Barton Peveril
Sixth Form College

Annual Report and Financial Statements

for the year ending 31 July 2018

CONTENTS

Reference and Administrative Details

Board of Governors

David Blenkarn
Karen Everett
Jonathan Prest
Andrew Adams
Shirley Anderson – Departed Dec 2017
Guy Ashton
Peter Boote
Debra Collins – Departed Dec 2017
Karen Dagwell
Colette Fletcher
Puren Gedikoglu Savas
Alan Glaze
Keith House
Yasmeen Hussain – Departed Dec 2017
Andrew Jackman
Debbie Knight
Daniel Mosaddeghi
Sarah Peacock
David Robinson
Luke Shearing
Don Spalinger
Lynn Webb – Resigned Jul 2018
Ashli Wilson

Clerk

Joan Miles

Senior Leadership Team

Jonathan Prest	Principal and CEO; Accounting officer
Matthew Chart	Vice Principal (Finance and Resources)
Mandy Wood	Vice Principal (Teaching and Learning)
Zoe Smallman	Vice Principal (Quality)
Rob Temple	Vice Principal (Schools and Community)
Nicola Carcone	Assistant Principal (Students and Progress)
Sunita Auger	Acting Assistant Principal (Quality)

Professional advisers

Financial statements auditors and reporting accountants:
Mazars LLP
5th Floor
Merck House
Seldown Lane
Poole
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BH15 1TW

Bankers:
Lloyds Bank
39 Threadneedle Street
London
EC2R 8AU

Internal auditors:
TIAA Ltd
Business Support Centre
53-55 Aerodrome Road
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Solicitors:
Paris Smith
Number 1 London Rd
Southampton
Hampshire
S015 2AE

Barton Peveril Sixth Form College 2017-18

Jonathan Prest
Principal

Barton Peveril Sixth Form College has continued to thrive in what is a competitive marketplace and despite continuing financial pressures brought about by current levels of funding. Local students and their parents are choosing Barton Peveril College as their first choice for sixth form education in the region in increasing numbers. Despite being at the bottom of a demographic dip the College had its best recruitment ever in September 2017 and had 3419 students enrolled – an increase of 9% over the previous year.

Last year we reported on a three-pronged approach to securing a strong and sustainable future. Firstly, an ongoing focus on attracting 16-18 year-old students from the local community. Secondly, beginning to exploit additional income streams. Thirdly, reducing costs where appropriate. The first of these has proved remarkably successful. The second is beginning to grow, though this is a slow process and the third has become increasingly difficult because of our growth and because we have cut costs in many areas of the College to cope with funding conditions over the past ten years.

A new Strategic Plan for the next three years has been developed and this continues to focus on our core mission to be a community committed to the highest standards of learning, effort and achievement. Our new Strategic Plan now includes the overarching objective – *'To make impact on student outcomes, bringing value added at A level into the top quartile of all providers'* – a reflection on our aspiration to provide the best outcomes possible for our students and our expectation that, next time Ofsted come calling, we will be judged by them to be Outstanding.

We continue to focus on the quality of each individual student's experience, investing heavily in staff development centred on outstanding teaching and learning. High quality advice and guidance, outstanding learning experiences and excellent support for positive progression routes have resulted in the best ever outcomes for students in 2018.

In a challenging financial climate the College is growing, investing in its estate and maintaining the quality of the education it provides. Despite the pressures in the current FE sector we believe we are well-placed to continue to deliver an outstanding experience for our learners.

Mission, Vision and Values

Later in this document you will read details of our new Strategic Plan. This report draws to a close our current plan which was built on the following Mission, Vision and Values

Mission

A community committed to the highest standards of learning, effort and achievement

The College Vision

Our vision is of a community where everyone connected to it is committed to the highest standards of learning, effort and achievement. Together, we celebrate acquiring, developing and applying knowledge and skills both for their own sake and to enrich and enhance our lives and futures.

Values and attributes

- Making **learning** my priority
- Developing **high expectations** of myself and others
- Taking **responsibility** for my progress
- **Respecting** and valuing others; advancing equality, diversity and inclusion
- Contributing to the College and wider **community**
- Developing the **skills** for success in a global economy
- Maintaining **health** in body and mind

Governance

The College continues to be expertly served by an outstanding body of governors. The Chair brings considerable commercial and business experience – important factors in the current climate. Members of the Corporation are drawn from and bring recent and high level experience of local government and secondary education as well as the local business, commercial and charity sectors. They both share and provide a lead in the College's aspiration to be outstanding in all it does.

Success and Outcomes

The College has continued to deliver excellent student outcomes. In 2017 the A level pass rate was above 98% for the twelfth successive year and in 2018 it has risen to its highest level ever of 98.9%. Students taking vocational qualifications was remarkable with a 100% pass rate and more than 90% of them achieving at least one distinction grade for the second year running.

We are delighted that this year the ALPS Value Added measures for our students put our AS Level outcomes in the top 10%, the Vocational Course outcomes in the top 10% and the A level outcomes in the top 25%.

The majority of our 18 year-old leavers progressed on to university courses or on to our growing range of Level 4 courses in 2018. Many of our students take a gap year prior to progressing to university with the others taking up various types of apprenticeship or employment opportunities.

Growth

Prior to September 2017 we saw annual growth in student numbers of between 4% and 7% for four consecutive years. In September 2017 recruitment was the strongest it has ever been – with 3419 students enrolling – an astonishing growth of 9%. We believe that the College's recent mission and strategic plans have successfully focussed all our work and efforts and that this has resulted in:

- a flourishing reputation, built on positive engagement with our partner schools
- increasing popularity, with students from both partner schools and those from further afield choosing us as their preferred college in a very competitive area
- a growth in student population

We know that in these times of exceptional pressure on the funding of post-16 education a strong local reputation for excellence and the capacity to grow is of vital importance.

We maintain extremely positive working relationships with schools in our local consortium as well as further afield enabling us to provide a smooth transition for local school pupils into their sixth form education.

Estates

In recent years the College has continued to invest in updating and refurbishing its estate. A refurbishment of the old science accommodation to provide for the English and Modern Foreign Languages Department was followed by a significant refurbishment and extension of the kitchens and student social areas. This has increased the area available for students by about 40% and has provided a brand new state-of-the-art kitchen to service these areas. In addition, we have extended our fitness suite to support our growing Sport Department and created further changing rooms.

Additional landscaping and outdoor developments contribute to a fantastic campus environment and provide additional social facilities for our student body. Students regularly report that the layout of and facilities within the campus are a major element in their choice to study at Barton Peveril.

In July 2018 the Corporation approved the building of an extension to our Science Centre to create a further three laboratories and three classrooms. The current Science Centre was completed in 2015 and it was always the College's intention to provide the additional facilities provided by the extension project. It will serve to accommodate the general growth in student numbers and in particular the disproportionate growth in students studying a STEM subject.

Financial Context

As the Financial Statements presented here demonstrate, the College has managed its business to successfully deliver a healthy surplus in 2017-18 despite the considerable pressures on funding over the past five years. Unexpected in-year funding from the ESFA to fund half of the growth in student numbers has contributed to this surplus. The College has been diligent and proactive in addressing staffing and other costs and shaping itself to cope with reduced levels of funding. 2017-18 was the final year in which the College benefited from the tapered removal of Formula Protection Funding (introduced and extended to assist colleges in coping with the new funding formula introduced in 2012).

The funding mechanism which provides a fixed income per student makes no provision for pay rises, incremental rises and increases in National Insurance and pension contributions. This has added, and is likely to continue adding, pressure to the College's ongoing financial position.

The Local Educational Context

The College is situated in a competitive area. There are a wide range of options for post-16 students. The College remains a very strong player in the field with its growing student population and reputation for excellence. There are challenges and opportunities for the College. The Area Reviews of three years ago have contributed to the reshaping of some other local providers and the coming years will reveal what the knock-on effects are to Barton Peveril Sixth Form College. On the one hand, we are likely to face renewed marketing and recruitment challenges and on the other hand we are at the very bottom of a demographic dip so there will be a slightly bigger pond to fish in next year. Partner schools may still harbour ambitions to create their own sixth forms and this may put further pressure on student numbers and growth opportunities.

The College is, however, confident of its place in the local educational landscape – we have a strong brand, excellent outcomes, wonderful facilities and a hunger to remain the number one choice for sixth form students in the region.

Strategic Report

OBJECTIVES AND STRATEGY

The Corporation of Barton Peveril Sixth Form College present their annual report together with the financial statements and auditor's reports for the year ended 31 July 2018.

