Chelmsford College

SCHEDULE
6.3

CHELMSFORD COLLEGE

Annual Report and Financial Statements

for the year ended 31 July 2021

Key Management Personnel, Board of Governors and Professional advisers

Key management personnel

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

Andrew Sparks Principal; Accounting officer
Caroline Williams Deputy Principal
Debs Hurst Vice Principal Finance & Corporate Services

Board of Governors

A full list of Governors is given on page 20 of these financial statements. Mr Robert Millea has acted as Clerk to the Corporation since January 2016.

Professional advisers

Financial statement auditor and reporting accountants:

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

Internal auditor:
Scrutton Bland
Fitzroy House
Crown Street
Ipswich
Suffolk
IP1 3LG

Banker:
Lloyds Bank Plc
77-81 High Street
Chelmsford CM1 1DU

Solicitor:
Ellisons
115 New London Road
Chelmsford CM3 2QT

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MEMBERS' REPORT

OBJECTIVES AND STRATEGY

The governing body present their report together with the financial statements and auditor's report for Chelmsford College for the year ended 31 July 2021. These statements include the results of the College's wholly owned subsidiary business, Dovedale Nursery CIC and 50% share of the assets and liabilities of Essex Shared Services Limited.

Legal status

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

Mission

The College's mission, as approved by its members, is:

"Chelmsford College: unlocking potential"

Chelmsford College aims to enable success for all our learners through the provision of high quality, flexible teaching and learning across a wide range of vocational and academic disciplines. Our community comprises young people, adults, businesses and public and third sector organisations within mid-Essex and the wider county. We aim to align our provision to the needs, hopes and aspirations of this community and to add value to the social, economic and educational well-being of the community of which we are part.

The Values of the College

In aiming for excellence, the College has adopted six essential values which are:

- **Excellence** in teaching, learning and assessment
- **Innovation** in how we work and develop
- **Ambition** - for all in the College community to be the best we can be
- **Respect** and **support** for every individual
- **Fairness** and **equity** in all our undertakings
- **Outward looking** in our development

Implementation of strategic plan

The College's direction is reviewed annually and incorporates actions required under the College Improvement Plan. Our Strategic Plan 2018-2021 can be found by following the link https://www.chelmsford.ac.uk/assets/downloads/our-college/governance/documents/strategic-plan-digital-2018-2021.pdf

The plan sets out our strategic goals and priorities.

The College's delivery goals are:

- To become an **outstanding** college
- To provide **greater access** to learning
- To **inspire and motivate** members of staff
- To prioritise **partnership working**

- To be **financially sound** to enable the delivery of the College's strategic objectives

COVID-19

It was necessary to continue to take appropriate steps to deliver a safe environment for staff and learners throughout 2020/21 in line with Government guidance. This enabled our learners to maintain their studies through a 'blended' approach with regular reviews of progress throughout the year. There is no doubt that some learners adapted better than others to this type of learning.

We continued our implementation of the Covid-19 framework to ensure the campus was and continues to be a safe environment. We were required to manage the volume of days learners and staff were permitted on campus. Bubbles were defined, with blended learning approaches for subjects including main qualification, Maths/English, tutorials and work experience, with online training/lessons. As restrictions were lifted our plans adapted to allow more face to face tuition.

During 2020/21 we introduced eight new qualifications across science, ICT, Sport and exercise, Engineering, Technical construction, Hair and Beauty in line with the College Strategic plan.

Provision for vulnerable learners

The greatest challenge during this period was to provide a service to our most vulnerable learners in an academic year where the changing demands of the Covid19 pandemic meant that our learners experienced a disrupted education.

The Department for Education (DfE) defines vulnerable learners during the coronavirus (COVID-19) outbreak, as those who:

- are assessed as being in need under section 17 of the Children Act 1989, including children who have a child in need plan, a child protection plan or who are a looked after child
- have an education, health and care (EHC) plan whose needs cannot be met safely in the home environment
- have been assessed as otherwise vulnerable by educational providers or local authorities (including children's social care services), and who are therefore in need of continued education provision

We used our professional judgement and discretion, working in partnership with other professional bodies and external agencies, to ensure that we keep our learners and young apprentices safe.

To meet this challenge, the college adapted its provision and support for all students as requirements during academic year 2020/21 changed from amended delivery to full lockdowns and the college maintained several key actions and initiatives including:

- Maintaining the supplement to the safeguarding policy, safeguarding – COVID-19 Supplement

- Writing and publishing a new edition of COVID-19 *StaySafe* newsletter for staff and a publication for learners/parents/carers. The staff newsletter contained helpful information on safeguarding protocols for learners who are not engaging and keeping learning safe online.
- Providing all learners in receipt of student bursary monies with luncheon vouchers to spend in supermarkets, takeaway outlets etc during lockdowns and holidays;
- Ensured that all learners with Education Health Plans (EHP) were being routinely contacted by their Learning support assistant and/or teacher to support them and their parents/ carers with advice and guidance on how to support and guide learning as well as how to support the young person through the challenges of the lockdown period of the academic year. This support was particularly important for our learners with high needs, particularly when these needs are health as well as educational;
- All learners with EHC plans were risk assessed in accordance with DfE requirements;
- All learners identified by the college as vulnerable or at risk were routinely contacted during the lockdown, some daily, by our student support team including our mental health adviser. The workload of our student support team during lockdown was immense as demands on social services increased in the community which meant additional demands on the College.
- During full lockdown, we opened a small section of one campus to meet the needs of all vulnerable learners, children of key workers and all learners who feel that they would benefit from being at college. We anticipated that as the pressures of lockdown increased more learners would need a safe place.
- We opened Dovedale Nursery to vulnerable children and children of key workers during the lockdown period.

In summary, the college community responded well to the demands of the various phases of the academic year due to COVID-19. Moreover, this is a testament to the dedication of all our staff.

RESOURCES

People

The Group employs 254 (2019/20 287) people (expressed as full time equivalents), of whom 121 (2019/20 112) are teaching staff, 40 (2019/20 88) are teaching support staff and 93 (2019/20 87) are business support staff which includes 36 staff employed by Dovedale Nursery. There were some teaching positions carried out by agency staff, especially in areas where lecturers are difficult to recruit, such as Electrical and Engineering provision. Also Work based tutors across some apprenticeship provision.

COVID-19

We continued to use the Job Retention Scheme for some staff who were unable to work from home due to their specific role and in the main were responsible for generating commercial income, such as Dovedale Nursery and other income generating areas. We received £222k (2019/20 £262k).

Learner numbers

In 2020/21 the College has delivered activity that has produced £10.7m in Education and Skills Funding Agency main allocation funding (2019/20 – £10.2m). The College achieved 2129 total EFA funded learners against a target of 2,177. Across all provision the College had 3,282 funded and 228 non-funded students.

The breakdown of total funded learners is:

Education and Skills Funding Agency	2,129
Skills Funding Agency (classroom based)	824
Skills Funding Agency (apprentices)	329

Financial

The Group has £14m of net assets after providing for £7m pension liability and total debt of £3.5m. Assets have increased from £11.7m to £14.5m due to a gain of £3.7m for the FRS102 adjustment for Local Government Pension Scheme (LGPS) provision.

The College has two campuses in the heart of Chelmsford, one at Moulsham Street and one at Princes Road. Significant improvements have been made to both campuses over the last few years.

Reputation

Chelmsford College is the only General Further Education College in Mid-Essex, delivering to approximately 40% of the core 16 - 18s within Mid-Essex. The College has a good reputation for providing vocational and occupational education to post 16 learners who wish to undertake further education continuing to key stage 5.

The College achievement rates are 16-18 84.6% (2019/20 83.3%) and 19+ 89.5% (86% 2019/20). The College offers a comprehensive education, including essential employability skills and meaningful Work Related Experience, English and Maths GCSEs and a solid foundation of support.

Due to the continuation of the COVID-19 pandemic, the College continued to apply a Blended Learning model for some learners, whilst continuing to support the large majority attending a normal college timetable. This ensured that learners were not disadvantaged and could study towards their learning outcomes.

The college works with around 400 employers across Mid Essex. Many of these employer's form part of our Alumni, keen to support & inspire the next generation of students. We continue to develop strong partnerships and increase employer involvement in many aspects of college life as it is evident that this has a positive impact on our students, allowing them to gain the skills which ultimately makes them more employable.

The numbers of learners who choose the College as the institute of first choice for their studies post 16 is high and continues to grow at level entry 1, level 2 and level 3. In addition, the College has established a good reputation for provision for adults, apprentices and learners with higher needs. Despite the pandemic the college has seen significant growth this year. The curriculum areas where the college numbers have increase include business, sport, beauty electrical, science, IT, and media. The latter four areas align with the future growth needs which supports the local economy.

The College has a good reputation for offering a true comprehensive education, a reputation that underpins the College's mission statement 'Unlocking potential'.

Stakeholders

Like many colleges and universities Chelmsford College has many stakeholders, these include:

- Students;
- Education Sector funding bodies;
- Staff;
- Local employers (with specific links);
- Local authorities;
- Local Enterprise Partnerships (LEPs);
- The Local community;
- Other education institutions;
- Trade unions;
- Professional bodies.

