

BHASVIC

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023



BRIGHTON HOVE AND SUSSEX SIXTH FORM COLLEGE
Financial Statements for the Year Ended 31 July 2023

KEY MANAGEMENT PERSONNEL, BOARD OF GOVERNORS AND PROFESSIONAL ADVISERS

Key management personnel

Key management personnel are defined as members of the College Senior Leadership Team and were represented by the following in 2022-23:

William Baldwin	Principal and Accounting officer
James Moncrieff	Deputy Principal (Quality and Curriculum)
Jutta Knapp	Assistant Principal (Resources)
Alison Cousens	Assistant Principal (Student Services)
Jacque Punter	Director of Digital Strategy

Board of Governors

A full list of Governors is given on page 15-17 of these financial statements.

Mrs Louise Pennington acted as Clerk to the Corporation throughout the period.

Professional advisers

Financial Statement and regularity auditors:
Alliotts LLP (appointed May 2023)
Friary Court
13-21 High Street
Guildford
Surrey
GU1 3DL

Internal Auditors:
MacIntyre Hudson (appointed June 2021)
Peterbridge House
The Lakes
Northampton
NN4 7HB

Bankers:
Lloyds TSB PLC
2 City Place
Beehive Ring Road
Gatwick
West Sussex RH6 0PA

Solicitors:
Irwin Mitchell
Belmont House
Station Way
Crawley
West Sussex

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Financial Statements for the Year Ended 31 July 2023

Strategic Report

OBJECTIVES AND STRATEGIES

The governing body present their annual report together with the financial statements and auditor's report for Brighton Hove and Sussex Sixth Form College for the year ended 31 July 2023.

Legal Status

The Corporation was established under The Further and Higher Education Act 1992 for the purpose of conducting Brighton Hove and Sussex Sixth Form College (BHASVIC) and was incorporated in England. The College is an exempt charity for the purposes of Part 3 of the Charities Act 2011.

Mission

The College's mission as approved is: To transform lives through learning. We will accomplish this by:

- Meeting the individual learning needs of students and supporting them to achieve
- Encouraging students to participate in the wider opportunities the College offers
- Working in partnership with other organisations.

Implementation of Strategic Plan

The College's strategic plan is for the period 1 August 2021 to 31 July 2025. The Corporation monitors the performance of the College against the Strategic Plan via the Annual Report and College Development Plan and Self-Assessment Report.

The College's key achievements during 2022-23 as a result of implementing its College Development plan are given below:

Area of Strategic Plan	Achievements 2022-23
Contemporary To be a modern college prioritising: <ul style="list-style-type: none">• Sustainability and Climate Change• Digital Transformation• The Learner Journey: from Applicant to Alumni• First-class Accommodation and Resources	<ul style="list-style-type: none">• In collaboration with FE Sussex we continued to employ an Education for Sustainable Development manager across Sussex colleges to embed climate education across courses and colleges.• We published a new Digital Strategy, reviewing and improving our cybersecurity and beginning to contemplate how AI might enhance our work.• Aligned to this, we created a communications policy with a view to streamline our communication channels and improve application processes.• We were unsuccessful in our bids into the Post-16 Capacity Fund and Condition Improvement fund but have developed plans and will be submitting planning permission for a new build.
Creative To encourage creative, innovative and reflective approaches to our: <ul style="list-style-type: none">• Curriculum Intent• Culture• Leadership & Governance• Income Generation	<ul style="list-style-type: none">• We delivered an additional 40 guided learning hours for each student, focusing on starting with confidence, essential studies and skills week.• Our 'High Challenge, Low Threat' organisational culture remains strong as evidenced through staff satisfaction (97.2% feel trusted to do their job well).• Leadership is strong (98.1% of staff feel that Senior Managers give clear leadership and promote a positive culture).• Governance of the college was seen as very strong in our External Governance Review.• Income generation continued to recover post- Covid with catering, venue hire and evening languages all back to or surpassing pre-Covid amounts.
Learning	<ul style="list-style-type: none">• Ofsted visited for a full inspection in December 2022 and graded the college as 'Outstanding' in all areas.

BRIGHTON HOVE AND SUSSEX SIXTH FORM COLLEGE

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<p>To achieve outstanding levels of performance based on:</p> <ul style="list-style-type: none"> Curriculum Implementation Support and Guidance Staff Development Impact and Outcomes 	<ul style="list-style-type: none"> With a return to first exams post-Covid, outcomes for learners were very strong – with 78% of grades A*-B. Student satisfaction remains above 90%. 75% of students were placed at their first choice University with 42 placed at Oxford/Cambridge. We delivered 'Skills Week' for the first time where all first year learners had a work experience placement, or completed project work or expeditions. Staff training focused on Digital skills, EDI and Sustainability.
<p>Community Where every individual feels part of a community and where we play an active role in our own community, focusing on:</p> <ul style="list-style-type: none"> Wellbeing Equality, Diversity and Inclusion Students as leaders and citizens Partnerships & Stakeholder engagement 	<ul style="list-style-type: none"> Wellbeing remains a priority for staff and students. 91% of staff agree that 'leaders and managers are considerate of my wellbeing'. Students rated 'The College provided me with a good range of information to help me look after my health and wellbeing' at 6.2/10 on average. We were officially recognised as a 'College of Sanctuary'. Our involvement and leadership of Citizens Brighton and Hove is extensive. The Citizens Assembly helped secure additional resources for student travel costs. Our Ofsted inspection graded our contribution to local skills needs as reasonable. The DfE used our Accountability Agreement (outlining stakeholder engagement) as an exemplar.

Resources

The college employs 334 people, of whom 183 are teaching staff.

In 2022-23 the College has delivered activity that has produced £16,144k in funding body main allocation funding (2022 - £14,024k). The College had 3,396 16-18 ESFA funded students and no students who are not eligible for funding.

The College has £9,358k of net assets, with no pension liability, (2022 £8,091k with £960k pension liability), and long term debt of £10,673k, which includes £6,686k of deferred capital grant, (2022 long term debt of £10,752k including £6,420k deferred capital grant).

The College has a very good reputation locally and nationally. Maintaining this reputation is essential for the College's success at attracting students and external relationships.

STAKEHOLDER RELATIONSHIPS

In line with other colleges and with universities, BHASVIC has many stakeholders. These include:

- Its current, future and past students;
- Education sector funding bodies;
- Its staff and their trade unions. The Senior Leadership Team are named on page 2. The trade unions of which BHASVIC staff are members are the National Education Union and Unison;
- Parents;
- Local employers (with specific links);
- Local authorities;
- Brighton and Hove Learning Partnership;
- The local community;
- Other FE institutions;
- Professional bodies.

BRIGHTON HOVE AND SUSSEX SIXTH FORM COLLEGE

Financial Statements for the Year Ended 31 July 2023

Strategic Report (continued)

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

Public Benefit

BHASVIC is an exempt charity under the Part 3 of the Charities Act 2011 and is regulated by the Secretary of State for Education. The members of the Governing Body, who are trustees of the charity, are disclosed on pages 15-17. In setting and reviewing the College's strategic objectives, the Corporation has had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education.

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

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

The College is committed to providing information, advice and guidance to the students it enrolls and to finding suitable courses for as many students as possible regardless of their educational background.

Development and Performance

Curriculum Developments

Post-Covid catch-up: The college received a second year of national funding to support students with their academic progress via the ESFA's 'Tuition Fund'. BHASVIC used this additional funding to augment an already existing innovation of academic mentoring for students with low prior attainment who are from an economically disadvantaged background, supporting approximately 120 students. The outcomes for these students who received the support has been higher in all key performance indicators, compared to those who qualified and did not access the support. The outcomes are also higher for students in receipt of this support than those who had similar prior attainment but who did not come from a low-income background. The use of this funding for this provision has been a success and the provision will continue in its current format for the third and final year of the Tuition Fund additional funding.

Additional Funded Guided Learning Hours: The most significant curriculum development at BHASVIC for the academic year 2022-23 has been the augmentation of our Study Programme, following the ESFA's increased funding, taking a full-time Study Programme to 580 GLH. We implemented a series of additional learning opportunities for all students across the college with this additional funding. Our Curriculum Intent led us on two main pathways – the first being the broad and holistic personal and skills development for our sixth formers; the second being an opportunity to add depth to our core qualifications via a series of Essential Studies.

The Skills and Personal Development activities have taken the form of a series of highly successful, well-received and well-attended workshops on safety, relationships, EDI and wellbeing. These workshops expressed the cornerstone of the BHASVIC experience right at the start of the year for both year groups of students, and they continued at key points throughout the year. The Skills Development activities have taken a wide range of formats, augmenting our tutorial programme with a series of learning activities, research and CEIAG culminating in a week-long Skills Week in July where 1105 16-17-year-olds took a work experience placement which represents all sectors of employment (Charity, Marketing, Finance, Health & Care and Legal being in the top 5). A total of 29,671 hrs of work placements occurred that week and over 700 employers were delighted with our students - their initiative, maturity and professionalism. In addition, many other students took part in The Duke of Edinburgh Award, overseas studies and on-campus careers development activities including virtual work experience and Carbon Literacy learning. Students self-evaluated their employability skills development (based on the Skills Builder Framework), with Listening, Staying Positive and Aiming High reported as the most used and developed. Nine out of ten students felt the experience broadened their awareness of the world of work.

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Financial Statements for the Year Ended 31 July 2023

Strategic Report (continued)

On our ESOL courses, which provide a core curriculum of English, Maths, ICT and Business Studies for refugees and asylum seekers who are learning to speak English, we have been able to augment the Study Programme with Careers Education and an enriching course learning digital photography, to help them develop their language skills in a broader context, gain creative, communication and IT skills within a creative sector and to enhance their self-esteem.

On-course Essential Studies activity provided by curriculum teams and delivered through the teaching of the A Level and BTEC courses we run represented innovative and creative learning activities, examples of which include additional fieldwork research by Visual Arts students; Practical experimentation skills development and reflection within our Science A Levels; Speaking Practice and Linguistics in Modern Foreign Languages and work placement reflective practice in Health and Social Care. When funding has been paired-back, what can be provided and delivered in our qualifications for over a decade, BHASVIC has welcomed and embraced the opportunity to create and deliver more learning to our students via this additional funded GLH.

Exams and Destinations: We are delighted that 2023 outcomes at BHASVIC are comparable to those of pre-pandemic years, which place BHASVIC in the top 1% of providers and where high grades account for just under 70% of all results (16% above national average). The A Level pass rate of 99.5% is identical to pre-pandemic years, with a record 13.2% of grades at A* (4.6% above national average) with just under 40% at A*-A (12.7% above national average). BTEC results also match pre-pandemic outcomes with over 60% of results including a Distinction or Distinction Star (10% up on the previous year). These courses have an important place in our curriculum and the college is campaigning for the government to reverse their decision to defund them in 2024-25. Of the 1,502 UCAS applications from BHASVIC, 72.3% have been placed in their first choice with more securing an insurance place. Of those placed, 42 students have been successful in gaining a place at Oxford or Cambridge.