Legal Status

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

Mission, Values and Overarching Objective

In July 2018 the College updated its Strategic Plan in which the Mission, Values and Overarching Objective are defined as shown below. The College recognises that its core purpose and focus is to enable local 16-18 year old students to achieve the best outcomes possible for themselves. The College expects to be rated as Outstanding when Ofsted next visit and the new Strategic Plan builds on the College's well-established model of learning community and seeks to ensure that value added outcomes, particularly at A level, remain in the top 25% of providers.

Mission
Our mission is to make Barton Peveril an inclusive community where everyone connected to it is committed to the highest standards of learning, effort and achievement. Together, we will celebrate acquiring, developing and applying knowledge and skills both for their own sake and to enrich and enhance our lives and futures.

Values and attributes

- Making learning my priority
- Developing high expectations of myself and others
- Taking responsibility for my progress
- Respecting and valuing others; advancing equality, diversity and inclusion
- Giving back to the College and/or wider community
- Developing my employability skills for success in the modern economy
- Taking active steps to maintain my own good health

Overarching College Development Objective

To make impact on student outcomes, bringing value added at A level into the top quartile of all providers

1. All staff cultivating the ethos of high expectation across college - where students are motivated to work hard, recognise their full potential, and achieve outstanding outcomes
2. Teachers and leaders focussing on the progress of each individual student
3. Leaders prioritising the highest performance of each member of their team
4. Teachers committing to using teaching and learning strategies which research shows have most impact

In addition, the College provides a set of **commitments** for students, parents, staff and governors expressed as:

Student
I make a conscious choice to sign up to the values of the College and make learning my highest priority whilst I am here. I aim to develop my knowledge, understanding and skills. I take personal responsibility for monitoring my progress in order to reach my full potential.

Support staff
I commit to building an ethos in college of high expectations, making the learning community work effectively, offering excellent customer services and support whilst developing my skills and knowledge.

Leader
I ensure the highest performance of each member of my team and make our contribution to the progress of students my key measure. I develop my own leadership skills, manage the human and physical resources, foster the college values and thereby enable the community to perform, develop and thrive.

Teacher
I commit to building an ethos in college of high expectation where students work hard and have ambitious goals. I track each individual student in my classes to ensure they progress to their full potential. I develop independent learners, extend students' knowledge, understanding and skills. I seek to extend my subject knowledge and pedagogical skills through researching best practice, peer learning and review. I adopt what research shows are those teaching strategies which make most impact on student progress.

Parent/Guardian
I help my daughter/son make learning the highest priority whilst a student of the College and take full advantage of what it has to offer. I create the conditions and necessary resources for them to study at home. Through dialogue, I work constructively with the college and my child to help her/him become equipped for an appropriately ambitious and fulfilling future.

Governor
I support the College's mission and values and monitor and encourage its progress, setting challenging objectives and asking searching questions. I act according to the best principles of governance. I convey and celebrate the College's achievements to the wider community. I exemplify learning by enhancing my governance skills and knowledge of education and pedagogy.

Resources

The College has various resources that it can deploy in pursuit of its strategic objectives. However, the main tangible resource is the college campus.

Financial

The College has £8.80M of net assets (including £3.14M pension liability) and long term debt of £5.86M.

People

On 31st August 2018 the College employed 271 people (209 expressed as full time equivalents), of whom 123 are teaching staff. These figures exclude invigilators.

The College enrolled 3419 students in 2017-18 – a 9% increase on the previous year.

Reputation

The College has an excellent reputation locally and nationally, confirmed by the exceptional growth in student numbers in recent years. Maintaining a quality brand is essential for the College's success at attracting students and external relationships.

The Principal sits on the national Sixth Form Colleges' Association (SFCA) Council and the Vice Principal (Finance and Resources) sits on the SFCA Finance and Funding Committee.

Stakeholders

In line with other Colleges, Barton Peveril Sixth Form College has many stakeholders. These include: Governors; Students and their parents; Funding Bodies; Staff; Local employers; Local Authorities; local Schools; Local Enterprise Partnerships; Government Offices; Regional Development Agencies; the local community; other FE institutions; local Universities; Trade unions; Professional bodies.

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

DEVELOPMENT AND PERFORMANCE

Financial results

The College generated an operating surplus in the year of £798,421. For 2016/17 there was a surplus of £715,825. The College regards a surplus of £798,421 (5.10%) as important for the following reasons: the Corporation has set a surplus target of 3 – 6% for future years; to enable us to support our growth strategy by investing in our estate; to enable us to reduce our levels of borrowing should we wish to do that; to retain adequate cash in the bank as security against an unexpected downturn in student enrolments.

The College has accumulated reserves of £8,797,360 and cash balances of £2,710,345.

Tangible fixed asset additions during the year amounted to £1,145,967. This was for the refurbishment of the student social areas and kitchen.

Sources of Income

The College has significant reliance on the Funding Agencies for its principal funding source, largely from recurrent grants. In 2017/18 the Funding Agencies provided 89% of the College's total income.

FUTURE PROSPECTS

Developments

In July 2018 the Corporation took the decision to invest £1.85M of reserves in building an extension to the Science Centre to enable to College to accommodate the growing number of students – and in particular those who are choosing to follow STEM subject programmes.

Financial Plan

The Corporation approved a three year financial forecast in July 2018 which sets objectives, targets and performance indicators for the period.

Treasury policies and objectives

The College has a treasury management policy clearly set out within the College Financial Regulations to manage cash flows, banking arrangements and the risks associated with those activities. Short term borrowing for temporary revenue purposes is authorised by the Accounting Officer. All other borrowing requires the authorisation of the Corporation.

Cashflow and liquidity

At £341,132 the net cash 'in flow' was in line with predictions. For 2016/17, there was a net cash 'in flow' of £308,159.

The size of the College's total borrowing and its approach to interest rates has been calculated to ensure a reasonable cushion between the total cost of servicing debt and operating cash-flow.

Reserves Policy

The College has no formal Reserves Policy but recognises the importance of reserves in the financial stability of any organisation, and ensures that there are adequate reserves to support the College's core activities. As at the balance sheet date the Statement of Income reserve stands at £7,246,617 (2017: £5,692,252). It is the Corporation's intention to increase reserves over the life of the strategic plan through the generation of annual operating surpluses.

Going concern

After making appropriate enquiries, the Corporation considers that the College has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

Risk Management

The College has well developed strategies for managing risk and strives to embed risk management in all that it does. Risk management processes are designed to protect its assets, reputation and financial stability.

The College's Risk Management Group undertakes a comprehensive review of the risks to which the College is exposed. The group maintains a risk register which identifies the key risks, the likelihood of those risks occurring, their potential impact on the College and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system. In addition the register identifies 'Processes & Systems', 'Structures & Roles', 'Attitudes, Skills & Behaviours' and 'Materiality' controls, including specific preventable actions which should mitigate any potential impact on the College. The internal controls are then implemented and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions. The risk register is maintained at the College level and reviewed at least annually by the Audit Committee and more frequently where necessary.

In addition to the annual review, the Risk Management Group will also consider any risks which may arise as a result of a new area of work being undertaken by the College. In 2017-18 the group considered four areas in detail: risks associated with the very strong recruitment of students in September 2017; a review of planned new arrangements for bus services; ongoing review of the college's Prevent Action Plan to ensure this element of college work is successfully embedded; a continued consideration of the new General Data Protection Regulations (GDPR) and the risks in this area of work.

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

1. **Achieving funding targets and /or other Funding Agency criteria for success**

The College has considerable reliance on continued government funding through the Funding Agencies. Typically 85-90% of the College's revenue is public funded and this level is expected to continue. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

The College is aware of several issues which may impact on future funding:

- Government priorities and CSR decisions
- Potential further changes to the funding mechanism

This risk is mitigated in a number of ways:

- Maintaining an unwavering focus on our core mission of delivering high quality 16-18 education
- Funding is derived through a number of direct and indirect contractual arrangements
- By ensuring the College is rigorous in delivering high quality teaching and learning
- Considerable focus and investment is placed on maintaining and managing key relationships with the Funding Bodies
- Ensuring the College is focused on those priority sectors which will continue to benefit from public funding
- Regular dialogue with Funding Bodies

2. Maintaining operational continuity of critical servers, network devices and critical software

This risk is mitigated in a number of ways:

- By investing in multiple server locations to cover the risk of a significant fire in any one of the current server rooms
- By upgrading the fibre connections across the campus and renewing the data switches to meet future demand for both speed and volume of data traffic
- By investing in the programming and maintenance team to secure and protect both the physical infrastructure and home-grown software systems
- Implementing strategies to cope with expected changes to staffing and to reduce reliance on the skills and expertise of one or two key individuals

3. **Managing Publicity**

This risk is mitigated in a number of ways:

- Employing a Marketing Manager to coordinate and plan for all eventualities
- Having robust processes in place for organising and risk-assessing trips and other events which could potentially result in an element of public interest

4. Recruiting and retaining staff of the required experience and expertise, particularly in key roles

This risk is mitigated in a number of ways:

- Effective succession planning, including periods of overlap, for key posts
- An approach to pay that recognises the local landscape and follows nationally negotiated SFCA agreements
- Comprehensive induction, staff development, mentoring and appraisal processes
- Clear and effective recruitment processes
- Early identification of staff need and potential changes and early action on recruitment

KEY PERFORMANCE INDICATORS

The Corporation set and monitor a series of Financial Performance Indicators. These are shown in the following table along with the July 2018 outcomes.