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

Public Benefit

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

In setting and reviewing the College's strategic objectives, the Governing Body has had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education. The guidance sets out the requirement that all organisations wishing to be recognised as charities must demonstrate, explicitly, that their aims are for the public benefit. In delivering its mission, the College provides identifiable public benefits through the advancement of education to approximately 3,282 learners, including 120 learners with high needs. The college is committed to providing information, advice and guidance to the learners it enrols and to finding suitable course for as many learners as possible regardless of their educational background.

CURRICULUM REVIEW

The Quality of Provision

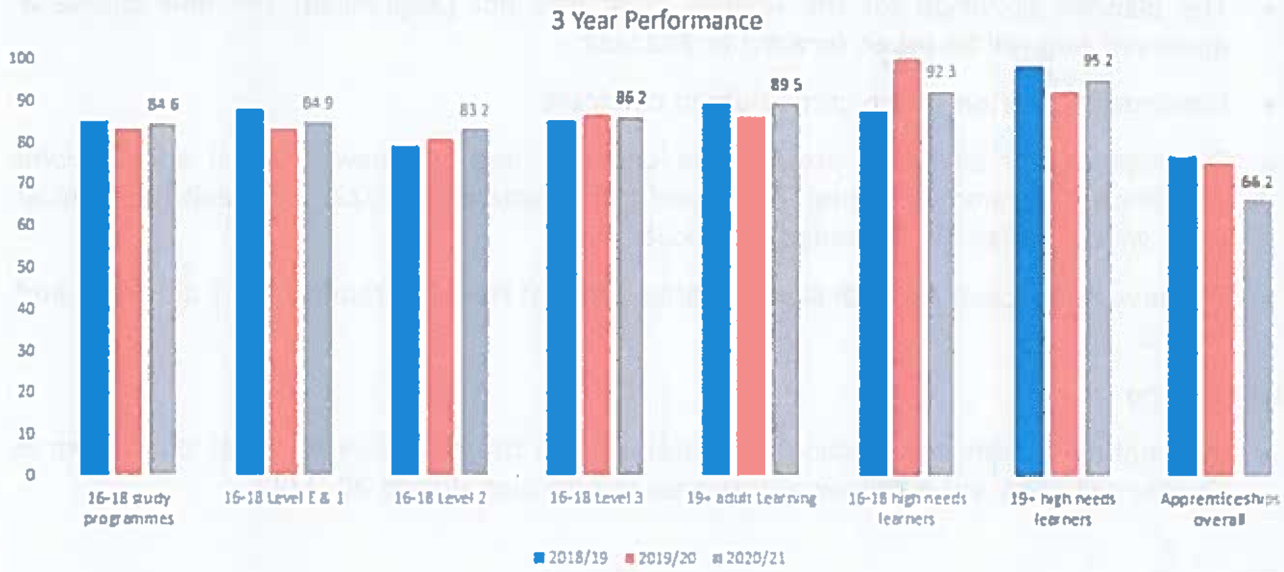
The College was last inspected by Ofsted in December 2017 when the College was judged to be 'Good' for overall effectiveness. The full Ofsted report can be found at https://www.chelmsford.ac.uk/our-college/ofsted.asp

The latest self-assessment report for the academic year 2020/21 judges the College to be good under the Education Inspection Framework and associated Further Education and Skills Inspection Handbook. The self-assessment report was reviewed by the Quality & Learners Committee and then approved by the Board on 10th December 2021.

Learner and apprentice performance

The graph below reflects learner and apprentice performance which has been assessed via a mix of calculated grading, delayed or adapted assessments in addition to full 'normal' completion in accordance with the regulations published by awarding organisations and in line with Ofqual regulations.

Because of the above decision Qualification Achievement Reports (QAR) for the academic year 2020/21 will be published but will only include qualifications where no Teacher assessed grade have been utilised.



Resources for Learning

College learners and apprentices benefit from high quality, industry standard facilities. This includes well maintained classrooms, hair and beauty salons, industry standard teaching kitchens, engineering and electrical workshops as well as art and media workshops and two new specialist classrooms for learners with high and complex needs. In addition, the College has two purpose built Assessment Centres that are large open plan learning environments. These spaces provide opportunity for large numbers of learners to work independently on-line to complete assessment tasks under the supervision of Learning Coaches, Academic Tutors and Learning Centre staff. This reflects the College's move from teacher centred activities to blended learning.

Tutorial provision takes place in two purpose built Tutorial Centres which provide flexible teaching, learning and assessment opportunities. The College has two large Learning Centres one on each campus. The centres provide access to books, journals, e-books, computers, printers and the expertise of the Learning Centre staff.

Curriculum developments

The curriculum is routinely reviewed to ensure it meets the needs and expectations of learners, apprentices, employers and a range of stakeholders to provide a realistic opportunity for learners to achieve their goals and exceed their expectations. All curriculum area managers and associated curriculum directors regularly review the curriculum offer to ensure it is relevant and offers a point of difference from local 16–19 school based curriculum as well as local training providers.

Many of the planned changes were not able to be implemented due to the global pandemic:

16-19 study programmes

- The planned provision for the Princes Trust was not progressed; the new course is approved and will be taken forward in 2021/22.
- Continue the review of the curriculum in childcare.
- Development of childcare provision is ongoing, and the new T Level and T Level Transition programmes will be introduced from September 2022. In health and social care, we now offer the Extended Certificate.
- We have relaunched Art & Design (Creative Design) from September 2021 at level 2 and level 3.

Adult learning

- We continued with our existing programmes and the new Vice Principal Curriculum & Quality will carry out a review of this area of provision during 2021/22.

Apprenticeships

- This is continually reviewed to meet requirements from employers with the introduction of a Human Resources standard, further focus has been on the growth in the key areas of Electrical and & Carpentry & Joinery.

- All delivery is now undertaken by the apprenticeship team to ensure closer links between classroom based delivery and OTJ training. Blended learning has also been developed to utilise a variety of web based resources from Efix, SmartScreen and Learning Lounge.

- Continue to extend and embed the 'Goldlay Gardens' internship provision.

OTHER INFORMATION

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

- Implemented statutory guidance contained within the revised Department for Education publication: 'Keeping Children Safe in Education September 2020'.
- Ensured that all new staff receive pre employment training on safeguarding, child protection and PREVENT and that refresher training is carried out regularly for existing staff.
- Maintained a Safeguarding Committee, a designated senior manager and a designated governor with responsibility for safeguarding.
- Maintained good safeguarding practices as audited through the 'Essex Schools & Colleges Safeguarding Audit 2019' with the outcome of "very high compliance".
- Ensured that key managers receive local authority training as 'designated persons' for child protection purposes, which is regularly updated in accordance with statutory guidance.
- Continued to develop robust arrangements for the planning and approval of educational visits and visiting speakers using EVOLVE, an online recording portal.
- Maintained the role of 'Campus Officers' to provide a visible presence within the main college campuses, help resolve emerging issues and ensure those entering the buildings have a legitimate need to be there.
- Carried out a full review of all safeguarding and safer recruitment related policies and procedures including safer recruitment training for managers.

The College ensures that all relevant individuals undertake appropriate Disclosure and Barring Service (DBS) checks before commencing work. This includes a check of the DBS 'barred lists' where appropriate. Well established arrangements exist to ensure that concerns about individuals who may pose a threat to children or vulnerable adults are reported to the DBS. All new employees are required to register with the DBS update service and to maintain membership during their employment with the Corporation.

The College maintains a 'Single Central Record' of all vetting and barring checks for all individuals undertaking Regulated Activity.

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

The full Ofsted inspection in December 2017 concluded that the arrangements for safeguarding were effective, and identified as a strength, that learners feel safe and value the welcoming atmosphere of the College and culture of tolerance and respect.

OUR RESPONSE TO SAFEGUARDING DURING LOCKDOWN

The College was required to maintain all the usual safeguarding communication lines for staff and students during the different phases of delivery in the academic year 2020/21 and to maintain all the responsibilities of the Safeguarding Leads. This was achieved and monitoring of safeguarding reports took place every day, including weekends and holidays.

The Student Support Team met regularly and prior to the January 2021 lockdown to identify, list and allocate vulnerable learners to individual members of the team who took responsibility over the year to monitor and liaise with external services.

A COVID-19 supplement to the Safeguarding Policy was maintained and safeguarding guidance was provided for all staff.

A COVID-19 special edition of the Stay safe newsletter was produced, providing further safeguarding guidance to staff.

The college remained open for vulnerable learners and children of key workers. A Guide was produced for attending staff which contained further safeguarding guidelines.

Support helplines were made available (internal and external)

Adjustments were made to the bursary process to allow remote applications to be made for Free School Meals.

On-going provision of luncheon vouchers maintained during lockdown and up to the start of the new academic year.

Several safeguarding reviews were undertaken by Designated Safeguarding Leads of all learners with little or no contact with college staff. Following investigations undertaken by a team of staff, no students ended up missing during the lockdown.

Three key questions were devised to check on the wellbeing of all learners and any safeguarding concerns.

- How well did you engage with remote learning?
- Are you and your family safe and well?
- Are there any issues that you need advice and guidance on?

