Barton Peveril
Sixth Form College

Annual Report and Financial Statements
for the year ending 31st July 2020

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Reference and Administrative Details

Board of Governors

Karen Everett
David Blenkarn
Jonathan Prest
Andrew Adams
Guy Ashton
Peter Boote
Alice Cox
Lisa Croke
Keith Evans
Puren Gedikoglu Savas
Alan Glaze
Keith House
Andrew Jackman
Debbie Knight
Bea Myers
Sarah Peacock
David Robinson
Luke Shearing
Don Spalinger
Callum Watson

Clerk

Joan Miles

Senior Leadership Team

Jonathan Prest	Principal and CEO; Accounting officer
Matthew Chart	Vice Principal (Finance and Resources)
Mandy Wood	Vice Principal (Quality and Teacher Development)
Rob Temple	Vice Principal (Curriculum and Community)
Nicola Carcone	Vice Principal (Students and Progress)
Zoe Smallman	Vice Principal (Quality - to August 2020)

Professional advisers

Financial statements auditors and reporting accountants:
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Internal auditors:
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Solicitors:
Warner Goodman LLP
8 College Place
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Barton Peveril Sixth Form College 2019-20

Barton Peveril Sixth Form College has continued to thrive in 2019-20 despite the obvious challenges provided by the Covid-19 crisis. The College was exceptionally well-placed to move to online learning when lockdown was imposed. Investment in relevant technology in recent years and some additional training for staff means that we could seamlessly move to live online sessions for all teaching classes.

Despite the ongoing implications of the Covid-19 crisis to the way we work, we look forward with enthusiasm and confidence to the opportunities and challenges that lie ahead. Current indications are that we remain a very strong player in the local educational sector - our outstanding results, excellent financial position and ever-growing popularity are testament to a thriving and developing organisation.

Jonathan Prest

Principal

In what is a competitive marketplace and despite continuing financial pressures brought about by current levels of funding, we continue to deliver excellent provision for the growing number of local students who are choosing Barton Peveril College as their first choice for sixth form education in the region. 2019-20 was the seventh consecutive year of growth in student numbers – a near 40% rise over that period. Our strategy to focus on local 16-18 year-old students and in providing them with an outstanding education is really paying off.

In 2018 we achieved our best ever results and we bettered that in 2019 with pass rates at A level and Level 3 Vocational courses for students finishing in 2019 at 99% and 100% respectively. We increased our high-grade rates at A level and rose further up the Value Added scale. We truly are delivering on our Strategic Plan - *To ensure student outcomes at Barton Peveril consistently match or better those of schools and colleges in the top quartile nationally.* The unprecedented approach to awarding grades in summer 2020 created a difficult and onerous task for the College in dealing with the turmoil around the Government's initial application of a flawed algorithm followed by a U-turn. However, the outcome is that our students achieved the best set of results ever - though it must be noted that some individual students were not best served by this new process.

As this report shows, we are in excellent financial health. We have responded positively and quickly to funding pressures and have continued our pursuit of income generating opportunities outside of our core public funding - though this has been significantly affected by the Covid-19 crisis.

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 contributed to students securing excellent progression outcomes in 2020.

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.

Governance

The College continues to be expertly served by an outstanding body of governors. The Chair brings considerable commercial experience from the charitable sector – important 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

It is difficult to make comparisons between the outcomes of our students this year and those in previous years given the method with which results were calculated this year. However, we are generally pleased that most of our students achieved the outcomes which they deserved and were able to progress to the destinations to which they aspired.

We should perhaps reflect that the College's results in recent years have been good and getting better. For thirteen consecutive years the A level pass rate has been between 98% and 98.9% and in 2019 we finally cleared the 99% hurdle with students achieving a pass rate of 99.2%. The pass rate of students taking vocational qualifications at the end of their time with us in 2019 matched the remarkable 2018 figure of 100%. We fully expected our 2020 cohort to match or exceed these outcomes.

The majority of our 18 year-old leavers progress on to university courses or on to our own range of Level 4 courses. In October 2019 75% of our 2018 leavers had progressed to one of these destinations. 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

2019-20 was the seventh consecutive year of growth in student numbers for the College. A period of demographic decline reached its lowest point for the 2019 intake of students and the College registered growth of 3.0% that year. The College has now grown by more than 40% in that period. It is clear that the College's 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 2018-19 the College invested £1.3M of its own reserves in the construction of an extension to our Science Centre. The addition of three new laboratories and three additional classrooms, including a specialist electronics room has brought the Science Centre up to the size envisaged when the first phase was completed in 2015. This will enable us to accommodate the growing proportion of students who are inspired to follow science based A level and vocational courses.

