



Eastbourne College (Incorporated)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

Registered Charity No 307071
Company Registration No 115408

EASTBOURNE COLLEGE (INCORPORATED)
ANNUAL REPORT AND FINANCIAL STATEMENTS
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Contents	Page
President, Vice-Presidents, Governors, Officers and Advisors	2
Chairman's Report	4
Annual Report of the Governors	6
Strategic Report	13
Statement of Governors' Responsibilities	38
Independent Auditor's Report	40
Consolidated Statement of Financial Activities	43
Consolidated and Charity Balance Sheets	44
Consolidated Statement of Cash Flows	45
Notes to the Financial Statements	47-67

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

President

His Grace The Duke of Devonshire KCVO CBE DL

Vice-Presidents

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

Chairman

Mr Philip Broadley MA MSc FCA

Vice-Chairman

Mr Jonathan Watmough LLB

Governors

Mr Alex Brown BSc
Mr Charles Burrows MA
Mr Charles Bush MA
Mr Jeremy Compton BSc MRSC
Mrs Amanda Coxen LLB
Mr Richard Davidson-Houston BA
Mr Colin Davies FRICS ACI Arb
Mrs Nicola Eckert BA
Mr Nick Elliott BA
Prof Keith Gull CBE DSc(Hon) FRS FMedSci FRSB
Mrs Victoria Henley BA
Mrs Mary Ireland BSc DipEd
Mrs Claire Locher
Mr John Maidens BSc ACA
Mr George Marsh MA
Mr Darren Meek LLB FCA
Mr James Piper BA MEd
Mr Andrew Robinson BA ACA
Mrs Fionnuala Rodgers BA MA
Mr John Ryley BA AMP
Mrs Julie Wheeldon BA FCA
Dr Robert Wicks MBBS

Headmasters

Eastbourne College: The Hon Tom Lawson MA
St Andrew's Prep: Mr Gareth Jones BA MEd

Chief Operating Officer and Clerk to the Governors

Mrs Abbey Gough BA FCA

Company Secretary

Mr Chris Bentley-Mawer ACMA

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

Registered Office

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

Auditors

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

Bankers

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

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

Insurance Brokers

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

Investment Advisors

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

Solicitors

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

Surveyors

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

EASTBOURNE COLLEGE (INCORPORATED)

CHAIRMAN'S INTRODUCTION

Chairman's report

I am pleased to introduce the Charity's Annual Report describing the activities of our two schools, Eastbourne College and St Andrew's Prep, over the year. Everything we do as a charity is for the benefit of those we educate. We proudly devote much of the Annual Report to setting out the achievements of our approximately 1,000 pupils over the year. Whether in public exams, our own internally developed Bridge curriculum, which replaces Common Entrance, or national competition, our pupils continue to show the value of the education we have long sought to provide.

The defining event of the academic year was the decision of the government to close schools from 23 March as part of its national lockdown measures to prevent the spread of Coronavirus. For the first time in our history our schools were physically closed to pupils for most of the summer term. St Andrew's Prep remained open throughout lockdown, as needed, for any of our pupils with a parent who was a key worker. The College and St Andrew's Prep both provided full programmes of remote teaching for all year groups, taking advantage of the investment made in technology in recent years. The Governors recognise the extraordinary efforts of all of our teachers to respond quickly to these unprecedented circumstances, thank our pupils for embracing remote learning with enthusiasm, and our parents for their support.

In common with other independent schools, fees for the summer term were reduced to reflect the lack of normal boarding and day provision, including co-curricular activities. Furthermore, travel restrictions led to the loss of the normal income from summer lettings. Overall, the Charity's income was reduced by £2.6m compared to our expectations. Through cutting costs wherever possible and accessing government funding, the Charity recorded an operating surplus of £115k.

The Charity is financially resilient, and its education continues to be in demand: pupil numbers in the 2020/21 academic year are greater than in 2019/20. Nonetheless, the reduction in income required the Governors to defer capital expenditure and to look once again at the costs of providing every aspect of the Charity's education. We have to recognise that, at least for the duration of the pandemic, we shall be operating differently. Two years ago, the Governors and the Heads agreed a 5-year strategic plan looking forward to 2023. The Annual Report sets out our progress in achieving the objectives of this plan in its second year as we aim to deliver the best for our pupils. Progress against this plan has been adversely affected in some areas as a consequence of the pandemic.

The Charity plays an important role in the Eastbourne Schools Partnership (ESP), an organisation that brings together the maintained and independent schools in Eastbourne and the surrounding area. The Annual Report sets out how the activities of the ESP continue to expand and provide a range of opportunities for our pupils and teachers to work together with other schools to mutual benefit.

The College was established in 1867 'to provide a general education of the highest class'. Both schools strive to live up to that founding principle. We want to increase our ability to provide support to those pupils who cannot afford our full fees. During the year 206 pupils, 22% of the total, received some assistance with their fees either through means-tested bursaries or hardship bursaries provided to support those families whose income had been negatively affected by the pandemic. The Governors greatly appreciate the support of a number of trusts and individuals

EASTBOURNE COLLEGE (INCORPORATED)

CHAIRMAN'S INTRODUCTION

who contribute to the fees of 16 current pupils. We also value the commitment of our Devonshire Society members who have promised to support the Charity in their wills.

One of the founding members of the Devonshire Society, The Right Reverend Monsignor John Klyberg, died in January. The Charity is his principal beneficiary and his wish was for his legacy to be used in support of providing education at the College for those, including the children of Old Eastbournians, otherwise unable to afford it. We are required by Accounting Standards to recognise the legacy in this year's accounts although the estate had not been distributed at 31 August. We have recognised an estimated receipt of £1.2 million. John's remarkable generosity to his former school will be of lasting benefit to our bursary provision.

Taking account of the reduced income from educational and letting activities, partially offset by donations and legacy income, the Charity's total funds decreased by £521k during the year. As we are a charitable company, all our funds are used to support the education we provide at the College and St Andrew's Prep.

On behalf of the Governors, I thank Tom Lawson and Gareth Jones, our two Heads, Abbey Gough, our Chief Operating Officer, and the over four hundred staff who teach and support the two schools. I also thank all those who continue to support our fundraising. Without them all we would not be able to provide the education we do.

Finally, I want to pay tribute to David Winn who died in September 2020. David was a constant presence and support to the Charity, the Governors, to me, and my predecessors for over forty years. Above all, he recognised and appreciated the all-round nature of the education to which the Charity is committed. He supported each of our building projects from the rebuilding of Big School after it was destroyed by fire to the building that appropriately carries his name. The Charity would not be what it is today without his contribution as a Governor and as our greatest single benefactor.

Philip Broadley
26 November 2020

EASTBOURNE COLLEGE (INCORPORATED)
ANNUAL REPORT OF THE GOVERNORS
YEAR ENDED 31 AUGUST 2020

The Board of Governors presents its Annual Report for the year ended 31 August 2020 under the Charities Act 2011 and the Companies Act 2006 (including the Board of Governors' Report and Strategic Report under the 2006 Act) together with the audited accounts for the year and confirms that the latter complies with the requirements of the Acts and the Charities Statement of Recommended Practice (SORP) 2015.

STRUCTURE, GOVERNANCE AND MANAGEMENT

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

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



The Board of Governors (the 'Board') is aware of The Charity Governance Code published in 2017, which sets out the principles and recommended practice for good governance within the sector. The Governors are satisfied that the Charity applies the principles of the Code within its current governance arrangements except in two respects - the current Board comprises 24 Governors, which is greater than the recommended maximum of 12; and 7 of the Governors have served for longer than 9 years. Having given due regard to the code, the Governors consider the current range of expertise on the Board to be necessary given the size and complexity of the Charity, with the schools operating across two sites providing education to 1,000 children aged from 9 months to 18 years, and the Governors' statutory responsibilities for matters such as safeguarding, risk management, employment law, health and safety, finance, and education. Those who have served beyond 9 years are considered to provide a wealth of experience and valued continuity that is believed to outweigh any risk of a loss of objectivity or independence, particularly as collectively they comprise less than a third of the Board. The Board has adopted the principles of the Code, proportionately to the Charity's circumstances, and routinely challenges itself on areas for improvement.

EASTBOURNE COLLEGE (INCORPORATED)
ANNUAL REPORT OF THE GOVERNORS
YEAR ENDED 31 AUGUST 2020

The Governors of the Charitable Company are also its Directors for the purpose of Company Law. Throughout this report they are collectively referred to as Governors or the Board. The Governors who have served on the Board from 1 September 2019 to the date of signing this Annual Report are shown below, and have served throughout the period, unless shown otherwise.

		Committee Memberships as of the date of this report are shown below (C denotes chairperson)							
		Remuneration Committee	Nominations Committee	Eastbourne College Education and Pastoral Committee	St Andrew's Prep Education and Pastoral Committee	Finance and Property Committee	Investment Committee	Foundation and Development Advisory Board	Marketing Committee
Mr Philip Broadley MA MSc FCA (Chairman)		C	•						
Mr Alex Brown BSc						•			
Mr Charles Burrows MA	Appointed 11 September 2020					•	•		
Mr Charles Bush MA				•					
Mr Jeremy Compton BSc MRSC (Health and safety Governor)						•	•		
Mrs Amanda Coxen LLB (Boarding Governor - School)					•				
Mr Richard Davidson-Houston BA									C
Mr Colin Davies FRICS ACI Arb (Boarding Governor - College)						•			
Mrs Nicola Eckert BA (Safeguarding Governor - School)					•				
Mr Nick Elliott BA									•
Prof Keith Gull CBE DSc(Hon) FRS FMedSci FRSB				•					
Mrs Victoria Henley BA		•			C				
Mrs Mary Ireland BSc DipEd	Appointed 1 July 2020			•					
Mrs Claire Locher (Boarding Governor - College)									•
Mr John Maidens BSc ACA							C		•
Mr George Marsh MA				•					
Mr Darren Meek LLB FCA		•		C					
Mr James Piper BA MED					•				
Mr Tom Richardson FRICS	Resigned 12 June 2020								
Mr Andrew Robinson BA ACA		•				C	C		
Mrs Fionnuala Rodgers BA MA	Appointed 10 September 2020				•				
Mr John Ryley BA AMP			•						
Mr Jonathan Watmough LLB (Vice-Chairman)		•	C						
Mrs Julie Wheeldon BA FCA						•			
Dr Robert Wicks MBBS (Safeguarding Governor - College)				•					

EASTBOURNE COLLEGE (INCORPORATED)
ANNUAL REPORT OF THE GOVERNORS
YEAR ENDED 31 AUGUST 2020

Recruitment, induction and training of Governors

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

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

Organisational management

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

The Headmasters, Second Master at the College and Deputy Head of the School, together with the Chief Operating Officer, attend all termly meetings of the Board and relevant committees. The Board's policy is implemented via senior management teams at both the College and School, which are led by the relevant Headmaster. Governance is conducted with the assistance of appropriate committees, as referenced in the table above. During the year the committee structure was reviewed and a Marketing Committee re-established to allow the two school committees to focus on the core education, safeguarding and pastoral matters, which are largely singular to each school. The Finance Committee was also amalgamated with the Property Committee with effect from the Lent term. The Foundation and Development Advisory Board comprises members of the Eastbournian Society who support the fundraising initiatives of the Charity. Key management personnel are considered to be the Headmaster of Eastbourne College, the Headmaster of St Andrew's Prep and the Chief Operating Officer.

The Charity encourages all employees to be fully involved in the affairs of both schools and information and consultation committees for both teaching and support staff meet regularly to

EASTBOURNE COLLEGE (INCORPORATED)
ANNUAL REPORT OF THE GOVERNORS
YEAR ENDED 31 AUGUST 2020

ensure efficient and constructive communication at all levels. Robust policies exist to fulfil the Charity's commitment to develop diversity of staffing across all disciplines through equal opportunity policies, training and practical action. The Charity holds that every person has the same rights and is entitled to the same opportunities, regardless of age, gender, pregnancy or maternity, disability, race, religion or belief, cultural background, linguistic background, special educational need, sexual orientation, gender reassignment or academic or sporting (or any other) ability.

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

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

The Charity is committed to providing equal opportunities in employment and to avoiding unlawful discrimination in employment and against its customers be they parents, visitors, suppliers, contractors or members of the public.

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

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

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

Group structure and relationships

Since amalgamation, the College and the School continue to run independently with their own Headmasters and senior management teams but a number of steps have been taken to create more unity including sharing a number of support services and staff. The enlarged Charity

EASTBOURNE COLLEGE (INCORPORATED)
ANNUAL REPORT OF THE GOVERNORS
YEAR ENDED 31 AUGUST 2020

continues to provide choice regarding the selection of a senior school at 13 years and the College accepts children from a wide range of schools.

The Charity has two wholly-owned, non-charitable subsidiaries, Eastbourne College Enterprises Limited and SACS (Eastbourne) Limited, which provide bussing services, sports and letting facilities and school shop facilities to the schools, generating an alternative income stream to support the Charity's core objectives. Further information and details of their trading performance are set out on page 67. The decision was taken during the year to move the purchase of school uniform online across both schools and to wind up SACS (Eastbourne) Limited. The investment in this subsidiary is now considered fully impaired and the impairment is reflected in the financial statements.