The Sign off process for all learners included progression, EHCP and welfare/safeguarding checks. There were 15 referrals made to external agencies for ongoing support during summer break and a Summer Support pack was disseminated to all learners

Equal opportunities

The College is committed to ensuring equality of opportunity for all who learn and work here. We respect and value positively differences in race, gender, sexual orientation, disability, religion or belief and age. We strive vigorously to remove conditions which place people at a disadvantage, and we will actively combat bigotry. This policy is resourced, implemented and monitored on a planned basis. The College's Equal Opportunities Policy is published on the College's Intranet site.
The College publishes an Annual Equality Report and Equality Objectives to ensure compliance with all relevant equality legislation including the Equality Act 2010. The College undertakes equality impact assessments on all new policies and procedures and publishes the results. Equality impact assessments are also undertaken for existing policies and procedures on a prioritised basis. We undertake a tutorial programme for all full time learners that includes equality and diversity as a common theme.

DEVELOPMENT AND PERFORMANCE

Financial results

The group generated a deficit before other gains and losses in the year of £860k (2019/20: deficit of £702k), with total comprehensive income surplus of £2,803k (2019/20 Deficit-£3,566k) due to gains on the Local Government Pension Scheme (LGPS).

Sources of funding

The Group is reliant on the education sector funding bodies for its principal funding source, largely from recurrent grants. In 2020/21 the FE funding bodies provided 80% (2020/21 77%) of the Group's total income.

Total income in 2020/21 was £16.11m compared to £16.14m in the previous year, income generation from commercial activities was impacted due to COVID-19 in both years.

Staff costs are £11.9m compared to £11.4m in previous year. Other operating expenses were £3.74m compared to £4.02m in 2019/20. The increase in staff costs is due to LGPS service costs £0.9m and impact of agency staff.

Cash flows and liquidity

The net cash inflow from group operating activities was £2.4m (2019/20 £1.1m), an increase in cash of £1.3m of which 0.6m is due to a capital allocation of £0.6m and the balance due to reduction in capital expenditure and cash inflow from operating activities. The College's total debt is £3.5m of which £2.1m is with Lloyds and balance of £1.4m with Barclays Bank.

Bank Loans

The College has bank loans totalling £3.5m and has repaid £0.4m of debt since last year. The College complied with all bank covenants at 31st July 2021.

Treasury policies and objectives

Treasury management is the management of the College's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks. The College has a separate treasury management policy in place. Short-term borrowing for temporary revenue purposes is authorised by the Accounting Officer. All other borrowing requires the authorisation of the Corporation and compliance with the requirements of the Financial Memorandum.

Group Companies

The College has one subsidiary company, Dovedale Nursery CIC. The principal activity of Dovedale Nursery is to provide nursery provision to children under school age and out of school club for children of working parents. Any surplus generated by the community interest company is 'gift aided' to the College for the benefit of education. Due to the pandemic the nursery made of a loss of £20k in 2020/21, the surplus generated in 2019/20 was £40k.

The College is a 50% shareholder in Essex Shared Services Ltd, which provides back office support for the College's payroll, procurement, transactional processing and accounting services each year. Chelmsford College's share of the costs of Essex Shared Services was £314k, compared with 2019/20 of £311k.

Reserves Policy

The College has no formal reserves policy but recognises the importance of reserves in the financial stability of any organisation and ensures that there are adequate reserves to support the College's core activities. The Group Income and Expenditure reserve at the balance sheet date is £14.5m (2019: £11.7m). It is the Corporation's intention to increase reserves over the life of the strategic plan through the generation of surpluses

Post Balance Sheet Event

There are no post balance sheet events that need to be reported.

FUTURE PROSPECTS

The College Executive Group along with the Chair of Governors met with the Education, Skills Funding Agency and one of the Deputy Commissioners on 9th November 2021. The strategic discussion concentrated on the strengths, challenges and opportunities open to Chelmsford College. The outcome of the discussions will feed into the updated strategic plan.

Financial plan

The governors approved the College Financial Forecasting Return (CFFR) in July 2021. This including a forecast for the current year ending 31st July 2021 and a two year forecast. The budget shows a small surplus for the year ending 31st July 2022 with a focus to improve the current ratio to at least 1:1 and achieve the new debt service cover target of 1.4 over the next two years. To achieve increased cash holdings, larger operational surpluses, are required alongside a reduced in capital expenditure. We will complete the New Construction Centre in March 2022 with minor capital investment planned for September 2022.

Capital Allocations

We were delighted to received £588k in funding from Further Education Capital Fund this has enabled us to;

- Replace age expired heating and water boilers at our campus at Princes Road.
- Repair the roof at Dovedale Sports Centre which is a shared resource with Chelmsford City Council.
- Complete the enabling works including demolition of category D buildings at the Princes Road campus in readiness for the building of a new construction centre.

New Construction Centre

During this financial year we appointed SEH French to construct a new building to house our Construction and Engineering curriculum at the skills campus at Princes Road. This building replaces buildings not fit for purpose and graded as category D assets. Due to be completed in early 2022 the new building will provide two multi skilled workshops and classrooms for green energy buildings and developing a new curriculum area in plumbing with our partner JTL. The total cost will be circa £2m of which £1.3m will be funded by the South East Local Education Partnership (SELEP).

PRINCIPAL RISKS AND UNCERTAINTIES:

The College Executive Group and Senior Management Team review the risks to which the College is exposed on a regular basis. They identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the College. The risk management process is part of the system of internal control and is reviewed and reported to Audit Committee at each meeting.

The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the College and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system. This is supported by a risk management training programme to raise awareness of risk throughout the College.

Outlined below is a description of the principal risk factors that may affect the College. Not all the factors are within the College's control. Other factors besides those listed below may also adversely affect the College.

COVID-19

- The risk to our workforce in terms of being infected with the virus and the impact of this on the individual and the teams and learners they support.
- The impact on our limited resources to support learners with poor mind health.
- Ensuring that the measures that we have in place protect staff from COVID-19 such as ensuring ventilation and additional hygiene measures.
- Ensuring that individual risk assessments are carried out with staff in high risk categories.
- Staff mind health and wellbeing including anxiety, workload and additional pressures with learners requiring more support.

ACADEMIC

- The quality of teaching, learning and assessment continues to improve with our blended learning approach
- The impact of the pandemic on lost learning and learners 'gaps' in knowledge and possible grade inflation
- Curriculum leadership and embedding on new Vice Principal for Curriculum and Quality and capacity of senior and other managers.

FINANCIAL

- Reductions in income and the associate reduction in cash flows and managing adherence to bank covenants.
- General increases in costs and the inability to recruit quality staff on current staffing budget.
- The ability to continue with major investments in replacing category D assets with a new building to enable growth in the employment skills needed for the future if cash flows are significantly curtailed.

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

Numbers of employees who were relevant period	FTE employee number
127	1.6

Percentage of time	Number of employees
0%	-
1-50%	2
51-99%	-
100%	-

Total cost of facility time	£4,414
Total pay bill	£11,694,000
Percentage of total bill spent on facility time	0.04%

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

Payment performance

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires Colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. The target set by the Treasury for payment to suppliers within 30 days is 95 per cent. During the accounting period 1 August 2020 to 31 July 2021, the College paid 49% of its invoices within 30 days. However, there are several suppliers who have agreed different payment terms with the College which explains the difference to the Treasury recommended period of 30 days payment term. The College incurred no interest charges in respect of late payment for this period.

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:

- Installation of energy efficient boilers Princes Road Campus
- Fitting sustainable technologies such as solar panels and an air source heat pump to a new building.

- Chelmsford College is committed to reducing its impact on the environment and as new equipment is required, old equipment will be replaced with energy efficient alternatives where possible.

This is the first year in reporting the College's greenhouse gas emissions and energy use which are set out in the table below. It must be recognised that this was not a 'normal' year in terms of on staff and learners on site and therefore energy usage will be lower than in earlier years. For 2021/22 we expect to have more learners and staff in college and therefore energy usage will rise and with COVID-19 measure such as 'ventilation' in place there is likely to be lost heat and more energy used than a 'typical' year. Therefore, it may be some time before we have an accurate picture in which to set reduction targets against.

We have also signed up to https://www.educationracetozero.org where we have currently pledge to reach net zero by 2040 with an interim plan to be in place by December 2022 to make reductions by 2030. The first phase will be to understand our current baseline and develop and action plan to enable us to achieve both the interim and longer-term pledges.

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 2020 to 31 July 2021**
Energy consumption used to calculate emissions (kWh)	2,817,774.28
Scope 1 emissions in metric tonnes CO2e	
Gas consumption	335.33
Owned transport	0.89
Total	336.22
Scope 2 emissions in metric tonnes CO2e	
Purchased electricity	231.74
Scope 3 emissions in metric tonnes CO2e	
Business travel in employee owned vehicles	
Total gross emissions in metric tonnes CO2e	567.96
Intensity ratio	
Metric tonnes CO2e per staff member	1.03

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 Factors for Company Reporting.

Intensity ratio

The chosen intensity measurement ratio is CO2 per staff member.

Going Concern

The Governors have adopted the going concern basis in preparing these financial statements after assessing the principal risks and having considered the continuing impact of COVID-19 on the Group's operations over the next 12 months and the longer term.