In 2019-20 the College made more minor improvements and adjustments to some of its accommodation, to provide a bigger and better home for its Social Sciences department and to provide more appropriate accommodation for the Learning Support department - thereby better

catering for a growing number of students with more significant physical and learning needs that choose to study with us.

The College has committed to renovating the Rose Theatre and will complete this work over the coming year. This will provide a more flexible space for the day-to-day needs of the Performing Art department, a modern and higher-capacity auditorium for large scale presentation events and a professional theatre environment for external hire.

Students regularly report that the quality of the facilities within the campus are a major element in their choice to study at Barton Peveril.

Financial Context

As the Financial Statements presented here demonstrate, the College has managed its business to successfully deliver a good surplus in 2019-20 despite the considerable pressures on funding over the past eight years and the accounting effect of the pension liability. The College has been diligent and proactive in ensuring its staffing resources are managed to meet the demands and needs of our students.

The funding mechanism which provides a fixed income per student generally makes no provision for pay rises, incremental rises and increases in National Insurance and pension contributions, although recent TPA pension increases have received some national funding. These elements have added pressure to the College's ongoing financial position – and it is not yet clear whether the sixth form college sector will be treated in the same way as other sectors of the educational world by the Government when it provides funding to cover some of these additional costs in the future.
The College welcomes the rise in the per student funding rate for the coming year and works closely with its national sector representative body, the Sixth Form College Association (SFCA) to lobby Government for improvements in the funding regime for 16-18 year-olds.

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 is arguably the strongest player in the field with its growing student population and reputation for excellence. The local demographic dip in the student population has passed its nadir. The College's remarkable ability to grow throughout the decline in student numbers stands us in good stead now to benefit from this local growth - and early indications for 2020-21 are that we have had our most successful year ever in terms of increased student numbers.

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.

The Covid Impact

The College has, of course, been impacted by the Covid-19 crisis. Primarily this has been felt in the disruption to students' learning and the effect of the summer exam results scenario. The College Staff delivered a magnificent and brilliant effort in moving almost seamlessly to online learning to support our students when lockdown was implemented in March 2020. On top of this has been the enormous task of ensuring the College has been transformed into a Covid-secure environment as staff have returned to work and students to their learning.

Financially the College has benefitted from the ongoing commitment from the ESFA to continue funding us according to the agreed payment profile. Other streams of income were curtailed but balanced by reductions in costs associated with operations that did not need to go ahead. This ensured there was no negative impact on the overall surplus for the year (prior to the pension adjustments) when compared with previous forecasts.

Strategic Report

OBJECTIVES AND STRATEGY

The Corporation of Barton Peveril Sixth Form College presents its annual report together with the financial statements and auditor's report for the year ended 31 July 2020.

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 ensure student outcomes at Barton Peveril consistently match or better those of schools and colleges in the top quartile nationally (revised December 2018).

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 provide 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.

With a mission and values focused on teaching and learning and development there was no need to move away from these aspirations. Indeed it could be argued that the pandemic makes this focus even more important and there are no plans to fundamentally change this approach.

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.

People

On 31st August 2020 the College employed 293 people (238.4 expressed as full-time equivalents), of whom 154 are teaching staff. These figures exclude invigilators.

The College enrolled 3577 students in 2019-20 – a 3.2% increase on the previous year.

Financial

The College has £7.02M of net assets after deducting a £7.77M pension liability and long term debt, represented by a bank loan, of £5.15M. Cash and cash equivalents at the end of the year totalled £4.28M.

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 College won the Sixth Form Colleges Association (SFCA) Award for Independent Learning in June 2019 and further successes in competitions and awards in 2019-2020 has added to the College's growing national reputation as a centre of excellence. Barton Peveril Sixth Form College was named Edufuturist College of the Year 2020 and our IT manager, Peter Horner, became one of a select national group of Google Innovators – all in recognition of the excellent practice we have developed in digital learning. In addition, we appeared on the Edtech 50 list – the top 50 people, products and projects that are invigorating teaching and learning in schools across the UK. We have been shortlisted for the 'Outstanding use of Technology in Improving Teaching Learning and Assessment' 2020 and our Learning Support Teacher, Laura Stephens, has achieved at least Silver (and possibly Gold – to be announced in Feb 2021) in the Pearson Digital Innovator of the Year category.