Financial Performance indicator	Target	Actual for 2017-18
Cash days in hand	45 - 60	64.37
Adjusted Current Ratio	1.5 – 2.5	2.11
Surplus	3% - 6%	5.10%
Pay expenditure as % of Income	60% - 65%	61.15%
Pay expenditure as % of Recurrent Grant	69% - 73%	68.51%
EBITDA as % of Income	N/A	12.32%
Borrowing as % of Reserves and Debt	N/A	40.46%

In July 2015 the College agreed the strategic plan for the period July 2015 to August 2018. The Corporation monitors the performance of the College against this plan, which is reviewed and updated each year. The College's progress against its Key Performance Indicators (KPIs) is:

Progress Report: Strategic Priorities & Key Performance Indicators: 2015-18

<table>
<tr><th colspan="4">Strategic Priority 1</th></tr>
<tr><td colspan="4">Developing in students; pleasure, ownership and responsibility for their learning and efforts.
• Putting significant time and effort into learning
• Knowing how to organise, discuss and improve their learning
• Enjoying and celebrating learning
• Developing curiosity and high ambitions</td></tr>
<tr><td>Quantitative Key Performance Indicators (KPIs)</td><td>Where are we with KPIs in 2015?</td><td>Where did we want to be in 2018?</td><td>Update on progress</td></tr>
<tr><td>KPI 1
Increase in the amount of Independent Learning reported by students</td><td>20% of students report doing 3 hours or more of study per subject per week</td><td>60% of students report doing 3 hours or more of study per subject per week</td><td>52% of students report doing 3 hours or more of study per subject per week – Spring 2016
This has dropped to 32% in March 2018, although a different format to the survey might have affected the comparability of these results.</td></tr>
<tr><td>KPI 2
Percentage of students going to high tariff universities</td><td>23% of students who go to University, progress to Russell Group of universities</td><td>26% of students progress to Russell Group universities</td><td>In both 2015 and 2016, 24% of the leavers who applied to HE went on to Russell Group universities

In 2017, 28% of the leavers who applied to HE went on to high tariff (rather than just Russell Group) universities.

Data for 2018 is not yet available.</td></tr>
</table>

Strategic Priority 2			
Enhancing the professional skills and job satisfaction of staff • Taking full responsibility for our own performance • Committing to the development of our skills, professional knowledge • Developing our careers • Maintaining good health • Having the highest expectations of our performance (which also means having the highest expectations of the performance of their students)			
Quantitative Key Performance Indicators (KPIs)	Where are we with KPIs in 2015?	Where do we want to be in 2018?	Update on progress
KPI 3 Improvement in the 'agreement' scores for statements from Staff Satisfaction Survey: *a) I feel valued in this organisation* *b) I enjoy my job* c) *Staff receive appropriate training to do their job effectively*	Scored on a 1 – 4 scale (where 4 is the best), average scores are: a) 2.61 b) 3.00 c) 2.83	A 5% improvement a) 2.75 b) 3.15 c) 2.97	Staff Satisfaction Survey undertaken in October 2016 gave following outcomes a) 2.83 b) 3.06 c) 2.95 This Survey has not been repeated in 2017-18.

Strategic Priority 3			
Highly effective and visionary leadership and governance • Developing and communicating a convincing vision for the College community • Inspiring trust through inter-personal skills, integrity and ability • Developing staff and enhancing their performance • Establishing an effective business model to resource learning and enhance opportunities • Enabling and challenging people to do better in an environment in which everyone is encouraged to be appropriately self-critical			
Quantitative Key Performance Indicators (KPIs)	Where are we with KPIs in 2015?	Where do we want to be in 2018?	Update on progress
KPI 4 Improvement in the scores for statements from Staff Satisfaction Survey: *a) Staff in positions of authority give clear leadership* *b) When change is necessary it is managed effectively* *c) Issues identified in appraisal meetings lead to actions*	Scored on a 1 – 4 scale (where 4 is the best), average scores are: a) 2.60 b) 2.39 c) 2.81	A 5% improvement a) 2.73 b) 2.51 c) 2.95	Staff Satisfaction Survey undertaken in October 2016 gave following outcomes a) 2.80 b) 2.50 c) 2.95 This Survey has not been repeated in 2017-18.
KPI 5 Budget Surplus forecast in target range set by Corporation (2 - 4%)	2.42%	2 – 4%	The target has been reset by Corporation at 3-5%. Accounts for year-end 31st July 2017 show a surplus of 4.85% and for July 2018 a surplus of 5.71%

Strategic Priority 4			
Culture of everyone embracing high expectations across all college activity • Pursuing the best outcomes and value added for students • Being ambitious for the overarching future plans of our students • Promoting the wider skills of students required for employability, health and personal fulfilment • Enriching education beyond the examined curriculum • Ensuring the safety of our students • Offering excellent service to all in the college community • Expecting the highest standards of conduct, self-discipline and self-awareness of all in the community			
Quantitative Key Performance Indicators (KPIs)	Where are we with KPIs in 2015?	Where do we want to be in 2018?	Update on progress
KPI 6 Maintain/Improve Value Added Scores	AS Level Grade 3 A2 Level Grade 4 Vocational Grade 3	All at least Grade 3	AS Level Grade 2 A Level Grade 3 Vocational Grade 2 2018 outcomes
KPI 7 Improvements in destinations measures:			
% of year 13 applying to University by the UCAS deadline	58% for 2015	75% for 2018	62% in 2016 66% in 2017 68% in 2018
% at University one year after leaving college	73% (2014 leavers)	77% 2017 leavers	75.1% (2015 Leavers) 75.8% (2016 Leavers) Data for 2018 is not yet available.

Strategic Priority 5			
Engaging with society and our regional community • Preparing students to contribute significantly to the national and local economy • Championing equality, diversity and inclusivity • Providing opportunity and social mobility • Contributing to the fabric of the community			
Quantitative Key Performance Indicators (KPIs)	Where are we with KPIs in 2015?	Where do we want to be in 2018?	Update on progress
KPI 8 Increase in success rate of bottom income quartile students, as measured by Six Dimensions Report.	4.8pp below expected for AS 2.0pp below expected for A2.	2.5pp below expected at AS 1.0pp below expected at A2	8.8pp below expected for AS in 2018 1.2pp above expected for A2
KPI 9 Increase in % of students taking up STEM courses at University	38% (2014 leavers one year on)	40%	35.1% in 2015 37.9% in 2016 40.3% in 2017
KPI 10 Eliminate the Value Added gap between males and females at AS and A2	1 ALPs grade at AS 2 ALPs grades at A2	No Value Added gap at either AS or A2	No gap at AS in 2017 and a gap of 1 ALPS grade in 2018 A gap of 1 ALPs grade at A2 in in 2017 and a gap of 2 ALPS grade in 2018

Student achievements

Students continue to prosper at the College. Achievement rates remained high in 2017-18 with a 98.9% A level pass rate.

OTHER INFORMATION

Public Benefit

Barton Peveril Sixth Form College is an exempt charity under the Part 3 of the Charities Act 2011 and following the Machinery of Government changes in July 2016 is regulated by the Secretary of State for Education. The members of the Governing Body, who are trustees of the charity, are disclosed on pages 21 and 22.

In setting and reviewing the College's strategic objectives, the Governing Body has had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education.

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

- High-quality teaching
- Widening participation and tackling social exclusion
- Excellent employment record for students
- Strong student support systems
- Links with employers, industry and commerce
- Links with Local Enterprise Partnerships (LEPs)

Equality, Diversity and Inclusion

Barton Peveril Sixth Form College is committed to ensuring equality of opportunity for all who learn and work here. We respect and value positively differences in race, gender, sexual orientation, disability, religion or belief and age. We strive vigorously to remove conditions which place people at a disadvantage and we will actively combat bigotry. This policy will be resourced, implemented and monitored on a planned basis.

The College carries out an annual self-assessment Equality, Diversity and Inclusion review resulting in an EDI Report and action plan. The College's Single Equality Scheme and Equality Objectives are published appropriately.