In doing so they have assumed that the College will remain open for the full year to July 2022 and that there will be no further 'lockdowns. Therefore, expect the income streams to remain as budgeted for the rest of 2021/22 financial year and to improve in 2022/23 and cashflow projections have been prepared to December 2022 based on current activity.

Debt management

The college currently has £3.5m of loans outstanding with bankers on terms negotiated in 2018/19, which are secured against college property. The college's forecasts and financial projections indicate that it will be able to operate within this existing facility.

Student numbers

We have achieved growth of 6% on student numbers during 2021/22 compared to 2019/20. The lagged learner model will enable increased base allocation from August 2022 of circa £0.5m. With an inflation increase on the base rate or changes to other factors this could increase further.

Capital Expenditure

There will be significant capital expenditure between August 2021 and March 2022 as we finish the New Construction Centre as Princes Road. We can reclaim two thirds of the expenditure from a capital grant agreed by South East Local Enterprise Partnership. There could be a short lag between expenditure and receipt of the capital grant.

There is minor capital planned for next academic year 22/23. We do not know what T Level capital equipment funds will be awarded in the Spring Term. We will be required to match fund at 50% so £200,000 has been assumed.

Budget Surplus

The College is predicting a small surplus, however with current levels of vacancies and additional costs impacting on salary forecasts from April 2022 including National Insurance increase of 1.5% and National Living Wage increase of 6.6% we will regularly review projections in the Management Accounts. There are circa 70 staff affected by the increase in the National Living Wage including those below or just above the new threshold.

EVENTS AFTER THE REPORTING PERIOD

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 10th December 2021 and signed on its behalf by:

A Montague

Chair

Statement of Corporate Governance and Internal Control

The following statement is provided to enable readers of the annual report and accounts of the College to obtain a better understanding of its governance and legal structure. This statement covers the period from 1st August 2020 to 31st July 2021 and up to the date of approval of the annual report and financial statements.

Governor Name	Date of Appointment	Term of office	Date of Resignation	Status of appointment	Committees served	Attendance at Full Board
Beaumont, Jenny	01-Sep-18	4		Independent Governor	Chair: Audit (From 1st Jan 21) SG&R	100%
Bolton, Trevor	27-Mar-20	4		Independent Governor	Audit: SG&R Vice Chair:Corporation (from 1 Aug 21)	100%
Devaney, Natalie	25-Sep-20	1	31-Jul-21	Student	Quality & Learners	50%
Stuart Hodges	July 2016 *reappointed July 2020*	Pending Election	12-Oct-20	Staff	Audit	0%
Hughes, Susan	Mar-14	4		Independent Governor	Chair; Audit (till Dec 2020); Quality & Learners ; SG&Rfrom	100%
Laurinavicius, Ned	05-Nov-20	4		Staff Member (Academic)	Quality & Learners	100%
Montague, Amanda	01-May-16 (Re-appointed 2 May 2020)	4		Independent Governor	Audit Chair: Corporaiton from 1st Aug 21	60%
Noble, Sarah	Mar-14	4		Independent Governor	Chair: Quality & Learners SG&R; Vice Chair Corporation	100%
Norman, Christian	06-Jul-18	4		Independent	Quality & Learners	100%
Oddie, Elaine	Oct-01 Re-appointed 1st August 2017	4	31-Jul-21	Independent Governor	Chair:Corporation Quality & Learners Chair: SG&R	100%
Patten, Jaya	04-Jul-19	4		Independent Governor	Audit	100%
Shah, S	Oct-17	4	23-Nov-20	Independent Governor	Quality & Learners	0%
Sparks, Andy	Sep-14	Ex officio		Principal	Quality & Learners; SG&R	100%
Vohmann, Barbara	Dec-15 Re-appointed 12-Dec-19	4		Independent Governor	Quality & Learners	80%
Williams, Julie	13-Oct-20	4	24-Sep-21	Staff (Support)	Audit	
Zeeman, Doug	December 2016 *(Reappointed Dec 2019)*	4		Independent Governor	Audit	100%
Millea, Rob	01-Jan-16 Re-appointed 27-Mar-20			Clerk to Corporation		
Harrington, Joanne	25-Apr-16			Assistant to Clerk (PA to Principal)		

P Reilly was appointed to the Board on 1st August 2021 as an Independent Governor and serves on the Quality & Learners Committee. The appointment is for a period of four years.

R Davidson was appointed to the Board on 24th September 2021 as an Independent Governor and serves on the Audit Committee. The appointment is for a period of four years.

The College endeavours to conduct its business:

i. in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership).

ii. in full accordance with the guidance to Colleges from the Association of Colleges in The Code of Good Governance for English Colleges ("the Code"); and

iii. having due regard to the UK Corporate Governance Code 2016 insofar as it is applicable to the further education sector.

The College is committed to exhibiting best practice in all aspects of corporate governance and in particular the College has adopted and complied with the Code. We have not adopted and therefore do not apply the UK Corporate Governance Code. However, we have reported on our Corporate Governance arrangements by drawing upon best practice available, including those aspects of the UK Corporate Governance Code we consider to be relevant to the further education sector and best practice.

In the opinion of the Governors, the College complies with all the provisions of the Code, and it has complied throughout the year ended 31 July 2021. The Governing Body recognises that, as a body entrusted with both public and private funds, it has a particular duty to always observe the highest standards 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 in March 2015 (as amended), which it formally adopted on 10 July 2015.

The College is an exempt charity within the meaning of Part 3 of the Charities Act 2011. The Governors, who are also the Trustees for the purposes of the Charities Act 2011, confirm that they have had due regard for the Charity Commission's guidance on public benefit and that the required statements appear elsewhere in this Report.

The Corporation

R I Millea FCA CA ANZ is the Clerk to the Corporation and served throughout the year and to the date of this Report.

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 four times per annum.

The Corporation conducts its business through several Committees. Each Committee has terms of reference, which have been approved by the Corporation. These Committees are Quality & Learners, Search, Governance & Remuneration and Audit.

Full minutes of all meetings, except those deemed to be confidential by the Corporation (either in whole or in part), are available on the College's website http://www.chelmsford.ac.uk or from the Clerk to the Corporation at:

Chelmsford College
Moulsham Street
Chelmsford
Essex
CM2 0JQ

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

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

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

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

Appointments to the Corporation

Any new appointments to the Corporation are a matter for the consideration of the Corporation as a whole. The Corporation has a Search, Governance & Remuneration Committee, consisting of six members of the Corporation, which is responsible for the selection and nomination of any new member for the Corporation's consideration. The Corporation is responsible for ensuring that appropriate training is provided as required. The Clerk provides an induction to all new governors.

Members of the Corporation (apart from the Student Governor) are normally appointed for a term of office not exceeding four years.

Corporation performance

Whilst recognising there is still room for improvement, the Corporation has self-assessed its performance as 'Good'.

Search, Governance & Remuneration Committee

Throughout the year ending 31 July 2021, the College's Search, Governance & Remuneration Committee comprised five members of the Corporation (since increased to six). The Committee's responsibilities are to make recommendations to the Board on the remuneration and benefits of the Accounting Officer and other key management personnel.

Details of remuneration for the year ended 31 July 2021 are set out in note 6 to the financial statements.

Audit Committee

The Audit Committee comprised seven members of the Corporation during the year ended 31 July 2021 (excluding the Accounting Officer and Chair). The Committee operates in accordance with written terms of reference approved by the Corporation.

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

The College's internal auditors review the systems of internal control, risk management controls and governance processes in accordance with an agreed plan of input and report their findings to management and the Audit Committee.

Management is responsible for the implementation of agreed audit recommendations and internal audit undertakes periodic follow-up reviews to ensure such recommendations have been implemented.

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

Internal control

Scope of responsibility

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

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

The purpose of the system of internal control

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

Capacity to handle risk

The Corporation has reviewed the key risks to which the College is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Corporation is of the view that there is a formal ongoing process for identifying, evaluating and managing the College's significant risks that has been in place for the period ending 31 July 2021 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. It includes:

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

Chelmsford College has an internal audit service, which operates in accordance with the requirements of the ESFA's Audit Code of Practice. The work of the internal audit service is informed by an analysis of the risks to which the College is exposed, and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the Corporation on the recommendation of the Audit Committee. The internal audit service provides the governing body with an annual report on audit assignments carried out by the service during the year.

Review of effectiveness

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

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

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

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 and other sources of assurance, which include 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 it 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 2021 meeting, the Corporation carried out the annual assessment for the year ended 31 July 2021 by considering documentation from the senior management team and internal audit and taking account of events since 31 July 2021.

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".

Approved by order of the members of the Corporation on 10th December 2021 and signed on its behalf by:

Amanda Montague	**Andrew Sparks**
Chair	**Accounting officer**

Statement of Responsibilities of the Members of the Corporation

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

Within the terms and conditions of the College's Grant Funding Agreements and contracts with the ESFA, the corporation, through its accounting officer, is required to prepare financial statements and within the Members' Report, an operating and financial review for each financial year in accordance with the Statement of Recommended Practice – Accounting for Further and Higher Education, ESFA's College Accounts Direction and the UK's Generally Accepted Accounting Practice, and which give a true and fair view of the state of affairs of the corporation and surplus/deficit of income over expenditure for that period.

