u>        | <u>217</u>                  | <u><b>2,039</b></u>              |
| <b>Endowed</b>                     |                                |                                |                                |                    |                             |                                  |
| <b>Permanent Endowments</b>        |                                |                                |                                |                    |                             |                                  |
| Eastbourne College Endowment Fund  | 775                            | -                              | (4)                            | -                  | 128                         | <b>899</b>                       |
| Permanent Endowment Fund           | 2,626                          | -                              | (12)                           | (2,614)            | -                           | <b>-</b>                         |
| Rule Bequest                       | 1,227                          | -                              | (6)                            | -                  | 206                         | <b>1,427</b>                     |
|                                    | <u>4,628</u>                   | <u>-</u>                       | <u>(22)</u>                    | <u>(2,614)</u>     | <u>334</u>                  | <u><b>2,326</b></u>              |
| <b>Expendable Endowments</b>       |                                |                                |                                |                    |                             |                                  |
| The Ascham and Granville Fund      | -                              | -                              | -                              | 2,614              | 404                         | <b>3,018</b>                     |
| Denso Scholarship Fund             | 1,001                          | 22                             | (5)                            | -                  | 169                         | <b>1,187</b>                     |
| Richard Holliday Fund              | -                              | 458                            | (1)                            | -                  | 30                          | <b>487</b>                       |
| John Klyberg Bursary Fund          | 1,168                          | 360                            | (9)                            | -                  | 110                         | <b>1,629</b>                     |
|                                    | <u>2,169</u>                   | <u>840</u>                     | <u>(15)</u>                    | <u>2,614</u>       | <u>713</u>                  | <u><b>6,321</b></u>              |
| <b>Total Funds</b>                 | <u><b>48,806</b></u>           | <u><b>21,285</b></u>           | <u><b>(21,343)</b></u>         | <u><b>-</b></u>    | <u><b>1,277</b></u>         | <u><b>50,025</b></u>             |

**22. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

|                                  | Endowed<br>£'000    | Restricted<br>£'000 | Unrestricted<br>£'000 | Total<br>£'000       |
|----------------------------------|---------------------|---------------------|-----------------------|----------------------|
| Tangible fixed assets            | -                   | -                   | 57,654                | <b>57,654</b>        |
| Securities investments           | 7,959               | 1,568               | 289                   | <b>9,816</b>         |
| Net current assets/(liabilities) | 688                 | 471                 | (7,754)               | <b>(6,595)</b>       |
| Long-term liabilities            | -                   | -                   | (10,850)              | <b>(10,850)</b>      |
|                                  | <u><b>8,647</b></u> | <u><b>2,039</b></u> | <u><b>39,339</b></u>  | <u><b>50,025</b></u> |