The College considers all employment applications from disabled persons, bearing in mind the aptitudes of the individuals concerned, and guarantees an interview to any disabled applicant who meets the essential criteria for the post. Where an existing employee becomes disabled, every effort is made to ensure that employment with the College continues. The College's policy is to provide training, career development and opportunities for promotion which, as far as possible, provide identical opportunities to those of non-disabled employees.

Disability statement

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

a) As part of its on-going Equality, Diversity and Inclusion strategy the College regularly updates its access audit, and the results of this form the basis of an action plan aimed at improving access.
b) The College has an Equality, Diversity and Inclusion Coordinator who provides a lead on information, advice and promotion of disability awareness and a Learning Support manager who arranges support where necessary for students with disabilities.
c) There is a range of specialist equipment, such as radio aids, which the College can make available for use by students and a range of assistive technology is available in the learning support department.

d) The admissions policy for all students is described in the College Charter. Appeals against a decision not to offer a place are dealt with under the complaints policy.

e) The College has a professional team of specialist teaching and non-teaching staff to support students with learning difficulties and/or disabilities.

f) All areas of the college buildings are accessible to staff or students with disabilities. This is supported by lifts and accessible toilets in each building.

g) Counselling and welfare services are described on the College intranet, which includes the Complaints and Disciplinary Procedure at induction.

Trade union facility time

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

Numbers of employees	FTE employee number
3	3

Percentage of time	Number of employees
0%	0
1-50%	3
51-99%	0
100%	0

Total cost of facility time	£5,094
Total pay bill	£8,868,498
Percentage of total bill spent on facility time	0.06%

Time spent on paid trade union activities as a percentage of total paid facility time	11.66%

Payment performance

The Late Payment of Commercial Debts (Interest) Act 1998, requires Colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. The target set by the Treasury for payment to suppliers within 30 days is 95%. During the accounting period 1 August 2017 to 31 July 2018, the College paid 93% of its invoices within 30 days. The College incurred no interest charges in respect of late payment for this period.

EVENTS AFTER THE REPORTING PERIOD

There were no significant post balance sheet events.

DISCLOSURE OF INFORMATION TO AUDITORS

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

Approved by order of the members of the Corporation on 3rd December 2018 and signed on its behalf by:

……………………………………… David Blenkarn Chair of Corporation

Statement of Corporate Governance and Internal Control

The following statement is provided to enable readers of the annual report and accounts of the College to obtain a better understanding of its governance and legal structure. This statement covers the period from 1st August 2017 to 31st July 2018 and up to the date of approval of the annual report and financial statements.

The College endeavours to conduct its business in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership).

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

In the opinion of the Governors, the College complies with all the provisions of the Foundation Code, and it has complied throughout the year ended 31 July 2018.

The Governing Body recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times.

The Corporation

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

Governors serving with the College Corporation during 2017-2018

Name	Date of appointment	Term of Office	Date of departure	Status of appointment	Committees served during the period	Attendance 2017-2018
Mr David Blenkarn ***Chair of Corporation from Mar 2017***	Mar 2015	4 years		Corporation Member	Audit to Mar 2017 Finance and Employment from Mar 2017 Search and Governance (from March 2016) ***(Chair from May 2017)***	100%
Mrs Karen Everett ***Vice Chair of Corporation from Dec 2014***	Mar 2010 Re-appointed Mar 2014 Mar 2018	4 years 4 years 4 years		Corporation Member	Finance and Employment ***(Chair from Nov 2013)****;* Search and Governance	100%
Mr Jonathan Prest	Aug 2008	N/A		Principal	Search and Governance; Finance and Employment	100%
Dr Andrew Adams	Dec 2017	4 years		Corporation Member	Standards, Curriculum and Learning	100%
Mrs Shirley Anderson	*(Oct 2008)* Appointed Dec 2009 Re-appointed Dec 2013	*N/A* 4 years 4 years	Dec 2017	*Additional Committee Member* Corporation Member	Search and Governance; Finance and Employment	100%

Mr Guy Ashton	Mar 2017	4 years		Corporation Member	Finance and Employment	67%
Mr Peter Boote	Jul 2010 Re-appointed Jul 2014 Jul 2018	4 years 4 years 4 years		Corporation Member	Audit ***(Chair from Nov 2013)***	67%
Ms Debra Collins	Jan 2015	3 years	Dec 2017	Staff Member	Audit	n/a
Ms Karen Dagwell	Sep 2015	4 years		Corporation Member	Standards, Curriculum and Learning	33%
Mrs Colette Fletcher (nee Cherry)	Jul 2017	4 years		Corporation Member	Audit	100%
Mrs Puren Gedikoglu Savas	Dec 2017	3 years		Parent Member	Standards, Curriculum and Learning	100%
Mr Alan Glaze	Jul 2015 Re-appointed Jul 2018	3 years		Staff Member	Standards, Curriculum and Learning	100%
Cllr Keith House	2002 Re-appointed Jul 2006 Jul 2010 Jul 2014 Jul 2018	4 years 4 years 4 years 4 years 4 years		Corporation Member	Search and Governance (to October 2015); Finance and Employment	100%
Mrs Yasmeen Hussain	Dec 2013	4 years	Dec 2017	Corporation Member	Standards, Curriculum and Learning	n/a
Mr Andrew Jackman	Oct 2012 Re-appointed Oct 2016	4 years 4 years		Corporation Member	Audit; Search and Governance	100%
Miss Debbie Knight	Dec 2014 Re-appointed Dec 2017	3 years 4 years		Corporation member	Standards, Curriculum and Learning ***(Chair from Jun 2017)***	100%
Mr Daniel Mosaddeghi	Dec 2017	2 years		Student Member	Standards, Curriculum and Learning	100%
Miss Sarah Peacock	Dec 2017	4 years		Corporation Member	Finance and Employment	67%
Dr David Robinson	Mar 2013 Re-appointed Mar 2017	4 years		Corporation Member	Audit Standards, Curriculum and Learning	67%
Mr Luke Shearing	Mar 2018	3 years		Staff Member	Standards, Curriculum and Learning	100%
Mr Don Spalinger	Jul 2017	4 years		Corporation Member	Finance and Employment	67%
Mrs Lynn Webb	Mar 2011 Re-appointed Mar 2015	4 Years 4 Years	Resigned Jul 2018	Corporation Member	Standards, Curriculum and Learning	33%
Miss Ashli Wilson	Dec 2017	1 year		Student Member	Standards, Curriculum and Learning	33%
Overall average attendance						**82%**
Mrs Joan Miles	January 2012	Clerk to the Corporation				

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

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

The Corporation conducts its business through a number of committees. Each committee has terms of reference, which have been approved by the Corporation. These committees are Standards, Curriculum and Learning Committee, Finance and Employment Committee, Search and Governance Committee and Audit Committee. Full minutes of all meetings, except those deemed to be confidential by the Corporation, are available from the Clerk to the Corporation at:

Barton Peveril Sixth Form College, Chestnut Avenue, Eastleigh, Hampshire, SO50 5ZA

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

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

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

The Corporation has a strong and independent non-executive element and no individual or group dominates its decision-making process. The Corporation considers that each of its non-executive members is independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement. There is a clear division of responsibility in that the roles of the Chair and Accounting Officer are separate.

Appointments to the Corporation

Any new appointments to the Corporation are a matter for the consideration of the Corporation as a whole. The Corporation has a Search and Governance Committee, consisting of four members of the Corporation, which is responsible for the selection and nomination of any new member for the Corporation's consideration. The Corporation is responsible for ensuring that appropriate training is provided as required. Members of the Corporation are appointed for a term of office not exceeding four years.

Corporation Performance

The usually biennial Corporation Self-Assessment process which was due in 2017 was postponed for one year as, at that time, there was a significant number of newly appointed members. A Self-Assessment exercise therefore took place in the summer of 2018.

The process involves anonymous questionnaires to be completed by all members of the Corporation. Members respond to statements about the effectiveness of the Corporation and on the effectiveness of the chairing of the Corporation and of all the committees. Members respond on a four point scale of how well responsibilities are being met (Fully Meets, Mostly Meets, Partially Meets, Does Not Meet).

The outcomes will be discussed in the Autumn term.

Finance and Employment Committee

Throughout the year ending 31 July 2018, the College's Finance and Employment Committee comprised seven members of the Corporation. The Committee's responsibilities are to make recommendations to the Board on the financial health of the College and the remuneration and benefits of the Principal and other senior post-holders. It also considers the College's statutory employment policies and procedures.

Details of remuneration for the year ended 31 July 2018 are set out in note 6 of the financial statements.

Audit Committee

The Audit Committee comprises four members of the Corporation (excluding the Principal and Chair). The Committee operates in accordance with written terms of reference approved by the Corporation.