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

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

The corporation is also required to prepare a members' report 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 College.

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

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

Members of the Corporation are responsible for ensuring that expenditure and income are applied for the purposes intended by Parliament and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from the ESFA, and any other public funds, are used only in accordance with the ESFA's grant funding agreements and contracts and any other conditions that may be prescribed from time to time by the ESFA, or any other public funder. Members of the corporation must ensure that there are appropriate financial and management controls in place to safeguard public and other funds and to 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

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

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

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

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

Signed

Amanda Montague

Chair

Signed

Andrew Sparks

Accounting officer

expenditure so that the benefits that should be derived from the application of public funds from the ESFA and other public bodies are not put at risk.

Approved by order of the members of the corporation on 10th December 2021 and signed on its behalf by:

A Montague
Chair

INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF CHELMSFORD COLLEGE

Opinion

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

The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and the 2019 Statement of Recommended Practice – Accounting for further and Higher Education.
In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and the College's affairs as at 31 July 2021 and of the Group and the College's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the 2019 Statement of Recommended Practice: Accounting for Further and Higher Education.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Post-16 Audit Code of Practice 2020 to 2021 issued by the Education and Skills Funding Agency requires us to report to you if, in our opinion:

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

Responsibilities of the Corporation of Chelmsford College

As explained more fully in the Statement of the Corporation's Responsibilities set out on page 21, the Corporation is responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Corporation determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

- We reviewed systems and procedures to identify potential areas of management override risk. In particular, we carried out testing of journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions to identify large or unusual transactions.

- We reviewed key authorisation procedures and decision making processes for any unusual or one-off transactions.

- We reviewed minutes of Governor Board meetings and other relevant sub-committees of the Board such as the Finance Committee and agreed the financial statement disclosures to underlying supporting documentation.

- We have made enquiries of the senior management team including the Accounting Officer regarding laws and regulations applicable to the Corporation and obtained the report details of any breaches where applicable in order to assess the impact upon the Corporation.

- We reviewed the risk management processes and procedures in place including a review of the Risk Register and Board assurance reporting and the Internal Scrutiny Reports.
- We have reviewed any correspondence with the ESFA / DfE and reviewed the procedures in place for the reporting of incidents to the Board including serious incident reporting of any such matters to the Regulator if necessary.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our Report

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

Gary Miller

Gary Miller FCA (Senior Statutory Auditor)

For and on behalf of Price Bailey LLP
Chartered Accountants, Statutory Auditor
Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT
Date 24 December 2021

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

In accordance with the terms of our engagement letter dated [x] and further to the requirements and conditions of funding in the ESFA's grant funding agreements and contracts, or those of any other public funder, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by Chelmsford College during the period 1 August 2020 to 31 July 2021 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

The framework that has been applied is set out in the Post-16 Audit Code of Practice (the Code) issued by the ESFA and in any relevant conditions of funding concerning adult education notified by a relevant funder. In line with this framework, our work has specifically not considered income received from the main funding grants generated through the Individualised Learner Record data returns, for which the ESFA has other assurance arrangements in place.

This Report is made solely to the corporation of Chelmsford 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 Chelmsford 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 Chelmsford College and the ESFA for our work, for this Report, or for the conclusion we have formed.

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

Respective responsibilities of the corporation of Chelmsford College and the Reporting Accountant

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

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Code. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received, during the period 1 August 2020 to 31 July 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Code issued by the ESFA. We performed a limited assurance engagement as defined in that framework. The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion. Our engagement includes examination, on a test basis, of evidence relevant to the regularity of the corporation's income and expenditure.

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

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects, the expenditure disbursed and income received during the period 1 August 2020 to 31 July 2021 has not been applied to purposes intended by Parliament, and the financial transactions do not conform to the authorities that govern them.

Use of our Report

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

Price Bailey LLP
Chartered Accountants, Statutory Auditor
Causeway House
1 Dane Street
Bishop's Stortford
CM23 3BT
Date 24 December 2021

Chelmsford College
Consolidated Statements of Comprehensive Income

	Note	Year ended 31 2021 Group	Year ended 31 2021 College	Year ended 31 2020 Group	Year ended 31 2020 College
		£'000	£'000	£'000	£'000
INCOME					
Funding body grants	2	12,720	12,699	12,191	12,170
Tuition fees and education contracts	3	1,695	1,695	2,126	2,126
Other income	4	1,695	1,041	1,825	1,191
Total income		**16,110**	**15,435**	**16,142**	**15,487**
EXPENDITURE					
Staff costs	5	11,895	11,351	11,399	10,895
Other operating expenses	6	3,735	3,633	4,021	3,927
Depreciation	8	1,106	1,057	1,164	1,120
Interest and other finance costs	7	234	234	260	260
Total expenditure		**16,970**	**16,275**	**16,844**	**16,202**
(Deficit) before other gains and losses		**(860)**	**(840)**	**(702)**	**(715)**
Loss on disposal of assets		(50)	(50)	-	-
Share of operating deficit in Essex Shared Services Limited		(36)	-	(15)	-
(Deficit) before tax		**(946)**	**(890)**	**(717)**	**(715)**
Taxation		-	-	-	-
(Deficit) for the year		**(946)**	**(890)**	**(717)**	**(715)**
Actuarial gain in respect of pensions schemes		3,749	3,421	(2,849)	(2,757)
Total Comprehensive Income for the year		**2,803**	**2,531**	**(3,566)**	**(3,472)**

The statement of consolidated income is in respect of continuing activities. The notes on pages 38 to 63 form part of these financial statements.

Chelmsford College
Consolidated and College Statement of Changes in Reserves

	Total
	£'000
Group	
Balance at 31st July 2020	**11,683**
(Deficit) from the income and expenditure account	(946)
Other comprehensive income	3,749
Other-rounding difference	(7)
Gift aid transfers between Nursery and College	
Transfers between revaluation and income and expenditure reserves	
Total comprehensive income for the year	2,796
Balance at 31st July 2021	**14,479**
College	
Balance at 31st July 2020	**11,908**
(Deficit) from the income and expenditure account	(890)
Other comprehensive income	3,421
Other-rounding difference	(2)
Transfers between revaluation and income and expenditure reserves	-
Total comprehensive income for the year	2,529
Balance at 31st July 2021	**14,437**

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Chelmsford College
Balance sheets as at 31 July

	Notes	Group	College	Group	College
		2021 £'000	2021 £'000	2020 £'000	2020 £'000
Non Current Assets					
Tangible fixed assets	8	29,410	28,967	29,765	29,273
Investments	9	-	-	-	-
		29,410	**28,967**	**29,765**	**29,273**
Current assets					
Stocks		3	3	3	3
Trade and other receivables	10	625	940	317	508
Cash and cash equivalents	15	1,611	1,361	501	334
		2,239	**2,304**	**821**	**845**
Less: Creditors – amounts falling due within one year	11	(3,492)	(3,348)	(4,622)	(4,433)
Net current liabilities		**(1,253)**	**(1,044)**	**(3,801)**	**(3,588)**
Total assets less current liabilities		**28,157**	**27,923**	**25,964**	**25,685**
Less: Creditors – amounts falling due after more than one year	12	(6,744)	(6,580)	(4,636)	(4,451)
Provisions					
Defined benefit obligations	14	(6,906)	(6,906)	(9,326)	(9,326)
Other provisions	15	(28)		(319)	-
Total net assets		**14,479**	**14,437**	**11,683**	**11,908**
Unrestricted reserves					
Income and expenditure account		14,479	14,437	11,683	11,908
Revaluation reserve		-	-	-	-
Total unrestricted reserves		**14,479**	**14,437**	**11,683**	**11,908**

The financial statements on pages 34 to 63 were approved and authorised to issue by the Corporation on 10th December 2021 and were signed on its behalf on that date by:

Amanda Montague
Chair

Andrew Sparks
Accounting officer

Chelmsford College
Consolidated Statement of Cash Flows

	2021	2020
	£'000	£'000
Cash inflow from operating activities		
Surplus/(deficit) for the year	(946)	(717)
Adjustment for non cash items		
Depreciation	1,106	1,164
(Increase)/decrease in stocks	-	9
(Increase)/decrease in debtors	(308)	(66)
Increase/(decrease) in creditors due within one year	900	(237)
Increase/(decrease) in creditors due after one year	479	54
Pensions costs less contributions payable	1,001	757
Share of operating surplus/(deficit) in joint venture	36	15
Adjustment for investing or financing activities		
Interest payable	113	136
Loss on sale of fixed assets	50	-
Net cash flow from operating activities	2,431	1,115
Cash flows from investing activities		
Payments made to acquire fixed assets	(807)	(1,136)
	(807)	(1,136)
Cash flows from financing activities		
Interest paid	(113)	(136)
New unsecured loans	-	1,500
Repayments of amounts borrowed	(401)	(1,506)
	(514)	(142)
Increase / (decrease) in cash and cash equivalents in the year	1,110	(163)
Cash and cash equivalents at beginning of the year	501	664
Cash and cash equivalents at end of the year	1,611	501

Notes to the Accounts

1. Statement of accounting policies and estimation techniques

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

Basis of preparation

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

Basis of accounting

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

Basis of consolidation

The consolidated financial statements include the College and its subsidiary, Dovedale Nursery CIC, controlled by the College. Control is achieved where the College has the power to govern the financial and operating policies of an entity to obtain benefits from its activities. Intra-group sales and profits are eliminated fully on consolidation. All financial statements are made up to 31 July 2021.