BTEC Controlled Assignments: The delivery of BTEC computer-based controlled assignments, delivered in exam conditions but over several hours/days, continue to be incredibly difficult to deliver and cause disruption to learners across the college. The logistical and resource demands of these assessments are unreasonable and are affecting the normal delivery of lessons, so we continue to lobby our representative bodies (SFCA and AoC) and the relevant Awarding Organisations requesting a review and reform of these assessments.

Curriculum: our two new A level courses at BHASVIC – History of Art and Religious Studies – saw their second year of results (and the first year of results within a national context of 'normal' results post-pandemic). Religious Studies gained 100% pass rate with High Grades at an exceptional 86% which is 43% above the national average. Similarly, in History of Art 100% of students passed with High Grades at a remarkable exceptional 91% which is 27% above the national average.

16-19 Qualifications Review: We are monitoring the development of a range of new courses which Awarding Organisations are proposing in response to the DfE's review of post 16 qualifications. In particular, we are interested in the new BTEC in Sustainability, which would be an excellent addition to our curriculum offer.

Financial results

The college generated a deficit before other gains and losses in the year of £140k (2021-22 deficit of £857k), with total comprehensive income of £1,267K (2022 £5,830k), which included £1,415 gain on the Local Government pension scheme.

Cash flows and liquidity

At £1,175k (2022 £1,439k), net cash inflow from operating activities was relatively strong.

The size of the College's total borrowing and its approach to interest rates has been calculated to ensure a reasonable cushion between the total cost of servicing debt and operating cash flow. During the year this margin was comfortably exceeded, with interest paid of £123k covered by the operating cashflow.

BRIGHTON HOVE AND SUSSEX SIXTH FORM COLLEGE

Financial Statements for the Year Ended 31 July 2023

Strategic Report (continued)

Developments

The college's redevelopment involved tangible fixed asset additions during the year amounted to £286,000. This was primarily all equipment purchased, with an initial £11k being spent on refurbishment of buildings.

Reserves

The college has accumulated reserves of £9,358k and cash and short term investment balances of £3,388k. The college wishes to continue to accumulate reserves and cash balances in order to create sufficient balances to meet future capital requirements.

Sources of income

The college has significant reliance on the education sector funding bodies for its principal funding source, largely from recurrent grants. In 2022-23 the funding bodies provided 95% of the college's total income.

Streamlined Energy and Carbon reporting

The college is committed to reducing its carbon emissions and has taken the following measures in the year to improve energy efficiency:

- Continued with the implementation of the Carbon Trust Action Plan to meet the college's 2030 NetZero target
- Offer students and staff a Carbon Literacy qualification

The college's greenhouse gas emissions and energy use for the period are set out below:

UK Greenhouse gas emissions and energy use data for the period	1 August 2022 to 31 July 2023	1 August 2021 to 31 July 2022
Energy consumption used to calculate emissions (KWh)		
Scope 1 emissions in metric tonne CO ₂ e		
Gas consumption	133.06	184.47
Total		
Scope 2 emissions in metric tonnes CO ₂ e		
Purchased electricity	151.92	160.85
Total gross emissions in metric tonnes CO ₂ e	284.98	345.32
Intensity ratio		
Metric tonnes CO ₂ e per student/staff member/floor area	0.08 / 0.85 / 0.020 Tco ₂ e per m ²	0.10 / 1.09 / 0.024 tCO ₂ e per m ²

Qualification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting protocol – Corporate Standard and have used the 2021 UK Government's Conversion Factor for Company Reporting.

Intensity Ratio

The chosen intensity measurement ratio is student / staff member / floor area,

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Strategic Report (continued)

Future developments

Financial Health

The College is assessed as having a "Good" financial health grading with healthy cash reserves, and continues to have good support from the bank.

Student demand remains high and despite recent investments in new buildings there is still significant pressure on the college estate.

Financial plan

The college governors approved a financial plan in July 2022 which sets objectives for the period to 2023. The college aims to maintain its health rating of 'Good' and achieve a surplus in the year to 31 July 2024. There are no significant changes to the college's provision during the term of the plan.

Future prospects

The College is under Plan Led Funding and 16-19 recurrent funding for 2023-24 has been confirmed at £16,886,690.

Treasury policies and objectives

Treasury management is the management of the College's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks. The College has a separate treasury management policy in place, and has no plans to increase borrowings in the short term.

Short term borrowing for temporary revenue purposes is authorised by the Principal. All other borrowing requires the authorisation of the Corporation and shall comply with the requirements of the Funding Agreement.

Reserves Policy

Included within the amount of total Reserves held by the College are unrestricted reserves. The purpose of reserves is twofold, to finance future planned capital expenditure as well as supporting the core activities of the College.

An adequate amount of unrestricted reserves is required to ensure that the College has sufficient working capital to cover day to day expenditure, any deficits that may arise, contingency finance for unforeseen expenditure and to contribute to capital expenditure. It seems appropriate to maintain cash reserves in the region of £1,500k for working capital as well as £500,000 for contingencies. The College has accumulated reserves of £9,358k (2022 £8,091k) and cash and short- term investment balances of £3,388k (2022 £2,481k).

PRINCIPAL RISKS AND UNCERTAINTIES

The Senior Leadership Team scores and tracks the likelihood and impact of risks on a termly basis noting any mitigation or action to be taken. The risk register is maintained at management level with assurances provided to Corporation committees when risks score above a certain threshold. The process is reviewed once a term by the Audit Committee.

Three overarching key risks have been identified as interlinked and fundamental to the success of the college: Finances, Quality and Reputation. Last year, a fourth risk of Cybersecurity was added to the Key risks section. Outlined below is a description of the main risk factors that the College is currently facing. Not all the factors are within the College's control.

Finances

The College has considerable reliance on continued government funding through the education sector funding body. Funding per student has not increased in line with costs – thus we have faced real terms cuts on an annual basis. Each year it is becoming increasingly difficult to achieve a balanced budget and maintain the quality of our provision on the funding allocation received. Despite this, our financial health remains 'Good'. We have managed to record a surplus this year through prudent budgeting and careful spending.

BRIGHTON HOVE AND SUSSEX SIXTH FORM COLLEGE

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Strategic Report (continued)

Student Numbers

Despite being oversubscribed, achieving target student numbers is always difficult when 'at capacity' yet is so fundamental to our financial stability. We have a history of year-on-year growth and hitting/exceeding target enrolments. For 2022-23 we deliberately held student enrolments at a standstill position due to the over-recruitment of students the previous year which was down to Covid-related variables increasing our conversion rate. For 2023-24 and then 2024-25 we are looking to recruit an additional 150 students each year to cope with the large demographic increase of 16 year olds in the city and beyond. While this bodes well for future finances, it creates difficulties in staffing and rooming and in providing students with the courses they want.

Quality

The College is in a very strong position in relation to performance outcomes for both progress and attainment. Ofsted completed a full inspection of the college in December 2022 (our first for ten years) and graded us as 'Outstanding' in all areas. We remain focused on sustaining this in order to maintain the recruitment of students upon which the colleges financial health depends.

With exam outcomes going back to full alignment with 2019 for first time since the pandemic, student outcomes at BHASVIC were very strong and we remain in the top 1% of providers. 68.7% of grades were A*-B at A level which is 16% above national average and in line with our exceptional 2019 outcomes.

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Digital

One risk that remains top of the risk register is that of cyber security. This year saw the introduction of two-factor authentication which should significantly reduce the ease of any cyber-attack. Staff training in cyber security is regular and nearly all our products are now SaaS cloud based. We developed our Cyber Incident Response Plan and upgraded our firewall.

The Designation of the College

Increasingly, the designation of BHASVIC as a stand-alone sixth form college is becoming an area of risk and uncertainty. In 2016, the DfE provided a pathway for SFCs to convert to Academies and from the then 120 SFCs, only 42 remain, with the 13 Catholic colleges recently also given a path to convert. The DfE's (non-stated) policy seems to be that 'bigger is better' and that can be seen in the rise of College Groups and Multi-Academy Trusts. Financially, the college would be better off as an Academy, and since the ONS has reclassified colleges into the public sector, some of the previous barriers have been removed. Whilst our finances and quality remain strong, we need to consider whether remaining a stand-alone SFC is the right thing to do.

Financial objectives

The College's financial objectives are:

- To achieve an adequate annual operating surplus
- To pursue alternative sources of funding, on a selective basis, consistent with the College's core competencies, and the need for a financial contribution to the Colleges overall finances
- To generate sufficient levels of income to support the asset base of the College
- To further improve the Colleges shorter term liquidity
- To fund continued capital investment

A series of performance indicators have been agreed to monitor the successful implementation of the policies.

BRIGHTON HOVE AND SUSSEX SIXTH FORM COLLEGE

Financial Statements for the Year Ended 31 July 2023

Strategic Report (continued)

Performance indicators

Key Performance Indicator	Measure / Target	2022-23
16-19 Student numbers	3,304	3,403
Operating surplus as % of income (excl. FRS 102 defined benefit pension adjustment)	≥3%	1.61%
Cash days in hand	>30	71
Current assets : current liabilities	2:1	1.72:1
Staff costs as % of income (excl. FRS 102 defined benefit pension adjustment)	74%	74%
Borrowing as % of income	<45%	24%
Sector EBITDA as a % of income	≥4%	7%
Bank covenants		
Operating cash flow before taxation and interest paid to principal and interest paid	≥1.1:1	1.93:1
Total gross debt to EBITDA	<.5.0:1	3.77:1
Total gross debt to net assets	<.40%	26.68%
Cash held	≥£1.25m	£3.2m
Calculated indicator of financial health	Good	Good

Payment performance

The Late Payment of Commercial Debts (Interest) Act, in the absence of agreement to the contrary, requires organisations to pay suppliers within 30 days of the supplier performing its obligation. The College strives to pay all its suppliers within agreed terms and during the accounting period 1 August 2022 to 31 July 2023, the College incurred no interest charged in respect of late payment for this period.

Equality, Diversity and Inclusion

The college is committed to ensuring equality of opportunity for all who learn and work here. We respect and value positively differences in age, disability, pregnancy and maternity, family responsibility, marital and civil partnership, race, colour, ethnicity, nationality, religion and belief, sex, gender identity, sexual orientation, and trade union activity. We strive vigorously to remove conditions, which place people at a disadvantage and we will actively combat discrimination. This policy will be resourced, implemented and monitored on a planned basis. The College's Equality, Diversity and Inclusivity Policy is published on the college website.