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

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

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

Search and Governance

The Search and Governance committee meets at least three times a year and comprises four members. Its responsibilities include advising the Corporation on:

- Governance matters including its composition and the membership of its Committees, co-ordinating the search for new members as vacancies occur
- The appointment of potential members taking into account diversity and skills within the Corporation membership

It also oversees:

- The eligibility of members and the Register of Interests
- The Self-Assessment of Governance and monitors the resulting Action Plan and the periodic review of the effectiveness of Governance
- The Recruitment Policy and Process for a Chair of Corporation
- The provision of appropriate Governor training

In addition it manages the Corporation DBS Checks and Disclosures Policy and Procedures and, following the recent new governance freedoms, it also reviews the Instrument and Articles of Government.

Standards, Curriculum and Learning

The Standards, Curriculum and Learning Committee meets at least three times a year and comprises at least six members, two of which are Student Governors. It advises the Corporation on the Quality and Standards achieved in the College and monitors, reviews and challenges key performance indicators. It provides challenge and support in reviewing student achievement and experience through the analysis of various reports.

Additional responsibilities include monitoring the range, adequacy and sufficiency of the College's curriculum offer and reviewing the effectiveness and impact of the teaching staff appraisal scheme and staff development.

Internal control

Scope of responsibility

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

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

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of College policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Barton Peveril Sixth Form College for the year ended 31 July 2018 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Corporation has reviewed the key risks to which the College is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Corporation is of the view that there is a formal ongoing process for identifying, evaluating and managing the College's significant risks that has been in place for the period ending 31 July 2018 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Corporation.

The risk and control framework

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

- Comprehensive budgeting systems with an annual budget, which is reviewed and agreed by the governing body

- Regular reviews by the governing body of periodic and annual financial reports which indicate financial performance against forecasts
- Setting targets to measure financial and other performance
- Clearly defined capital investment control guidelines
- The adoption of formal project management disciplines, where appropriate.

Barton Peveril Sixth Form College has an internal audit service, which operates in accordance with the requirements of the ESFA's Post-16 Audit Code of Practice. The work of the internal audit service is informed by an analysis of the risks to which the College is exposed, and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the Corporation on the recommendation of the audit committee. At minimum annually, the Head of Internal Audit (HIA) provides the governing body with a report on internal audit activity in the College. The report includes the HIA's independent opinion on the adequacy and effectiveness of the College's system of risk management, controls and governance processes.

Review of effectiveness

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

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

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

The Senior Leadership Team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The Senior Leadership Team and the Audit Committee also receive regular reports from internal audit, which include recommendations for improvement. The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Corporation's agenda includes a regular item for consideration of risk and control and receives reports thereon from the Senior Leadership Team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its July 2018 meeting, the Corporation carried out the annual assessment for the year ended 31 July 2018 by considering documentation from the senior leadership team and internal audit, and taking account of events since 31 July 2017.

Based on the advice of the Audit Committee and the Principal the Corporation is of the opinion that the College has an adequate and effective framework for governance, risk management and control, and has fulfilled its statutory responsibility for "*the effective and efficient use of resources, the solvency of the institution and the body and the safeguarding of their assets*".

Going concern

After making appropriate enquiries, the Corporation considers that the College has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

Approved by order of the members of the Corporation on 3rd December 2018 and signed on its behalf by:

Signed……………………..	**Signed……………………………**
David Blenkarn **Chair**	**Jonathan Prest** **Accounting Officer**

Statement of Regularity, Propriety and Compliance

The Corporation has considered its responsibility to notify the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of funding, under the College's grant funding agreement and contracts with ESFA. As part of our consideration we have had due regard to the requirements of the grant funding agreements and contracts with ESFA.

We confirm, on behalf of the Corporation, that after due enquiry, and to the best of our knowledge, we are able to identify any material irregular or improper use of funds by the College, or material non-compliance with the terms and conditions of funding under the college's grant funding agreements and contract with ESFA

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

Signed……………………..

David Blenkarn
Chair

Signed……………………………

Jonathan Prest
Accounting Officer

Statement of Responsibilities of the Members of the Corporation

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

Within the terms and conditions of the college's grant funding agreements and contracts with ESFA, the corporation – through its accounting officer – is required to prepare financial statements and an operating and financial review for each financial year in accordance with the 2015 Statement of Recommended Practice – Accounting for Further and Higher Education, ESFA's college accounts direction and the UK's Generally Accepted Accounting Practice, and which give a true and fair view of the state of affairs of the college and its surplus / deficit of income over expenditure for that period.

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

- Select suitable accounting policies and apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare financial statements on the going concern basis, unless it is inappropriate to assume that the College will continue in operation.

The Corporation is also required to prepare a Members Report which describes what it is trying to do and how it is going about it, including the legal and administrative status of the College.

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

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

Members of the Corporation are responsible for ensuring that expenditure and income are applied for the purposes intended by Parliament and that the financial transactions conform to the authorities that govern them. In addition they are responsible for ensuring that funds from the ESFA are used only in accordance with the Financial Memorandum with the ESFA and any other conditions that may be prescribed from time to time. Members of the Corporation must ensure that there are appropriate financial and management controls in place in order to safeguard public and other funds and to ensure they are used properly. In addition, members of the Corporation are responsible for securing economical, efficient and effective management of the College's resources and expenditure, so that the benefits that should be derived from the application of public funds from the ESFA are not put at risk.

Approved by order of the members of the Corporation on 3rd December 2018 and signed on its behalf by:

Signed……………………………………….. David Blenkarn, Chair

Independent auditor's report to the Members of the Corporation of Barton Peveril Sixth Form College

Opinion

We have audited the financial statements of Barton Peveril Sixth Form College ("the College") for the year ended 31 July 2018 which comprise the Income and Expenditure Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the College's affairs as at 31 July 2018 and of the College's surplus of income over expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Basis for opinion

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

Conclusions relating to going concern

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- the information given in the report of the Members of the Corporation, including the operating and financial review and statement of corporate governance, is inconsistent with the financial statements; and
- we have not received all the information and explanations we require for our audit.

Responsibilities of Corporation

As explained more fully in the Statement of Responsibilities of the Member of the Corporation set out on page 25, the Corporation is 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 Corporation determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Corporation is responsible for assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Corporation intend 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 the audit report

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK). Those standards require us to comply with the Financial Reporting Council's Ethical Standard. This report is made solely to the Corporation as a body, in accordance with Article 22 of the College's Articles of Government. Our audit work has been undertaken so that we might state to the Corporation 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 College and the Corporation, as a body, for our audit work, for this report, or for the opinions we have formed.

Richard Bott
Mazars LLP
Chartered Accountants and Statutory Auditor
5^{th} Floor, Merck House
Seldown Lane
Poole
Dorset
BH15 1TW
Date

INDEPENDENT AUDITORS' REPORT ON REGULARITY TO THE GOVERNING BODY OF BARTON PEVERIL SIXTH FORM COLLEGE AND THE SECRETARY OF STATE FOR EDUCATION ACTING THROUGH EDUCATION FUNDING AGENCY

To: The corporation of Barton Peveril Sixth Form College and Secretary of State for Education acting through the Department for Education ("the Department")

In accordance with the terms of our engagement letter dated 6th September 2018 and further to the requirements of the funding agreement with the Education and Skills Funding Agency we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest that in all material respects the expenditure disbursed and income received by Barton Peveril Sixth Form College during the period 1 August 2017 to 31 July 2018 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

The framework that has been applied is set out in the Post 16 Audit Code of Practice ("the Code") issued by the Department. In line with this framework, our work has specifically not considered income received from the main funding grants generated through the Individualised Learner Record (ILR) returns, for which the Department has other assurance arrangements in place.