Going concern

The Governors assess whether the use of going concern is appropriate, i.e., whether there are any material uncertainties relating to events or conditions that may cast significant doubt on the ability of Chelmsford College Group to continue as a going concern. The Governors make this assessment in respect of a period of at least 12 months from the date of approval of the financial statements.

The following supports the use of going concern as being appropriate. Cash flow modelling up to and including December 2022 indicates that, taking account of reasonably possible downsides and any future anticipated impact of COVID-19, the Group will have sufficient funds to meet its liabilities as they fall due.

The Covid-19 pandemic has impacted the results of the College for the year to 31 July 2021 in terms of reduced income in some commercial area, however this has been offset with lower costs. Consequently, and despite the net current liability position, the Governing body are confident that the College will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Recognition of income

Government revenue grants include funding body recurrent grants and other grants and are accounted for under the accrual model as permitted by FRS 102. Funding body recurrent grants are measured in line with best estimates for the period of what is receivable and depend on the income stream involved. Any under or over achievement for the Adult Skills Budget is adjusted for and reflected in the level of recurrent grant recognised in the income and expenditure

Notes to the Accounts (*continued*)

account. The final grant income is normally determined with the conclusion of the year end reconciliation process with the funding body following the year end, and the results of any funding audits. 16-18 learner-responsive funding is not normally subject to reconciliation and is therefore not subject to contract adjustments.

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

Government capital grants are capitalised, held as deferred income and recognised to income over the expected useful life of the asset, under the accrual method as permitted by FRS 102.

Other capital grants are recognised in income when the College is entitled to the funds subject to any performance related conditions being met.

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

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

Turnover includes receipts from the Job Retention Scheme which was utilised during the year to offset the cost of salaries whilst the nursery was closed due to COVID-19 pandemic and therefore not in a position to generate income. It also helped offset the costs of other income generating areas not funded by grants.

The scheme consists of cash payments made by the government – administered through HMRC – to businesses meeting the criteria and conditions attached to it. The arrangement allows claims to be made to cover 80% of salary, up to £2,500 per month, of certain people who have been placed on furlough. In line with FRS102 2.52 Chelmsford College has therefore recognised the grant as other income separate to the wages and salaries costs shown in its account.

Accounting for post-employment benefits

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

The TPS is an unfunded scheme. Contributions to the TPS are calculated 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 based on valuations using a prospective benefit method. The TPS is a multi-employer scheme, and the College is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution plan and the contributions recognised as an expense in the income statement in the periods during which services are rendered by employees.

The LGPS is a funded scheme. The assets of the LGPS are measured using closing fair values. LGPS liabilities are measured using the projected unit credit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the

Notes to the Accounts *(continued)*

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

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

Short term Employment benefits

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

Non-current Assets - Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to the date of transition to the 2015 FE HE SORP, are measured based on deemed cost, being the revalued amount at the date of that revaluation.

Revaluation basis

Land

Land at Moulsham Street and Princes Road was revalued as at 31st July 2014. This was a one off revaluation under FRS102 conversion rules.

Land and buildings

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

- All buildings 20-60 years
- Refurbishments 10-25 years

Freehold land is not depreciated.

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

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

Notes to the Accounts (*continued*)

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of any fixed asset may not be recoverable. On adoption of FRS 102, the College followed the transitional provision to revalue land and retain the book value of buildings, which were revalued in 1996, as deemed cost but not to adopt a policy of revaluations of these properties in the future.

Assets under construction

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

Subsequent expenditure on existing fixed assets

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

Equipment

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

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

- technical equipment 4 years
- plant 10 years
- computer equipment 4 years
- furniture, fixtures and fittings 4 - 10 years

Borrowing costs

Borrowing costs are recognised as expenditure in the period in which they are incurred.

Leased assets

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

Leasing agreements which transfer to the College substantially all the benefits and risks of ownership of an asset are treated as finance leases.

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

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

Notes to the Accounts (*continued*)

Investments

Investments in subsidiaries

Investments in subsidiaries are accounted for at cost less any impairment.

Investments in joint ventures

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

or constructive obligations or has made payments on behalf of the joint venture, in which case provision is required.

Inventories

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

Cash and cash equivalents

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

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

Financial liabilities

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

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

Foreign currency translation

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

Taxation

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

Notes to the Accounts (*continued*)

The College is partially exempt in respect of Value Added Tax, so that it can only recover around 3% of the VAT charged on its inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.
The College's subsidiary company is subject to corporation tax and VAT in the same way as any commercial organisation.

Provisions and contingent liabilities

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

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

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

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

Agency arrangements

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

Judgements in applying accounting policies and key sources of estimation uncertainty

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

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

- Determine whether there are indicators of impairment of the group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- *Tangible fixed assets*

Tangible fixed assets, other than investment properties, are depreciated over their useful lives considering residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on several factors. In

Notes to the Accounts (*continued*)

re-assessing asset lives, factors such as technological innovation and maintenance programmes are considered. Residual value assessments consider

issues such as future market conditions, the remaining life of the asset and projected disposal values.

- *Local Government Pension Scheme*

The present value of the Local Government Pension Scheme defined benefit liability depends on a few 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 20, 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 2016 has been used by the actuary in valuing the pensions liability at 31 July 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Notes to the Accounts (*continued*)

2 Funding body grants

	Year ended 31 2021 Group £'000	2021 College £'000	Year ended 31 2020 Group £'000	2020 College £'000
Recurrent grants				
Education and Skills Funding Agency - adult	779	779	706	706
Education and Skills Funding Agency – 16 -18	10,663	10,663	10,209	10,209
Education and Skills Funding Agency - apprenticeships	1,096	1,096	1,073	1,073
Specific Grants				
ESFA - provider relief scheme			23	23
Releases of government capital grants	182	161	180	159
Total	**12,720**	**12,699**	**12,191**	**12,170**

3 Tuition fees and education contracts

	Year ended 31 2021 Group £'000	2021 College £'000	Year ended 31 2020 Group £'000	2020 College £'000
Adult education fees	296	296	311	311
Fees for FE loan supported courses	208	208	133	133
Total tuition fees	504	504	444	444
Education contracts	1,191	1,191	1,682	1,682
Total	**1,695**	**1,695**	**2,126**	**2,126**

Funding from the Local Authority has been included with Funding body grants (note 2) as non recurrent grants under the previous accounting standard. Income of £1,036,133 is now included in education contracts (2019-20 £1,498,743).

Notes to the Accounts (*continued*)

4 Other income

	Year ended 31 2021 Group £'000	2021 College £'000	Year ended 31 2020 Group £'000	2020 College £'000
Catering	150	150	301	301
Other income generating activities	609	1	584	8
Other grant income	541	541	582	582
Coronavirus Job Retention Scheme	222	186	262	178
Miscellaneous income	173	163	96	122
Total	**1,695**	**1,041**	**1,825**	**1,191**

5 Staff Costs

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

	2021 No.	2020 No.
Teaching staff	121	112
Learner support staff	40	88
Non teaching staff	93	87
	254	**287**

Staff costs for the above

	2021 Group £'000	2021 College £'000	2020 Group £'000	2020 College £'000
Wages and salaries	8,364	7,863	8,181	7,710
Social security costs	720	697	688	671
Other pension costs (including LGPS pension adjustments of £880,000 (2019: £633,000))	2,610	2,601	2,210	2,200
Payroll sub total	**11,694**	**11,161**	**11,079**	**10,581**
Contracted out staffing	201	190	320	314
	11,895	**11,351**	**11,399**	**10,895**

Notes to the Accounts (continued)

5 Staff Costs continued

Key management

Key management personnel are those persons appointed by the Board as Senior Post Holders.

Emoluments of Key management personnel, Accounting Officer and

	2021 No.	2020 No.
The number of key management personnel including the Accounting Officer was:	3	3

5 Staff costs - Group and College

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

	Key management 2021 No.	Key management 2020 No.	Other Staff 2021 No.	Other Staff 2020 No.
£60,001 to £65,000	-	-	2	2
£70,001 to £75,000	-	-	-	-
£75,001 to £80,000	-	-	-	-
£80,001 to £85,000	1	1	-	-
£85,001 to £90,000	-	-	-	-
£90,001 to £95,000	1	1	-	-
£105,001 to £110,000	-	-	-	-
£115,001 to £120,000	-	-	-	-
£120,001 to £125,000	1	1	-	-
	3	**3**	**2**	**2**

Notes to the Accounts (*continued*)

5 Staff Costs continued

5 Staff costs - Group and College

Key management personnel emoluments are made up as follows:

	2021 £'000	2020 £'000
Salaries	293	293
Benefits in kind	5	5
	298	**298**
Pension contributions	67	64
Total emoluments	**365**	**362**

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

	2021 £'000	2020 £'000
Salaries	121	120
Benefits in kind	1	1
	122	121
Pension contributions	29	28

The members of the Corporation other than 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.