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 (past and present) and their parents; the ESFA; Staff; Eastleigh Borough Council; Hampshire County Council; local Schools, including the ten secondary schools that form the Eastleigh Consortium plus about 30 others in the region; The Solent Local Enterprise Partnership; various Government Offices; the local community – various sport, drama and other interest groups who hire our facilities; other FE institutions – including Eastleigh College (the local GFE college) and other sixth form colleges that make up the Wessex Partnership of Sixth Form Colleges; local Universities – Southampton, Solent, Portsmouth, Winchester; Trade unions – UNISON, NEU, NASUWT; various 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.

Public Benefit

Barton Peveril Sixth Form College is an exempt charity under the Part 3 of the Charities Act 2011 and is regulated by the Secretary of State for Education. The members of the Governing Body, who are trustees of the charity, are disclosed on pages 18 to 20.

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
- Excellent progression routes beyond college
- Links with employers, industry and commerce
- Links with Local Enterprise Partnerships (LEPs)

DEVELOPMENT AND PERFORMANCE

Financial results

The College generated a healthy operating surplus in the year of £777k (4.78%). For 2018/19 there was a surplus of £1,060k (6.62%).

Whilst these are the results reported in the Financial Statements the underlying financial position, excluding the effect of the FRS102 Retirement Benefit adjustment, has been highlighted below. The Retirement Benefit Adjustments are provided by the funds actuaries based on the membership data of College staff and actuarial assumptions:

	31st July 2020 - £'000			31st July 2019 - £'000
	Statement of Comprehensive Income	FRS102 Retirement Benefit Adjustment	Excluding FRS 102	Excluding FRS 102
Income	16,239	0	16,239	16,005
Expenditure	(15,462)	509	14,953	14,445
Surplus for the year	**777**	**509**	**1,286**	**1,560**
Total Comprehensive Income for the year	**(2,056)**	**3,342**	**1,286**	**1,560**

The FRS102 Retirement Benefit Adjustment within 'Expenditure' includes a current service cost, net of employer contributions, of £416k (2018/19: £130k) and past service cost of nil (2018/19: £280k – this related to the in-year impact of McCloud/Sargeant judgements and effects of 'Guaranteed Minimum Pension (GMP) Indexation). The increase in current service cost is predominantly due to changes in actuarial assumption (due largely to the impact of COVID 19 on rates of return) and in particular the discount rate used which reduced by 36% on the previous years calculations – this will impact all public sector pension schemes.

The above past and current service costs total £416k (2018/19: £410k) and are included within Staff Costs. In addition there is a £93k pension finance cost (2018/19: £90k) included within Interest and Other Finance Costs. Together these two amounts represent the £509k (£416k in staff costs plus the £93k in interest costs) adjustment to expenditure within the Statement of Comprehensive Income.

The adjustment within the Total Comprehensive Income for the year of £3,342k is made up of the £509k (2018/19: £500k) charge to expenditure and a loss of £2,833k (2018/19: loss of £780k) in relation to an actuarial loss on the pension scheme. This loss is due to a reduction in market values used by actuaries at the accounting date and assumptions made impacting the overall scheme assets and liabilities – the most significant change in assumptions being a reduction in the discount rates used compared with the previous year. This is due largely to the impact of COVID-19.

Income has increased by £234k (1.46%) over the year made up of increased funding of £447k (3.06%) and a reduction in other operating income of £254k (19.51%). The increased funding is due largely to the increase in student numbers and also additional funding received from the ESFA to cover the increase in Teachers Pension Scheme employer contributions.

The fall in other operating income is due to the impact of COVID-19 which led to a significant reduction in catering, letting and trip income. However, these were balanced by various cost savings including a reduction in costs associated with operations that did not need to go ahead.

Expenditure overall (excluding the FRS102 pension adjustment) increased by £508k (3.52%). This was made up of an increase in staff costs of £492k (5.09%), excluding FRS102 pension adjustment, and a small increase in 'other expenditure' of £16k. A larger increase in 'other expenditure' was expected prior to the impact of COVID-19. The significant increase in staff costs is due largely to the increase in employers contribution to the Teachers Pension Scheme.

The College regards the generation of a healthy surplus 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.

Developments

The College's redevelopment involved tangible fixed asset additions during the year amounting to £313k.

Reserves

The College has accumulated reserves of £7,022k (2018/19: £9,078k). Excluding the impact of FRS102 Retirement Benefit adjustments reserves would total £14,784k (2018/19: £13,498k).

Sources of Income

The College has significant reliance on the ESFA for its principal funding source, largely from recurrent grants. In 2019/20 the Funding Agencies provided 93% (2018/19: 91%) of the College's total income. The small increase on the previous year is due largely to COVID 19 and the reduction to 'other income' lines.