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

Disability Statement

The college seeks to achieve the objectives set down in the Equality Act 2010 and seeks to advance positive attitudes towards anyone with a disability. The college will make all reasonable adjustments to every aspect of the college to avoid disadvantage to any student, staff or visitor with a disability.

- The college has a designated Equality, Diversity and Inclusion Coordinator who provides information and advice to staff and students. The Additional Learning Support Department makes provision for students with disabilities.
- There is a range of specialist equipment, such as radio aids, which the college can make available for use by students and a range of assistive technology is available in the Additional Learning Support Department.
- The admissions policy for all students is published on the college website. Appeals against a decision not to offer a place are dealt with under the complaints policy.
- The college has made a significant investment in the appointment of specialist staff to support students with learning difficulties and / or disabilities. There are a number of Additional Learning Support Assistants who can

BRIGHTON HOVE AND SUSSEX SIXTH FORM COLLEGE

Financial Statements for the Year Ended 31 July 2023

Strategic Report (continued)

- e) provide in class support for learning. There is a continuing programme of staff development to ensure the provision of a high level of appropriate support for students who have learning difficulties and / or disabilities.
- f) Counselling and welfare services are accessible to students via an on-line referral system accessed via the BHASVIC website, or via contact with Personal Tutors/ Teachers/ Guidance Managers, who can refer issues with the consent of the student, via a designated email. A triage system is in place in the Student Services Centre to allocate appointments, though students can also drop in to access more immediate support when necessary. This system is outlined on the college website, and communicated to students as part of the induction process. The College Code of Conduct is issued to all students at induction.

Trade Union facility time

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

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full time equivalent employee number
3	2.86

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	0
1 – 50%	3

Percentage of pay bill spent on facility time

Total cost of facility time	£3,627
Total pay bill	£12,826,890
Percentage of pay bill spent on facility time (total cost of facility time ÷ total pay bill) x 100	0.028%

Paid trade union activities

Time spent in paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	20%
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Going Concern

The financial position of the College, its cash flow, liquidity and borrowing are presented in the Financial Statements and accompanying Notes. The College currently has £4,265,658 of secured loans outstanding with bankers on terms negotiated in 2020. The College's forecasts and financial projections indicate that it will be able to operate within this existing facility and covenants for the foreseeable future.

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

Events after the end of the reporting period

There were no significant events after the reporting period.

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Financial Statements for the Year Ended 31 July 2023

Strategic Report (continued)

Disclosure of information to auditors

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

Approved by order of the members of the Corporation on 11 December 2023 and signed on its behalf by:



Kirstin Baker

Co-Chair



Simon Porges

Co-Chair

BRIGHTON HOVE AND SUSSEX SIXTH FORM COLLEGE

Financial Statements for the Year Ended 31 July 2023

Governance statement

The following statement is provided to enable readers of the annual report and accounts of the College to obtain a better understanding of its governance and legal structure. This statement covers the period from 1 August 2022 to 31 July 2023 and up to the date of approval of the annual report and the financial statements.

The Corporation is the legal entity that operates Brighton Hove and Sussex Sixth Form College (BHASVIC) (the College). The legal status of the Corporation is both a statutory Corporation established under the FHEA 1992 and an exempt charity. The College is an activity through which the Corporation achieves its charitable purpose. The Corporation's Board (Governing Body) has overall responsibility for the conduct of the College.

In the opinion of Governors, the College endeavours to conduct its business:

- i) In accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership);
- ii) In accordance with the guidance to Colleges from the Association of Colleges (AoC) in The Code of Good Governance for English Colleges ("the code"), which the Corporation adopted at its July 2021 Meeting and progressed any outstanding actions to ensure compliance with the Code, where possible, since its adoption. Prior to this the Corporation had due regard with the UK Corporate Governance Code (2018) insofar as it was applicable to the further education sector. Since the AoC Code of Good Governance was revised by the AoC, following a consultation period, during the 2022/2023 academic year, the latest draft version was adopted by the Corporation at its July 2023 Meeting, taking into account that the final version of the new Code will be launched by the AoC in September 2023 and it is intended that this will run concurrently with the existing Code, to allow for any minor adjustments and further feedback from Colleges to be taken into account, prior to the withdrawal of the existing Code. The Corporation will review the final version once issued at its Autumn Term 2023 Meeting. Work on monitoring compliance with the new Code will be taken forward during the 2023/2024 academic year, with regular reports being presented to Corporation via the Search and Governance Committee.

The Governing Body recognises that, as a body entrusted with public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times and the College is committed to exhibiting best practice in all aspects of corporate governance. In carrying out its responsibilities, it takes full account of the Code of Good Governance for English Colleges issued by the Association of Colleges, which it formally adopted at its July 2021 Corporation meeting.

In the opinion of the Governors, the College has complied with the majority of the Code for the year to 31 July 2023 and evidence for this is based upon its internal review of compliance with the Code, as reported to Governors via the Search and Governance Committee. The Board's intention is to comply with the Code as far as possible. Until the revised Code was adopted by the Corporation in July 2023, the Search and Governance Committee monitored compliance with the Code via a detailed Code compliance checklist and action plan, the latter of which recorded progress on any outstanding matters and was presented termly to that Committee which then reported to Corporation. This opinion is also based on an External Board Review undertaken in the Spring Term 2023, commissioning Stone King LLP to complete this review, in which the Report concluded that notwithstanding that the review did not constitute an audit of compliance with the Code of Governance, it was noted that the Governing Body reviewed its compliance against the Code and that it is compliant or working towards compliance where applicable.

The College is an exempt charity within the meaning of Part 3 of the Charities Act 2011 and the Principal Regulator is the Secretary of State for Education. The Governors, who are also the Trustees for the purposes of the Charities Act 2011, confirm that they have had due regard for the Charity Commission's guidance on public benefit and that the required statements appear elsewhere in these financial statements. The External Board Review carried out by Stone King LLP, during the Spring Term 2023 noted that the Governing Body had due regard to the Charity Commission's guidance on public benefit to reflect the Members' status as Trustees.

BRIGHTON HOVE AND SUSSEX SIXTH FORM COLLEGE

Financial Statements for the Year Ended 31 July 2023

Governance statement (continued)

The Corporation

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

Name	Date of appointment/ reappointment	Date term of office ends	Date of resignation/ end of term	Status of appointme nt	Committees Served	Attendance Note 1 refer below
Raphaella Badua	11 July 2022	July 2023	July 2023	Student	Quality & Curriculum	100% (2 meeting)
Kirstin Baker	30 March 2023	31 Mar 2026		External	Co-Chair of Governors from 30 August 2023, Resources and Premises Group, Search and Governance, Remuneration	100% (1 meeting)
William Baldwin	15 August 2016	Ex officio		Principal	Resources; Quality & Curriculum; Search and Governance; Premises Group	100%
TJ Brackman	3 July 2023	July 2024		Student	Quality and Curriculum	100% (1 meeting)
Jo Davis	1 April 2019 Reappointed Dec 21 wef 31/3/22	31 Dec 2025		External	Audit (Chair), Search and Governance, Remuneration	100%
Gillian Hampden- Thompson	9 Nov 2016 Reappointed 9 Dec 2019 Reappointed 11 July 2022 wef 31 Dec 2022	31 Dec 2019 31 Dec 2022 31 March 2023	31 March 2023	External	Quality and Curriculum (Chair) Search and Governance, Remuneration	100% (2 meetings)
Mia Harrison	3 July 2023	July 2024		Student	Quality and Curriculum	100% (1 meeting)
Katy Hiles	1 January 2023	31 Dec 2024		Parent	Quality and Curriculum	100% (2 meetings)
Paul Lovegrove	11 July 2022	31 July 2025		External	Audit	67%
Kathryn MacVarish	Elected March 2021	31 March 2024		Staff (Teaching)	Quality and Curriculum	100%
Alison Mansell	30 March 2023	31 March 2026		External	Quality and Curriculum	100% (1 meeting)
Michael McLean	1 April 2019, Reappointed Dec 2021 wef 31 March 2022	31 March 2022 31 March 2025		External	Resources	100%
Chris Newson	23 March 2015. Reappointed March 2018, March 2021	31 March 2024		External	Resources	100%
Daniel Colaco Osorio	1 January 2023	31 Dec 2024		Parent	Quality and Curriculum, Audit (from 30 Aug 2023)	100% (2 meetings)
Marcus Palmer	18 March 2019, Reappointed March 2022	31 March 2025		External	Resources (Chair from July 2020), Search and Governance, Remuneration	100%
Ava Peevers	11 July 2022	July 2023	July 2023	Student	Quality & Curriculum	50% (1 meeting)
Neil Perry	9 July 2012 Reappointed July 2015, July 2018, July 2021	31 July 2024		External	Vice-Chair of Corporation (from 1 Aug 2018), Remuneration (Chair),	100%

BRIGHTON HOVE AND SUSSEX SIXTH FORM COLLEGE

Financial Statements for the Year Ended 31 July 2023

					Search and Governance (Chair), Audit.	
Chris Piper	19 March 2018, 31 March 2021	31 March 2024		External	Quality and Curriculum	100%
Simon Porges	1 January 2021 1 January 2023	31 Dec 2022 31 Dec 2025	31 Dec 2022	Parent External	Vice-Chair of Corporation from July 2022 until July 2023, Audit Committee (until July 2023), Search and Governance, Remuneration, Co-Chair of Governors from 30 August 2023	100%
Sandra Prail	14 July 2014 Reappointed April 2017 (effective July 2017) Reappointed July 2020	31 July 2020 31 July 2023	31 July 2023	External	Chair of Corporation Resources, Premises Group, Remuneration, Search and Governance	100%
Jo Redfern-Evans		31 Dec 2019 31 Dec 2022 31 Dec 2025		External	Quality and Curriculum	100%
Louise Serpell	1 January 2021	31 Dec 2022	31 Dec 2022	Parent	Quality and Curriculum	100% (1 meeting)
Jo Usher	11 July 2022	July 2025		Staff (support)	Resources	67%
Tom Wolfenden	7 July 2010 Reappointed 31 July 2013, 31 July 2016, 31 July 2019, 7 July 2021 reappointed wef 31 July 2022 until successor vice chair appointed	31 Dec 2022	31 Dec 2022	External	Vice Chair of Corporation (until July 2022), Search and Governance (until July 2022), Remuneration (until July 2022,) Resources (Chair until July 2020), Premises Group	100% (1 meeting)
Andrew Wright	26 January 2021	31 January 2024		External	Quality and Curriculum	100%

Note 1: Attendance at Corporation meetings during the period of the individual Governor's membership from 1 August 2022 until the date of this report.

Note 2: There were three Corporation meetings during this period, none of which were held remotely.

Note 3: Governor attendance benchmark per annum for Corporation meetings, is 70% which was exceeded in 2022/2023 academic year, being 95%.