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

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

PUBLIC BENEFIT

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

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

It provides an environment where each pupil can develop and fulfil their potential, building self-confidence and a desire to contribute to the wider community and go on to live rewarding, positive and happy lives. The Charity puts an emphasis on the nurturing of enduring values, confident

EASTBOURNE COLLEGE (INCORPORATED)
ANNUAL REPORT OF THE GOVERNORS
YEAR ENDED 31 AUGUST 2020

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

The global pandemic and national lockdown has meant that the Charity has had to adapt and operate in different ways for a significant part of the financial year. Staff, pupils and families offered support to the NHS in a variety of different ways. The School remained open throughout, including during the Easter holidays, to look after the children of key workers, while others acted as NHS volunteers, produced equipment including face coverings and raised money for the NHS and other associated causes. The Charity donated goggles from the science labs to Eastbourne District General Hospital, as well as to a GP in Kent and a surgeon in Cambridge.

Supporting education and providing facilities to other schools and to the wider community of Eastbourne are further examples of the way in which the Charity benefits the public at large. The Charity is committed to continuing and improving the provision of direct and indirect public benefit, in accordance with its objects, not least as a founder member of the Eastbourne Schools Partnership (ESP).

The policies of the Charity in relation to the provision of scholarships and means-tested bursaries, to the extent that resources permit, provide access to those unable to pay the full fees of the College and the School. Fee remission amounted to £5,020k during the year (2019: £4,176) and included the addition of 16 fully funded places, funded by the Charity and known as the Professor Soddy scholarships, to pupils coming to the College from maintained schools. The Foundation and Development Office raises funds directly for means-tested bursaries by a number of different means, including building a programme of legacy giving from which a number of awards have been established; raising, by its own activities, funds from events and donations, which are applied to the bursary provision, for example the Peter Bibby award; and engaging in partnerships with trusts and individuals to enable means-tested bursarial support. There are a number of means-tested bursaries and awards available to pupils whether they are from disadvantaged backgrounds or scholars and these are discussed throughout the report.

In addition to the direct benefit created through means-tested bursaries and other fee remission, discussed further in the financial review below, the Governors believe it is an important point of principle that a record is maintained of the degree to which its commitment to educating approximately 1,000 pupils relieves the state of the burden of funding the education of these pupils: at the College, given the published per capita funding per pupil for Key Stages 3 and 4, 530 pupils saved the Exchequer in the order of £2.1m; the School saved a further £805k. In addition, the Charity paid £1.2m of irrecoverable VAT during the year on its operational and capital expenditure.

EASTBOURNE COLLEGE (INCORPORATED)
ANNUAL REPORT OF THE GOVERNORS
YEAR ENDED 31 AUGUST 2020

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

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

A few highlights from the current year include:

- 125 members of the Lower Sixth have been involved in a wide range of activities in the community, helping in charity shops, visiting residential homes and helping with activities sessions for disabled adults in the Chaseley Trust.
- In a new placement this year, College pupils have been visiting elderly residents at the Tweed care home and entertaining them with much appreciated musical interludes.
- Year 2 pupils from the School took part in an Inter-generational Choir Project with Sunrise Senior Living, a care home in Eastbourne. The idea of the project was to encourage communication through music, exploring different themes and creating a much closer and more positive relationship between the two generations. It was a huge success with the elderly residents commenting on the warm and open nature of the young pupils. At a time when many were suffering mentally and physically from the restrictions, the singing project was a great success for the wellbeing of all involved.
- On campus, pupils have worked as classroom assistants in the Prep and Pre-Prep at the School, while others helped out at the College assisting with junior sports and activities and directing Year 9 drama productions.
- Homework sessions ran on Monday afternoons, where College pupils mentored Year 11 pupils from a variety of local schools and, on Wednesday afternoons, the linguists ran conversation sessions in French, German and Spanish for pupils from another local school.
- College pupils maintained wheelchairs in the Beacon for the Shopmobility service and, during the colder months, helped to set up the Winter Night Shelter for homeless people in the town.
- Members of the Gardening Group and the Green Team worked to improve the environment, including undertaking gardening projects at the Chaseley Trust and taking part in weekly beach-cleaning sessions and other environmental initiatives.
- The School's Forest School was made available to pupils from a local school allowing them to learn crucial skills
- The ESP has had another effective year. The Your Town Your Ideas Your Future conference with ESP pupils presenting their ideas to 70 business and civic leaders has paved the way for a relationship with the Eden Project, as Sir Tim Smit, its founder, has been highly impressed with young people's engagement across the town; the Making Connections workshop for ESP gifted and talented pupils to develop thinking skills together has continued to flourish, as has Roy's Homework Club, with College Lower Sixth pupils weekly mentoring GCSE pupils from Cavendish School, Eastbourne Academy and Willingdon Community School; a Modern Foreign Languages (MFL) club with pupils from Ratton School has also

EASTBOURNE COLLEGE (INCORPORATED)
ANNUAL REPORT OF THE GOVERNORS
YEAR ENDED 31 AUGUST 2020

been taking place, as has the continuing programme of dance workshops with Rambert Dance Company held in the Birley Centre, working with artist-in-residence, Lindy Dunbar.

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

STRATEGIC REPORT

Objectives and activities

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

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

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

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

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

EASTBOURNE COLLEGE (INCORPORATED)
ANNUAL REPORT OF THE GOVERNORS
YEAR ENDED 31 AUGUST 2020

Achievements and performance

Despite the unusual events of this year the Strategic Plan has been embraced across the Charity with encouraging progress made during 2019/20 against targets, as set out below.

Pupil numbers in the College averaged 650 (2019: 632) with a further 276 (2019: 276) at the School and 85 (2019: 78) in the nursery. The increase at the College was achieved through active recruitment aimed at encouraging more entrants, particularly in Years 9 and 12. The College continues to recruit pupils into the sixth form, many from local maintained schools supported by scholarships and bursaries. While the national prep school market is challenging, the School was delighted that boarding pupil numbers remained broadly level year on year. At the College the ratio of boarding pupils fell slightly at 45.4% (2019: 46.8%).

The ratio of boys to girls remained consistent at the College and School at broadly 60:40, with the nursery having an almost even split at 51:49.

Continuous improvement of academic quality

The national lockdown announced on 23 March 2020 and subsequent decision to cancel the summer series of exams required staff and pupils to adapt in a short timeframe to an entirely new way of working and learning. Whilst the School remained open to look after the children of key workers across the Charity, the College site was closed with all pupils and staff working remotely. A comprehensive programme of remote learning was developed over the Easter holidays with the introduction of new platforms including Padlet at the School and much greater use made of existing platforms including Microsoft Teams, One Note and Show My Homework. The fact that attendance at these sessions was almost double the average for other independent schools, and almost three times the average for all schools, highlights the way our pupils engaged with their online learning and the effort put in by the teaching staff to provide a meaningful and enriching programme of remote learning for all.

The Bridge Curriculum was launched at the School in September 2019. This academic initiative aims to combine the best aspects of the Common Entrance syllabus with the National Curriculum and other programmes to create a learning pathway that is exciting, dynamic and more effective in preparing pupils for the demands of GCSE and beyond. The Bridge Curriculum will provide continuity of study across the curriculum for Years 7 and 8 at the School and Year 9 at the College or any senior school to which a pupil moves.

The School continues to build on the 'whole-of-learning' thinking skills programme launched September 2018 to the middle school years with increased cognitive activities, clubs and societies being offered through the co-curricular programme, including activities such as Young Enterprise and a chess competition. A growth mindset approach has been rolled out to the Pre-Prep and Juniors at the School to complement and link with the middle school thinking skills programme.

The College's revised sixth form programme continues to meet the academic and aspirational needs of its pupils. Almost all pupils continue to choose 3 or more A-levels alongside a tailored enrichment programme. Most pupils embarked on either the Extended Project Qualification, the

EASTBOURNE COLLEGE (INCORPORATED)
ANNUAL REPORT OF THE GOVERNORS
YEAR ENDED 31 AUGUST 2020

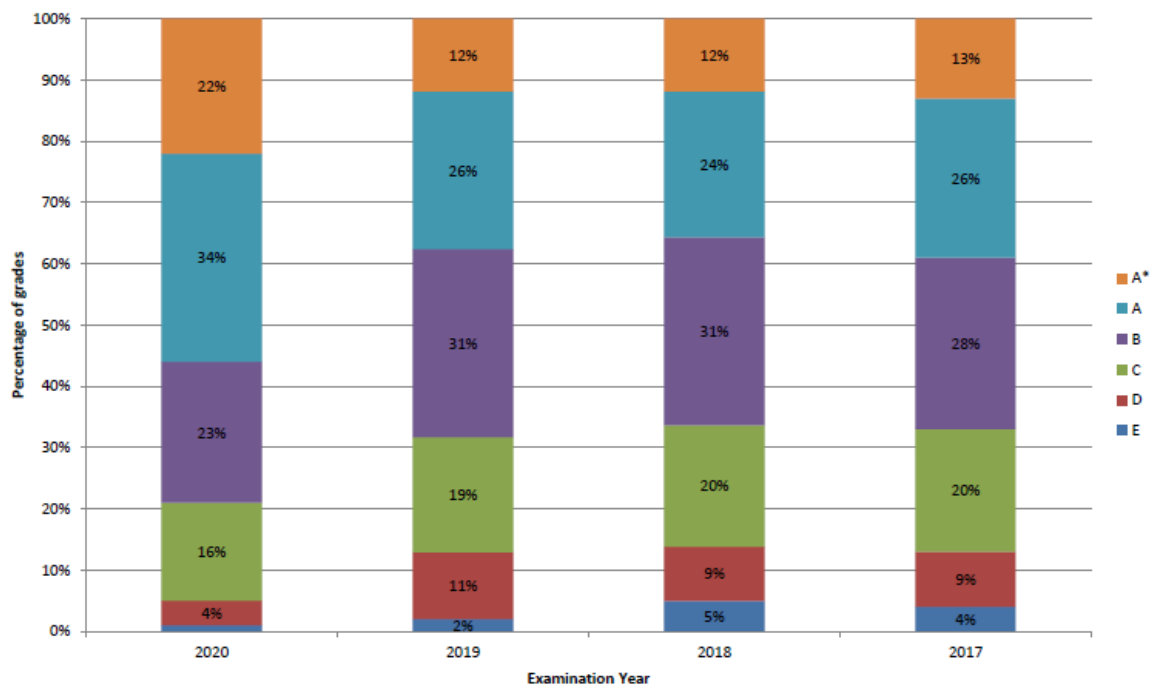
Arts Award or the European Computer Driving Licence programme as an additional option. In the Arts Award, for example, over 30 pupils are working towards their silver and gold awards in dance, film, music, photography and theatre, providing an attractive opportunity for those pupils engaging across the creative arts to gain a further nationally accredited award. A broad range of other sixth form enrichment opportunities continue to be offered including: competitive debating; cookery; DIY; film/media; first aid; the model United Nations; photography and Young Enterprise. From September 2019, the College also introduced a course in fundamentals of financial services, accredited by the Chartered Institute of Securities & Investments.

The College continues deliberately to retain the gold standard A-level offer but keeps a weather eye on the landscape of A-level, T-level, BTECs, Pre-Us and IB. From September 2019 the College adopted Show My Homework, an online tool that allows parents, pupils, teachers and tutors to see the work that each pupil has been set. Performance management of teaching staff has been moved to a more efficient, online platform to provide better consistency, transparency and accountability.

Amidst the considerable disruption to public examinations in 2020, Eastbourne College was confident that it proposed Centre Assessed Grades (CAGs) that were fair, objective and representative of each pupil's ability. 79% of A-levels were graded A*/A/B, a 10% rise on the previous year, while more than half were graded A*/A. Even prior to the government's change of policy on the use of CAGs to award A-level grades, Ofqual standardised outcomes showed an overall improvement on the previous year with 72% of grades A*/A/B and 43% A*/A. 58% of the 2020 leavers achieved grades of ABB or better, the minimum desired by many of the top UK universities.

Performance at A Level 2020 – Historical Comparison

Summary of school-level performance at A-level from 2017 to 2020

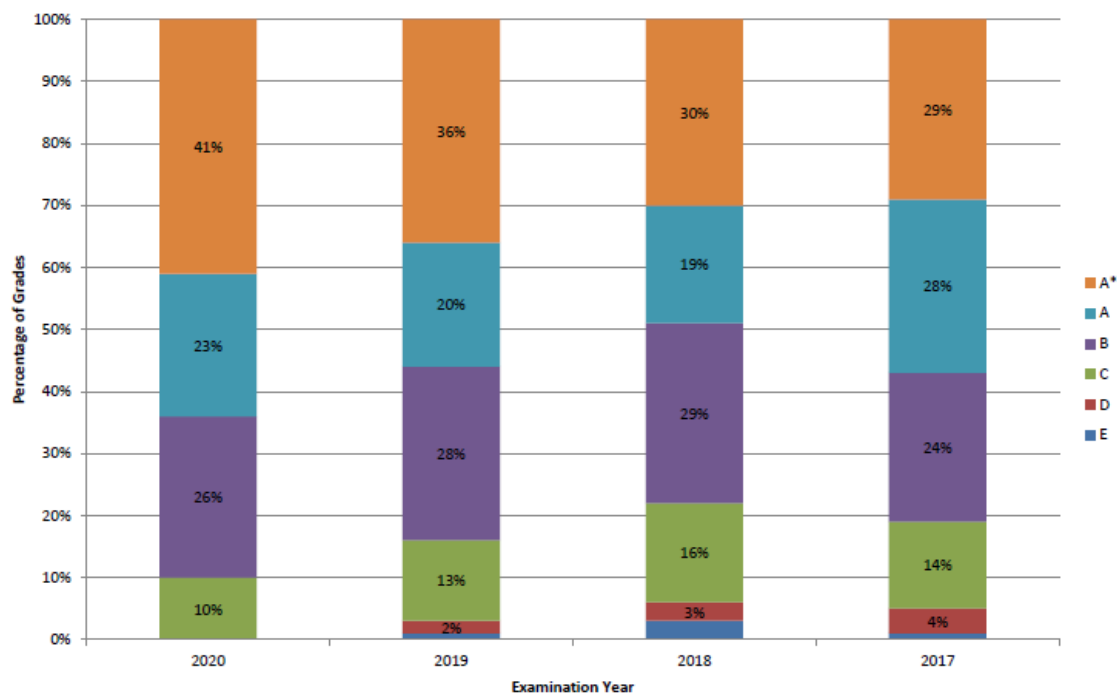


EASTBOURNE COLLEGE (INCORPORATED)
ANNUAL REPORT OF THE GOVERNORS
YEAR ENDED 31 AUGUST 2020

Similarly, at GCSE the CAGs proposed to the awarding bodies showed improvement on the previous year but were in keeping with the school's historical outcomes and the ability profile of the cohort. Of the GCSEs and IGCSEs awarded in 2019/20, 64% (2019: 56%) were graded 9-7 (A or A* equivalent), over 40% were graded 9 or 8 (A* equivalent) and more than one in five (22%) were graded 9.