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

Respective responsibilities of Barton Peveril Sixth Form College and the reporting accountant

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

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Code. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 August 2017 to 31 July 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Reviewed the statement on the College's regularity, propriety and compliance with Funding body terms and conditions of funding.
- Reviewed the College's completed self-assessment questionnaire on regularity.
- Read the financial memorandum with the SFA/ funding agreement with the EFA.
- Tested a sample of expenditure disbursed and income received to consider whether they have been applied to purposes intended by Parliament and in accordance with funding agreements where relevant.
- Reviewed all payments to senior post holders on termination of employment or in respect of claims made in the year [if applicable]
- Reviewed approved policies and procedures operating during the year for each funding stream that has specific terms attached [if applicable]
- Obtained the policy for personal gifts and/or hospitality.
- Obtained the register of personal interests.
- Obtained the financial regulations/financial procedures.
- Obtained the College's whistleblowing policy.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 August 2017 to 31 July 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Richard Bott
Mazars LLP
5th floor, Merck House
Seldown Lane,
Poole
Dorset
BH15 1TW
Date:

BARTON PEVERIL SIXTH FORM COLLEGE

STATEMENT OF COMPREHENSIVE INCOME

	Notes	*Year ended 31 July 2018* £	*Year ended 31 July 2017* £
Income			
Funding body grants	2	13,949,326	13,363,789
Tuition fees and education contracts	3	11,046	68,065
Other operating income	4	1,694,002	1,557,406
Investment income	5	2,827	3,248
Total income		**15,657,201**	**14,992,508**
Expenditure			
Staff costs	6	9,458,899	8,972,623
Fundamental restructuring costs	6	0	28,702
Other operating expenses	7	4,250,744	4,219,135
Depreciation	10	908,919	820,024
Interest and other finance costs	8	240,218	236,199
Total expenditure		**14,858,780**	**14,276,683**
Surplus before other gains and losses		**798,421**	**715,825**
Gain on disposal of assets		**0**	**0**
Surplus before tax		**798,421**	**715,825**
Taxation	9	0	0
Surplus for the year		**798,421**	**715,825**
Actuarial gain in respect of pension scheme	21	700,000	880,000
Total Comprehensive income for the year		**1,498,421**	**£1,595,825**
Represented by:			
Restricted comprehensive income		0	0
Unrestricted comprehensive income		1,498,421	£1,595,825
		1,498,421	**£1,595,825**

BARTON PEVERIL SIXTH FORM COLLEGE

COLLEGE STATEMENT OF CHANGES IN RESERVES

	Income and expenditure account	Revaluation reserve	Total
	£	£	£
Balance as at 31st July 2016	**4,040,483**	**1,662,631**	**5,703,114**
Surplus from income and expenditure account	715,825	**0**	**715,825**
Other comprehensive income	880,000	0	**880,000**
Transfers between revaluation and income and expenditure reserves	55,944	(55,944)	**0**
Total comprehensive income for the year	1,651,769	(55,944)	**1,595,825**
Balance as at 31st July 2017	**5,692,252**	**1,606,687**	**7,298,939**
Balance as at 31st July 2017	**5,692,252**	**1,606,687**	**7,298,939**
Surplus from income and expenditure account	798,421	**0**	**798,421**
Other comprehensive income	700,000	0	**700,000**
Transfers between revaluation and income and expenditure reserves	55,944	(55,944)	**0**
Total comprehensive income for the year	1,554,365	(55,944)	**1,498,421**
Balance as at 31st July 2018	**7,246,617**	**1,550,743**	**8,797,360**

BARTON PEVERIL SIXTH FORM COLLEGE

BALANCE SHEET AS AT 31 JULY

	Notes	*Year ended 31 July 2018* £	*Year ended 31 July 2017* £
Non Current Assets			
Tangible assets	10	**21,653,858**	**21,416,811**
Current Assets			
Stock		23,856	25,041
Debtors	11	149,349	227,583
Cash and cash equivalents		2,710,345	2,369,213
Total current assets		**2,883,550**	**2,621,837**
Less:Creditors - amounts falling due within one year	12	(1,710,830)	(1,681,220)
Net current assets		**1,172,720**	**940,617**
Total assets less current liabilities		**22,826,578**	**22,357,428**
CREDITORS: Amounts falling due after more than one year	13	(10,889,218)	(11,458,489)
Provisions			
Net pension liability	15	(3,140,000)	(3,600,000)
Total net assets		**8,797,360**	**7,298,939**
Unrestricted Reserves			
Income and Expenditure account including pension reserve		7,246,617	5,692,252
Revaluation reserve		1,550,743	1,606,687
Total unrestricted reserves		**8,797,360**	**7,298,939**

The financial statements on pages 31 to 46 were approved and authorised for issue by the Corporation on XXX December 2018 and signed on its behalf on that date by:

D Blenkarn
Chair of Corporation

J Prest
Accounting Officer

BARTON PEVERIL SIXTH FORM COLLEGE

STATEMENT OF CASH FLOWS

	Year ended 31 July 2018 £	*Year ended 31 July 2017 £*
Net cash inflow from operating activities		
Surplus for the year	798,421	715,825
Adjustments for non-cash items		
Depreciation	908,919	820,024
decrease in stocks	1,185	9,152
decrease/(Increase) in debtors	78,234	(162,990)
Increase in creditors due within one year	29,610	157,699
(decrease) in creditors due after one year	(214,271)	(213,272)
Pensions costs less contributions payable	240,000	270,000
Adjustment for investing or financing activities		
Interest receivable	(2,827)	(3,248)
Interest payable	150,218	136,199
Net cash flow from operating activities	**1,989,489**	**1,729,389**
Cash flows from investing activities		
Interest received	2,827	3,248
Payments to acquire tangible fixed assets	(1,145,967)	(933,279)
	(1,143,140)	**(930,031)**
Cash flows from financing activities		
Interest paid	(150,218)	(136,199)
Repayment of amounts borrowed	(355,000)	(355,000)
	(505,218)	**(491,199)**
Increase in cash and cash equivalents in the year	**341,132**	**308,159**
Cash and cash equivalents at beginning of the year	2,369,213	2,061,054
Cash and cash equivalents at end of the year	2,710,345	2,369,213
Increase in cash and cash equivalents in the year	**341,132**	**308,159**

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES

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

Basis of Preparation

These financial statements have been prepared in accordance with the *Statement of Recommended Practice* : *Accounting in Further and Higher Education 2015* (the 2015 FE HE SORP), the *College Accounts Direction for 2016-2017* and in in accordance with Financial Reporting Standard 102 - "*The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland* " (FRS 102). The College is a public benefit entity and has therefore applied the relevant public requirements of FRS 102.

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

Basis of Accounting

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

Going Concern

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

The College currently has £6.567m of loans outstanding with bankers on terms negotiated in 2015. The terms of the existing agreement are for another 20 years. The College's forecasts and financial projections indicate that it will be able to operate within this existing facility and covenants for the foreseeable future.

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

Recognition of Income

Revenue Grant Funding

Government revenue grants include funding body recurrent grants and other grants and are accounted for under the accrual model as permitted by FRS 102. Funding body recurrent grants are measured in line with best estimates for the period of what is receivable and depend on the particular income stream involved. Any under achievement for the Adult Education Budget is adjusted for and reflected in the level of recurrent grant recognised in the income and expenditure account. The final grant income is normally determined with the conclusion of the year end reconciliation process with the funding body following the year end, and the results of any funding audit. 16-18 learner responsive funding is not normally subject to a reconciliation and is therefore not subject to contract adjustments.

Capital Grant Funding

Government capital grants are capitalised, held as deferred income and recognised in income over the useful life of the asset, under the accrual model as permitted by FRS 102. Other, non-governmental, capital grants are recognised in income when the College is entitled to the funds subject to any performance related conditions being met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the Balance Sheet and released to income as conditions are met.

Fee Income

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

Investment Income

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

Accounting for post-employment benefits

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

Teachers' Pension Scheme (TPS)

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

The TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution plan and the contributions recognised as an expense in the income statement in the periods during which services are rendered by employees.

Hampshire Local Government Pension Scheme (LGPS)

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

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

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

Short term Employment benefits

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

Enhanced Pensions

The actual cost of any enhanced ongoing pension to a former member of staff is paid by a college annually. An estimate of the expected future cost of any enhancement to the ongoing pension of a former member of staff is charged in full to the College's income in the year the member retires. In subsequent years a charge is made to provisions in the balance sheet using the enhanced pension spreadsheet provided by the funding bodies.

Non-current Assets - Tangible Fixed Assets

Land and buildings

Land and buildings inherited from the Local Education Authority on incorporation are stated in the balance sheet at valuation on the basis of depreciated replacement cost as the open market value for existing use is not readily obtainable. The associated credit is included in the revaluation reserve. The difference between depreciation charged on the historic cost of assets and the actual charge for the year calculated on the revalued amount is released to the income and expenditure account reserve on an annual basis.

Building improvements made since incorporation are included in the balance sheet at cost. Freehold land is not depreciated. Freehold buildings are depreciated over their expected useful economic life to the College of between 20 and 50 years. The College has a policy of depreciating major adaptations to buildings over the period of their useful economic life of between 10 and 50 years. Where land and buildings are acquired with the aid of specific grants, they are capitalised and depreciated as above. The related grants are credited to a deferred capital grant account and are released to the income and expenditure account over the expected useful economic life of the related asset on a systematic basis consistent with the depreciation policy. The deferred income is allocated between creditors due within one year and those due after more than one year.

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

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

Assets under construction

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

Subsequent expenditure on existing fixed assets

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

Equipment

Equipment costing less than £1,000 per individual item is written off to the income and expenditure account in the period of acquisition. All other equipment is capitalised at cost.