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**23. COMPARATIVE SUMMARY OF MOVEMENTS ON MAJOR FUNDS**

|                                    | At 1<br>Sept.<br>2019<br>£'000 | Incoming<br>resources<br>£'000 | Resources<br>expended<br>£'000 | Transfers<br>£'000 | Gains/<br>(Losses)<br>£'000 | At 31<br>August<br>2020<br>£'000 |
|------------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------|-----------------------------|----------------------------------|
| <b>Unrestricted Funds</b>          |                                |                                |                                |                    |                             |                                  |
| General Reserve                    | 41,576                         | 19,774                         | (21,527)                       | 114                | -                           | 39,937                           |
| Designated Development Fund        | -                              | 133                            | -                              | (114)              | -                           | 19                               |
| Devonshire Society Bursary Fund    | -                              | 35                             | -                              | 169                | -                           | 204                              |
|                                    | <u>41,576</u>                  | <u>19,942</u>                  | <u>(21,527)</u>                | <u>169</u>         | <u>-</u>                    | <u>40,160</u>                    |
| <b>Restricted Funds</b>            |                                |                                |                                |                    |                             |                                  |
| Prizes Fund                        | 128                            | 3                              | (5)                            | -                  | (2)                         | 124                              |
| Le Brocq Fund                      | 93                             | 8                              | (6)                            | -                  | (1)                         | 94                               |
| Scoresby Fund                      | 222                            | 7                              | (1)                            | (7)                | (5)                         | 216                              |
| Birley Fund                        | 7                              | -                              | -                              | -                  | -                           | 7                                |
| Old Eastbournian Charity Fund      | 79                             | 3                              | -                              | (3)                | (5)                         | 74                               |
| Arnold Embellishers                | 101                            | 11                             | (13)                           | -                  | (1)                         | 98                               |
| Trevor Pescud Fund                 | 480                            | 14                             | (16)                           | -                  | (13)                        | 465                              |
| Sevorg Scholarship Fund            | 407                            | 9                              | (11)                           | -                  | (10)                        | 395                              |
| Ted James School of Cricket        | 7                              | -                              | (7)                            | -                  | -                           | -                                |
| Foundation Office Bursary Fund     | 589                            | 73                             | (155)                          | (159)              | -                           | 348                              |
| Foundation Office Development Fund | -                              | 28                             | -                              | -                  | -                           | 28                               |
|                                    | <u>2,113</u>                   | <u>156</u>                     | <u>(214)</u>                   | <u>(169)</u>       | <u>(37)</u>                 | <u>1,849</u>                     |
| <b>Endowed Funds</b>               |                                |                                |                                |                    |                             |                                  |
| <b>Permanent Endowments</b>        |                                |                                |                                |                    |                             |                                  |
| Eastbourne College Endowment Fund  | 778                            | -                              | (3)                            | -                  | -                           | 775                              |
| Permanent Endowment Fund           | 2,622                          | 3                              | (12)                           | -                  | 13                          | 2,626                            |
| Rule Bequest                       | 1,238                          | -                              | (6)                            | -                  | (5)                         | 1,227                            |
|                                    | <u>4,638</u>                   | <u>3</u>                       | <u>(21)</u>                    | <u>-</u>           | <u>8</u>                    | <u>4,628</u>                     |
| <b>Expendable Endowments</b>       |                                |                                |                                |                    |                             |                                  |
| Denso Scholarship Fund             | 1,000                          | 14                             | (3)                            | -                  | (10)                        | 1,001                            |
| John Klyberg Bursary Fund          | -                              | 1,168                          | -                              | -                  | -                           | 1,168                            |
|                                    | <u>1,000</u>                   | <u>1,182</u>                   | <u>(3)</u>                     | <u>-</u>           | <u>(10)</u>                 | <u>2,169</u>                     |
| <b>Total Funds</b>                 | <u>49,327</u>                  | <u>21,283</u>                  | <u>(21,765)</u>                | <u>-</u>           | <u>(39)</u>                 | <u>48,806</u>                    |

**24. COMPARATIVE ANALYSIS OF NET ASSETS BETWEEN FUNDS**

|                        | Endowed<br>£'000 | Restricted<br>£'000 | Unrestricted<br>£'000 | Total<br>£'000 |
|------------------------|------------------|---------------------|-----------------------|----------------|
| Tangible fixed assets  | -                | -                   | 58,622                | 58,622         |
| Securities investments | 5,615            | 1,428               | -                     | 7,043          |
| Net current assets     | 1,182            | 421                 | (7,377)               | (5,774)        |
| Long-term liabilities  | -                | -                   | (11,085)              | (11,085)       |
|                        | <u>6,797</u>     | <u>1,849</u>        | <u>40,160</u>         | <u>48,806</u>  |

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**25. CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES – COMPARATIVE FIGURES BY FUND TYPE**