Performance at GCSE / IGCSE 2020 – Historical Comparison

Summary of school-level performance at GCSE / IGCSE level since 2017. The data for 2019, 2018 and 2017 has been adjusted by weighted average of equivalent 9-1 grades.



The College continues to be ranked very highly for value-added (maintaining its place among the top 4% of schools nationally as reported by the DfE in March 2020) which is a measure of how pupils perform in relation to their underlying ability. Academic highlights are too numerous to include here but, prior to lockdown and the closure of the school, pupils achieved considerable success in the inaugural Cambridge Chemistry Race, the Geographical Association Worldwide International Competition and Olympiads in chemistry, mathematics and physics to name but a few.

All Year 8 pupils at the School achieved places at the 12 senior schools of their choice and 21 awards were made to pupils who gained academic scholarships, as well as scholarships in dance, drama, music, the performing arts and sport. A number of senior schools chose not to offer assessments this year due to the pandemic and those who sat them did so under unusual circumstances.

Investment in information technology infrastructure has provided very real gains in functionality, performance and reliability and our Wi-Fi development strategy has delivered nearly complete indoor coverage across campus to encourage more fluid learning and collaboration. The College and the School were able to provide continuous provision of remote learning in all subjects

EASTBOURNE COLLEGE (INCORPORATED)
ANNUAL REPORT OF THE GOVERNORS
YEAR ENDED 31 AUGUST 2020

throughout the summer term, despite the School being closed to everyone other than the children of key workers owing to the Covid-19 pandemic.

Aligned to the Strategic Plan, a new curriculum model and timetable for the College was implemented from September 2019. The new structure affords benefits including: a greater number of guided learning hours for A-level and GCSE; more efficient use of time and resources (both human and physical) during the school day; and creation of higher-quality time for pastoral support and independent study. These academic aims complement the wider objectives of providing better balance in the College pupils' working week and the quality of time they spend with one another and their families. There are no longer formal lessons on Saturday mornings, with time for these now being found during the week but, instead, there is more opportunity for academic enrichment, co-curricular activity and space for pupils to socialise, relax and recharge.

The ESP hub for continuous professional development has been established and has been fully operational since September 2018, allowing all teachers at the College and the maintained school partners to access a shared CPD programme. Regular meetings have been scheduled with heads of departments/faculties to share best practice and this continued online during the period of school closure.

Pastoral care second to none

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

Safeguarding training for all staff was completed in January reminding everyone of their responsibility to keep all our children in a safe environment. All updates, including the introduction of a revised KCSIE for the new academic year, continue to be shared in a variety of ways. All Governors received training in March and were given an outline of the current landscape at the College. Staff training was filmed for the first time to ensure any absent staff were able to access the content, which has proved invaluable for those staff joining during lockdown as a resource to view ahead of their formal briefing.

Pupil issues are quickly picked up by staff and reported in a timely fashion and managed appropriately. The addition of a second counsellor at the College has offered a wider service to those in need of more professional support and this service has been made available throughout lockdown. There is a Listening service at the School which is available to both pupils and staff and which is being expanded to involve a larger number of staff giving children more choice as to who they speak to and also providing staff with an opportunity to develop pastoral skills further.

All staff have been made aware of the likely key issues and primed to support as pupils and staff start the new academic year and adjust to a new 'normal' having come out of lockdown. Teachers have been careful to acknowledge that every child will have faced different challenges and circumstances during the time away and discussion around this has been encouraged, as well as thinking about coping mechanisms and ways of helping each other to move forward.

EASTBOURNE COLLEGE (INCORPORATED)
ANNUAL REPORT OF THE GOVERNORS
YEAR ENDED 31 AUGUST 2020

A revised assembly programme was brought into action at the start of the year at the College, with more year group meetings following a structured programme and included an opportunity for the pupil BeYou group to talk to everyone and time to celebrate good news and achievement. Tutors are now encouraged to attend assembly, offering further discussion on any key topics.

Whilst lockdown posed a challenge to assess pupil wellbeing and create a safe avenue for any pupil needing to reach out if there was a more serious issue at home, houseparents and tutors at the College held weekly meetings with all pupils. Senior pupils were asked to drop in on Year group virtual chats and a list of those in our most vulnerable category were contacted more frequently and followed up if there was no reply. Houses continued to meet, function and embrace the situation with challenges, competitions, parent chats and daily registration.

The remote provision at the School during the national lockdown was a huge success, with timetables balanced to provide rigorous academic work, intertwined with plenty of opportunities to develop pupils' mental wellbeing through daily exercise and mindfulness challenges to encourage time away from screens. Daily tutor check-ins facilitated regular contact between pupils and staff and allowed early identification of any issues.

The School was delighted to be the only prep school to reach the finals in the Independent School Magazine's 'School of the Year' Awards for the category 'Best International Boarding Student Experience'. This reflects the outstanding pastoral care provided to the boarders and other international pupils.

As part of the Covid-19 safety measures parents are not allowed to be on site and so alternative means of engaging with new and existing parents will continue to be used into the new academic year. Creative solutions have been put in place to support and enable parent evenings to go ahead across all ages and weekly zoom calls are facilitated for parents to drop in and raise questions and provide reassurance for all, especially our overseas parent body. Both Schools continue to be supported by medical centres on each site, which play an important role in every day school life and they, together with the School Doctor, have been central to our return to school planning following lockdown.

Following the decision to take the school shop online, this has freed up a location at the School which is being redeveloped as a wellbeing hub for pupils and staff and is expected to be open from January 2021. Recognising the importance of mental wellbeing for children and staff the former Deputy Head Pastoral role at the School has also been split between a new Head of Pastoral Care and a Head of Wellbeing with the new roles becoming effective from 1 September 2020.

Whole of learning

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

EASTBOURNE COLLEGE (INCORPORATED)
ANNUAL REPORT OF THE GOVERNORS
YEAR ENDED 31 AUGUST 2020

based activities that it inspires but because the views, smells and sounds all inspire active healthy engagement.

By encouraging a regular involvement in games or other exercise activities, by ensuring the quality of experience is a positive one and by allowing our pupils to feel the direct benefits from such activity, then the College aim to imprint on to them an understanding of what it means to live healthily and to imbue in them a life-long desire to seek opportunities to be fit and energetic as an integral part of this. All pupils are expected to take part in 2-3 sessions of sport and exercise per week. Sport ranges from the core sports that all Years 9 and 10 pupils undertake through to the wider offering available to older pupils (aerobics, badminton, basketball and pilates, to name a few).

Lockdown drew sports fixtures to a halt at the end of March but not before some wonderful achievements, including the College being crowned Sussex Tennis School of the Year. Pupils at the College played 450 fixtures across a number of different sports in the Lent term alone. The 1st and U16s netball teams both finished in 3rd place in their respective Sussex Cups. The 1st XI hockey team won through to the national finals day in the Independent Schools Cup before lockdown was announced. The swim team broke personal bests during the season and the squad who competed at the Bath Cup at the Olympic Pool, London, impressed with attitude and character to finish just outside the finals with a very young team. Additionally, the College equestrian team qualified for the national finals again; the golf team reached the area final and fell just short of a second consecutive year at the national finals; the girls squash team competed in five matches winning two and drawing one; the cross country team competed in the Sussex Championships, with runners going on to qualify and compete on the regional and national stage; the badminton team performed well in their matches and the College was selected to host the IAPS national finals tournament, with games umpired by senior players; the basketball team finished their second full season in the Sussex schools league with five consecutive wins; and the boys and girls Fives teams competed in their South East regional fixtures while the girls won the double plate in the U18 national final. In tennis, the senior girls A team were pre-seeded at the national finals again, with the B team hoping to join them at Nottingham. For the first time, both the boys and the girls squads reached the LTA winter tournament National Finals while in the regional rounds, the teams beat all their rivals in the South East. The senior girls A team also won their division of the winter Sussex adult club league, winning all 40 sets played and not losing one.

The School's reputation for combining excellence with a 'sport for all' provision continued and there were many successes this year; the girls 1st XI hockey team qualifying for the National IAPS Finals and finishing 12th in the country; the girls 3rd team won the Emerging Players Tournament (an initiative created by the School to develop tournament opportunities for lower teams); boys football results have improved year on year; and the table tennis team qualified for the regional rounds of the Sussex Tournament. A rugby festival was held at the School attracting 20 teams from both independent and state schools as well as local clubs. The PE curriculum continues to be developed with the introduction of Parkour for Year 8, lifesaving for Year 7 and more dance opportunities for Years 3 and 4.

Creating opportunities for creativity is an important cornerstone of the curriculum. As part of the aspiration to increase participation in art, drama and music, while maintaining excellence, a wide

EASTBOURNE COLLEGE (INCORPORATED)
ANNUAL REPORT OF THE GOVERNORS
YEAR ENDED 31 AUGUST 2020

range of non-sport activities are well-structured within the co-curriculum offering across both schools. The Gold Arts Award continues to be a popular additional option for the sixth form with 14 pupils successfully completing this programme in spite of lockdown. The College continues to work towards ArtsMark accreditation and at the School, the Saturday morning activities programme includes a performing arts component, enabling pupils to achieve the Trinity Performing Arts Award.

This year, Year 10 and Year 12 textiles pupils entered the Royal Opera House's prestigious annual Design Challenge competition, giving pupils the opportunity to test and develop design skills, based around Puccini's Opera *La Boheme*. Each pupil worked through the design process using a real director's brief, building a portfolio and designing a final piece. Two of our pupils were finalists and a further three were shortlisted.

In music, the College conducted another very successful Jazz Day with four prep schools joining the Charity's own music pupils and an inter-house A Capella and Young Musician of the Year competition were both hotly contested. The School performed a highly successful Middles Production of *Seussical the Musical* in the Spring term just before lockdown. A number of exams had to be cancelled owing to lockdown but peripatetic music lessons were able to continue remotely throughout and the School managed to hold a successful songwriting competition and compiled a full 'virtual concert' celebrating both solo and group performances, LAMDA, dance and artwork.

The Dance Department continues to grow and made full use of the two well-appointed dance studios where three ESP workshops and a spectacular dance showcase were held during the year. Drama, through the LAMDA programme, equally continues to thrive across the Charity with increasing numbers of pupils participating in this activity.

At the College, the Duke of Edinburgh's Award continues to act as a conduit through which pupils are given the opportunity to extend and challenge themselves. The number of pupils pursuing the Silver or Gold Award remains healthy. In the October half term 35 Silvers completed their practice expedition in the New Forest whilst 15 Golds completed their assessment in the Brecon Beacons. Covid-19 restrictions did not dampen the programme, with most pupils continuing to work towards their Awards by adopting the Duke of Edinburgh lockdown compliant activities.

The CCF continues to flourish as one of the largest tri-service units in the country with over 320 cadets and 25 officers. One RAF cadet was awarded an RAF Cadet Pilot Scholarship, with another having been nominated as a standard bearer for the Albert Hall Remembrance event for November 2021. The College's senior cadet has been awarded the Lord Lieutenant's CCF Cadet for East Sussex for 2020-21.

In our Charity endeavours this year the College community have raised nearly £10k and the School have raised just over £3k for a broad range of charities through a variety of initiatives.

Improve affordability and optimise staffing structure

The increased employer's contribution to the Teachers' Pension Scheme (TPS) took effect from 1 September 2019 increasing the Charity's cost base significantly. The impact of this was

EASTBOURNE COLLEGE (INCORPORATED)
ANNUAL REPORT OF THE GOVERNORS
YEAR ENDED 31 AUGUST 2020

discussed at the Governors' strategy day in November and the decision was later taken at the December Board meeting to enter into a formal consultation with teaching staff regarding the proposal to withdraw the two schools from the TPS with effect from 1 September 2020. The process was launched in January 2020, led by Governors and involved regular meetings with employee representatives. The Governors engaged an independent consultancy company to present a financial education session to affected members of staff, which was followed up by an opportunity for staff to receive independent financial advice free of charge so that they could fully understand the implications of the proposal on their personal financial position and make an informed decision. As part of this consultation employees developed a greater understanding of the financial and economic factors affecting the performance of the Charity. The consultation concluded in mid-March, ahead of the national lockdown, with the decision taken to withdraw from the TPS with effect from 1 September 2020.

The national lockdown and effects of the pandemic have since placed additional pressure on affordability of fees evidenced by the increased level of requests received for financial support. The Governors took the decision to discount fees for the summer term to reflect the reduced provision during lockdown with no boarding, catering, sport or co-curricular activities. Acutely aware of the longer term financial impacts of the pandemic, the Governors further took the decision to hold fees flat at 2019/20 levels for the 2020/21 academic year. This decision, whilst welcomed by parents, places increased pressure on the Charity to manage costs and generate an adequate surplus for reinvestment in the Charity's facilities.