The governing body has not adopted the AOC's Senior Staff Remuneration Code published in July 2019 but will follow its principals in future. The remunration package of key management staff, including the Prinipal and Chief Executive, is subject to annual review by the Remuneration Committee of the governing body who use benchmarking information to provide objective guidance.

Relationship of the Principal & Chief Executive pay and remuneration express as multiple

	2021 £'000	2020 £'000
The Principal & Chief Executive Officer's basic salary as a multiple of the median of all staff	4.9	4.6
The Principal & Chief Executive Officer's total remuneration as a multiple of the median of all staff	5.1	4.9

Notes to the Accounts (continued)

6 Other operating expenses

	Year ended 31 2021 Group £'000	2021 College £'000	Year ended 31 2020 Group £'000	2020 College £'000
Teaching costs	1,633	1,578	1,260	1,216
Non teaching costs	1,282	1,262	1,929	1,905
Premises costs	820	793	832	806
Total	3,735	3,633	4,021	3,927

Other operating expenses include:	2021 £'000	2020 £'000
Auditor's remuneration:		
Financial statements audit*	32	35
Internal audit	12	10
Other services provided by the external auditors	1	1
Hire of assets under operating leases	132	125

* includes £2,000 in respect of Dovedale Nursery CIC (2019/20 £1,920)

7 Interest payable - Group

	2021 £'000	2020 £'000
On bank loans, overdrafts and other loans:	113	136
	113	136
On finance leases	-	-
Pension finance costs (note 20)	121	124
Total	**234**	**260**

Notes to the Accounts (*continued*)

8 Tangible fixed assets (Group)

	Land and buildings freehold	Equipment	Assets in the Course of Construction	Total
	£'000	£'000	£'000	£'000
Cost or valuation				
At 1 August 2020	36,662	9,185		45,848
Additions	49	151	608	808
Disposal		(33)		(33)
Reduction in WIP				-
At 31 July 2021	**36,711**	**9,303**	**608**	**46,623**
Depreciation				
At 1 August 2020	8,439	7,667	-	16,106
Charge for the year	618	487		1,105
At 31 July 2021	**9,057**	**8,154**	**-**	**17,211**
Net book value at 31 July 2021	**27,654**	**1,149**	**608**	**29,411**
Net book value at 31 July 2020	28,223	1,518	24	29,765

Notes to the Accounts (*continued*)

8 Tangible fixed assets (College only) continued

	Land and buildings freehold	Equipment	Assets in the Course of Construction	Total
	£'000	£'000	£'000	£'000
Cost or valuation				
At 1 August 2020	35,929	9,088	-	45,017
Additions	49	151	608	808
Disposal		(33)		(33)
At 31 July 2021	**35,978**	**9,206**	**608**	**45,792**
Depreciation				
At 1 August 2020	8,147	7,620	-	15,767
Charge for the year	580	477	-	1,057
At 31 July 2021	**8,727**	**8,097**	**-**	**16,824**
Net book value at 31 July	**27,251**	**1,109**	**608**	**28,968**
Net book value at 31 July 2020	27,782	1,468	23	29,273

If fixed assets had not been revalued they would have been included at the following historical cost amounts:

	£'000
Cost	Nil
Aggregate depreciation based on cost	Nil
Net book value based on cost	**Nil**

Notes to the Accounts (continued)

9 Non current Investments

	College 2021 £'000	College 2020 £'000
Investments in subsidiary companies	-	-
		-
Total	-	-

The College owns 100 per cent of the issued ordinary £1 shares of Dovedale Nursery CIC, a company incorporated in England and Wales. The principal activity of Dovedale Nursery CIC Limited is to provide pre-school nursery facilities. The net assets of Dovedale Nursery CIC at 31st July 2021 are £70k (2019/20 £92k) and the Net Loss for the year is £20k (2019/20 Net Profit £13k). Dovedale Nursery CIC is registered at 102 Moulsham Street, Chelmsford CM2 0JQ.

10 Trade and other receivables

	Group 2021 £'000	College 2021 £'000	Group 2020 £'000	College 2020 £'000
Amounts falling due within one year:				
Trade receivables	24	25	47	39
Other Debtors	55	45	28	28
Amounts owed by group undertakings:	(3)	321	(2)	197
Prepayments and accrued income	549	549	244	244
Total	**625**	**940**	**317**	**508**

Notes to the Accounts (continued)

11 Creditors: amounts falling due within one year

	Group 2021 £'000	College 2021 £'000	Group 2020 £'000	College 2020 £'000
Bank loans and overdrafts	489	489	2,519	2,519
Obligations under finance leases	-	-	-	-
Trade payables	208	188	165	101
Amounts owed to group undertakings:	-	-	-	-
Other taxation and social security	364	354	359	350
Accruals and deferred income	2,249	2,156	1,399	1,304
Deferred income - government capital grants	182	161	180	159
Total	**3,492**	**3,348**	**4,622**	**4,433**

12 Creditors: amounts falling due after one year

	Group 2021 £'000	College 2021 £'000	Group 2020 £'000	College 2020 £'000
Bank loans	3,054	3,054	1,425	1,425
Obligations under finance leases	-	-	-	-
Provision for liability and charges	313	313	313	313
Deferred income - government capital grants	3,377	3,213	2,898	2,713
Total	**6,744**	**6,580**	**4,636**	**4,451**

Notes to the Accounts (continued)

13 Maturity of debt

(a) Bank loans and overdrafts

Bank loans and overdrafts are repayable as follows:

	Group 2021 £'000	College 2021 £'000	Group 2020 £'000	College 2020 £'000
In one year or less	489	489	2,519	2,519
Between one and two years	507	507	152	152
Between two and five years	1,661	1,661	494	494
In five years or more	886	886	779	779
Total	**3,543**	**3,543**	**3,944**	**3,944**

Secured bank loans drawn down totalling £4.50m are repayable by instalments due by 31 March 2027 at a fixed rate of interest of 3.745%; the current balance is £2.12m. The second unsecured bank loan is Barclays £1.5m repayable by instalments due by 13th December 2024 at a rate of interest of 2.10%.

(b) Finance leases

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

	Group 2021 £'000	College 2021 £'000	Group 2020 £'000	College 2020 £'000
In one year or less	-	-	-	-
Between one and two years	-	-	-	-
Between two and five years	-	-	-	-
In five years or more	-	-	-	-
Total	-	-	-	-

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

Chelmsford College
Notes to the Accounts (continued)

14 Provisions

	Group and Defined benefit Obligations	Other	Total
	£'000	**£'000**	**£'000**
At 1 August 2020	(9,326)	(320)	(9,646)
Expenditure in the period	(1,001)	328	(673)
Transferred from statement of comprehensive income	3,421	(36)	3,385
At 31 July 2021	**(6,906)**	**(28)**	**(6,934)**

Defined benefit obligations relate to the liabilities under the College's membership of the Local Government Pension Scheme. Further details are given in Note 20. Other provision relates to share of operating deficit and actuarial loss in respect of pension schemes for Essex Shared Services Ltd.

15 Cash and cash equivalents

	At 1 August 2020	Cash flows	At 31 July 2021
	£'000	**£'000**	**£'000**
Cash and cash equivalents	501	1,110	1,611
Overdrafts	-	-	-
Total	**501**	**1,110**	**1,611**

16 Lease Obligations

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

	Group 2021	2020
	£'000	**£'000**
Future minimum lease payments		
Other		
Not later than one year	77	157
Later than one year and not later than	-	77
later than five years		-
	77	234

17 Contingent Liabilities

The College had no contingent liabilities

18 Events after the reporting period

There are no events after the reporting

Notes to the Accounts (continued)

19 Defined benefit obligations

The College's employees belong to three principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS); and the Local Government Pension Scheme (LGPS) and NEST government pension scheme.

Total pension cost for the year	**2021 £'000**	**2020 £'000**
Teachers' Pension Scheme: contributions paid	981	910
NEST contributions	8	5
Local Government Pension Scheme:		
Contributions paid	741	662
FRS 102 (28) charge	880	633
Charge to the Statement of Comprehensive Income	1,621	1,295
Curtailments		
Total Pension Cost for Year	**2,610**	**2,210**

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers can opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

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.

Notes to the Accounts (continued)
19 Defined benefit obligations (continued)

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 the real rate of return assuming funds are invested in notional investments that produce a real rate of return.

Valuation of the Teachers' Pension Scheme

The latest actuarial review of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education (the Department) in April 2019. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £198 billion giving a notional past service deficit of £22 billion.

As a result of the valuation, new employer contribution rates were set at 23.68% of the pensionable pay from September 2019 onwards (compared to 16.48% during 18/19). DfE has agreed to pay a teacher pension employer contribution grant to cover the additional costs during 2019-20 academic year. A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website.

Local Government Pension Scheme

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by Essex County Council. The total contribution made for the year ended 31 July 2020 was £768,000, of which employer's contributions totalled £581,000 and employees' contributions totalled £187,000. The agreed contribution rates for future years are 17.3 % for employers and range from 5.5% to 12.5% for employees, depending on salary according to a national scale.