| (Including Income and Expenditure account)                                      | Notes | Unrestricted Funds<br>£'000 | Restricted Funds<br>£'000 | Endowed Funds<br>£'000 | 2020<br>Total<br>£'000 |
|---|-------|-----------------------------|---------------------------|------------------------|------------------------|
| <b>Income and endowments from:</b>  |       |                             |                           |                        |                        |
| <b>Charitable activities</b>  |       |                             |                           |                        |                        |
| School fees receivable  | 3     | 17,506                      | -                         | -                      | <b>17,506</b>          |
| Ancillary trading income  | 4     | 732                         | -                         | -                      | <b>732</b>             |
| <b>Other trading activities</b>   |       |                             |                           |                        |                        |
| Non-ancillary trading income  | 5     | 547                         | -                         | -                      | <b>547</b>             |
| Other activities  | 5     | 7                           | -                         | -                      | <b>7</b>               |
| <b>Investments</b>  |       |                             |                           |                        |                        |
| Investment income   | 6     | 114                         | 40                        | 17                     | <b>171</b>             |
| Bank and other interest   | 7     | 2                           | 4                         | -                      | <b>6</b>               |
| <b>Voluntary sources</b>  |       |                             |                           |                        |                        |
| Legacies and donations  | 8     | 1,034                       | 112                       | 1,168                  | <b>2,314</b>           |
| <b>Total incoming resources</b>   |       | <b>19,942</b>               | <b>156</b>                | <b>1,185</b>           | <b>21,283</b>          |
| <b>Expenditure on raising funds</b>   |       |                             |                           |                        |                        |
| Non-ancillary trading   | 9     | (792)                       | -                         | -                      | <b>(792)</b>           |
| Financing costs   | 10    | (495)                       | -                         | -                      | <b>(495)</b>           |
| Investment management   |       | -                           | (7)                       | (24)                   | <b>(31)</b>            |
| Fundraising & development   |       | (203)                       | (3)                       | -                      | <b>(206)</b>           |
| <b>Total expenditure on raising funds</b>                                       |       | <b>(1,490)</b>              | <b>(10)</b>               | <b>(24)</b>            | <b>(1,524)</b>         |
| <b>Charitable activities</b>  |       |                             |                           |                        |                        |
| Education and grant-making  | 9     | (20,037)                    | (204)                     | -                      | <b>(20,241)</b>        |
| <b>Total expenditure</b>  |       | <b>(21,527)</b>             | <b>(214)</b>              | <b>(24)</b>            | <b>(21,765)</b>        |
| <b>Net incoming funds from operations before transfers and investment gains</b> |       | <b>(1,585)</b>              | <b>(58)</b>               | <b>1,161</b>           | <b>(482)</b>           |
| Gains/(losses) on investments   | 14    | -                           | (37)                      | (2)                    | <b>(39)</b>            |
| <b>Net (expenditure)/ income for the year</b>                                   |       | <b>(1,585)</b>              | <b>(95)</b>               | <b>1,159</b>           | <b>(521)</b>           |
| Transfers between funds   | 23    | 169                         | (169)                     | -                      | -                      |
| Net movement in funds for the year  |       | (1,416)                     | (264)                     | 1,159                  | <b>(521)</b>           |
| Fund balances brought forward at 1 September 2019                               |       | 41,576                      | 2,113                     | 5,638                  | <b>49,327</b>          |
| <b>Fund balances carried forward at 31 August 2020</b>                          |       | <b>40,160</b>               | <b>1,849</b>              | <b>6,797</b>           | <b>48,806</b>          |

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**26. PENSION SCHEMES**

Retirement benefits to employees of the Charity are provided through one defined contribution scheme, which is funded by the Charity's and employees' contributions.

The Worksave Pension has been in place since May 2014 in conjunction with the auto enrolment rules. The scheme is managed by Legal & General. Basic contributions for support staff are variable and start at 3%. The Charity contributes 5% for support staff who have been employed for 3 months in accordance with auto enrolment. For teaching staff, basic contributions are also variable but start at 0%, with the Charity contributing 15%. The Worksave Pension scheme was made available to teaching staff following the Charity's withdrawal from the Teachers' Pension Scheme as of 1 September 2020. No further contributions are payable to the Teachers' Pension Scheme beyond this date.

The employer's contributions are charged in the Statement of Financial Activities in the period in which the salaries to which they relate are due. The employer's contributions in the year, to the defined contribution scheme, amounted to £1,322k (2020: £207k). At 31 August 2021 there were £136k accrued pension contributions for this scheme (2020: £29k).

In the prior year, employer contributions were also made to the Teachers' Pension Scheme amounting to £1,271k, with £150k accrued pension contributions for the Teachers' Pension Scheme at 31 August 2020.

**27. SUBSIDIARIES**

Eastbourne College (Incorporated) owns the whole of the share capital of Eastbourne College Enterprises Limited (ECEL) and SACS (Eastbourne) Limited (SACS).

ECEL provides bussing services, sports and letting facilities and school café/shop facilities for Eastbourne College. ECEL had a turnover of £452k (2020: £635k), gross profit of £28k (2020: £20k) and a profit before taxation and gift aid of £16k in the year ended 31 August 2021 (2020: £12k loss). At 31 August 2021 the company had shareholder's funds of £1,092k (2020: £1,075k).

**Related Party Transactions**

In the year ended 31 August 2021, ECEL charged £382k (2020: £391k) to the Charity for lettings and the provision of bussing services. ECEL is owed £749k from the Charity at 31 August 2021.