Note 4: As at the end of the 2022/2023 academic year, Simon Porges stepped down as one of the two Vice-Chairs of Governors following his election as one of the Co-Chairs of Governors wef 2023/2024 academic year. Neil Perry remains as the sole Vice-Chair.

At 31 July 2023 the following were members of committees but not members of the Corporation:

Sarah Bovill	Audit
Rob Milton	Audit

Mark Snape retired as a co-opted Member of the Resources Committee and Premises Group at 31st December 2022.

At 31 July 2023 the following members of staff were members of committees but not members of the Corporation:

Sally Udeen (appointed wef 1st January 2023) In light of Sally Udeen's 1 year sabbatical abroad for the 2023/2024 academic year, Howard Brown (Teacher and Head of Department, Humanities) was appointed to cover the co-opted Committee vacancy during her absence	Quality and Curriculum
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BRIGHTON HOVE AND SUSSEX SIXTH FORM COLLEGE

Financial Statements for the Year Ended 31 July 2023

Governance statement (continued)

Jacque Punter retired as the co-opted Teaching Staff Member of the Quality and Curriculum Committee at 31st December 2022.

Louise Pennington acts as Clerk to the Corporation/Governance Director and is a qualified Company Secretary, being an Associate of the Chartered Governance Institute and is also a Fellow of the Chartered Insurance Institute.

The Governance Framework

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

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

The Corporation conducts its business through a number of committees. Each committee has terms of reference, which are reviewed annually and have been approved by the Corporation. The committees are Resources Committee, Premises Group which reports to the Resources Committee, Quality and Curriculum Committee, Audit Committee, Search and Governance Committee and Remuneration Committee. The Corporation has also established the following Groups: ICT Task and Finish Group and Digital Strategy (first meeting 7/1/19), Governance EIF Group (Pre-meeting 19/7/21) and Admissions Policy Task and Finish Group (first meeting 23/9/21). Full minutes of all meetings, once approved, except those deemed to be confidential by the Corporation, are available on the College's website (bhasvic.ac.uk) or from the Clerk to the Corporation at the College's registered address:

Brighton Hove & Sussex Sixth Form College 205 Dyke Road, Hove, East Sussex, BN3 6EG

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

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

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

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

There is a clear division of responsibility in that the roles of the Chair of the Corporation and Principal of the College are separate.

The full Corporation is the appointing authority in relation to the appointment of a Member. The procedure for selection of all Members is through the recommendation of the Search and Governance Committee of the Corporation. The Corporation is responsible for ensuring that appropriate training is provided as required. The Search and Governance Committee comprises the Chair and Vice Chair/s of the Corporation, the Committee Chairs and the Principal. Until the July 2023 Corporation meeting, Members of the Corporation are appointed for a term of office of not more than three years, notwithstanding that the AoC's Code of Good Governance recommends a maximum of two terms of four years. Members retiring at the end of their term of office shall be eligible for re-election and will normally not serve more than three terms. The Governing Body does have more than one Governor who has served more than 8 years, being the maximum service recommended by the AoC's Code of Good Governance. The Corporation's Search and Governance Committee reviews all Governor appointments and reappointments to ensure that there remains a good balance, without bias within the overall Corporation membership and reappoints Governors for a longer than the recommended service, where they provide exceptional service and they contribute to the overall skill set and experience.

BRIGHTON HOVE AND SUSSEX SIXTH FORM COLLEGE

Financial Statements for the Year Ended 31 July 2023

Governance statement (continued)

Based on the recommendation from S&G Committee, it was resolved at the July 2023 Corporation meeting to change the membership term of office from 3 years to 4 years for all new Governor appointments and reappointments, in order to bring this in line with common practice in the sector as well as the AoC's Code, which recommends a maximum of two terms of four years. Furthermore, for members, including co-opted members, where the terms of office are due to end in March 2024, and where the members have not yet served 8 years, it was resolved to invite those members to extend their membership for another 2 years, being the maximum recommended overall term.

Corporation Performance

The Search and Governance Committee of the Corporation annually reviews the Corporation's own performance at its Autumn Term meeting and the Self-Assessment Report (SAR) arising from this, is recommended to Corporation for approval. References and excerpts from the Governance SAR are included within the whole College SAR which is also approved by Corporation and available in the relevant meeting papers at that time. The Corporation reviewed its self-assessment grade for the 2021/22 academic year at its December 2022 meeting, followed the advice of the Search and Governance Committee which met in November 2022, and endorsed the recommendation that the Corporation's grade should be 'Outstanding'.

During the Autumn Term 2022, the Internal Auditors, MacIntyre Hudson, carried out a governance internal audit, prior to the planned External Board Review scheduled to commence in the Spring Term 2023. The internal audit work was based on the following areas (Governance Framework & Strategic Planning, Cycle of Business, Delegation and Reporting), and the recommendations arising (2 areas for improvement were identified in respect of the Governance Framework & Strategic Planning and 2, within Reporting; all 4 areas were identified as low risk priority). The recommendations were reviewed and adopted where appropriate as endorsed by the Search and Governance Committee and incorporated into the governance action plan.

The Corporation is responsible for ensuring that appropriate training is provided to Governors as required. During the 2022/23 academic year, Governors were offered various training programmes, webinars and events, including the Education Training Foundation's (ETF) Governance Development Programme and the SFCA governance webinars. A record of all Governor training is maintained by the Clerk and a summary of training is circulated for review annually to the Search and Governance Committee. Furthermore, annually Governors are issued with an individual governance self-assessment questionnaire, which includes a section on Governor training needs, the details of which are also reviewed by the Search and Governance Committee and actioned appropriately. Other training and developments are offered to Governors as appropriate, subject to budgetary restrictions and in-house pre-Corporation and pre-Committee training sessions are also provided as needed; records of such training are also maintained, presented and reviewed by S & G Committee annually. All new Governors participate in the internal Governor induction training.

The Clerk to the Corporation participates in regular training and governance related events and for the year to 31st July 2023 this included various AoC and SFCA governance professionals' events, including the AoC Annual Governance Professionals' Conference, training on Board Reviews, ONS reclassification and the new Code of Good Governance, along with general training provided to all Staff (including Safeguarding) and also pre-Corporation Meeting training provided to Corporation Members.

Following the External Board Review (EBR) completed by Stone King LLP during the Spring Term 2023, the outcome and Report was presented to Corporation at the July 2023 Board Meeting, and the Corporation approved the Governance Action Plan which incorporated the External Board Review recommendations. The intention will be to progress the action plan during the 2023/2024 academic year via the Search and Governance Committee. A copy of the EBR has been uploaded to the Governance section of the College's website.

Remuneration Committee

The Committee membership comprises the Chair/Co-Chairs of Governors, Vice-Chair and Committee Chairs. Its responsibilities include consideration of the remuneration and the conditions of service of the Senior Post Holders and taking decisions on remuneration. In reaching its decision, the Committee takes into account the need to recruit and retain, to recognise performance and to maintain appropriate differentials. It gives due regard to the interests of the public and to the financial health of the College. It is guided by survey data from the Sixth Form Colleges Association and by information on any cost of living awards for teachers and support staff in Sixth Form Colleges.

BRIGHTON HOVE AND SUSSEX SIXTH FORM COLLEGE

Financial Statements for the Year Ended 31 July 2023

Governance statement (continued)

The remuneration package for the Principal is subject to annual review by the Remuneration Committee of the governing body which uses benchmarking information to provide objective guidance.

The Principal reports to the Chair of Corporation, who undertakes an annual review of his performance against the college's overall objectives using both qualitative and quantitative measures of performance. During the 2022/2023 academic year, it was agreed that the Chair would carry out a pilot 360 Review in respect of the Principal, the details of which were considered by Corporation at its July 2023 Meeting. It was resolved that a 360 Review would be a useful process for all Senior Postholders, to be implemented every 3 years, as a useful addition to the existing Senior Postholder Professional Development Review, with details to be agreed by the relevant Corporation Committees and with the support of the HR Department.

Details of remuneration for the year ended 31 July 2023 are set out in note 5 to the financial statements.

During the Autumn Term 2022 the Board commissioned a Remuneration Report from the SFCA in respect of the College's Senior Postholders. Recommendations were made to Corporation arising from this.

As reported in last year's Annual Report and Financial Statements, the Corporation, having adopted the AoC Code of Good Governance, also adopted the Remuneration Code incorporated therein. The College has due regard for the requirements of the Remuneration Code as set out in Annex 1 of the Code, which are applicable to the College. In accordance with the Code, the Remuneration Committee produced an Annual Remuneration Report to the Board for the period 1 August 2021 to 31 July 2022, which was approved by the Corporation at the December 2022 Meeting and published on the College's website. This process will be repeated during the Autumn Term 2023, with an Annual Remuneration Report being considered at the December 2023 Corporation meeting and once approved, it will be published on the College's website.

Audit Committee

The Audit Committee comprises Members of the Corporation or others co-opted on to the Committee. The Chair of Corporation, the Principal, Staff and Students may not be members. The Committee acts in accordance with written terms of reference approved by the Corporation. Its purpose is to advise the Corporation on the adequacy of the College's systems of internal control and its arrangements for risk management, control and governance processes.

The Audit Committee usually meets on a termly basis and provides a forum for reporting by the College's internal (MacIntyre Hudson) and external auditors (RSM UK - until 31 March 2023, after which Alliot's were appointed as External Auditors from 1st April 2023 following a re-tendering process), who have access to the committee for independent discussion, without the presence of College management. The Committee also receives and considers reports from the main FE funding body as they affect the College's business.

The Audit Committee also advises the Corporation on the appointment of internal auditors, reporting accountants and financial statements' auditors and their remuneration for audit and non-audit work, as well as reporting annually to the Corporation.

The College's internal auditors (MacIntyre Hudson) review the systems of internal control, risk management controls and governance processes in accordance with an agreed plan of input and report their findings to management and the Audit Committee. Management is responsible for the implementation of agreed audit recommendations and internal audit undertakes periodic follow-up reviews to ensure such recommendations have been implemented.

Following guidance issued to Colleges by the ESFA during the 2021/2022 academic year, that External Auditors should report directly to Corporation, the Board had agreed to take the approach of inviting the Chair of Governors to attend the Autumn Term Audit Committee in November 2022, at which the External Audit Findings Report would be presented to the Audit Committee. This would enable the Chair of Governors to provide the necessary reassurance to the Board, regarding the assurance received by the Auditors, at the subsequent Corporation meeting in December 2022.