Future Developments

In September 2019 the College's new £1.4M extension to the Science Centre came on stream to enable it to accommodate the growing number of students who are choosing to follow STEM subject programmes at the College.

During 2019-20 the College undertook minor redevelopments within existing buildings to provide a new, bigger home for the Social Sciences Department in the Mountbatten Building and to provide more suitable ground-floor accommodation for the Learning Support Department. This will provide a better experience for the growing number of students with significant learning and/or physical needs who are opting to study at the College.

The College is now working with its architects to develop a plan for a new building to create additional classrooms to accommodate the significant growth that has continued into 2020-21. Alongside this, the plans will consider options for redeveloping the College's least effective teaching accommodation in the Chestnut Building.

The College still believes that on-site teaching and learning, rather than online, remote delivery, is what we expect to return to in due course. Its plans for this new accommodation support this aspiration.

Financial Plan

The Corporation approved a two year financial forecast in July 2020 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

During the year there was a net cash inflow of £1,391k (2018/19: £174k). The cash balance at the year end was £4,276k (2018/19: £2,885k). Based on budgets and forecasts, cash balances are expected to remain strong over the coming year despite the impact of COVID-19.

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 cashflow.

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 part of its regular monitoring of finances and in order to ensure the ongoing financial stability of the College, the Senior Leadership Team and the Finance and Employment Committee of the Corporation regularly review the management accounts and financial indicators. These will include, amongst others, all elements of the Net Current Assets.

The Corporation has set a target for the College to deliver a surplus of 3-6% of income each year. It is the Corporation's intention to increase reserves over the life of the strategic plan through the generation of annual operating surpluses and for these to be used appropriately, in balancing the continued investment required to help develop and maintain the estate whilst maintaining sufficient levels of working capital.

- As at 31st July 2020 total unrestricted reserves stand at £7,022k (2018/19: £9,078k)
- This total is made up of the Income & Expenditure Reserve (£5,596k) and Revaluation Reserve (£1,426k).

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 or circumstances that arise during the course of the year. In 2019-20 the group considered the following areas in detail: cyber security, examinations, Brexit, staffing; Prevent; the climate change emergency; and, of course, Covid.

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. Maximising ESFA funding opportunities

The College has considerable reliance on continued government funding through the Funding Agencies. Typically around 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
- Unknown impact of Covid on the national economy

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. 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

3. Maintaining operational continuity of critical servers, network devices and 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
- A gradual move of systems to the cloud
- 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

4. Ensuring the ability to recruit and retain staff of the required experience and expertise

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 College's Strategic Plan 2018-2021 sets the following performance indicators. The table indicates progress as at September 2019. The KPI outcomes have not been updated to 2020 outcomes due to a number of reasons. The 2020 outcomes for KPIs 1 and 2 are not comparable to previous years as they are based on the Centre Assessment Grade system used by Ofqual to determine grades for those students who, due to the Covid-19 crisis, were not able to take their exams in summer 2020. The Covid-19 lockdown also meant that we did not undertake the independent learning survey this year. KPI4 and KPI5 outcomes are not yet known - they will become clear later in the year as the data becomes available.

Performance Indicators	**Position as at Aug 2018**	**Target 2021**	**Position as at Sept 2019**
KPI 1: ALPS grade for (a) A level and (b) Vocational (measured end August)	(a) 3 (b) 2	(a) 1-3 (b) 1-3	(a) 3 (b) 3[1]/5[2]
KPI 2: ALPS performance of males at A Level (measured end August)	5	3	4
KPI 3: % of A level students reporting 4 hours of independent learning per A Level subject (measured Spring term)	15%	40%	21.8%
KPI 4: % of level 3 leavers at university 1 year after leaving college (Annual Destinations survey January)	75.6%	77%	75.5%
KPI 5: level 3 leaver destinations a) % response from cohort b) of these,% in positive destination (=HE/ employment &/or training (Annual Destinations survey January)	a) 93.5% [2] b) 96.9%	a) 94% [2] b) 98%	a)91.7%[3] b)99.6%

[1] For 2010 specifications
[2] For 2016 specifications
[3] As of 22/11/2019

The Corporation set and monitor a series of Financial Performance Indicators. These are shown in the following table along with the July 2020 outcomes.