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

Staff across the Charity are aware of the need to be responsible with, and to make the best use of, the Charity's resources. The senior management teams routinely review and challenge current working practices across the Charity, ensuring that they are as effective and efficient as possible. Where appropriate, scale economies are made through sharing staff across the schools, with consideration given to whether to outsource certain services and suppliers routinely challenged to ensure that we are achieving the best value from contractors. Further unity between the two schools was achieved during the year with the marketing and admissions teams combined across the Charity under a newly appointed Director of Marketing and Admissions.

In an effort to keep fees as low as possible and improve affordability, there is a focus on making the best use of the Charity's assets outside of term time with an increasing number of external hires being arranged across the school holidays. This was unfortunately not possible during the summer as a result of lockdown and ongoing restrictions, which has had a significant impact on income for the year. This is further discussed in the financial review below.

Both schools have taken the opportunity to review the staffing provision where the occasion has arisen, resisting the temptation to replace like for like and instead appraising the educational need and considering how best this can be addressed. Tuition costs as a percentage of gross fee income are routinely monitored as a key performance indicator, with the schools driving

EASTBOURNE COLLEGE (INCORPORATED)
ANNUAL REPORT OF THE GOVERNORS
YEAR ENDED 31 AUGUST 2020

efficiency through better timetabling and control of responsibilities whilst being mindful of the need to retain the culture of both schools that benefits from our committed and motivated staff.

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

Achieve optimum size, structure and develop campus

Whilst overall pupil numbers at the College are in line with objectives, the spread across Year groups is still skewed towards sixth form with the Year 9 entry in 2019 lower than target. This is largely as a result of early offer systems introduced by competitor schools ahead of the Charity adopting this approach. However, with the commitment and hard work of the marketing and admissions teams, the Year 9 entry for September 2020 met its target as a result of the changed approach. The Governors are mindful however that subsequent years may see a decline as a result of the longer term impacts of the pandemic. At the School there is still scope to increase pupil numbers, particularly in the Pre-Prep, although there have been a number of late registrations for 2020/21 which is encouraging.

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

Fee remission has increased year on year with a focus on those without the means to pay. The value of means-tested bursaries awarded during the year amounted to £1,819k (2019: £1,436k) enabling 206 pupils (2019:159 pupils) to attend the schools who otherwise would not have been able. This includes a number of hardship bursaries awarded during the summer term to support those families whose income had been affected by the financial consequences of the pandemic.

The Board's policy, in line with that of other independent schools, is to award scholarships on the basis of an individual's educational potential. There are a number of named awards which are subject to the particular conditions imposed by the original donor, where the award is made from specific funds. Bursary awards and allowances are means-tested (in line with ISBA guidelines) using both restricted and unrestricted funds. The policy aims to relieve cases of hardship where a current pupil's education and future prospects would otherwise be at risk and to widen access for those who would otherwise not be able to benefit from either school's education. The availability of all such awards for fee assistance, together with the terms and conditions for each type of award, is advertised on the College's website at www.eastbourne-college.co.uk and on the School's website at www.standrewsprep.co.uk.

Mindful that the educational offering needs to remain competitive in order to help retain and attract pupils, as well as generate additional revenue outside of term time, the Governors

EASTBOURNE COLLEGE (INCORPORATED)
ANNUAL REPORT OF THE GOVERNORS
YEAR ENDED 31 AUGUST 2020

appointed 333 Homes to develop a Master Plan, which was presented to the Board in August 2020. The Finance and Property Committee will be considering the Master Plan over the coming months, although with the continuing uncertainties arising from the pandemic significant capital expenditure will be deferred for the time being.

The IT infrastructure across the site has been an area of focus ahead of the new academic year with connectivity across boarding houses imperative to ensure that any pupils required to isolate from time to time are still able to engage meaningfully with the education provision. Whilst the existing provision was sufficient to support the nature and volume of usage across the site, the pandemic and need to support remote learning for potentially multiple pupils from their boarding houses has altered the profile of usage requiring additional mobile Wi-Fi points to be installed. The decision to change management information systems stands but the implementation has been delayed as a result of the pandemic until January 2021.

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

Partnership

The ESP continues to thrive and provide measurable benefit to pupils in the maintained sector and the Charity as discussed above under Public Benefit. There have been a number of highly successful projects during the year, including extensive homework study support for local Year 11 pupils working alongside College sixth form pupils in a 1:1 capacity, MFL hub using College native speakers, engagement with universities including visits to the University of Sussex for a day of interactive workshops at the School of Engineering and Informatics; and interactive workshop on arts related degrees with East Sussex College staff and current undergraduates. Over 100 ESP pupils from Years 7-10 met on a weekly basis with Dr Steve Hobbs to develop their critical and creative thinking skills through the year. These and other ESP pupils are contributing ideas towards developing the Jubilee Way as an environmental hub as part of the first phase of the Eastbourne Eden Project. The Your Town initiative continues to prosper with College pupils developing their world first environmentally focused beach gym. The ESP has also undertaken many other academic, artistic and environmental initiatives. These include the highly successful Rambert residencies and an inclusive creative festival encompassing ESP schools and spearheaded by East Sussex College. ESP teachers continue to work together and enjoyed a joint trip to Shirelands Collegiate Academy in Birmingham to learn about their technological pedagogy. ESP NQTs also shared experiences and good practice. Throughout lockdown the College hosted an online forum to share good practice in remote teaching and learning across the Partnership. Several colleagues continue to sit on local schools governing boards.

As a result of the pandemic Eastbourne tennis week was unable to go ahead but the Charity continues to work with the Lawn Tennis Association and plan for what might be possible in 2021.

EASTBOURNE COLLEGE (INCORPORATED)
ANNUAL REPORT OF THE GOVERNORS
YEAR ENDED 31 AUGUST 2020

Equally, the College was proud to have been asked to host the Bunbury Festival for young cricketers in August 2020, which sadly had to be cancelled. The Charity is hopeful of hosting a number of cricket festivals with Sporta in 2021.

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

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

Stakeholder engagement

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

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

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

Role of Governors

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

Business relationships with key stakeholders

The Governors work closely with key stakeholders to understand their views, which help to shape Board discussions and decision-making, and are key to the long-term success of the Charity. Key stakeholders include pupils and parents (current, prospective and former), employees, the local community, suppliers, finance providers and regulatory bodies. These relationships and the

EASTBOURNE COLLEGE (INCORPORATED)
ANNUAL REPORT OF THE GOVERNORS
YEAR ENDED 31 AUGUST 2020

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

Pupils and parents

The Board includes some Governors who are parents and who provide additional insight and perspective. Governors visit regularly and attend a number of key school events each year, providing opportunities to meet with staff, pupils and parents. While there were not the same opportunities as normal for Governors to visit the schools and meet with parents since lockdown, the Governors were delighted by the virtual speech days presented at the end of the summer term, which rounded off an unusual year and provided an opportunity for the Chair of Governors to address parents and pupils and thank them for their contribution during the year. The Foundation office continues to work with alumnae across both schools arranging a wide range of activities allowing former pupils and parents to continue to engage with the Charity. This programme has been curtailed during the pandemic but the Foundation office has increased its regular email communications.

Employees

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

The local community

The Charity continues to work with the ESP enabling wider access to the Charity's facilities. Pupils are encouraged to actively support the local community through initiatives such as the St Andrew's Prep Community Award, designed to combine personal development with a strong sense of community through developing pupils' sense of responsibility for their school

EASTBOURNE COLLEGE (INCORPORATED)
ANNUAL REPORT OF THE GOVERNORS
YEAR ENDED 31 AUGUST 2020

environment and for society as a whole. Both schools engage with members of the local community routinely on matters of mutual interest or concern.

Suppliers

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

Finance providers and regulatory bodies

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

Streamlined Energy and Carbon Reporting

During the year the Charity partnered with a company called Planet First, who manage the Planet Mark accreditation programme, designed to recognise a company's commitment to continuous improvement in sustainability. The Planet Mark is partnered with two outstanding charities in this field that deliver transformational projects globally - the Eden Project and Cool Earth - the latter being supported by Her Majesty The Queen and Sir David Attenborough. A strong Eco-Committee already exists within the schools which, with the support of the team at Planet First, can develop and enhance the programme across the Charity. Through the Planet Mark the Charity has already taken action to protect one acre of rainforest with Cool Earth.

The focus in the academic year (before the lockdown) was on recycling, energy saving projects (behavioural change) and supporting the removal of single use plastics. The College catering team have introduced a more sustainable napkin and dispenser solution within the dining hall, reducing consumption by almost 50% and using a 100% recycled napkin. At the School, single use plastic water bottles are no longer being used for packed lunches on school trips, with pupils being encouraged to use their own water bottles.

The Charity has an ongoing policy to replace light fittings when broken or in need of replacing with more efficient LED equivalents. Nine different LED projects were undertaken in the reporting period at a total project value of £21,500. In addition to the upgrade of lighting, four boilers were also replaced with more efficient versions with a total project value of £11,300.

The Charity recognises that energy and carbon neutrality are key areas of focus, not only to reduce the schools' carbon footprint but also to reduce energy usage across the two sites. PEP Energy were commissioned during the year to undertake energy efficiency analysis on some of

EASTBOURNE COLLEGE (INCORPORATED)
ANNUAL REPORT OF THE GOVERNORS
YEAR ENDED 31 AUGUST 2020

the Charity's buildings. The reports were received during the year but the actions have yet to be enacted due to the pandemic.

This is the first year that the Charity has been required to report on the operational energy consumption and associated emissions in the Annual Report and whilst the usage has reduced year on year, this is unlikely to be a sustainable reduction with the national lockdown contributing to the reduced usage.

Energy consumption

The following table reflects usage across both schools split by emission source. The carbon footprint is measured in metric tonnes of carbon dioxide equivalent (tCO₂e) and includes emissions from natural gas, purchased electricity, transmission and distribution losses, fleet, waste, water and paper procurement. The Charity's total carbon footprint for the year was 1,893.3 tCO₂e (2019: 2,325.7 tCO₂e) and the relative carbon footprint was 1.51 (2019: 1.83) per member of staff or pupil.

Source	Scope	Unit	1 September 2019 to 31 August 2020		1 September 2018 to 31 August 2019	
			Amount	tCO ₂ e	Amount	tCO ₂ e
BUILDING						
Natural Gas	1	kWh	7,045,347.0	1,295.4	7,908,637.3	1,454.0
Electricity	2	kWh	1,832,921.8	427.3	2,443,329.5	624.5
Transmission & Distribution losses	3			36.8		53.0
TRAVEL						
Fleet - Diesel	1	Litres	36,981.7	94.2	56,396	146.3
Fleet - Petrol	1	Litres	555.5	1.2	834.9	1.8
WASTE						
Recycled	3	Tonnes	35.9	0.4	156.3	0.4
Energy from waste	3	Tonnes	96.7	2.1	135.7	2.9
Composting	3	Tonnes	23.8	0.2	30.5	0.3
WATER						
Water supply	3	Tonnes	26,370.9	9.1	28,337.6	9.7
Water treatment	3	Tonnes	24,867.1	17.6	28,030.1	19.8
PROCUREMENT						
Paper - Primary content	3	Tonnes	9.8	9.0	13.6	13.0
Associated Greenhouse gas emissions (tCO₂e)				1,893.3		2,325.7
Intensity ratio: tCO₂e per member of staff and pupil				1.51		1.83

EASTBOURNE COLLEGE (INCORPORATED)
ANNUAL REPORT OF THE GOVERNORS
YEAR ENDED 31 AUGUST 2020

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

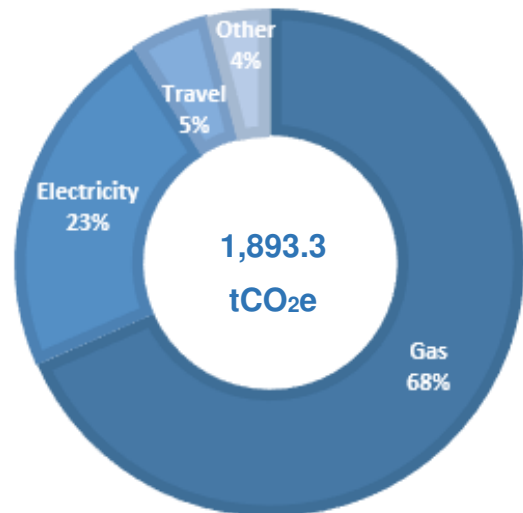
Scope 1 covers direct emissions from owned or controlled sources

Scope 2 covers indirect emissions from the generation of purchased energy

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

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

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



FINANCIAL REVIEW

Tuition fee income continues to be the principal funding source for the Charity. Gross school fees receivable in the year amounted to £22,365k (2019: £23,423k). The decrease on the previous year is as a result of the decision to discount fees for the summer term at 80% of the standard day rate for all pupils, following the government's announcement on 23 March that all schools were to close as part of national lockdown measures. This reduced gross fee income by £1,966k. Hardship bursaries awarded to families facing financial difficulties as a result of the pandemic further reduced net fee income. After taking into account all fee remissions and the amount of awards paid for by restricted funds, total net fee income was £17,506k (2019: £19,407k).