BRIGHTON HOVE AND SUSSEX SIXTH FORM COLLEGE

Financial Statements for the Year Ended 31 July 2023

Governance statement (continued)

During the accounting period, the Audit Committee met two times on the following dates and all meetings were quorate:

24 November 2022
16 March 2023
22 June 2023

Attendance Record for Audit Committee Members:

Member	Term of Office (Start/Finish)	Attendance
Sarah Bovill	From March 2009	2 out of 3 Meetings 67%
Jo Davis (Chair)	From April 2019 (Chair from July 2020)	3 out of 3 Meetings 100%
Daniel Colaco Osorio	From 30 August 2023	N/A
Neil Perry	From April 2019	3 out of 3 Meetings 100%
Simon Porges	From January 2021 until July 2023	2 out of 3 Meetings 67%
Paul Lovegrove	Appointed July 2022	3 out of 3 Meetings 100%
Rob Milton	Appointed July 2022 (co-opted Committee Member)	3 out of 3 Meetings 100%

The Principal, William Baldwin is invited to attend Audit Committee Meetings and he was present at all the Meetings held in the 2022/2023 academic year.

The College's internal auditors monitor the systems of internal control, risk management controls and governance processes in accordance with an agreed plan of input and report their findings to management and the audit committee. Management is responsible for the implementation of agreed audit recommendations and internal audit undertakes periodic follow-up reviews to ensure such recommendations have been implemented.

The College's external auditors, RSM UK were in post until 31 March 2023, after which Alliotts were appointed as External Auditors from 1st April 2023 for a 5 year term, following a re-tendering process, reported and approved at the Audit Committee and subsequently endorsed by Corporation in March 2023.

The Audit Committee also advises the Corporation on the appointment of internal and external auditors and their remuneration for audit and non-audit work as well as reporting annually to the Corporation.

Internal Control

From 1 August 2013 there is no statutory obligation for sixth form colleges to have an audit firm to carry out internal audit and provide an assurance to the Audit Committee.

Scope of responsibility

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

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

BRIGHTON HOVE AND SUSSEX SIXTH FORM COLLEGE

Financial Statements for the Year Ended 31 July 2023

Governance statement (continued)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of College policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the college for the year ended 31 July 2023 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Corporation has reviewed the key risks to which the College is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Corporation is of the view that there is a formal ongoing process for identifying, evaluating and managing the College's significant risks that has been in place for the period ending 31 July 2023 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Corporation.

The risk and control framework

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

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

BHASVIC have a reduced scope internal audit service, provided by MacIntyre Hudson, which operates in accordance with the requirements of the ESFA's post 16 Audit Code of Practice. The work of the internal audit service is informed by an analysis of the risks to which the College is exposed, and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the College's governing body on the recommendation of the audit committee. At least annually the internal audit service provides the governing body with a report on internal audit activity in the college. The report includes the independent opinion of the internal audit service provider on the adequacy and effectiveness of the College's system of internal control, risk management controls and governance processes.

Risks faced by the Corporation

Overall responsibility for risk management within the College rests with the Principal as Accounting Officer, together with the Governing Body, and with the Audit Committee providing assurance to the Board, regarding the effectiveness of the arrangements which are in place. The Senior Leadership Team scores and tracks the likelihood and impact of risks on a termly basis noting any mitigation or action to be taken. The Risk Register is maintained at management level with assurance provided to Corporation Committees when risk scores are above a certain threshold. The process is reviewed once per term by the Audit Committee. All Audit Committee meetings consider risk as a standing agenda item and regularly reviews both the Risk Register, Risk Assurance Map and Risk Management Policy, together with various risk related reports provided by the External and Internal Auditors. "Fraud" is also a standing item on the Audit Committee meeting agendas. Further information relating to risk has been included in the Principal Risk and Uncertainties section of this Annual Report (page 9). The Board also places reliance on the Search and Governance Committee which monitors and reviews risks relating specifically to governance, in addition to its responsibilities relating to good governance practice, such as effective succession planning.

As reported earlier in this Report, within the Corporation Performance section, during the Autumn Term 2022 the Internal Auditors, MacIntyre Hudson, carried out a governance internal audit, with one of the 3 areas for review, being "Reporting" and in this regard, following audit work on the risk assurance map reports presented to Audit Committee, a low risk priority recommendation was identified. The auditors recommended that the risk assurance reports to the Audit

BRIGHTON HOVE AND SUSSEX SIXTH FORM COLLEGE

Financial Statements for the Year Ended 31 July 2023

Governance statement (continued)

Committee should detail what additional actions may be required where the level of assurance has been assessed as either amber or red. Secondly, it was recommended that an exception report should be provided to Corporation detailing risks where there is only an amber or red level of assurance together with the proposed action to address this. Both recommendations have been agreed by the Committee to be implemented by Management.

Control weaknesses identified

No control weaknesses have been identified during the year, and no concerns were raised by the Audit Committee.

Responsibilities under funding agreements

The Governing Body has ensured the appropriate use of funds as detailed in the Regularity Self-Assessment Questionnaire. At no time during this accounting period has the Accounting Officer, who has the responsibility to ensure compliance with the funding conditions, considered it necessary to advise the Governing Body that any action or policy under its consideration was incompatible with the funding agreement. The College's funding agreement with the ESFA is reviewed annually by the Senior Management Team and significant changes and their implications are considered by the Resources Committee and Corporation, ensuring that all requirements of that agreement are met. The Audit Committee believes that the Corporation has satisfactorily discharged its responsibilities as set out in these annual financial statements.

There have been no payments on termination of employment to the end of July 2023 or up until the time of approval of these financial statements.

The Governing Body has monitored the submission of financial plans through timely approvals of budgets and forecasts, together with regular monitoring of management accounts. The Annual Report and Financial Statements are submitted to the Education and Skills Funding Agency (ESFA) within the deadline required and a copy is made available on the College's website, once approved by the Governing Body, for access by all.

The Governing Body has also ensured that the terms and conditions of specific funding streams such as capital grants have been met and the details of which are monitored closely.

The Department for Education and the ESFA introduced new controls for Colleges on 29 November 2022 on the day that the Office for National Statistics (ONS) reclassified Colleges as public sector organisations in the national accounts. The ESFA Chief Executive communicated these changes to all College accounting officers and explained plans to introduce a College financial handbook in 2024. The College has reviewed its policies, procedures and approval processes in line with the new requirements as far as possible based on the information and guidance provided to date, to ensure that there are systems in place to identify and handle any transactions for which the Department for Education approval is required.

Statement from the Audit Committee

The Audit Committee has advised the Governing Body that the College has in place an effective framework for governance and risk management. The Audit Committee has also confirmed that the Governing Body has effective internal controls in place.

The specific areas of work undertaken by the Audit Committee in 2022-2023 academic year and up to the date of this approval of these Financial Statements are:

- i) Audit Findings Report (with the Financial Statements for Information) for the year to 31 July 2022, Letters of Representation for Financial Statements and Regularity Audit.
- ii) Regularity Audit Framework Questionnaire
- iii) Annual Report of the Audit Committee
- iv) Update on Audit recommendations

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Financial Statements for the Year Ended 31 July 2023

- v) Internal Audit Reports on Cyber Security Health check: Governance: Financial planning and budgetary control; learner numbers
- vi) Whistleblowing policy
- vii) Feedback on Tender for External Auditors and subsequent appointment
- viii) Performance Indicators for External and Internal Auditors.
- ix) Reappointment and remuneration –Internal Auditors.
- x) External Audit Planning Memorandum, To include Confirmation Letter, for the year ended 31st July 2023
- xi) Internal Audit Plan including Audit Strategy
- xii) **Risk Management:** The Committee receives regular risk management reports and noted progress against the risk management action plan. It also reviewed the Risk Register and considers that effective controls are in place. The Committee was also presented with and considered the Risk Register and Risk Assurance Map, the latter of which included risk assurance for other Corporation Committees.
- xiii) **Other Matters:** Principal's Report to all Committees including relevant sector updates/strategic matters etc, Minutes (main and confidential where applicable) and action points, progress with internal and external audit recommendations, Audit Committee self-assessment and review of terms of reference, review of Committee Members' training needs, Fraud Report. The Risk Management Policy is also regularly reviewed.

Discussions, recommendations and conclusions arising from the Audit Committee business for the 2022/2023 year until the date of approval of the financial statements, are recorded within the respective Audit Committee minutes which are uploaded to the College's website once approved.

Review of effectiveness

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

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

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

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

The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Corporation's agenda includes a regular item for consideration of risk and control and receives reports thereon from the senior management team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its December 2023 meeting, the Corporation carried out the annual assessment for the year ended 31 July 2023 by considering documentation from the senior leadership team and internal audit, and taking account of events since 31 July 2023.

BRIGHTON HOVE AND SUSSEX SIXTH FORM COLLEGE

Financial Statements for the Year Ended 31 July 2023

Governance statement (continued)

Based on the advice of the Audit Committee and the Accounting Officer, the Corporation is of the opinion that the College has an adequate and effective framework for governance, risk management and control, and has fulfilled its statutory responsibility for "the effective and efficient use of resources, the solvency of the institution and the body and the safeguarding of their assets". The Governing Body has been able to access the information required, including all financial data and risk information, in order to take decisions in a timely manner.

Approved by order of the members of the Corporation on 11 December 2023 and signed on its behalf by:



Kirstin Baker



William Baldwin



Simon Porges

Co - Chairs

Accounting Officer

BRIGHTON HOVE AND SUSSEX SIXTH FORM COLLEGE

Financial Statements for the Year Ended 31 July 2023

Statement of Regularity, Propriety and Compliance

As accounting officer, I confirm that the Corporation has had due regard to the framework of authorities governing regularity, priority and compliance, and the requirements of grant funding agreements and contracts with the ESFA, and has considered its responsibility to notify ESFA of material irregularity, impropriety and non-compliance with terms and conditions of funding.

I confirm, on behalf of the Corporation, that after due enquiry, and to the best of my knowledge, I am able to identify any material irregular or improper use of funds by the Corporation, or material non-compliance with the framework of authorities and the terms and conditions of funding, under the Corporations grant funding agreements and contracts with the ESFA, or any other public funder. This includes the elements outlined in the "Dear accounting officer" letter of 29 November 2022 and ESFA's bite size guides.

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



William Baldwin
Accounting Officer
Date: 11 December 2023

Statement of the chair of governors

On behalf of the Corporation, we confirm that the accounting officer has discussed their statement of regularity, propriety and compliance with the board and that we are content that it is materiality accurate.



Kirstin Baker



Simon Porges

Co - Chairs
Date: 11 December 2023

BRIGHTON HOVE AND SUSSEX SIXTH FORM COLLEGE

Financial Statements for the Year Ended 31 July 2023

Statement of Responsibilities of the Members of the Corporation

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

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

In preparing the financial statements the Corporation is required to:

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

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

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

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

Members of the Corporation are responsible for ensuring that expenditure and income are applied for the purposes intended and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from ESFA and any other public funds, are used only in accordance with ESFA's Grant Funding Agreement and contracts and any other conditions that may be prescribed from time to time by ESFA, or any other public funder, including that any transactions entered into by the Corporation are within the delegated authorities set out in the "Dear accounting officer" letter of 29 November 2022 and ESFA's bite size guides. Members of the Corporation must ensure that there are appropriate financial and management controls in place to safeguard public and other funds and ensure they are used properly. In addition, members of the Corporation are responsible for securing economic, efficient and effective management of the Corporation's resources and expenditure, so that the benefits that should be derived from the application of public funds from ESFA and other public bodies are not put at risk.