Financial Performance Indicator	**Target**	**Actual for 2019-20**
Cash days in hand	45 - 60	97.41
Adjusted Current Ratio	1.5 – 2.5	3.26
Surplus – exc. FRS102 pension adj.	3% - 6%	8.03%
Pay expenditure as % of Income	60% - 65%	63.53%
Pay expenditure as % of Recurrent Grant	69% - 73%	72.64%
EBITDA as % of Income	N/A	13.63%
Borrowing as % of Income	N/A	34.36%

Student achievements

Students continue to prosper at the College. Achievement rates were high in 2018-19 with pass rates for leavers of 99.2% at A level, and 100% for Level 3 vocational courses. The Centre Assessment Grading system used by Ofqual in 2020 means that the outcomes for this year are not comparable with previous years. Nevertheless, outcomes overall were better than in 2018-19.

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 2019 to 31 July 2020, the College paid 93% of its invoices within 30 days from the invoice date. The College incurred no interest charges in respect of late payment for this period.

OTHER INFORMATION

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.

The College is committed to the health and wellbeing of staff. The College supports a number of staff activities that promote health and wellbeing such as yoga, circuits, staff choir, book club. The Education Support Partnership offers a free and confidential helpline to all staff working in Education, which is promoted to all staff in College. This helpline is particularly helpful for those staff who would benefit from specialist counselling and information.

Long term sickness absence is managed with support mechanisms such as phased return, reasonable adjustments, or a referral to Occupational Health. Staff are referred to appropriate specialists where health concerns are impacting on attendance or performance at work.

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 provides full details. 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 who were employed in the relevant period	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	£358
Total pay bill	£10,336,371
Percentage of total bill spent on facility time	0.0035%

Time spent on paid trade union activities as a percentage of total paid facility time	0%

Going concern

After making appropriate enquiries, the Corporation considers that the College has adequate resources to continue in operational existence for the foreseeable future. The College's financial internal targets and bank covenants have been met for 2019-20. They continue to be met for 2020-21 and 2021-22 per the College's financial budgets and forecasts which incorporate realistic allowances for COVID-19. Current and forecast cash balances also remain strong over this period. For this reason, the Corporation continues to adopt the going concern basis in preparing the financial statements.

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 7th December 2020 and signed on its behalf by:

..... **Karen Everett** **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 2019 to 31st July 2020 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 Code, and it has complied throughout the year ended 31 July 2020.

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 2019-2020

Name	Date of appointment	Term of Office	Date of departure	Status of appointment	Committees served during the period	Attendance 2019-20
Mrs Karen Everett Vice Chair of Corporation from Dec 2014 Chair from Mar 2019	Mar 2010 Re-appointed Mar 2014 Mar 2018	4 years 4 years 4 years		Corporation Member	Finance and Employment (Chair from Nov 2013 to Nov 2019); Search and Governance (Chair from Mar 2019)	100%
Mr David Blenkarn Chair of Corporation from Mar 2017 Vice Chair from Mar 2019	Mar 2015 Re-appointed Mar 2019	4 years		Corporation Member	Finance and Employment to Mar 2019 Search and Governance (from March 2016) (Chair to Mar 2019) Standards, Curriculum and Learning from Mar 2019	67%

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%
Mr Guy Ashton	Mar 2017	4 years		Corporation Member	Finance and Employment (Chair from Nov 2019)	100%
Mr Peter Boote	Jul 2010 Re-appointed Jul 2014 Jul 2018	4 years 4 years 4 years		Corporation Member	Audit (Chair from Nov 2013 to Jun 2020)	67%
Miss Alice Cox	Dec 2019	2 years		Student Member	Standards, Curriculum and Learning	33%
Ms L Croke	Sep 2019	4 years		Corporation Member	Standards, Curriculum and Learning	67%
Ms Karen Dagwell	Sep 2015	4 years	Aug 2019	Corporation Member	Standards, Curriculum and Learning	67%
Cllr K Evans	Dec 2018	4 years	Resigned Jul 2020	Corporation Member	Audit	33%
Mrs Colette Fletcher (nee Cherry)	Jul 2017	4 years	Resigned Aug 2019	Corporation Member	Audit to Dec 2018 Finance and Employment from Dec 2018	67%
Mrs Puren Gedikoglu Savas	Dec 2017	3 years		Parent Member	Standards, Curriculum and Learning	67%
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	Finance and Employment	33%
Mr Andrew Jackman	Oct 2012 Re-appointed Oct 2016 Re-appointed Oct 2020	4 years 4 years 4 years		Corporation Member	Audit (Chair from Jun 2020); Search and Governance	100%