The Charity operates a means-tested bursary scheme remitting up to 100% of fees for able young people who would not otherwise be able to attend the two schools. In the year to 31 August 2020 a total of 416 pupils (2019: 379) across the two schools benefited from help with their fees through means-tested bursaries, hardship bursaries, scholarships and grants totalling £5,020k (2019: £4,176k). The Professor Soddy scholarships, named after an Old Eastbournian Nobel Prize winner, were awarded to a further 5 pupils for academic excellence. Additionally 5 pupils have been part of the Royal National Children's Springboard Foundation scheme, a national charity whose objects are to allow young people from impoverished backgrounds to attend independent boarding schools on a fully subsidised basis.

The summer lettings programme across the Charity was unable to go ahead due to the Covid-19 restrictions in place which, together with reduced bussing income and the school shop being closed during lockdown, resulted in the Charity's non-ancillary trading income falling to £547k (2019: 1,411k). Plans are already underway for next year's lettings programme, with the hope that overnight residential camps will be permissible again and international travel restrictions lifted by summer 2021.

EASTBOURNE COLLEGE (INCORPORATED)
ANNUAL REPORT OF THE GOVERNORS
YEAR ENDED 31 AUGUST 2020

Voluntary income in the form of legacies, donations and grants continue to provide a welcome source of additional income totalling £2,314k for the year. £1,394k was received from legacies and donations during the year (2019: £1,435k) and, exceptionally, a further £920k was received through accessing the Government's Coronavirus Job Retention Scheme grant in respect of staff who were furloughed. The income from legacies and donations includes a substantial legacy from The Right Reverend Monsignor John Klyberg which, whilst legally unrestricted, has been accounted for as an expendable endowment given the donor's wishes and the amount donated. The legacy forms part of the other debtors balance at year end, with funds having been received after 31 August 2020. The annual income will be used to fund bursaries in keeping with the donor's wishes. This legacy, together with others received in the year, helps towards the Charity's aim to build reserves to a level where annual investment income can meaningfully support the level of fee remission.

With revenue from fees and lettings significantly reduced as a result of the pandemic, robust cost control measures were put in place to minimise the financial impact for the Charity. Anything that could not be done remotely was turned off and only business critical expenditure incurred in order to maximise savings. As a result, total expenditure on charitable activities reduced by 5.2% to £21,765k (2019: £22,967k). The depreciation charge for the year ended 31 August 2020 was in line with expectations at £1,578k (2019: £1,675k).

The accounts include the results of the Charity's two wholly owned subsidiaries, Eastbourne College Enterprises Limited ('ECEL') and SACS (Eastbourne) Limited ('SACS'). The principal activities of ECEL comprise the operation of a bussing service for day pupils on routes to surrounding areas, letting College facilities and running the College's school shop, all of which were curtailed as a result of the pandemic and national lockdown, with the Charity's non-ancillary trading income significantly reduced as noted above. ECEL recorded a loss before tax of £12k (2019: £77k profit) for the year ended 31 August 2020. In addition to the reduced activity in the year, the result was further impacted by a long-planned decision to change the uniform at the College for Years 9-11 with effect from September 2020 and, at the same time, to move the sale of uniform to an online platform and outsource supply to two third-party companies, one for school uniform and a second for sportswear. The introduction of a new uniform and move to an online platform has resulted in a small write-off of old uniform. The decision to move to an online platform further affected SACS, whose principal activity is the running of the school shop at St Andrew's Prep. Whilst the uniform at the School did not change, the opportunity was taken to rebrand some items and some obsolete stock had to be written off, resulting in the company recording a loss before tax of £49k (2019: £2k profit) for the year ended 31 August 2020.

With uniform sales moving online, the decision has been made that the physical school shop at St Andrew's Prep could be put to better use as a wellbeing hub for the pupils and therefore the Charity intends to apply for the voluntary winding up of SACS within 9 months of the year-end. A loan made by ECEL to SACS has been written off in the accounts of ECEL as a consequence, further contributing to ECEL's loss in the year.

EASTBOURNE COLLEGE (INCORPORATED)
ANNUAL REPORT OF THE GOVERNORS
YEAR ENDED 31 AUGUST 2020

The Charity made an overall deficit for the year before losses on investments of £482k (2019: £462k surplus). However, at an operational level the Charity made a small surplus of £115k (2019: £1,140k). This represents 0.5% of gross fee income (2019: 4.9%) against a target of 5%. The target reflects the minimum level of surpluses considered necessary to maintain and reinvest in the Charity over the long term. The Board review and monitor operational earnings as set out in the table and are pleased that the Charity is able to report an operating surplus despite the difficult circumstances it faced during the year.

<u>Operational Earnings</u>	2020	2019
	£'000s	£'000s
Earnings	(482)	462
Add back: Depreciation	1,578	1,675
Interest	413	438
	<hr/>	<hr/>
'EBITDA'	1,509	2,575
Less: donations	(1,394)	(1,435)
	<hr/>	<hr/>
Operating surplus	115	1,140
	<hr/>	<hr/>

With the additional costs of servicing the increased TPS contributions during the year there was little headroom within the original budget which had been set at a level to ensure the bank covenant was achieved. The decision to reduce fees for the summer term added further financial pressure, however the Government's Coronavirus Job Retention Scheme Grant made a significant difference to the Charity, helping to offset some of the lost revenue. Without this additional funding the Charity would have made a significant operating deficit and the financial security provided by the scheme enabled the Governors to provide job security to the Charity's staff. The level of voluntary income received in the year, which included this grant, enabled the Charity to achieve the bank covenant in the year despite the significantly reduced income from fees.

As part of its Strategic Plan, the Board has set financial targets for both schools for the medium-term. However, as a result of the pandemic and the restrictions placed on the schools for nearly half of the financial year, the Board recognise that these targets will need revision going forwards to reflect the impact of the pandemic. The focus for much of the year has necessarily been on cost control and financial planning around the ongoing uncertainties. Flexibility and adaptability of financial measures will be key in the short-term to ensure the long-term viability of the Charity.

Long-term Borrowings

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

EASTBOURNE COLLEGE (INCORPORATED)
ANNUAL REPORT OF THE GOVERNORS
YEAR ENDED 31 AUGUST 2020

The Charity applied for an additional loan of £2m through the Coronavirus Business Interruption Loan Scheme ('CBILS'), which was agreed in principle before the year-end but funds were received post year-end. The loan has a term of 6 years with no interest or capital repayments required for the first 12 months. The additional funding was applied for in order to provide additional flexibility and resilience in the event of a second wave of the virus. The Board intend to repay the loan after the first 12 months if it is no longer required.

Fundraising Performance

The Foundation and Development Office (FADO) runs the Eastbournian Society (ES), to which all former College pupils, current and former parents and other College supporters belong, and increasingly helps the Charity reach out to Old Androvians (and former pupils of Ascham which was, until 1977, the College's prep school) and the School's parents and friends to raise funds for bursaries and the development of the schools' facilities. FADO continues to grow its activities and is now in its 15th year of operation.

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

During the course of the year FADO organised its usual programme of events until the Covid-19 pandemic brought the programme to an abrupt close in mid-March. The final event before lockdown was the Annual London Dinner at which John Thornley, a long serving member of staff, and Tom Evans OE and successful endurance athlete, were the guests of honour. The ES continues to grow into a worldwide network, which allows Old Eastbournians, current College parents and prospective College parents to gather for events in different parts of the world. This network proves to be an effective means of marketing and recruitment for the school.

Total donations received in the year amounted to £1,394k (2019: £1,435k) which included eight legacies totalling £1,226k. This figure includes a substantial legacy from the estate of the Right Reverend Monsignor John Klyberg. Sixteen (2019: 17) pupils' fees are met substantially by charities, trusts and individuals. Three pupils continue to be supported by a grant from Goldman Sachs Giving. The Annual Foundation Golf Challenge was re-christened the Foundation 2020 Challenge and a virtual auction of 'The Tremendous 12 Golf Experiences' supported by alumni, parents, local businesses and the wider community, raised £16k towards a hardship fund for pupils of families financially devastated by the effects of the pandemic.

At 31 August 2020 85 (2019: 91), known pledges from Devonshire Society members were in existence. The Board is very grateful to all those who support the Charity's charitable objects and endeavours and is particularly grateful to members of the Devonshire Society for their continuing commitment to support the Charity by way of legacies and bequests.

The Charity is committed to best practice in relation to all fundraising activities, which are carried out by the FADO. The Charity did not engage any third parties to carry out any fundraising

EASTBOURNE COLLEGE (INCORPORATED)
ANNUAL REPORT OF THE GOVERNORS
YEAR ENDED 31 AUGUST 2020

activities on its behalf during the year and no formal complaints have been received during the year. The Charity is registered with the Fundraising Regulator and adheres to the Code of Fundraising Practice to ensure fundraising is legal, open, honest and respectful. This national code of practice includes rules governing consent, data sharing, data protection and privacy relating to all electronic and print communications. Face-to-face meetings with donors and potential donors are only conducted with the prior consent of the individual. Unreasonably persistent behaviours by fundraisers or undue pressure on a person to give money or other property is neither tolerated nor encouraged by operating guidelines.

The Charity's Reserves

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

Endowed Funds	These are treated as capital and only the income can be used either for the general purposes of the Charity or according to the specific wishes of the donors
Restricted Funds	These have limitations on the use of both capital and income, according to the wishes of the donors
Unrestricted Funds	These can be used at the discretion of the Board
Designated Funds	These form part of the Unrestricted Funds that the Board have allocated to a specific purpose

The Charity needs to have sufficient reserves and capacity to borrow to mitigate the operational risk of an unexpected revenue shortfall. The Charity's annual surpluses from its operations are used to grow the General Fund. The Fund is available to develop and maintain the Charity's plant and equipment used for educational purposes and to provide fee assistance to those unable to afford the full fees. The Board intends to continue using the General Fund for these purposes. It seeks actively donations and legacies to grow its funds over the long term.

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

EASTBOURNE COLLEGE (INCORPORATED)
ANNUAL REPORT OF THE GOVERNORS
YEAR ENDED 31 AUGUST 2020

Free Reserves

In common with other charities that have substantial fixed assets in use, the Charity has nil free reserves. This position was expected as a result of the considerable investment in construction of the Nugee and Winn Buildings. The project was funded by two £5m loans, which are repayable over the next 24 years. The cash flows are expected to be positive over the coming years, allowing the loans to be repaid and the Charity's reserves to increase. The Charity has a bank overdraft in place for £4.5m to assist with its day-to-day liquidity. This is monitored by cash flow forecasts, which are produced and updated regularly to ensure the Charity has sufficient funds for its current and future operations.

	2020	2019
	£'000s	£'000s
Total Group reserves	48,806	49,327
Less: Endowed funds	(6,797)	(5,638)
Restricted funds	(1,849)	(2,113)
Unrestricted funds	<u>40,160</u>	<u>41,576</u>
Unrestricted fixed assets	<u>(58,622)</u>	<u>(60,048)</u>
Free reserves	Nil	Nil

The additional CBILS loan of £2m received post year-end provides further flexibility and liquidity should the uncertainty caused by the pandemic last longer than expected.

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

Investment Policy and Objectives

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

The value of equity markets fell significantly in the year to 31 August 2020 as a result of the economic consequences of the pandemic. The FTSE All Share index fell by 13.46% as an example. The Charity's investments performed relatively well against markets, reflecting their defensive nature. Overall losses on investments for the year were £39k (2019: £174k gain) and investment income was £171k (2019: £175k) creating a combined return of 2.16% (2019: 5.85%) against a target of inflation +3%. The Investment Committee monitors performance over the long

EASTBOURNE COLLEGE (INCORPORATED)
ANNUAL REPORT OF THE GOVERNORS
YEAR ENDED 31 AUGUST 2020

term and is currently satisfied with this return, especially considering the current volatility of the stock markets.

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

Going Concern

The Board has assessed the ability of the company to continue as a going concern and have considered several factors when forming their conclusion as to whether the use of the going concern basis is appropriate when preparing these financial statements. This has included the revised budget for 2020/21 and forecast for 2021/22, cash flow forecast to 31 December 2021 and a consideration of the key risks, including the impact of the pandemic and scenario planning.

The Board have assessed the risks as a result of the pandemic and have reviewed scenario plans considering the sources of income and planned expenditure. The Board applied for an additional £2m loan through the Coronavirus Business Interruption Loan Scheme which was approved with funds being received post year-end. This additional funding provides greater flexibility in the event of a second wave forcing a further period of lockdown. The lessons learned from the first lockdown mean that both schools are well positioned to switch to remote learning if required and ensure continued provision of education. The Board recognise the dependence on fees and lettings income to fund operations and are mindful of the increased risks associated with the international element of this income as a result of the pandemic. Enhanced flexibility going into the new academic year has been key in retaining the support of our international families, with some pupils returning after the start of term, others completing the required period of self-isolation in boarding houses and some remaining on site over half term. A hybrid of classroom learning and remote learning has had to be offered to ensure the continued education of all pupils and protect this revenue stream. Diversification within the lettings programme is being reviewed, working with existing partners and forging new partnerships in order that maximum return is achieved on the facilities out of term time, particularly whilst international restrictions remain in force. Alongside these measures to protect key revenue streams additional measures have been put in place to remove non-essential and discretionary expenditure.

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

The Board are comfortable that the Charity has sufficient resources to fund its ongoing operations and to service the long-term debt with current forecasts indicating the Charity can meet its commitments for the foreseeable future. These forecasts are reviewed by the Finance and Property Committee at least termly. Accordingly, the Board believes it is appropriate to prepare the financial statements on the going concern basis of accounting.