Approved by order of the members of the Corporation on 11 December 2023 and signed on its behalf by:

Kirstin Baker

Simon Porges

Co - Chairs



BRIGHTON HOVE AND SUSSEX SIXTH FORM COLLEGE

Financial Statements for the Year Ended 31 July 2023

INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF BRIGHTON HOVE & SUSSEX SIXTH FORM COLLEGE

Opinion

We have audited the financial statements of Brighton Hove & Sussex Sixth Form College (the 'College') for the year ended 31 July 2023 which comprise the college statement of comprehensive income, the college balance sheet, the college statement of changes in reserves, the college statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the College's affairs as at 31 July 2023 and of the College's deficit of income over expenditure for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Report and Financial Statements other than the financial statements and our auditor's report thereon. The governors are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Post-16 Audit Code of Practice 2022 to 2023 issued by the Education and Skills Funding Agency requires us to report to you if, in our opinion:

BRIGHTON HOVE AND SUSSEX SIXTH FORM COLLEGE

Financial Statements for the Year Ended 31 July 2023

- adequate accounting records have not been kept;
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations required for our audit.

Responsibilities of the Corporation of Brighton, Hove and Sussex Sixth Form College

As explained more fully in the Statement of the Corporation's Responsibilities set out on page 26, the Corporation is responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Corporation determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the college through discussions with governors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the college, including Keeping Children Safe in Education under the Education Act 2002, Ofsted, ESFA and OfS regulatory requirements, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

Audit response to risks identified

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- reviewed all transactions listed;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and

BRIGHTON HOVE AND SUSSEX SIXTH FORM COLLEGE
Financial Statements for the Year Ended 31 July 2023

- investigated the rationale behind significant or unusual transactions.

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

- agreeing financial statement disclosures to underlying supporting documentation; and
- enquiring of management as to actual and potential litigation and claims

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

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

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

Use of our report

This report is made solely to the Corporation, as a body, in accordance with the Funding Agreement published by the Education and Skills Funding Agency and our engagement letter dated 31 July 2023. Our audit work has been undertaken so that we might state to the Corporation, as a body, those matters we are engaged to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Corporation, as a body, for our audit work, for this report, or for the opinions we have formed.

Alliotts LLP

Alliotts LLP (Dec 12, 2023 12:14 GMT)

Alliotts LLP
Chartered Accountants
Friary Court
13-21 High Street
Guildford
Surrey
GU1 3DL

Date: 12/12/2023

BRIGHTON HOVE AND SUSSEX SIXTH FORM COLLEGE
Statement of Comprehensive Income
For the year ended 31 July 2023

	Notes	£'000	2023 £'000	£'000	2022 £'000
INCOME					
Funding body grants	2		17,013		14,938
Other grants and contracts	3		52		176
Other income	4		<u>892</u>		<u>807</u>
Total income			17,957		15,921
EXPENDITURE					
Staff costs	5	13,533		12,967	
Other operating expenses	6	3,430		2,658	
Depreciation	9	989		956	
Interest and other finance costs	7	145		197	
Total expenditure			<u>18,097</u>		<u>16,778</u>
Surplus/(Deficit) before other gains and losses			(140)		(857)
Loss on disposal of assets			-		-
Change in market value of investments			<u>(8)</u>		<u>3</u>
Surplus/(Deficit) before tax			(148)		(854)
Taxation	8		-		-
Surplus/(Deficit) for the year			(148)		(854)
Remeasurement of net defined pension liability	16		<u>1,415</u>		<u>6,684</u>
Total comprehensive income for the year			<u>1,267</u>		<u>5,830</u>

BRIGHTON HOVE AND SUSSEX SIXTH FORM COLLEGE
Balance sheet as at 31 July 2023

	Notes	2023 £'000	2022 £'000
Fixed assets			
Tangible assets	9a	<u>18,472</u>	<u>19,175</u>
Current assets			
Stocks		6	7
Debtors	10	320	545
Investments	9b	145	153
Cash at bank and in hand	15	<u>3,243</u>	<u>2,328</u>
Total current assets		<u>3,714</u>	<u>3,033</u>
Less: Creditors – amounts falling due within one year	11	<u>(2,155)</u>	<u>(2,405)</u>
Net current assets		<u>1,559</u>	<u>628</u>
Total assets less current liabilities		20,031	19,803
Less: Creditors – amounts falling due after more than one year	12	(10,673)	(10,752)
Provisions			
Defined benefit obligations	16	-	(960)
Total net assets		<u><u>9,358</u></u>	<u><u>8,091</u></u>
Unrestricted Reserves			
Income and expenditure account		7,567	6,230
Revaluation reserve		1,791	1,861
Total reserves		<u><u>9,358</u></u>	<u><u>8,091</u></u>

The financial statements on pages 30 to 50 were approved by the Corporation on 11 December 2023 and were signed on its behalf on that date by:

Kirstin Baker
Co - Chair

Simon Porges
Co - Chair

William Baldwin
Principal

BRIGHTON HOVE AND SUSSEX SIXTH FORM COLLEGE
College Statement of Changes in Reserves

	Income and Expenditure account £'000	Revaluation Reserve £'000	Total £'000
Balance at 31 July 2021	324	1,937	2,261
Deficit for the year	(854)	-	(854)
Other comprehensive income	6,684	-	6,684
Transfers between revaluation and income and expenditure reserves	76	(76)	-
Total comprehensive income for the year	5,906	(76)	5,830
Balance at 31 July 2022	6,230	1,861	8,091
Deficit for the year	(148)	-	(148)
Other comprehensive income	1,415	-	1,415
Transfers between revaluation and income and expenditure reserves	70	(70)	-
Total comprehensive income for the year	1,337	(70)	1,267
Balance at 31 July 2023	7,567	1,791	9,358

BRIGHTON HOVE AND SUSSEX SIXTH FORM COLLEGE
Cash Flow Statement

	Notes	2023 £'000	2022 £'000
Cash inflow from operating activities			
Deficit for the year		(148)	(854)
Adjustment for non cash items			
Depreciation		989	956
Loss on disposal of assets		-	-
Deferred capital grant release		(261)	(325)
Decrease/(Increase) in stocks		1	(6)
(Increase)/decrease in debtors		225	(68)
Increase/(Decrease) in creditors within one year		(217)	572
Pension scheme non-cash movements		433	970
Adjustment for investing or financing activities			
Fair value (gains)/loss on investments		8	(3)
Interest payable		145	197
Net cashflow from operating activities		1,175	1,439
Cash flows from investing activities			
Capital grants received		494	-
Payments made to acquire fixed assets		(286)	(942)
		208	(942)
Cash flows from financing activities			
New loan received		-	-
Interest paid		(120)	(92)
Interest element of finance lease rentals		(3)	(4)
Repayments of amounts borrowed		(333)	(333)
Capital elements of finance lease rentals		(12)	(9)
		(468)	(438)
Total Investing and financing activities		(260)	(1,380)
Increase in cash and cash equivalents		915	59
Cash and cash equivalents at the start of the year	16	2,328	2,269
Cash and cash equivalents at the end of the year	16	3,243	2,328

BRIGHTON HOVE AND SUSSEX SIXTH FORM COLLEGE

Financial Statements for the Year Ended 31 July 2023

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

Statement of accounting policies

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

General information

Brighton Hove and Sussex Sixth Form College is a Corporation established under the Further and Higher Education Act 1992 as a sixth form college, incorporated in England. The address of the College's principle place of business is 205 Dyke Road, Hove, East Sussex BN3 6EG. The nature of the College's operations are set out in the Report of the Governing Body.

Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice: 'Accounting for Further and Higher Education 2019' (the 2019 FE HE SORP), the 'College Accounts Direction for 2022 to 2023' and in accordance with Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' (FRS 102). The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

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

Basis of accounting

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

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

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

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

Going concern

The activities of the College, together with the factors likely to affect its future development and performance are set out in the Strategic Report. The financial position of the College, its cashflow, liquidity and borrowings are described in the Financial Statements and accompanying notes.

The College currently has £4,265,658 of loans outstanding with bankers on terms negotiated in 2020. The College's forecasts and financial projections indicate that it will be able to operate within these existing facilities and covenants for the foreseeable future.

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

Recognition of Income

Revenue Grant funding

Government revenue grants include funding body recurrent grants and other grants and are accounted for under the accrual model as permitted by FRS 102. Funding body recurrent grants are measured in line with best estimates for the period of what is receivable and depend on the particular income stream involved. The final grant income is normally determined with the conclusion of the year end reconciliation process with the funding body following the year end, and

BRIGHTON HOVE AND SUSSEX SIXTH FORM COLLEGE

Financial Statements for the Year Ended 31 July 2023

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. Accounting policies (continued)

Recognition of Income (continued)

the results of any funding audits. 16-18 funding is not subject to reconciliation and is therefore not subject to contract adjustments.

Capital Grant funding

Government capital grants for assets are accounted for under the accrual model as permitted by FRS 102. The grant income received or receivable will be recognised over the expected useful life of the asset, with any amount of the asset-related grant that is deferred being recognised as deferred income. The deferred income is allocated between creditors due within one year and those due after more than one year.

Fee income

Any income from tuition fees is recognised in the period for which it is received, and includes all fees chargeable to students or their sponsors.

Investment income

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

Other Income

All other income is credited to the income and expenditure account in the period in which it is received or to which it relates, on an accruals basis.

Agency arrangements

The college acts as an agent in the collection and payment of certain discretionary support funds and any other arrangements. Related payments received from the funding bodies and subsequent disbursements to students are excluded from the income and expenditure of the college and are included in other creditors, except for the 5 per cent of the grant received which is available to the College to cover administration costs relating to the grant.

Accounting for post employment benefits

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

Teachers' Pension Scheme (TPS)

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

The TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as an expense in the income statement in the periods during which services are rendered by employees. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

East Sussex Local Government Pension Scheme (LGPS)

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

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

BRIGHTON HOVE AND SUSSEX SIXTH FORM COLLEGE

Financial Statements for the Year Ended 31 July 2023

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. Accounting policies (continued)

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

Short term Employment benefits

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

Tangible Fixed Assets

Land and buildings

Land and buildings inherited from the local education authority are stated in the balance sheet at valuation on the basis of depreciated replacement cost as the open market value for existing use is not readily obtainable. Land and buildings acquired since incorporation are included in the balance sheet at cost. Freehold land is not depreciated. Freehold buildings are depreciated over their expected useful economic life to the College of up to 55 years on a straight line basis. The College has a policy of depreciating major adaptations to buildings over the period of their useful economic life.