Miss Jessica Jeffery	Dec 2018	1 year		Student Member	Standards, Curriculum and Learning	67%
Miss Debbie Knight	Dec 2014 Re-appointed Dec 2017	3 years 4 years		Corporation Member	Standards, Curriculum and Learning (Chair from Jun 2017)	67%
Mr Daniel Mosaddeghi	Dec 2017	2 years	Resigned Nov 2018	Student Member	Standards, Curriculum and Learning	n/a
Dr Bea Myers	Dec 2019	4 years		Corporation Member	Finance and Employment	33%
Miss Sarah Peacock	Dec 2017	4 years		Corporation Member	Finance and Employment	33%
Dr David Robinson	Mar 2013 Re-appointed Mar 2017	4 years		Corporation Member	Audit Standards, Curriculum and Learning	100%
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%
Mr Callum Watson	Dec 2018	2 years	July 2020	Student Member	Standards, Curriculum and Learning	33%
Overall average attendance						68%
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 Corporation Self-Assessment took place in the summer of 2018.

The process involves anonymous questionnaires to be completed electronically 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 were discussed in the Autumn term. Overall, opinions were very positive and members were confident that the Corporation fulfils its responsibilities within the legal framework; is effective at setting the Mission and Vision of the College and provides close scrutiny of performance. Committees are well-chaired, led and run.

The next Self Assessment exercise was due to take place in the summer of 2020 but has been delayed due to the Covid-19 pandemic.

Finance and Employment Committee

Throughout the year ending 31 July 2020, 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 2020 are set out in note 7 to 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 2020 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 2020 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.

The Audit Committee provides the Corporation with an annual report of the work of the Audit Committee, in which it outlines the work of the Committee in that year. This includes the areas that have been subject to internal audit reviews and any significant outcomes that have been addressed. The Audit Committee believes the Corporation has effective internal controls in place.

In 2019-20 the following areas were audited with the outcomes shown in brackets:

- Student Transport (Reasonable Assurance)
- Business Continuity Planning (Reasonable Assurance)
- Offsite Activities (Substantial Assurance)
- Procurement (Reasonable Assurance)

All the audits were carried out prior to the Covid-19 lockdown and reported on during the year.

Review of effectiveness

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

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

The Accounting Officer has been advised on the implications of the result of their 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 2020 meeting, the Corporation carried out the annual assessment for the year ended 31 July 2020 by considering documentation from the senior leadership team and internal audit, and taking account of events since 31 July 2019.

During the Coronavirus lockdown period from March 2020 all Corporation and Committee meetings were held on-line. All meetings were quorate and all the business of the Corporation was undertaken without any issues. The Corporation meetings have been paperless for some time and so there were no issues with the dispatching of papers.

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*".

Approved by order of the members of the Corporation on 7th December 2020 and signed on its behalf by:

Signed....K Everett.....

Karen Everett

Chair

Signed.....

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 unable 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.....

Karen Everett
Chair

Signed.....

Jonathan Prest
Accounting Officer

Statement of Responsibilities of the Members of the Corporation

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

Within the terms and conditions of the College's grant funding agreements and contracts with 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 2019 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
- Assess whether the Corporation is a going concern, noting the key supporting assumptions qualifications or mitigating actions as appropriate
- 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 and any other public funds are used only in accordance with the ESFA's grant funding agreements and contracts and any other conditions that may be prescribed from time to time by the ESFA or any other public funder. Members of the Corporation must ensure that there are appropriate financial and management controls in place to safeguard public and other funds and ensure they are used properly. In addition, members of the Corporation are responsible for securing economical, efficient and effective management of the Corporation's resources and expenditure, so that the benefits that should be derived from the application of public funds from the ESFA and other public bodies are not put at risk.

Approved by order of the members of the Corporation on 7th December 2020 and signed on its behalf by:

Signed.....K Everett..... **Karen Everett, 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 2020 which comprise the Statement of Comprehensive Income, the Statement of Changes in Reserves, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice) and the 2019 Statement of Recommended Practice: Accounting for Further and Higher Education.

In our opinion, the financial statements:

- give a true and fair view of the state of the College's affairs as at 31 July 2020 and of the College's deficit of expenditure over income for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Basis for opinion

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

Conclusions relating to going concern

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 have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company'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 are responsible for the other information. The other information comprises the information included in 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 returns adequate for our audit have not been received from branches not visited by us; 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 Members of the Corporation set out on page 27, 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 are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Corporation either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of the audit report

This report is made solely to the Corporation as a body in accordance with Article 22 of the College's Articles of Government. Our audit work has been undertaken so that we might state to the Corporation 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.