EASTBOURNE COLLEGE (INCORPORATED)
ANNUAL REPORT OF THE GOVERNORS
YEAR ENDED 31 AUGUST 2020

Plans for future periods

Despite the significant challenges posed by the global pandemic both schools have seen an increase in pupil numbers for the academic year starting in September 2020. This is in part testament to the strength of the Charity's remote learning during lockdown but also reflects the growing reputation of the schools prior to the pandemic, with registrations for Year 9 having achieved target before Covid-19 struck. However, the Governors are very aware that the financial effects of the pandemic are yet to be fully felt and the Charity is prepared for a few difficult years whilst the economy recovers.

The pandemic and the UK government's response to the virus has created an additional challenge for boarding schools, particularly where a number of pupils are international. Communication and engagement with parents is more important than ever to provide much needed reassurance about the safety and wellbeing of their children in order to retain their support. The schools are working with overseas families to support the continued delivery of education, whether that be remotely or on site. The schools are adapting to the challenges presented by the pandemic and ongoing restrictions, for example by sourcing Covid-19 testing kits to enable Hong Kong pupils to return home for Christmas, accommodating boarders on site over half term and allowing international pupils coming from countries without a travel corridor in place to self-isolate within boarding houses for the requisite period of time. Further challenges created by political and macro-economic uncertainty remain, with the UK's transition period on leaving the EU coming to an end on 31 December 2020.

The Governors are acutely aware of the challenge of keeping our education provision affordable. The challenge for the School is predominantly local and includes maintained primary schools. A number of prep schools within the UK have closed during the year with the increased costs of the TPS, followed by the pandemic, making them unsustainable. The School has benefitted from a number of new pupils joining from other schools but it has been a stark reminder of the landscape, and the benefit of the amalgamation between the two schools has provided greater resilience against such events. For the College the competition is local and regional. The Governors are determined to enhance the quality of the educational provision to maintain and improve the College's competitive strength. The Charity's vision of healthy learning for the long term is particularly pertinent at the moment, with many families welcoming the coastal location and encouraged by the low levels of virus transmission that have been experienced in Eastbourne during the pandemic. The Charity remains primed to evolve and respond to the needs, both educational and pastoral, of pupils and parents both now and into the future.

The Governors are by no means complacent about the current economic climate and political uncertainty but equally recognise the need to continue to be in a position to invest in the future in order that the Charity's offering remains competitive. In the short term the focus will be on continuing to broaden the reach and engagement of both schools and cost efficiency in order to build reserves. It is a necessary condition of committing to any substantial capital project that the Board can be confident of generating operating surpluses in excess of 5% for a sustained period. This is not likely to be the case within the short term and therefore any significant capital investment is likely to fall within the next strategic plan unless absolutely essential to current operations.

EASTBOURNE COLLEGE (INCORPORATED)
ANNUAL REPORT OF THE GOVERNORS
YEAR ENDED 31 AUGUST 2020

In spite of the pandemic the Governors are encouraged by the progress that has been made against the Strategic Plan in its second year. The Charity continues to expand its horizons with new partnerships being forged with organisations including Team Bodyworks and Sporta and the Master Plan presents new and exciting ways of utilising the resources at the Charity’s disposal to further improve the experience for all when funds allow in the future.

RISK MANAGEMENT

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

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

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

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

Risk	Management
Operational and financial impact of the pandemic threatening viability of the Charity	<ul style="list-style-type: none"> • Critical incident plan launched in February with the critical incident team meeting regularly to manage the ongoing and evolving risks and limit impact on pupils’ education • Scenario planning and robust financial controls in place to respond and adapt to the changing situation and provide financial flexibility • CBILS loan approved providing additional resilience in the event of a second wave forcing a further period of lockdown • Live risk assessment with additional measures put in place across both schools to provide for a safe working environment for both pupils and staff • IT infrastructure in place to facilitate continued delivery of education remotely.

EASTBOURNE COLLEGE (INCORPORATED)
ANNUAL REPORT OF THE GOVERNORS
YEAR ENDED 31 AUGUST 2020

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

EASTBOURNE COLLEGE (INCORPORATED)
ANNUAL REPORT OF THE GOVERNORS
YEAR ENDED 31 AUGUST 2020

<p>Financial Sustainability – a sudden or persistent decline in the affordability of the schools’ high quality educational offering resulting from a reduction in after-tax income of parents, or an increase in the schools’ operating costs as a result of changes in taxation or changes to pension obligations</p>	<ul style="list-style-type: none"> • The Governors are carefully monitoring the budget and cost base for both schools, as well as seeking to diversify their income streams • The FADO continues to raise funds to support bursary and scholarship places for pupils who otherwise would be unable to attend.
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STATEMENT OF GOVERNORS’ RESPONSIBILITIES

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

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

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

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

Insofar as each of the Governors of the Charity at the date of approval of this Report is aware, there is no relevant audit information (information needed by the Charity’s auditor in connection with preparing the audit report) of which the Charity’s auditor is unaware. Each Governor has

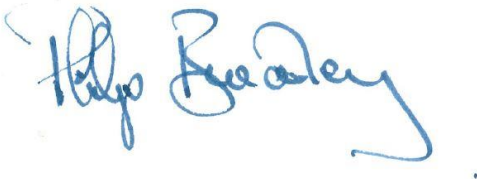
EASTBOURNE COLLEGE (INCORPORATED)
ANNUAL REPORT OF THE GOVERNORS
YEAR ENDED 31 AUGUST 2020

taken all of the steps that they should have taken as a Governor in order to make themselves aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

AUDITORS

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

The Annual Report of the Governors was approved by the Governing Body of Eastbourne College (Incorporated) on 26 November 2020, including, in their capacity as company directors, approving the Directors' and Strategic Reports contained therein, and signed on its behalf by



PAJ Broadley MA MSc FCA
Chairman of the Board of Governors

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

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

Opinion

We have audited the financial statements of Eastbourne College (Incorporated) for the year ended 31 August 2020 which comprise Consolidated Statement of Financial Activities, Consolidated and Charity Balance Sheets, 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 applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements

- give a true and fair view of the state of the Group's and the charitable company's affairs as at 31 August 2020 and of the group'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 prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where

- the Governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from the date when the financial statements are authorised for issue.

Other information

The Governors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and,

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

except to the extent otherwise explicitly stated in our report, 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Annual Report of the Governors, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report included within the Annual Report of the Governors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report nor the Directors' Report included within the Annual Report of the Governors.

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

- the parent company has not kept adequate accounting records; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Governors

As explained more fully in the Governors' Responsibilities Statement, the Governors (who are also the Directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors 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 Governors are responsible for assessing the Group's or the charitable company's ability to continue as a going concern, disclosing, as applicable,

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

matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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



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

30 November 2020

EASTBOURNE COLLEGE (INCORPORATED)
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2020

(Including Income and Expenditure account)	Notes	Unrestricted Funds	Restricted Funds	Endowed Funds	2020 Total	<i>2019 Total</i>
		£'000	£'000	£'000	£'000	<i>£'000</i>
Income and endowments from						
Charitable activities						
School fees receivable	3	17,506	-	-	17,506	<i>19,407</i>
Ancillary trading income	4	732	-	-	732	<i>987</i>
Other trading activities						
Non-ancillary trading income	5	547	-	-	547	<i>1,411</i>
Other activities	5	7	-	-	7	<i>5</i>
Investments						
Investment income	6	114	40	17	171	<i>175</i>
Bank and other interest	7	2	4	-	6	<i>9</i>
Voluntary sources						
Legacies, donations and grants	8	1,034	112	1,168	2,314	<i>1,435</i>
Total incoming resources		19,942	156	1,185	21,283	<i>23,429</i>
Expenditure on raising funds						
Non-ancillary trading	9	(792)	-	-	(792)	<i>(990)</i>
Financing costs	10	(495)	-	-	(495)	<i>(509)</i>
Investment management		-	(7)	(24)	(31)	<i>(20)</i>
Fundraising & development		(203)	(3)	-	(206)	<i>(215)</i>
Total expenditure on raising funds		(1,490)	(10)	(24)	(1,524)	<i>(1,734)</i>
Charitable activities						
Education and grant-making	9	(20,037)	(204)	-	(20,241)	<i>(21,233)</i>
Total expenditure		(21,527)	(214)	(24)	(21,765)	<i>(22,967)</i>
Net (outgoing)/incoming funds from operations before transfers and investment gains		(1,585)	(58)	1,161	(482)	<i>462</i>
(Losses)/gains on investments	14	-	(37)	(2)	(39)	<i>174</i>
Net (expenditure)/income for the year		(1,585)	(95)	1,159	(521)	<i>636</i>
Transfers between funds	21	169	(169)	-	-	-
Net movement in funds for the year		(1,416)	(264)	1,159	(521)	<i>636</i>
Fund balances brought forward at 1 September 2019		41,576	2,113	5,638	49,327	<i>48,691</i>
Fund balances carried forward at 31 August 2020		40,160	1,849	6,797	48,806	<i>49,327</i>

The notes on pages 47 to 67 form part of these financial statements.

EASTBOURNE COLLEGE (INCORPORATED)
CONSOLIDATED AND CHARITY BALANCE SHEETS
AS AT 31 AUGUST 2020

	Note	Group 2020 £'000	2019 £'000	Charity 2020 £'000	2019 £'000
FIXED ASSETS					
Tangible assets	12	58,622	60,048	57,178	58,561
Investments	14	7,043	6,107	8,119	7,256
		<u>65,665</u>	<u>66,155</u>	<u>65,297</u>	<u>65,817</u>
CURRENT ASSETS					
Stock		28	190	-	-
Debtors	15	1,717	545	1,598	542
Cash and deposits		1,215	3,891	1,064	3,673
		<u>2,960</u>	<u>4,626</u>	<u>2,662</u>	<u>4,215</u>
CURRENT LIABILITIES					
Creditors payable within one year	16	(8,734)	(10,495)	(9,386)	(11,115)
		<u>(5,774)</u>	<u>(5,869)</u>	<u>(6,724)</u>	<u>(6,900)</u>
NET CURRENT (LIABILITIES)					
		<u>59,891</u>	<u>60,286</u>	<u>58,573</u>	<u>58,917</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
LONG-TERM LIABILITIES					
Creditors payable after one year	17	(11,085)	(10,959)	(11,085)	(10,959)
		<u>48,806</u>	<u>49,327</u>	<u>47,488</u>	<u>47,958</u>
NET ASSETS					
REPRESENTED BY					
ENDOWED FUNDS	21	6,797	5,638	6,797	5,638
RESTRICTED FUNDS	21	1,849	2,113	1,849	2,113
UNRESTRICTED FUNDS					
General Reserve	21	39,937	41,576	38,619	40,207
Designated	21	223	-	223	-
		<u>48,806</u>	<u>49,327</u>	<u>47,488</u>	<u>47,958</u>

The net result for the financial year dealt with in the financial statements of the parent charity was a deficit of £470k (2019: £680k surplus).

These financial statements were approved by the Board of Governors on 26 November 2020 and were signed on its behalf by



PAJ Broadley MA MSc FCA
Chairman



AM Robinson BA ACA
Chairman Finance and Property Committee

The notes on pages 47 to 67 form part of these financial statements.

EASTBOURNE COLLEGE (INCORPORATED)
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020		2019	
		£'000	£'000	£'000	£'000
Net cash (outflow)/inflow from operations					
Net cash (used)/provided by operating activities	(i)		<u>(2,243)</u>		<u>2,058</u>
Cash flows from investing activities					
Payments for tangible fixed assets		(152)		(321)	
Proceeds on sale of tangible fixed assets		25		5	
Additions to securities investments portfolio		(1,006)		(31)	
Withdrawals from securities investments portfolio		31		54	
Investment income and bank interest received		<u>178</u>		<u>184</u>	
Net cash (used in) investing activities			<u>(924)</u>		<u>(109)</u>
Cash flows from financing activities					
New endowment		1,168		1,000	
Cash inflows from new borrowing		-		-	
Repayment of bank loan		(263)		(231)	
Bank interest and arrangement fees paid		<u>(414)</u>		<u>(438)</u>	
Net cash (used)/provided by financing activities			<u>491</u>		<u>331</u>
Change in cash and cash equivalents in the reporting period			(2,676)		2,280
Cash and cash equivalents at the beginning of period			3,891		1,611
Cash and cash equivalents at the end of the reporting period	(ii)		<u>1,215</u>		<u>3,891</u>

The notes on pages 47 to 67 form part of these financial statements.

EASTBOURNE COLLEGE (INCORPORATED)
NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

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

	2020		2019
	£'000	£'000	£'000
Net (outgoing)/incoming resources		(482)	462
Elimination of non-operating cash flows			
- Investment income	(178)		(184)
- Endowment donations	(1,168)		(1,000)
- Finance costs	414		438
Depreciation charge	1,578		1,675
(Profit)/loss on sale/disposal of assets	(24)		3
(Increase)/Decrease in debtors	(1,172)		9
Decrease in stocks	163		45
Decrease in creditors (excluding fees in advance scheme and deposit)	(1,646)		(178)
Increase in fees in advance scheme creditors	181		599
Increase in parents' deposits	91		189
		<u>(1,761)</u>	<u>1,596</u>
Net cash (outflow)/inflow from operations		<u>(2,243)</u>	<u>2,058</u>

(ii) Analysis of cash and cash equivalents

	2020	2019
	£'000	£'000
Cash at bank	1,215	3,891
Deposits	<u>-</u>	<u>-</u>
	<u>1,215</u>	<u>3,891</u>

(iii) Analysis of changes in net debt

	At 1 Sept. 2019 £'000	Cash Flows £'000	Other non cash changes £'000	At 31 August 2020 £'000
Cash and cash equivalents				
Cash at bank	3,891	(2,676)	-	1,215
Borrowings				
Debt due within one year	(262)	262	(270)	(270)
Debt due after one year	(9,507)	-	270	(9,237)
	<u>(9,769)</u>	<u>262</u>	<u>-</u>	<u>(9,507)</u>
Net debt	<u>(5,878)</u>	<u>(2,414)</u>	<u>-</u>	<u>(8,292)</u>

EASTBOURNE COLLEGE (INCORPORATED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. CHARITY INFORMATION

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

2. ACCOUNTING POLICIES

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

The financial statements consolidate, on a line by line basis, the Endowment Funds and Restricted and Unrestricted Funds of Eastbourne College (Incorporated) together with the financial statements of its wholly owned subsidiaries Eastbourne College Enterprises Limited, Company No. 3061136, and SACS (Eastbourne) Limited, Company No. 2405546, all prepared for the same financial period. No separate SoFA has been presented for the Charity alone, as permitted by Section 408 of the Companies Act 2006. The Charity has taken advantage of the exemption available to a qualifying entity in FRS 102 from the requirement to present a Charity only Cash Flow Statement with the consolidated financial statements.