Where land and buildings are acquired with the aid of specific grants, they are capitalised and depreciated as above. The related grants are credited to a Government capital grant account, and are released to the income and expenditure account over the expected useful life of the related asset on a basis consistent with the depreciation policy.

Finance costs, which are directly attributable to the construction of land and buildings, are not capitalised as part of the cost of those assets.

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

On adoption of FRS 102, the College followed the transitional provision to retain the book value of land and buildings, which were revalued in 1993, but not to adopt a policy of revaluations of these properties in the future.

Assets in course of construction

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

Subsequent expenditure on existing assets

Where significant expenditure is incurred on tangible fixed assets it is charged to the income and expenditure account in the period it is incurred, unless it meets one of the following criteria, in which case it is capitalised and depreciated on the relevant basis:

- Market value of the fixed asset has significantly improved
- Asset capacity increases
- Substantial improvement in the quality of output or reduction in operating costs
- Significant extension of the asset's life beyond that conferred by repairs and maintenance.

Equipment

Equipment costing less than £1,000 per individual item is written off to the Statement of Comprehensive Income in the year of acquisition with the exception of the annual IT equipment upgrade which may include individual items below this level but is capitalised at cost. All other equipment is capitalised at cost.

Equipment is depreciated on the straight line method as follows:

Building improvements	10% per year
Computer equipment	Between 20% and 50% per year
Other equipment	20% per year

BRIGHTON HOVE AND SUSSEX SIXTH FORM COLLEGE

Financial Statements for the Year Ended 31 July 2023

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. Accounting policies (continued)

Leased assets

Costs of operating leases are charged on a straight line basis over the lease term.

Leasing agreements that transfer to the College substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital elements of the leasing commitments are shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged to the income and expenditure account in proportion to the reducing capital element outstanding.

Assets held under finance leases are depreciated over the shorter of the lease term or the useful economic lives of equivalent owned assets.

Stocks

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

Investments

Investments are units in the COIF charities investment fund and shares on the AIM market, as well as money on short term bank deposit. Current asset investments, which include listed investments, are stated at fair value, with movements recognised in Comprehensive Income. Investments comprising unquoted equity instruments are measured at fair value, estimated using a valuation technique.

Cash and cash equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. An investment qualifies as a cash equivalent when it has maturity of 3 months or less from the date of acquisition.

Financial liabilities

The College has chosen to adopt Sections 11 and 12 of FRS 102 in full in respect of financial instruments.

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

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

Taxation

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

The College receives no similar exemption in respect of Value Added Tax. For this reason the College is generally unable to recover input VAT it suffers on goods and services purchased. Non-pay expenditure is therefore shown inclusive of VAT with any partial recovery netted off against these figures.

BRIGHTON HOVE AND SUSSEX SIXTH FORM COLLEGE

Financial Statements for the Year Ended 31 July 2023

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. Accounting policies (continued)

Maintenance of premises

The cost of routine maintenance is charged to the income and expenditure account in the period it is incurred.

Provisions

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

Judgements in applying accounting policies and key sources of estimation uncertainty

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

Critical areas of judgement

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

- Determine whether leases entered into by the College either as a lessor or a lessee are operating of finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

Critical accounting estimates and assumptions

- Tangible fixed assets
Tangible fixed assets, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, maintenance programmes, economic utilisation and physical condition of the assets are taken into account. Residual value assessments consider issues such as future market conditions and the remaining life of the asset.
- Local Government Pension Scheme
The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 16, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 July 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

BRIGHTON HOVE AND SUSSEX SIXTH FORM COLLEGE
Notes to the Financial Statements (continued)

2 Funding body grants

	2023	2022
	£'000	£'000
ESFA 16-18 recurrent grant	16,144	14,024
Release of government capital grants	261	325
Other allocations	608	589
Total	<u>17,013</u>	<u>14,938</u>

3 Other grants and contracts

	2023	2022
	£'000	£'000
Energy efficiency grant	52	-
Skills Development Fund grant	<u>-</u>	<u>176</u>

4 Other operating income

	2023	2022
	£'000	£'000
Catering operations	305	262
Other income generating activities	318	258
Covid funding	-	21
Miscellaneous income	269	266
Total	<u>892</u>	<u>807</u>

BRIGHTON HOVE AND SUSSEX SIXTH FORM COLLEGE
Notes to the Financial Statements (continued)

5 Staff costs

The average number of persons (including key management personnel) employed by the College during the year was:

	2023	2022
	No.	No.
Teaching staff	183	175
Non teaching staff	<u>151</u>	<u>142</u>
	<u>334</u>	<u>317</u>

Staff costs for the above persons

	2023	2022
	£'000	£'000
Wages and salaries	10,013	9,232
Social security costs	967	855
Other pension costs	<u>2,553</u>	<u>2,880</u>
	<u>13,533</u>	<u>12,967</u>
Restructuring costs	<u>-</u>	<u>-</u>
	<u>13,533</u>	<u>12,967</u>

Key management personnel

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

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

	2023	2022
The number of key management personnel including the Accounting Officer was:	<u>5</u>	<u>4</u>

BRIGHTON HOVE AND SUSSEX SIXTH FORM COLLEGE
Notes to the Financial Statements (continued)

5 Staff costs (Continued)

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

	Key Management	
	2023	2022
	No	No
£55,001 to £60,000	1	-
£60,001 to £65,000	-	1
£65,001 to £70,000	1	-
£70,001 to £75,000	1	1
£75,001 to £80,000	-	-
£80,001 to £85,000	1	1
£115,001 to £120,000	-	1
£120,001 to £125,000	1	-
	5	4

No other staff received annual emoluments in excess of £60,000.

Key management personnel compensation is made up as follows:

	2023	2022
	£'000	£'000
Salaries	398	332
Employers National Insurance	50	42
Pension contributions	98	76
Total emoluments	546	450

The above emoluments include amounts payable to the Principal who is the accounting officer and who is also the highest paid member of staff. Their pay and remuneration is as follows:

	2023	2022
	£'000	£'000
Salaries	122	117
Employers National Insurance	16	15
Pension contributions	29	28

The Remuneration Committee will consider whether to adopt the remuneration code to assess pay in line with the principles of the code for future remuneration decision making.

The remuneration package for the Principal and key management personnel is subject to annual review by the Remuneration Committee of the governing body, who take careful account of the College's Remuneration and PDR policies for Senior Postholders. Consideration is given to the latest survey figures and individual PDR achievements as well as the past and likely future national pay settlements. In balancing reward for performance with the budgetary pressures on the college the committee made awards that reflect the likely national pay settlement.

BRIGHTON HOVE AND SUSSEX SIXTH FORM COLLEGE
Notes to the Financial Statements (continued)

5 Staff costs (continued)

Relationship of Principal pay and remuneration expressed as a multiple:

	2023	2022
	%	%
Principal basic salary as a multiple of the median of all staff	3.01	3.05
Principal total remuneration as a multiple of the median of all staff	3.11	3.14

The members of the Corporation apart from the accounting officer and the staff members did not receive any payment from the institution other than the reimbursement of travel and subsistence expenses incurred in the course of their duties.

6 Other operating expenses

	2023	2022
	£'000	£'000
Teaching costs	468	401
Non teaching costs	1,704	1,553
Premises costs	<u>1,258</u>	<u>704</u>
Total	<u>3,430</u>	<u>2,658</u>

(Deficit) before tax is stated after charging:

	2023	2022
	£'000	£'000
Auditors' remuneration:		
Financial statements audit	29	35
Teachers pension audit	2	2
Grant audit	0	5
Internal audit	12	15
Hire of other assets – operating leases	<u>189</u>	<u>113</u>

7 Interest payable

	2023	2022
	£'000	£'000
On bank loans, overdrafts and other loans	<u>120</u>	<u>92</u>
	120	92
Interest on finance leases	3	4
Pension finance costs (note 16)	<u>22</u>	<u>101</u>
Total	<u>145</u>	<u>197</u>

8 Taxation

The members do not believe that the College was liable for any corporation tax arising out of its activities during either the current or the preceding year.

BRIGHTON HOVE AND SUSSEX SIXTH FORM COLLEGE
Notes to the Financial Statements (continued)

9a Tangible fixed assets

	Freehold Property	Assets in course of construction	Equipment	Total
	£'000	£'000	£'000	£'000
Cost or valuation				
At 1 August 2022	26,832	-	2,046	28,878
Additions	11	-	275	286
Disposals	-	-	(171)	(171)
Transfer			-	-
At 31 July 2023	26,843	-	2,150	28,993
Depreciation				
At 1 August 2022	8,510	-	1,193	9,703
Charge for the year	678	-	311	989
Disposals	-	-	(171)	(171)
At 31 July 2023	9,188	-	1,333	10,521
Net book value at 31 July 2023	17,655	-	817	18,472
Net book value at 31 July 2022	18,322	-	853	19,175

Land and buildings with a net book value of £13,726,348 have been financed by exchequer funds.

If inherited land and buildings had not been valued, they would have been included as £nil cost and £nil accumulated depreciation.

The net book value of equipment includes an amount of £10,572 (2022 £21,144 in respect of assets held under finance lease).

9b Investments	2023 £'000	2022 £'000
Listed investments	81	88
Unlisted investments	64	65
	145	153

The college owns 133,333 shares in Frenkel Topping plc, a company incorporated in England and Wales. Their principal activity is the provision of financial advice.

BRIGHTON HOVE AND SUSSEX SIXTH FORM COLLEGE
Notes to the Financial Statements (continued)

10 Debtors

	2023	2022
	£'000	£'000
Amounts falling due within one year:		
Other debtors	23	41
Prepayments and accrued income	297	504
Total	<u>320</u>	<u>545</u>

11 Creditors: amounts falling due within one year

	2023	2022
	£'000	£'000
Bank loans and overdrafts	306	306
Obligations under finance lease	13	12
Other loans	27	27
Payments received in advance	108	63
Trade creditors	330	480
Other taxation and social security	232	216
Other creditors and accruals	912	1,040
Deferred income - government capital	227	261
Total	<u>2,155</u>	<u>2,405</u>

12 Creditors: amounts falling due after one year

	2023	2022
	£'000	£'000
Bank loans	3,960	4,265
Obligations under finance lease	-	13
Other loans	27	54
Deferred income - government capital	6,686	6,420
Total	<u>10,673</u>	<u>10,752</u>

BRIGHTON HOVE AND SUSSEX SIXTH FORM COLLEGE
Notes to the Financial Statements (continued)

13 Borrowings

Bank loans are repayable as follows:

	2023 £'000	2022 £'000
In one year or less or on demand	306	306
Between one and two years	306	306
Between two and five years	918	917
In five years or more	2,736	3,042
Total	4,266	4,571

The College drew down a loan of £4.2m in 2016. The interest rate is fixed at 1.96% for 5 years to May 2025 payable by instalments between October 2016 and June 2039. The amount outstanding at 31 July 2023 is £2,979,728.
The College drew down a loan of £1.5m in 2020. The interest rate is variable at 1.68% above bank rate for 5 years payable between October 2021 and June 2039. The amount outstanding at 31 July 2023 is £1,285,930.