The actuarial valuation assumption Guaranteed Minimum Pension (GMP) is that the LPGS will pay limited increases for members that have reached State Pension Age (SPA) by 6th April 2016, with the government providing the remainder of the inflationary increase. Fore members that reached SPA after this date, the actuary has assumed that the LGPS fund will be required to pay the entire inflationary increase.
The results in the actuarial report include and allowance to reflect the Court of Appeal judgement in respect of the McCloud and Sargeant cases which relate to age discrimination within Judicial and Fire Pension Schemes, respectively. This allowance was incorporated into the accounting results as at 31 July 2019. These results, including the allowance, have been rolled forward and remeasured to obtain the accounting results as at 31 July 2021

Notes to the Accounts (continued)
19 Defined benefit obligations (continued)
Local Government Pension Scheme

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2016 updated to 31 July 2019 by actuary

	At 31 July 2021	At 31 July 2020
Rate of increase in salaries	1.00%	1.00%
Future pensions increases	2.80%	2.25%
Discount rate for scheme liabilities	1.60%	1.35%
Inflation assumption (CPI)	2.80%	1.45%
Commutation of pensions to lump sums		

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

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

Notes to the Accounts (continued)
19 Defined benefit obligations (continued)
Local Government Pension Scheme

Local Government Pension Scheme (*continued*)

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

	Split of assets at 31 July 2021	Fair Value at 31 July 2021 £'000	Split of assets at 31 July 2020	Fair Value at 31 July 2020 £'000
Equities	64.00%	15,715	62.00%	12,487
Government Bonds	3.00%	619	4.00%	861
Bonds	5.00%	1,142	6.00%	1,128
Property	7.00%	1,714	8.00%	1,566
Cash	3.00%	684	3.00%	548
Alternative Assets	11.00%	2,725	12.00%	2,341
Other managed funds	8.00%	1,954	6.00%	1,222
Total market value of assets	**100.00%**	**24,553**	**100.00%**	**20,153**
Weighted average expected long term rate of return	1.60%		1.35%	
Actual return on plan assets		**3,827**		**257**

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

	2021 £'000	2020 £'000
Fair value of plan assets	24,553	20,153
Present value of plan liabilities	(31,416)	(29,432)
Present value of unfunded liabilities	(43)	(47)
Net pensions (liability) (Note 15)	**(6,906)**	**(9,326)**

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

Notes to the Accounts (continued)
19 Defined benefit obligations (continued)
Local Government Pension Scheme

	2021 £'000	2020 £'000
Amounts included in staff costs		
Service cost	(1,608)	(1,282)
Past service cost	-	-
Curtailments and settlements	-	-
Total	**(1,608)**	**(1,282)**

	2021 £'000	2020 £'000
Amounts recognised in Other Comprehensive Income		
Return on pension plan assets	3,827	257
Other actuarial gains/(losses) on assets	-	625
Experience losses arising on defined benefit obligations	620	(522)
Changes in assumptions underlying the present value of plan liabilities	(1,026)	(3,117)
Amount recognised in Other Comprehensive Income	**3,421**	**(2,757)**

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

	2021 £'000	2020 £'000
Surplus/(deficit) in scheme at 1 August	(9,326)	(5,812)
Movement in year:		
Service cost	(1,608)	(1,282)
Employer contributions	741	662
Administration Expenses	(13)	(13)
Net interest on the defined (liability)/asset	(121)	(124)
Benefit changes gain (loss) on curtailment and gain (loss) in settlement.	3,421	(2,757)
Net defined benefit (liability)/asset at 31 July	**(6,906)**	**(9,326)**

19 Defined benefit obligations (continued)
Local Government Pension Scheme

Asset and Liability Reconciliation

	2021 £'000	2020 £'000
Changes in the present value of defined benefit obligations		
Defined benefit obligations at start of period	29,479	24,352
Service cost	1,608	1,221
Interest cost	395	516
Contributions by Scheme participants	187	186
Experience gains and losses on defined benefit obligations	(620)	522
Changes in financial assumptions	1,412	3,353
Change in demographic assumptions	(386)	(236)
Estimated benefits paid	(616)	(598)
Curtailments and settlements	-	163
Defined benefit obligations at end of period	**31,459**	**29,479**

Reconciliation of Assets

	2021 £'000	2020 £'000
Fair value of plan assets at start of period	20,153	18,540
Interest on plan assets	274	392
Return on plan assets	3,827	257
Other actuarial (loss)/gain	-	625
Administration Expenses	(13)	(13)
Contributions by employer including unfunded	741	662
Contributions by Scheme participants	187	186
Estimated benefits paid	(616)	(598)
Settlement prices received/(paid)	-	102

Assets at end of period	**24,553**	**20,153**

Chelmsford College
Notes to the Accounts (continued)

20 Related party transactions

Chelmsford College entered in to a 50:50 joint venture agreement with South Essex College which formed Essex Shared Services Limited in August 2014 with the purpose to provide back office shared services to both Colleges. The annual shared cost for these services were £314k (£322k 2019-20). The Statement of Comprehensive Income includes a cost of £36k (£15k 2019-20) relating to the share of operating deficit in Essex Shared Services Ltd. The group balance sheet includes a total provision for the gain of Essex Shared Services Ltd of £292k (£107k deficit 2019-20), which includes a provision of £328.5k (£113.5k deficit 2019-20) for the pension gain of the joint venture.

21 Amounts disbursed as agent

Learner support funds

	2021 £'000	2020 £'000
Funding body grants	346	400
Interest earned	-	-
	346	400
Disbursed to students	(199)	(285)
Administration costs	(13)	(15)
Balance unspent as at 31 July, included in creditors	134	100

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.

Essex Shared Services Limited

c/o: South Essex College
28 Stephenson Road
Leigh-on-Sea
Essex
SS9 5LY

Price Bailey LLP
Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT

To whom it may concern

ESSEX SHARED SERVICES LIMITED

The following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience such as we consider necessary in connection with your audit of the company's financial statements for the year ended 31 July 2021 These enquiries have included inspection of supporting documentation, where appropriate, and are sufficient to satisfy ourselves that we can make each of the following representations. All representations are made to the best of our knowledge and belief.

General

1. We have fulfilled our responsibilities as directors, as set out in the terms of your engagement letter dated 5 August 2021 under the Companies Act 2006, for preparing financial statements in accordance with applicable law and United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice), for being satisfied that they give a true and fair view and for making accurate representations to you.

2. All the transactions undertaken by the company have been properly reflected and recorded in the accounting records.

3. All the accounting records have been made available to you for the purpose of your audit. We have provided you with unrestricted access to all appropriate persons within the company, and with all other records and related information requested, including minutes of all management and shareholder meetings.

4. The financial statements are free of material misstatements, including omissions.

5. The effects of uncorrected misstatements (as set out in the management letter) are immaterial both individually and in total.

Internal control and fraud

6. We acknowledge our responsibility for the design, implementation and maintenance of internal control systems to prevent and detect fraud and error. We have disclosed to you the results of our risk assessment that the financial statements may be misstated as a result of fraud.

ESS
Essex Shared Services Limited

c/o: South Essex College
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Leigh-on-Sea
Essex
SS9 5LY

7. We have disclosed to you all instances of known or suspected fraud affecting the entity involving management, employees who have a significant role in internal control or others that could have a material effect on the financial statements.

8. We have also disclosed to you all information in relation to allegations of fraud or suspected fraud affecting the entity's financial statements communicated by current or former employees, analysts, regulators or others.

Assets and liabilities

9. The company has satisfactory title to all assets and there are no liens or encumbrances on the company's assets, except for those that are disclosed in the notes to the financial statements.

10. All actual liabilities, contingent liabilities and guarantees given to third parties have been recorded or disclosed as appropriate.

11. We have no plans or intentions that may materially alter the carrying value and, where relevant, the fair value measurements or classification of assets and liabilities reflected in the financial statements.

Accounting estimates

12. The methods, data and significant assumptions used by us in making accounting estimates, and their related disclosures, are appropriate to achieve recognition, measurement and disclosure that is reasonable in the context of the applicable financial reporting framework.

Loans and arrangements

13. The company has not granted any advances or credits to, or made guarantees on behalf of, directors other than those disclosed in the financial statements.

Legal claims

14. We have disclosed to you all claims in connection with litigation that have been, or are expected to be, received and such matters, as appropriate, have been properly accounted for and disclosed in the financial statements.

Laws and regulations

15. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.

Related parties

16. Related party relationships and transactions have been appropriately accounted for and disclosed in the financial statements. We have disclosed to you all relevant information concerning such relationships and transactions and are not aware of any other matters which require disclosure in order to comply with the requirements of company law or accounting standards.

Subsequent events

17. All events subsequent to the date of the financial statements which require adjustment or disclosure have been properly accounted for and disclosed.

Essex Shared Services Limited

c/o: South Essex College
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SS9 5LY

Going concern

18. We believe that the company's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the company's needs. We also confirm our plans for future action(s) required to enable the company to continue as a going concern are feasible. We have considered a period of twelve months from the date of approval of the financial statements. We believe that no further disclosures relating to the company's ability to continue as a going concern need to be made in the financial statements.

We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware.

Each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that you are aware of that information.

Yours faithfully

....

Signed on behalf of the board of directors

Date: 4/01/22