Having reviewed the funding facilities available to the Charity, together with the expected continuing demand for places, the revised budget for 2020/21 and forecast for 2021/22 together with the Charity's future projected cash flows, the Governors have a reasonable expectation that the Charity has adequate resources to continue its activities for the foreseeable future. The Governors have given due consideration to the impact of the pandemic and reviewed scenario planning considering the sources of income and planned expenditure and are comfortable that the Charity has sufficient resources to fund its ongoing operations and to service the long-term debt. Accordingly, they also continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Governors' Responsibilities on page 38.

Critical accounting judgements and key sources of estimation uncertainty

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

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

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

EASTBOURNE COLLEGE (INCORPORATED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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

2.1 Fees and similar earned income

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

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

2.2 Investment income

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

2.3 Donations, legacies, grants and other voluntary incoming resources

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

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

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

2.4 Expenditure

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

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

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

EASTBOURNE COLLEGE (INCORPORATED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

2.5 Tangible fixed assets

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

2.6 Depreciation

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

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

2.7 Investments

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

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

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

2.8 Loans

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

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

2.9 Stock

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

2.10 Fund accounting

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

Unrestricted income belongs to the Charity's corporate reserves, spendable at the discretion of the Governors either to further the Charity's objects or to benefit the Charity itself. Where the Governors

EASTBOURNE COLLEGE (INCORPORATED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

decide to set aside any part of these funds to be used in future for some specific purpose, this is accounted for by transfer to the appropriate designated fund.

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

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

2.11 Pension costs

Retirement benefits to employees of the Charity are provided through two pension schemes, one defined benefit and one defined contribution. The pension costs charged in the Statement of Financial Activities are determined as follows:

(a) The Teachers' Pension Scheme. This scheme is a multi-employer pension scheme. It is not possible to identify the Charity's share of the underlying assets and liabilities of the Teachers' Pension Scheme on a consistent and reasonable basis and therefore, as required by FRS102, accounts for the scheme as if it were a defined contribution scheme. The Charity's contributions, which are in accordance with the recommendations of the Government Actuary, are charged in the period in which the salaries to which they relate are payable.

(b) The Eastbourne College Work Place Pension. This is a defined contribution group personal pension plan with Legal & General. Employers' pensions costs are charged in the period in which the salaries to which they relate are payable.

2.12 Financial instruments

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

2.13 Foreign currencies

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

EASTBOURNE COLLEGE (INCORPORATED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

3. CHARITABLE ACTIVITIES - FEES RECEIVABLE

	2020	<i>2019</i>
	£'000	<i>£'000</i>
Fees receivable consist of		
School fees	22,365	<i>23,423</i>
Less total scholarships, bursaries and other fee remission	(5,020)	<i>(4,176)</i>
	17,345	<i>19,247</i>
Add back bursaries and other awards paid for by Restricted Funds	161	<i>160</i>
	17,506	<i>19,407</i>

Scholarships, bursaries and other awards were paid to 416 pupils (2019: 379). Within this, means-tested bursaries totalling £1,819k were paid to 206 pupils (2019: £1,436k to 159 pupils).

4. CHARITABLE ACTIVITIES - OTHER INCOME

	2020	<i>2019</i>
	£'000	<i>£'000</i>
Extra tuition	446	<i>484</i>
Entrance and registration fees	242	<i>258</i>
Trip income	22	<i>209</i>
Commissions and other income	22	<i>36</i>
	732	<i>987</i>

5. OTHER TRADING ACTIVITIES

	2020	<i>2019</i>
	£'000	<i>£'000</i>
Trading income		
Bussing operations	156	<i>238</i>
School shop	267	<i>396</i>
Lettings	109	<i>708</i>
Others	15	<i>69</i>
	547	<i>1,411</i>
Other activities		
Interest on overdue fees	7	<i>5</i>
	7	<i>5</i>

EASTBOURNE COLLEGE (INCORPORATED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

6. INVESTMENT INCOME

	Unrestricted	Restricted	Endowed	Total 2020	<i>Total 2019</i>
	£'000	£'000	£'000	£'000	<i>£'000</i>
Securities investment income					
Equities	108	39	17	164	<i>169</i>
Fixed interest	<u>6</u>	<u>1</u>	<u>-</u>	<u>7</u>	<u><i>6</i></u>
	<u>114</u>	<u>40</u>	<u>17</u>	<u>171</u>	<u><i>175</i></u>

7. BANK AND OTHER INTEREST

	Unrestricted	Restricted	Total 2020	<i>Total 2019</i>
	£'000	£'000	£'000	<i>£'000</i>
Bank interest	<u>2</u>	<u>4</u>	<u>6</u>	<u><i>9</i></u>

8. LEGACIES, DONATIONS AND GRANTS RECEIVABLE

	Unrestricted	Restricted	Endowed	Total 2020	<i>Total 2019</i>
	£'000	£'000	£'000	£'000	<i>£'000</i>
Bursaries donations	-	69	-	69	<i>265</i>
Development donations	-	28	-	28	<i>131</i>
Arnold Embellishers	-	9	-	9	<i>3</i>
Ted James School of Cricket	-	-	-	-	<i>9</i>
Le Brocq Fund	-	6	-	6	<i>6</i>
Sevorg Scholarship	-	-	-	-	<i>20</i>
Denso Scholarship	-	-	-	-	<i>1,000</i>
John Klyberg Bursary Fund	-	-	1,168	1,168	<i>-</i>
Devonshire Society Bursary Fund	35	-	-	35	<i>-</i>
Designated Development	19	-	-	19	<i>-</i>
General Donations	60	-	-	60	<i>1</i>
Coronavirus Job Retention Scheme Grant	<u>920</u>	<u>-</u>	<u>-</u>	<u>920</u>	<u><i>-</i></u>
	<u>1,034</u>	<u>112</u>	<u>1,168</u>	<u>2,314</u>	<u><i>1,435</i></u>

During the year to 31 August 2020 the Charity received £920k from the government as part of its Coronavirus Job Retention Scheme. There are no unfulfilled conditions attached to this Grant which has been recognised as income.

EASTBOURNE COLLEGE (INCORPORATED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

9. ANALYSIS OF EXPENDITURE

(a) Total expenditure

	Staff costs (note 11) £'000	Depreciation (note 12) £'000	Other £'000	Total 2020 £'000	<i>Total 2019 £'000</i>
Expenditure on raising funds					
Trading costs	333	45	414	792	<i>990</i>
Financing costs (note 10)	-	-	495	495	<i>509</i>
Investment management	-	-	31	31	<i>20</i>
Development costs	158	-	48	206	<i>215</i>
Total expenditure on raising funds	491	45	988	1,524	<i>1,734</i>
Charitable expenditure education and grant-making					
Teaching	9,006	-	779	9,785	<i>9,897</i>
Welfare	1,101	-	2,494	3,595	<i>4,168</i>
Premises repair and maintenance	538	1,451	833	2,822	<i>2,972</i>
Support costs and governance	1,916	82	1,853	3,851	<i>3,952</i>
Grants, awards and prizes (b)	-	-	188	188	<i>244</i>
Total charitable expenditure	12,561	1,533	6,147	20,241	<i>21,233</i>
Total expended	13,052	1,578	7,135	21,765	<i>22,967</i>

(b) Grants, awards and prizes

	2020 £'000	<i>2019 £'000</i>
From Restricted Funds		
Bursaries and other grants and awards	175	<i>223</i>
Prizes and leaving awards	9	<i>8</i>
From Unrestricted Funds		
Prizes and leaving awards	4	<i>13</i>
	188	<i>244</i>

EASTBOURNE COLLEGE (INCORPORATED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

9. ANALYSIS OF EXPENDITURE (CONTINUED)

(c) Charity Governance included in support costs

	2020	<i>2019</i>
	£'000	<i>£'000</i>
Remuneration paid to auditor for audit services	22	<i>21</i>
Reimbursement of personal expenses to Governors - travel costs	1	<i>1</i>
Other governance costs	-	<i>1</i>
	<u>23</u>	<i><u>23</u></i>

Travel expenses were reclaimed by 3 members (2019: 4) of the Board of Governors. In addition to the above audit remuneration, the auditor received fees for the audit of the trading subsidiary totalling £4k (2019: £6k) and fees for tax services amounting to £2k (2019: £2k).

10. FINANCE AND OTHER COSTS

	2020	<i>2019</i>
	£'000	<i>£'000</i>
Bank loan and overdraft interest	398	<i>422</i>
Bank arrangement fees	15	<i>16</i>
Fees in Advance debt-financing	82	<i>71</i>
	<u>495</u>	<i><u>509</u></i>

11a. STAFF COSTS

	2020	<i>2019</i>
	£'000	<i>£'000</i>
The aggregate payroll costs for the year were as follows		
Wages and salaries	10,578	<i>10,663</i>
Social security costs	983	<i>994</i>
Other pension costs	1,491	<i>1,131</i>
	<u>13,052</u>	<i><u>12,788</u></i>

Aggregate employee benefits of key management personnel	<u>359</u>	<i><u>440</u></i>
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EASTBOURNE COLLEGE (INCORPORATED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

11a. STAFF COSTS (CONTINUED)

	2020	2019
Number of higher paid employees (excluding termination payments) in bands of		
£60,001 to £70,000	8	13
£70,001 to £80,000	2	1
£80,001 to £90,000	2	1
£110,001 to £120,000	1	1
The number with retirement benefits accruing		
- in defined contribution schemes was	4	3
of which the contributions amounted to	£20,900	£9,488
- in defined benefit schemes was	8	12

The average number of the Charity's employees during the year was 441 (2019: 439).

	2020	2019
Teaching	257	251
Welfare	72	75
Premises	26	27
Support	56	56
Other activities	30	30
	441	439

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

Redundancy or termination payments amounting to £18k (2019: £129k) were paid to two people during the year (2019: four).

11b. RELATED PARTY TRANSACTIONS

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

EASTBOURNE COLLEGE (INCORPORATED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

11b. RELATED PARTY TRANSACTIONS (CONTINUED)

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

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

	2020	<i>2019</i>
	£'000	£'000
Donations made to the Charity by Governors	<u>8</u>	<u>8</u>

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

12. TANGIBLE FIXED ASSETS

Group	Freehold Land	Buildings	Furniture and Equipment	IT Equipment	Motor Vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 September 2019	1,556	68,162	2,790	1,143	649	74,300
Additions	-	-	35	50	67	152
Disposals	-	-	-	-	(107)	(107)
At 31 August 2020	<u>1,556</u>	<u>68,162</u>	<u>2,825</u>	<u>1,193</u>	<u>609</u>	<u>74,345</u>
Depreciation						
At 1 September 2019	-	11,291	1,371	1,052	538	14,252
Charge for the year	-	1,211	229	82	56	1,578
Disposals	-	-	-	-	(107)	(107)
At 31 August 2020	<u>-</u>	<u>12,502</u>	<u>1,600</u>	<u>1,134</u>	<u>487</u>	<u>15,723</u>
Net book value						
At 31 August 2020	<u>1,556</u>	<u>55,660</u>	<u>1,225</u>	<u>59</u>	<u>122</u>	<u>58,622</u>
<i>At 31 August 2019</i>	<u>1,556</u>	<u>56,871</u>	<u>1,419</u>	<u>91</u>	<u>111</u>	<u><i>60,048</i></u>

EASTBOURNE COLLEGE (INCORPORATED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

12. TANGIBLE FIXED ASSETS (CONTINUED)

Charity	Freehold Land	Buildings	Furniture and Equipment	IT Equipment	Motor Vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 September 2019	1,556	65,206	2,428	1,143	201	70,534
Additions	-	-	35	50	24	109
Disposals	-	-	-	-	(49)	(49)
At 31 August 2020	<u>1,556</u>	<u>65,206</u>	<u>2,463</u>	<u>1,193</u>	<u>176</u>	<u>70,594</u>
Depreciation						
At 1 September 2019	-	9,702	1,034	1,052	185	11,973
Charge for the year	-	1,170	224	82	16	1,492
Disposals	-	-	-	-	(49)	(49)
At 31 August 2020	<u>-</u>	<u>10,872</u>	<u>1,258</u>	<u>1,134</u>	<u>152</u>	<u>13,416</u>
Net book value						
At 31 August 2020	<u>1,556</u>	<u>54,334</u>	<u>1,205</u>	<u>59</u>	<u>24</u>	<u>57,178</u>
<i>At 31 August 2019</i>	<u>1,556</u>	<u>55,504</u>	<u>1,394</u>	<u>90</u>	<u>17</u>	<u>58,561</u>

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

13. CAPITAL COMMITMENTS

As at 31 August 2020 there were no capital commitments (2019: none).