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

	2023 £'000	2022 £'000
In one year or less	13	12
Between two and five years	-	13
Total	13	25

14 Provisions

	Defined benefit obligations £'000
At 1 August 2022	(960)
Expenditure in the period	(455)
Transferred to income and expenditure account	1,415
At 31 July 2023	-

Defined benefit obligations relate to the liabilities under the College's membership of the Local Government Scheme. Further details are given in Note 16.

15 Cash and cash equivalents	At 1 August 2022 £'000	Cashflows £'000	Other Changes £'000	At 31 July 2023 £'000
Cash and cash equivalents	2,328	915		3,243
	2,328	915	-	3,243
Debt due within 1 year	(333)	333	(333)	(333)
Debt due after 1 year	(4,319)	-	333	(3,986)
Finance leases	(25)	12		(13)
Current asset investments	153	-	(8)	145
Total	(2,196)	1,260	(8)	(944)

BRIGHTON HOVE AND SUSSEX SIXTH FORM COLLEGE
Notes to the Financial Statements (continued)

16 Retirement benefits

The College's employees belong to two post employment benefit plans: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Orbis Business Operations. Both are defined-benefit schemes.

Total pension cost for the year	2023 £'000	2022 £'000
Teachers Pension Scheme: contributions paid	1,530	1,411
Local Government Pension Scheme:		
Contributions paid	600	506
FRS 102 charge	<u>423</u>	<u>963</u>
Charge to the Statement of Comprehensive Income	1,023	1,469
Total pension cost for year within staff costs	<u>2,553</u>	<u>2,880</u>

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of the TPS was 31 March 2016 and of the LGPS 31 March 2023.

There were outstanding contributions of £246,551 (2022 £225,344) at the end of the financial year, and are included within creditors.

Teachers' Pension Scheme

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

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

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

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

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

The latest actuarial review of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education (the Department) in April 2019. The key results of the valuation and the subsequent consultations are:

- New employer contribution rates were set at 16.48% of pensionable pay (including administration fees of 0.08%);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196 billion, giving a notional past service deficit of £22 billion;
- discount rate is 2.4% in excess of CPI.

BRIGHTON HOVE AND SUSSEX SIXTH FORM COLLEGE
Notes to the Financial Statements (continued)

16 Retirement benefits (continued)
Teachers' Pension Scheme (continued)

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018-19). DfE have agreed to continue to pay a teacher pension employer contribution grant to cover the additional costs during the 2022-23 academic year.

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

The pension costs paid to TPS in the year amounted to £2,117,451 (2022: £1,957,000).

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate funds administered by East Sussex County Council. The total contribution made for the year ended 31 July 2023 was £832,000 of which employer's contributions totalled £600,000 and employees' contributions totalled £232,000. The agreed contribution rates for future years are 19.8 % for employers and range from 5.5% to 12.5% for employees.

Principal Actuarial Assumptions	At 31 July 2023	At 31 July 2022
Rate of increase in salaries	3.85%	2.80%
Rate of increase for pensions in payment / inflation	2.85%	2.80%
Discount rate for scheme liabilities	5.15%	3.40%
Inflation assumption (CPI)	2.85%	2.80%
Commutation of pensions to lump sums pre April 2008		
Commutation of pensions to lump sums post April 2008		

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

	At 31 July 2023	At 31 July 2022
Retiring today		
Males	20.90	21.20
Females	23.80	23.80
Retiring in 20 years		
Males	21.90	22.10
Females	25.30	25.10

BRIGHTON HOVE AND SUSSEX SIXTH FORM COLLEGE
Notes to the Financial Statements (continued)

16 Retirement benefits (continued)
Local Government Pension Scheme (Continued)

The actuarial calculations have allowed for actual pension increase experience for the period from 2022/23. This assumes that pension increases are in line with the annual pension increases set by the HM Treasury Revaluation Order.

These Actuarial assumptions have been reviewed and accepted by the college.

Actuarial Report

The actuarial report for the local government pension scheme at 31 July 2023 shows an actuarial gain which has resulted in a pension asset at the same date.

We have not recognised the pension asset as a positive position but have instead shown a break-even position as there is insufficient evidence to conclude that the 'asset' may be available to reduce future payments.

As assets should only be recognised to the extent that the College is able to recover the surplus either through reduced contributions in the future or refunds from the plan.

The college's estimated share of the assets in the scheme were:

	Value at 31 July 2023	Value at 31 July 2022
	£'000	£'000
Equities	10,139	9,023
Bonds	1,679	1,909
Property	920	1,082
Cash	177	269
Total market value of assets	12,915	12,283
Actual return on plan assets	(120)	392

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

	2023	2022
	£'000	£'000
Fair value of plan assets	12,915	12,283
Present value of plan liabilities	(12,026)	(13,243)
Net pensions asset	889	(960)

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

	2023	2022
	£'000	£'000
Current and past service costs	1,023	1,469
Net interest on the defined benefit pension liability	22	101
	1,045	1,570

Amounts included in Other Comprehensive Income

	2023	2022
	£'000	£'000
Return on pension plan assets	(548)	206
Adjustment recognised to cap the schemes surplus	(889)	-
Changes in demographic assumptions	(116)	-
Changes in assumptions underlying the present value of plan liabilities	4,728	6,518
Other experiences	(1,760)	(40)
Amount recognised in Other Comprehensive Income	1,415	6,684

BRIGHTON HOVE AND SUSSEX SIXTH FORM COLLEGE
Notes to the Financial Statements (continued)

16 Defined benefit obligations (continued)

Local Government Pension Scheme (Continued)

Movement in net defined liability during the year

	2023	2022
	£'000	£'000
Deficit in scheme at 1 August	(960)	(6,573)
Movement in year:		
Current service cost	(1,023)	(1,469)
Employer contributions	600	506
Administration expenses	(10)	(7)
Net interest/return on assets	(22)	(101)
Actuarial gain or loss	1,415	6,684
Surplus in scheme at 31 July	-	(960)

Asset and Liability Reconciliation

	2023	2022
	£'000	£'000
Changes in the present value of defined benefit obligations		
Defined benefit obligations at start of period	13,243	17,958
Service cost	1,023	1,469
Interest cost	450	287
Contributions by Scheme participants	198	166
Changes in demographic assumptions	116	-
Changes in financial assumptions	(4,559)	(6,518)
Other experience	1,760	40
Estimated benefits paid	(205)	(159)
Defined benefit obligations at end of period	12,026	13,243

Reconciliation of Assets

Fair value of assets at start of period	12,283	11,385
Interest on plan assets	428	186
Return on plan assets	(548)	206
Other actuarial gains	169	-
Administration expenses	(10)	(7)
Employer contributions	600	506
Contributions by Scheme participants	198	166
Estimated benefits paid	(205)	(159)
Fair value of assets at end of period	12,915	12,283

The estimated value of employer contributions for the year ended 31st July 2024 is £637,000.

BRIGHTON HOVE AND SUSSEX SIXTH FORM COLLEGE
Notes to the Financial Statements (continued)

17 Contingencies

There are no contingencies at the year end.

18 Post balance sheet events

There are no significant post balance sheet events.

19 Financial Commitments

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

	2023	2022
	£'000	£'000
Future minimum lease payments due		
Expiring within one year	105	12
Expiring within two and five years inclusive	102	19
	<u>207</u>	<u>31</u>

20 Related party transactions

There were no expenses paid to or on behalf of the Governors during the year; All governor training expenses are settled directly by the College. (2022: £0)

One of our Governors is an employee of an IT firm who supply the college with IT network solutions. He is not involved in any element of agreeing requirements, creating the solution or pricing. The amount paid in 2023 whilst he was in post was £28,348 (2022 £9,540)

Another of our Governors is the owner of a company that has a contract with the college to provide well-being, mental health and parent and carer support. This is a specialist service with this company being the only provider in the City. The amount paid in 2023 was £1,200. (2022:£5,000)

21 Amounts disbursed as agent - Learner support funds

	2023	2022
	£'000	£'000
Underspend from earlier years	213	187
16-18 bursary grants	241	205
	<u>454</u>	<u>392</u>
Disbursed to students	(398)	(169)
Administration costs	(12)	(10)
	<u>44</u>	<u>213</u>

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

BRIGHTON HOVE AND SUSSEX SIXTH FORM COLLEGE

Financial Statements for the Year Ended 31 July 2023

Independent reporting Accountant's report on regularity to the Corporation of Brighton Hove and Sussex Sixth Form College and the Secretary of State for Education acting through the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 31 July 2023 and further to the requirements and conditions of funding in the ESFA's grant funding agreements and contracts, or those of any other public funder, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by Brighton Hove & Sussex Sixth Form College during the period 1 August 2022 to 31 July 2023 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

The framework that has been applied is set out in the post-16 audit code of practice (the Code) issued by the ESFA and in any relevant conditions of funding concerning adult education notified by a relevant funder.

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

Respective responsibilities of Brighton Hove & Sussex Sixth Form College and the reporting accountant

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

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Code. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 August 2022 to 31 July 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

Accordingly, we do not express a positive opinion.

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

The work undertaken to draw our conclusion included:

- Documenting the framework of authorities which govern the activities of the College;
- Undertaking a risk assessment based on our understanding of the general control environment and any weaknesses in internal controls identified by our audit of the financial statements;

BRIGHTON HOVE AND SUSSEX SIXTH FORM COLLEGE

Financial Statements for the Year Ended 31 July 2023

- Reviewing the self-assessment questionnaire which supports the representations included in the Chair of Governors and Accounting Officer's statement on regularity, propriety and compliance with the framework authorities;
- Testing transactions with related parties;
- Confirming through enquiry and sample testing that the College has complied with its procurement policies and that these policies comply with delegated authorities; and
- Reviewing any evidence of impropriety resulting from our work and determining whether it was significant enough to be referred to in our regularity report.

This list is not exhaustive and we perform additional procedures designed to provide us with sufficient appropriate evidence to express a limited assurance conclusion on regularity consistent with the requirements of the Code.

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 August 2022 to 31 July 2023 has not been applied to purposes intended by Parliament, that the financial transactions do not conform to the authorities which govern them nor have been improper.

Use of our report

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

Alliotts LLP
Chartered Accountants
Friary Court
13-21 High Street
Guildford
Surrey
GU1 3DL
[Date] 12/12/2023

Alliotts LLP
Alliotts LLP (Dec 12, 2023 12:14 GMT)