All assets are depreciated over their useful life to the College:

motor vehicles - 5 years on a straight-line basis
computer equipment - 3 years on a straight-line basis
other equipment - 5 years on a straight-line basis

Borrowing costs

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

Leased Assets

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

Inventories

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

Cash and cash equivalents

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

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

Financial liabilities and equity

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

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

Taxation

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

The College receives no exemption in respect of Value Added Tax, for this reason the College is generally unable to recover input VAT it suffers on goods and services. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

Provisions and contingent liabilities

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

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

Agency Arrangements

The College acts as an agent in the collection and payment of Discretionary Support Funds and certain transport arrangements. Related payments received from the funding bodies and subsequent disbursements to students are excluded from the income and expenditure account and are shown separately in note 23, except for the 5 per cent of the grant received which is available to the College to cover administration costs relating to the grant. The College employs one member of staff dedicated to the administration of the Discretionary Support Fund applications and payments.

Judgements in applying accounting policies and key sources of estimation uncertainty

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

- Determine whether leases entered into by the College either as a lessor or lessee are operating or financial leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the College's tangible assets. Factors taken into consideration in reaching such a decision include economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and future performance of that unit.

Other key sources of estimation uncertainty

- Tangible fixed assets

  Tangible fixed assets are depreciated over the useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal value.

- Local Government Pension Scheme

  The present value of the Local Government Pension Scheme defined liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21 will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions at 31 July 2018. Any differences between the figures derived from the roll forward approach and full actuarial valuation would impact on the carrying amount of pension liability.

2. FUNDING BODY GRANTS

	Year ended 31 July 2018	*Year ended 31 July 2017*
	£	*£*
Recurrent grants		
Education Funding Agency	13,569,450	12,916,977
Skills Funding Agency	5,574	109,223
Specific grants		
Releases of government capital grants	214,271	214,354
Devolved capital grant	80,191	78,235
Free School Meals	45,352	9,489
High Needs Support via LA	34,488	35,511
	13,949,326	**13,363,789**

3. TUITION FEES AND EDUCATION CONTRACTS

	Year ended 31 July 2018	*Year ended 31 July 2017*
	£	**£**
Tuition Fees	0	22,845
Fees for FE loan supported courses	11,046	45,220
Education Contracts	0	0
	11,046	**68,065**

4. OTHER OPERATING INCOME

	Year ended 31 July 2018	*Year ended 31 July 2017*
	£	**£**
Lettings	45,635	21,748
Shop sales / sale of equipment and books	77,858	69,965
Fees and charges	696,705	702,692
Catering Income	511,246	469,574
Releases of other capital grants	0	0
Other income	362,558	293,427
	1,694,002	**1,557,406**

5. INVESTMENT INCOME

	Year ended 31 July 2018	*Year ended 31 July 2017*
	£	**£**
Interest receivable	2,827	3,248
	2,827	**3,248**

6. STAFF COSTS

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

	Year ended 31 July 2018	*Year ended 31 July 2017*
	£	**£**
Teaching Staff	123	123
Non Teaching Staff	86	86
	209	209

Staff costs for the above persons:	*Year ended 31 July 2018*	*Year ended 31 July 2017*
	£	**£**
Wages and salaries	7,346,792	6,943,965
Social security costs	671,168	641,998
Other pension costs (including FRS 102 Sec 28 adjustments 2018 -£150,000 2017 -£170,000)	1,298,354	1,267,416
Payroll sub total	**9,316,314**	**8,853,379**
Contracted out staffing services	142,585	119,244
	9,458,899	**8,972,623**
Fundamental restructuring costs - contractual	0	28,702
Total Staff costs	**9,458,899**	**9,001,325**

Key Management Personnel

Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College and are represented by the Senior Leadership Team which comprises the Principal and four Vice Principals.

Emoluments of Key Management Personnel, Accounting Officer and other higher paid staff

	31 July 2018	*31 July 2017*
Number of Key Management Personnel including the Accounting Officer was	7 [1]	5

[1] The Assistant Principal, Quality was appointed from 11 June 2018 as maternity cover for the Vice Principal, Quality.
A new Assistant Principal, Student Progress and Wellbeing was appointed from 11 June 2018

The number of Key Management Personnel and other staff who received annual emoluments, excluding pension contributions and employer's national insurance but including benefits in kind, in the following ranges was:

	Key Management Personnel		**Other Staff**	
	2018	**2017[3]**	**2018**	**2017[3]**
		Restated		**Restated**
	No.	**No.**	**No.**	**No.**
£nil to £10,000	2 [2]	0	0	0
£10,001 to £20,000	0	0	0	0
£20,001 to £30,000	0	1	0	0
£30,001 to £40,000	0	0	0	0
£40,001 to £50,000	1	0	0	0
£50,001 to £60,000	0	0	0	0
£60,001 to £70,000	3	3	0	0
£70,001 to £80,000	0	0	0	0
£90,001 to £100,000	0	0	0	0
£120,001 to £160,000	1	1	0	0
	7	5	0	0

[2] This relates to the emoluments paid to the Assistant Principal, Quality and the Assistant Principal, Student Progress and Wellbeing for the period 11 June 2018 to 31 July 2018

[3] The prior year comparative figures (2017) have been restated due to incorrectly including employer pension contributions

	Year ended 31 July 2018	***Year ended 31 July 2017***
	£	**£**
Salaries	395,246	401,813
Pension contributions	65,384	66,087
Total key management personnel compensation	460,630	467,900

The above emoluments include amounts payable to the Accounting Officer (who is also the highest paid senior post-holder) of:

	Year ended 31 July 2018	***Year ended 31 July 2017***
	£	**£**
Salaries	130,353	128,479
Pension Contributions	21,482	21,173
Total emoluments	151,835	149,652

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

7. OTHER OPERATING EXPENSES

	Year ended 31 July 2018	***Year ended 31 July 2017***
	£	**£**
Teaching costs	1,454,872	1,332,207
Non teaching costs	1,896,040	2,048,052
Premises costs	899,832	838,876
	4,250,744	**4,219,135**

Other operating costs include:

	Year ended 31 July 2018	***Year ended 31 July 2017***
	£	**£**
Auditors' remuneration		
- Financial statements audit	13,950	13,620
- Internal audit	5,670	5,775
- Other services provided by Financial statements auditor	0	1,030
Operating leases	48,235	37,288

8. INTEREST PAYABLE AND OTHER FINANCE COSTS

	Year ended 31 July 2018	***Year ended 31 July 2017***
	£	**£**
On bank loans, overdrafts and other loans, repayable wholly or partly in more than five years.	150,218	136,199
Pension finance costs (note 21)	90,000	100,000
	240,218	**236,199**

9. TAXATION

The members do not believe the College was liable for any corporation tax arising out of its activities during this period as it it benefits from the general exemptions from Corporation Tax afforded by Section 505 Taxes Act 1988.

10. TANGIBLE FIXED ASSETS

	Buildings under construction	Freehold Land and Buildings	Equipment	Total
	£	£	£	£
Cost or valuation				
At 1 August 2017	587,404	29,064,755	3,244,979	32,897,138
Additions	60,317	733,470	352,180	1,145,967
Transfers	(587,404)	587,404		0
Disposals				0
At 31 July 2018	**60,317**	**30,385,629**	**3,597,159**	**34,043,105**
Depreciation				
At 1 August 2017	0	8,950,830	2,529,498	11,480,328
Charge for period	0	747,619	161,300	908,919
Disposals				0
At 31 July 2018	**0**	**9,698,449**	**2,690,798**	**12,389,247**
Net book value at 31 July 2018	**60,317**	**20,687,180**	**906,361**	**21,653,858**
Net book value at 1 August 2017	587,404	20,113,925	715,481	21,416,810

Land and buildings inherited from the LEA at incorporation have been valued by the College on a depreciated replacement cost basis in February 1993 by Edward Rushton Son & Kenyon a firm of independent surveyors.

Land and buildings with a net book value of £5,246,010 have been funded from exchequer funds, through the receipt of capital grants from the Funding Councils. Should these assets be sold, the College may be liable, under the terms of the Financial Memorandum with the Funding Councils, to surrender the proceeds.