EASTBOURNE COLLEGE (INCORPORATED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

14. INVESTMENTS

	2020	<i>2019</i>
	£'000	<i>£'000</i>
Group investments		
At 1 September 2019	6,107	<i>5,956</i>
New money invested	1,006	<i>31</i>
Amounts extracted	(31)	<i>(54)</i>
(Decrease)/Increase in value of investments	(39)	<i>174</i>
Group investments at 31 August 2020	7,043	<i>6,107</i>
Investment in subsidiaries	1,076	<i>1,149</i>
Charity investments at 31 August 2020	8,119	<i>7,256</i>
Investments comprise		
Listed investments		
Fixed interest	282	<i>356</i>
Equities	6,373	<i>5,616</i>
Cash	388	<i>135</i>
Group investments	7,043	<i>6,107</i>
Investment in subsidiaries	1,076	<i>1,149</i>
Charity investments	8,119	<i>7,256</i>
Historical cost	6,048	<i>4,930</i>

The Charity's investments are held in a spread of direct equities and fixed interest bonds. In addition, there are a number of collective instruments held in funds and investment trusts that provide further diversification. The securities investments are managed for the Charity by Charles Stanley & Co Limited. Of the total amounts invested at 31 August 2020, £3,097k was held in overseas securities (2019: £2,904k).

EASTBOURNE COLLEGE (INCORPORATED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

15. DEBTORS

	Group		Charity	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Fees and extras	152	141	152	141
Trade	134	234	15	231
Other debtors	1,352	81	1,352	81
Amount due to subsidiary company	-	-	-	-
Other prepayments and accrued income	79	89	79	89
	<u>1,717</u>	<u>545</u>	<u>1,598</u>	<u>542</u>

All debtors are due within one year. The other debtors balance at 31 August 2020 includes the legacy from John Klyberg, which was received post year-end.

16. CREDITORS: amounts falling due within one year

	Group		Charity	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Deposits from parents	2,517	2,426	2,517	2,426
Fees received from parents in advance of term	3,409	4,437	3,409	4,437
Trade creditors	270	382	254	330
Taxation and social security	262	255	247	249
Bank loan	270	262	270	262
Other creditors	219	259	219	258
Fees in Advance scheme	1,556	1,771	1,556	1,771
Amount due to subsidiary company	-	-	687	687
Accruals and deferred income	231	703	227	695
	<u>8,734</u>	<u>10,495</u>	<u>9,386</u>	<u>11,115</u>

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

	Group		Charity	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Fees in Advance scheme	1,848	1,452	1,848	1,452
Bank loan	9,237	9,507	9,237	9,507
	<u>11,085</u>	<u>10,959</u>	<u>11,085</u>	<u>10,959</u>

EASTBOURNE COLLEGE (INCORPORATED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

18. FEES IN ADVANCE SCHEME

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

	2020	2019
	£'000	£'000
After five years	-	1
Within two to five years	953	624
Within one to two years	895	827
	1,848	1,452
Within one year	1,556	1,771
	3,404	3,223
Summary of movements in liability		£'000
Balance at 1 September 2019		3,223
New contracts		2,027
Repayments		-
Amounts used to pay fees		(1,927)
Amounts accrued to contract as debt financing cost		81
Balance at 31 August 2020		3,404

19. BANK LOAN

The bank loan is repayable as follows:

	2020	2019
	£'000	£'000
Within one year	270	262
Within two to five years	1,209	1,147
After five years	8,028	8,360
	9,507	9,769

The Charity borrowed a total of £10m from Lloyds Bank Plc on 29 September 2017 secured by a debenture over the Charity's assets. The first loan of £5m has a fixed rate of 4% for a period of 10 years. The second loan of £5m has a fixed rate of 4.6% for a period of 15 years.

EASTBOURNE COLLEGE (INCORPORATED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

20. FUNDS OF THE CHARITY

The Charity's funds are analysed under the following headings

a) ENDOWED FUNDS

The Eastbourne College Endowment Fund

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

The Permanent Endowment Fund

The Permanent Endowment Fund was established in 1978 by resolution of the Governors from the sale proceeds of the Ascham and Granville sites.

The Rule Bequest

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

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

Denso Scholarship Fund

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

The John Klyberg Bursary Fund

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

b) RESTRICTED FUNDS

Prizes Fund

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

Le Brocq Fund

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

Scoresby Fund

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

EASTBOURNE COLLEGE (INCORPORATED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

Birley Fund

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

Old Eastbournian Charity Fund

The income from the fund assists with the payment of means-tested bursaries.

Arnold Embellishers

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

Trevor Pescud Fund

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

Sevorg Scholarship Fund

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

Ted James School of Cricket

This Fund was established to fund cricket equipment at the College.

Foundation Office Bursary Fund

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

Foundation Office Development Fund

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

c) UNRESTRICTED FUNDS

General Funds

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

Designated Development Fund

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

The Devonshire Society Bursary Fund

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

EASTBOURNE COLLEGE (INCORPORATED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

21. SUMMARY OF MOVEMENTS ON MAJOR FUNDS

	<i>At 1 Sept. 2019 £'000</i>	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (Losses) £'000	At 31 August 2020 £'000
Unrestricted Funds						
General reserve	41,576	19,774	(21,527)	114	-	39,937
Designated development	-	133	-	(114)	-	19
Devonshire Society Bursary Fund	-	35	--	169	-	204
	<u>41,576</u>	<u>19,942</u>	<u>(21,527)</u>	<u>169</u>	<u>-</u>	<u>40,160</u>
Restricted Funds						
Prizes Fund	128	3	(5)	-	(2)	124
Le Brocq Fund	93	8	(6)	-	(1)	94
Scoresby Fund	222	7	(1)	(7)	(5)	216
Birley Fund	7	-	-	-	-	7
Old Eastbournian Charity Fund	79	3	-	(3)	(5)	74
Arnold Embellishers	101	11	(13)	-	(1)	98
Trevor Pescud Fund	480	14	(16)	-	(13)	465
Sevorg Scholarship Fund	407	9	(11)	-	(10)	395
Ted James School of Cricket	7	-	(7)	-	-	-
Foundation Office Bursary Fund	589	73	(155)	(159)	-	348
Foundation Office Development Fund	-	28	-	-	-	28
	<u>2,113</u>	<u>156</u>	<u>(214)</u>	<u>(169)</u>	<u>(37)</u>	<u>1,849</u>
Endowed						
Eastbourne College Endowment Fund	778	-	(3)	-	-	775
Permanent Endowment Fund	2,622	3	(12)	-	13	2,626
Rule Bequest	1,238	-	(6)	-	(5)	1,227
Denso Scholarship Fund	1,000	14	(3)	-	(10)	1,001
John Klyberg Bursary Fund	-	1,168	-	-	-	1,168
	<u>5,638</u>	<u>1,185</u>	<u>(24)</u>	<u>-</u>	<u>(2)</u>	<u>6,797</u>
Total Funds	<u>49,327</u>	<u>21,283</u>	<u>(21,765)</u>	<u>-</u>	<u>(39)</u>	<u>48,806</u>

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

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

EASTBOURNE COLLEGE (INCORPORATED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

23. COMPARATIVE SUMMARY OF MOVEMENTS ON MAJOR FUNDS

	<i>At 1 Sept. 2018 £'000</i>	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (Losses) £'000	At 31 August 2019 £'000
Unrestricted Funds						
General reserve	42,174	21,814	(22,666)	254	-	41,576
Designated development	-	124	-	(124)	-	-
	<u>42,174</u>	<u>21,938</u>	<u>(22,666)</u>	<u>130</u>	<u>-</u>	<u>41,576</u>
Restricted Funds						
Prizes Fund	131	4	(4)	-	(3)	128
Le Brocq Fund	89	8	(6)	-	2	93
Scoresby Fund	218	8	(1)	(7)	4	222
Birley Fund	7	-	-	-	-	7
Old Eastbournian Charity Fund	78	3	-	(3)	1	79
Arnold Embellishers	122	6	(28)	-	1	101
Trevor Pescud Fund	476	14	(2)	-	(8)	480
Sevorg Scholarship Fund	382	29	(12)	-	8	407
Ted James School of Cricket	18	9	(20)	-	-	7
Foundation Office Bursary Fund	519	271	(211)	10	-	589
Foundation Office Development Fund	-	131	(1)	(130)	-	-
	<u>2,040</u>	<u>483</u>	<u>(285)</u>	<u>(130)</u>	<u>5</u>	<u>2,113</u>
Endowed						
Eastbourne College Endowment Fund	753	-	(3)	-	28	778
Permanent Endowment Fund	2,528	8	(9)	-	95	2,622
Rule Bequest	1,196	-	(4)	-	46	1,238
Denso Scholarship Fund	-	1,000	-	-	-	1,000
	<u>4,477</u>	<u>1,008</u>	<u>(16)</u>	<u>-</u>	<u>169</u>	<u>5,638</u>
Total Funds	<u>48,691</u>	<u>23,429</u>	<u>(22,967)</u>	<u>-</u>	<u>174</u>	<u>49,327</u>

24. COMPARATIVE ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Endowed £'000	Restricted £'000	Unrestricted £'000	Total £'000
Tangible fixed assets	-	-	60,048	60,048
Securities investments	5,638	469	-	6,107
Net current assets	-	1,644	(7,513)	(5,869)
Long-term liabilities	-	-	(10,959)	(10,959)
	<u>5,638</u>	<u>2,113</u>	<u>41,576</u>	<u>49,327</u>

EASTBOURNE COLLEGE (INCORPORATED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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

(Including Income and Expenditure account)	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2019 Total £'000
Income and endowments from:					
Charitable activities					
School fees receivable	3	19,407	-	-	19,407
Ancillary trading income	4	987	-	-	987
Other trading activities					
Non-ancillary trading income	5	1,411	-	-	1,411
Other activities	5	5	-	-	5
Investments					
Investment income	6	124	43	8	175
Bank and other interest	7	3	6	-	9
Voluntary sources					
Legacies and donations	8	1	434	1,000	1,435
Total incoming resources		21,938	483	1,008	23,429
Expenditure on					
Raising funds					
Non-ancillary trading	9	(990)	-	-	(990)
Financing costs	10	(509)	-	-	(509)
Investment management		-	(4)	(16)	(20)
Fundraising & development		(215)	-	-	(215)
Total expenditure on raising funds		(1,714)	(4)	(16)	(1,734)
Charitable activities					
Education and grant-making	9	(20,952)	(281)	-	(21,233)
Total expenditure		(22,666)	(285)	(16)	(22,967)
Net incoming funds from operations before transfers and investment gains		(728)	198	992	462
Gains/(losses) on investments	14	-	5	169	174
Net income for the year		(728)	203	1,161	636
Transfers between funds	23	130	(130)	-	-
Net movement in funds for the year		(598)	73	1,161	636
Fund balances brought forward at 1 September 2018		42,174	2,040	4,477	48,691
Fund balances carried forward at 31 August 2019		41,576	2,113	5,638	49,327

EASTBOURNE COLLEGE (INCORPORATED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

26. PENSION SCHEMES

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

Defined benefit schemes

Teachers' Pension Scheme

The Charity participates in the Teachers' Pension Scheme (England and Wales) ('the TPS') for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,271k (2019: £925k) and at the year-end £150k (2019: £120k) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and the TPS Regulations 2014 (as amended). Members contribute on a 'pay as you go' basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the valuation report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. A consultation was launched by the government on 16 July 2020, and closed to responses on 11 October 2020.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020 and the government is preparing to complete the cost control element of the 2016 valuations, which is expected to be completed in 2021.

EASTBOURNE COLLEGE (INCORPORATED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

In view of the above rulings and decisions, the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until the consultation and the cost cap mechanism review are completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

The Charity consulted with staff during the year and agreed to withdraw from the TPS and move affected members of staff to a defined contribution scheme with effect from 1 September 2020 and so this is the last year in which the Charity will participate in the TPS.

Defined contribution scheme

The Workplace Pension (WPP) has been in place since May 2014 in conjunction with the auto enrolment rules. The scheme is managed by Legal & General. This replaced the Legal & General Stakeholder pension. Basic contributions are variable for the employee and start at 3%. The Charity contributes 5% for employees who have been employed for 3 months in accordance with auto enrolment. The employer's contributions are charged in the Statement of Financial Activities in the period in which the salaries to which they relate are due. The employer's contributions in the year amounted to £207k (2019: £179k). At 31 August 2020 there were £29k accrued pension contributions for this scheme (2019: £27k).

27. SUBSIDIARIES

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

ECEL provides bussing services, sports and letting facilities and school shop facilities for Eastbourne College. ECEL had a turnover of £635k (2019: £775k), gross profit of £20k (2019: £94k) and a loss before taxation and gift aid of £12k in the year ended 31 August 2020 (2019: £77k profit). At 31 August 2020 the company had shareholder's funds of £1,075k (2019: £1,129k).

SACS provides the school shop facilities at St Andrew's Prep. SACS had a turnover of £42k (2019: £71k), a gross loss of £39k (2019: £18k profit) and a loss before tax and gift aid of £49k in the year ended 31 August 2020 (2019: £2k profit). Following the year-end the decision has been made to wind up SACS. There are no distributable reserves and the Charity's investment in the company is considered fully impaired.

Related Party Transactions

In the year ended 31 August 2020, ECEL charged £391k (2019: £437k) to the Charity for lettings and the provision of bussing services. ECEL is owed £687k from the Charity at 31 August 2020. Following the decision to wind up SACS, £20k of the loan made by ECEL to SACS is considered irrecoverable and has been written off in the accounts of ECEL.