If inherited land and buildings had not been valued they would have been included at the following amounts:

Cost	-
Aggregate depreciation based on cost	-
Net book value based on cost	-

11. DEBTORS

	31 July 2018	*31 July 2017*
	£	£
Amounts falling due within one year		
Trade receivables	41,094	6,076
Prepayments and other accrued income	108,255	221,507
Total	**149,349**	**227,583**

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 July 2018	*31 July 2017*
	£	£
Bank loans and overdrafts	355,000	355,000
Payments received in advance	199,326	131,878
Trade payables	144,515	376,453
Other taxation and social security	173,343	169,730
Other creditors	540,970	363,354
Accruals	83,405	70,534
Deferred capital grants	214,271	214,271
	1,710,830	**1,681,220**

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31 July 2018	*31 July 2017*
	£	£
Bank loans	5,857,480	6,212,480
Deferred capital grants	5,031,738	5,246,009
	10,889,218	**11,458,489**

14. MATURITY OF DEBT

Bank loans and overdrafts	*31 July 2018* £	*31 July 2017* £
Bank loans and overdrafts are repayable as follows:		
In one year or less	355,000	355,000
Between one and two years	710,000	710,000
Between two and five years	1,065,000	1,065,000
In five years or more	4,082,480	4,437,480
Total	**6,212,480**	**6,567,480**

Bank loans totalling £6,212,480 repayable by instalments falling due between 1 August 2018 and 31 July 2035 are secured on a first legal mortgage over the College's premises. The interest rate charged on the loan is on a 3 month LIBOR basis, with the margin being 1.65% above daily LIBOR.

15. PROVISIONS

	Defined benefit obligations £	**Total** £
At 1 August 2017	3,600,000	**3,600,000**
Expenditure in the period	(460,000)	**(460,000)**
Additions in the period	0	**0**
At 31 July 2018	**3,140,000**	**3,140,000**

Defined benefit obligations relate to the liabilities under the College's membership of the Local Government pension scheme.

Further details are given in note 21.

16. CASH AND CASH EQUIVALENTS

	1 August 2017 £	*Cash flows* £	*31 July 2018* £
Cash and cash equivalents	2,369,213	341,132	2,710,345
	2,369,213	341,132	2,710,345

17. CAPITAL COMMITMENTS

As at the 31st July 2018 the College has no capital commitments (2017 £978,527).

18. LEASE OBLIGATIONS

At 31 July 2018 the College had minimum lease payments under other non-cancellable operating leases as follows:

Future minimum lease payments due	*Year ended 31 July 2018* £	*Year ended 31 July 2017* £
Other		
Not later than one year	44,880	8,736
Later than one year and not later than five years	71,989	78,049
	116,869	**86,785**

19. CONTINGENT LIABILITIES

The College has no contingent liabilities.

20. POST BALANCE SHEET EVENTS

There have been no significant post balance sheet events.

21. DEFINED BENEFIT OBLIGATIONS

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

Total pension cost for the year

	Year ended 31 July 2018	***Year ended 31 July 2017***
	£	**£**
Teachers Pension Scheme:contributions paid	803,156	773,077
Local Government Pension Scheme:		
Contributions paid	345,198	323,377
FRS 102 (28) charge	140,000	170,000
Total Pension Cost for Year within staff costs	**1,288,354**	**1,266,454**

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuations of the TPS was 31 March 2012 and the LGPS 31 March 2013.

Contributions amounting to £143,931 (2017 - £136,662) were payable to the schemes at 31 July and are included in other creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme ("TPS") is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other education establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and to teachers and lecturers in establishments of further and higher education. Membership is automatic for full-time teachers and lecturers from 1st January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act 1972 and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay-as-you-go' basis - these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including cost of pension increases). From 1st April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest actuarial review of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuation and Employer Cost Cap) Directions 2014. The valuation report was published by the Department of Education (the Department) on 9 June 2014. The key results of the valuation are:

- New employer contribution rates were set at 16.48% of pensionable pay (including administration fees of 0.08%);
- Total scheme liabilities for service to effective date of £191.5 billion, and notional assets of £176.6 billion, giving a notional past service deficit of £14.9 billion;
- An employer cost cap of 10.9% of pensionable pay.

The new employer contribution rate for the TPS was implemented in September 2015.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website at the following location:

https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx

Scheme Changes

Following the Hutton report in March 2011 and subsequent consultations with trade unions and other representative bodies on reform of the TPS, the Department published a Proposed Final Agreement, setting out the design for a reformed TPA to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

Regulations giving effect to a reformed Teachers' Pension Scheme came into force on 1 April 2014 and the reformed scheme commenced on 1 April 2015.

The pension costs paid to TPS in the year amounted to £803,156 (2017: £773,077)

FRS 102 (28)

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate funds administered by Hampshire County Council. The total contribution made for the year ended 31 July 2018 was £447,416 of which employers contributions totalled £345,198 and employees contributions totalled £102,218.

The agreed contribution rates for future years are 14.5% - 17.2% with a fixed payments of £90,900 - £97,400 per annum for employers and a range from 5.5% to 8.5% for employees, depending on salary.

Principal Actuarial Assumptions

	as at 31 July 2018	**as at 31 July 2017**
RPI Inflation	3.2%	3.1%
CPI Inflation	2.1%	2.0%
Rate of increase in salaries	3.6%	3.5%
Future pensions increases	2.1%	2.0%
Discount Rate for scheme liabilities	2.8%	2.6%

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

	as at 31 July 2018	as at 31 July 2017
Retiring today/current pensioners		
Males	24.1	24.0
Females	27.2	27.0
Retiring in 20 years/future pensioners		
Males	26.2	26.0
Females	29.4	29.3

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

	Fair Value at 31 July 2018	**Fair Value at 31 July 2017**
Equity instruments	4,960,800	4,186,080
Debt instruments	1,887,600	1,771,560
Property	546,000	444,600
Cash	405,600	437,760
Total fair value of plan assets	**7,800,000**	**6,840,000**
Actual return on plan assets	£720,000	£430,000

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

	Year ended 31 July 2018 £	*Year ended 31 July 2017* £
Fair value of plan assets	7,800,000	6,840,000
Present value of plan liabilities	(10,940,000)	(10,440,000)
Net pensions (liability)/asset (Note 15)	**(3,140,000)**	**(3,600,000)**

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

	Year ended 31 July 2018 £	*Year ended 31 July 2017* £
Amounts included in staff costs		
Current Service cost	490,000	490,000
Past service cost	0	0
Total	**490,000**	**490,000**
Amounts included in investment income		
Net interest income	(90,000)	(100,000)
	(90,000)	**(100,000)**
Amount recognised in statement of other comprehensive income		
Return on pension plan assets	540,000	280,000
Losses arising on defined benefit obligations	160,000	600,000
Amount recognised in other comprehensive income	**700,000**	**880,000**

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

Net defined benefit (liability)/asset in scheme at 1 August	(3,600,000)	(4,210,000)
Movement in year:		
Current service charge	(490,000)	(490,000)
Employer contributions	340,000	320,000
Past service cost	0	0
Net interest on the defined (liability)/asset	(90,000)	(100,000)
Actuarial gain or loss	700,000	880,000
Net defined benefit (liability)/asset in scheme at 31 July	**(3,140,000)**	**(3,600,000)**

Asset and Liability Reconciliation

Changes in the present value of defined benefit obligations

	31 July 2018 £	*31 July 2017* £
Defined benefit obligations at the start of period	10,440,000	10,350,000
Current Service Cost	490,000	490,000
Interest Cost	270,000	250,000
Contributions by scheme participants	100,000	100,000
Experience gains and losses on defined benefit obligations	(160,000)	(600,000)
Estimated benefits paid	(200,000)	(150,000)
Past Service Cost	0	0
Defined benefit obligations at the end of period	**10,940,000**	**10,440,000**

Changes in fair value of plan assets

	31 July 2018 £	*31 July 2017* £
Fair value of plan assets at start of period	6,840,000	6,140,000
Interest on plan assets	180,000	150,000
Return on plan assets	540,000	280,000
Employer contributions	340,000	320,000
Contributions by scheme participants	100,000	100,000
Estimated benefits paid	(200,000)	(150,000)
Fair value of plan assets at end of period	**7,800,000**	**6,840,000**

22. RELATED PARTY TRANSACTIONS

Due to the nature of the College's operations and the composition of the Corporation (being drawn from local public and private sector organisations) it is inevitable that transactions may take place with organisations in which a member of the Corporation may have an interest. All transactions involving organisations in which the member of the Corporation may have an interest are conducted in accordance with the College's financial regulations and normal procurement procedures.

No expenses were paid to Governors to cover travel costs to training/conference events during the year. In 2017 £342.61 was paid.

No Governor has received any remuneration or waived payments from the College during the year (2017: None).

Transactions with the ESFA are detailed in note 2.

23. AMOUNTS DISPURSED AS AGENT

Discretionary Support Funds	***Year ended 31 July 2018*** **£**	***Year ended 31 July 2017*** **£**
EFA and SFA grants - hardship funds	227,850	216,731
Disbursed to Students	173,621	206,090
Administration Costs	10,633	10,461
Balance unspent as at 31 July	**43,596**	**180**

Funding Council grants are available solely for students; the College acts only as a paying agent. The grants and related disbursements are therefore excluded from the Income and Expenditure Account.