Mazars

Mazars LLP

Chartered Accountants and Statutory Auditor

5th Floor Merck House
Seldown Lane,
Poole,
Dorset,
BH15 1TW

Date 19 January 2021

Independent Reporting Accountant's Assurance Report on Regularity to Barton Peveril Sixth Form College and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 7 September 2020 and further to the requirements and conditions of funding in the Education & Skills Funding Agency's (ESFA) grant funding agreements and contracts, or those of any other public funder, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects the expenditure disbursed and income received by Barton Peveril Sixth Form College during the period 1 August 2019 to 31 July 2020 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 ESFA. In line with this framework, our work has specifically not considered income received from the main funding grants generated through the Individualised Learner Record data returns, for which ESFA has other assurance arrangements in place.

This report is made solely to the corporation of Barton Peveril Sixth Form College and ESFA 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 ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept, or assume, responsibility to anyone other than the corporation of Barton Peveril Sixth Form College and ESFA for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Barton Peveril Sixth Form College's Accounting Officer 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 2019 to 31 July 2020 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 ESFA. We performed a limited assurance engagement as defined in that framework.

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity of the 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 ESFA/ funding agreement with the ESFA.
- 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.
- 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 2019 to 31 July 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Mazars

Mazars LLP

Date 19 January 2021

Barton Peveril Sixth Form College

Statement of Comprehensive Income

	Notes	Year ended 31 July 2020 £'000	*Restated* Year ended 31 July 2019 £'000
INCOME			
Funding body grants	2	15,078	14,631
Tuition fees and education contracts	3	63	63
Other grants and contracts	4	42	-
Other operating income	5	1,048	1,302
Investment income	6	8	9
Total income		**16,239**	**16,005**
EXPENDITURE			
Staff costs	7	10,592	10,094
Other operating expenses	8	3,651	3,663
Depreciation	11	994	949
Interest and other finance costs	9	225	239
Total expenditure		**15,462**	**14,945**
Surplus before other gains and losses		**777**	**1,060**
Surplus before tax		**777**	**1,060**
Taxation	10	-	-
Surplus for the year		**777**	**1,060**
Actuarial (loss) in respect of pension scheme	22	(2,833)	(780)
Total comprehensive income for the year		**(2,056)**	**280**
Represented by:			
Restricted comprehensive income		-	-
Unrestricted comprehensive income		(2,056)	280
		(2,056)	**280**

Barton Peveril Sixth Form College

Statement of Changes in Reserves

	Income and expenditure account £'000	Revaluation Reserves £'000	Total £'000
Balance as at 31st July 2018	7,247	1,551	8,798
Surplus from income and expenditure account	1,060	-	1,060
Other comprehensive income	(780)	-	(780)
Transfers between revaluation and income and expenditure reserves	56	(56)	-
	336	(56)	280
Balance as at 31st July 2019	7,583	1,495	9,078
Surplus from income and expenditure account	777	-	777
Other comprehensive income	(2,833)	-	(2,833)
Transfers between revaluation and income and expenditure reserves	69	(69)	-
Total comprehensive income	(1,987)	(69)	(2,056)
Balance as at 31st July 2020	5,596	1,426	7,022

Barton Peveril Sixth Form College

Balance Sheets as at 31 July 2020

	Notes	2020 £'000	2019 £'000
Non-Current Assets			
Tangible assets	11	21,593	22,274
		21,593	**22,274**
Current Assets			
Stock		41	52
Debtors	12	225	174
Cash and cash equivalents		4,276	2,885
		4,542	**3,111**
Creditors - amounts falling due within one year	13	(1,606)	(1,567)
Net current assets		**2,936**	**1,544**
Total assets less current liabilities		**24,529**	**23,818**
Creditors - amounts falling due after more than one year	14	(9,745)	(10,320)
Provisions			
Net pension liability	16	(7,762)	(4,420)
Total net assets		**7,022**	**9,078**
Unrestricted Reserves			
Income and Expenditure account including pension reserve		5,596	7,583
Revaluation reserve		1,426	1,495
Total unrestricted reserves		**7,022**	**9,078**

The financial statements on pages 33 to 51 were approved and authorised for issue by the Corporation on 7th December 2020 and signed on its behalf on that date by:

K Everett

Chair of Corporation

J Prest

Accounting Officer

Barton Peveril Sixth Form College

Statement of Cash Flows

	Notes	2020 £'000	2019 £'000
Cash flow from operating activities			
Surplus for the year		777	1,060
Adjustments for non-cash items			
Depreciation		994	949
Decrease/(Increase) in stock		11	(29)
(Increase) in debtors		(51)	(24)
Increase/(Decrease) in creditors due within one year		39	(143)
(Decrease) in creditors due after one year		(220)	(214)
Pension cost less contributions payable		509	500
Adjustment for investing or financing activities			
Interest receivable		(8)	(9)
Interest payable		132	149
Net cash flow from operating activities		**2,183**	**2,239**
Cash flows from investing activities			
Interest received		8	9
Payments to acquire tangible fixed assets		(313)	(1,570)
		(305)	**(1,561)**
Cash flows from financing activities			
Interest paid		(132)	(149)
Repayment of amounts borrowed		(355)	(355)
		(487)	**(504)**
Increase in cash and cash equivalents in the year		**1,391**	**174**
Cash and cash equivalents at beginning of the year		2,885	2,711
Cash and cash equivalents at end of the year		4,276	2,885
Increase in cash and cash equivalents in the year		**1,391**	**174**

Barton Peveril Sixth Form College

Notes to the Accounts

1. Statement of accounting policies and estimation techniques

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

Basis of Preparation

These financial statements have been prepared in accordance with the *Statement of Recommended Practice: Accounting in Further and Higher Education 2019 (the 2019 FE HE SORP), the College Accounts Direction for 2019-20* and in accordance with Financial Reporting Standard 102 - *"The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland"* (FRS 102). The College is a public benefit entity and has therefore applied the relevant public 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 £5,503k of loans outstanding with bankers on terms negotiated in 2015. The terms of the existing agreement are for another 15 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. Consideration has been given to COVID-19 and the financial impact which has been built into future budgets and forecasts.

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. 16-18 funding is not 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.

Agency Arrangements

The College acts as an agent in the collection and payment of Discretionary Support Funds.

Related payments received from the funding bodies and subsequent disbursements to students are excluded from the income and expenditure account and are shown separately in note 24, 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 members of staff dedicated to the administration of the Discretionary Support Fund applications and payments.

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 fair 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.

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.

Judgements in applying accounting policies and key sources of estimation uncertainty

Judgements in applying accounting policies

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 22 will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions at 31 July 2020. 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 2020 £'000	Year ended 31 July 2019 £'000
Recurrent grants		
Education & Skills Funding Agency – 16 to 18	14,630	14,221
Specific grants		
Releases of government capital grants	221	214
Devolved capital grant	88	81
Free School Meals	26	28
High Needs Support via LA	113	87
Total	**15,078**	**14,631**

3. Tuition fees and education contracts

	Year ended 31 July 2020 £'000	*Restated* Year ended 31 July 2019 £'000
Full cost fees	60	63
Fees for FE loan supported courses	3	-
Total	**63**	**63**

Full cost fees for 31st July 2019 have been restated from £0 to £63k. These fees had previously been shown in 'other operating income'

4. Other grants and contracts

	Year ended 31 July 2020 £'000	Year ended 31 July 2019 £'000
Coronavirus Job Retention Scheme Grant	42	-
	42	**-**

5. Other operating income

	Year ended 31 July 2020 £'000	*Restated* Year ended 31 July 2019 £'000
Lettings	55	52
Shop sales / sale of equipment and books	80	74
Fees and charges	218	249
Catering Income	442	614
Other income	253	313
Total	**1,048**	**1,302**

Fees and Charges for 31st July 2019 have been restated from £312k to £249k. This is due to re-classification of amounts to Tuition Fees as set out in note 3 above

6. Investment income

	Year ended 31 July 2020	*Year ended 31 July 2019*
	£'000	£'000
Interest receivable	8	9
Total	**8**	**9**

7. Staff Costs

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

	2020	*Restated* 2019
	No.	No.
Teaching Staff	157	161
Non Teaching Staff	157	152
	314	**313**

2019 figures had previously been disclosed correctly as full-time equivalents, in accordance with the Accounts Direction 2018-19. The Accounts Direction 2019-20 requires average headcount numbers.

Staff costs for the above persons:

	2020	2019
	£'000	£'000
Wages and salaries	7,766	7,688
Social security costs	727	693
Other pension costs (including FRS 102 Sec 28 adjustments 2020 -£416k 2019 -£410k)	2,028	1,638
Payroll sub total	**10,521**	**10,019**
Contracted out staffing services	71	75
Total Staff costs	**10,592**	**10,094**

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

	2020	2019
	No.	No.
Number of Key Management Personnel including the Accounting Officer was	6	7[1]

[1]Assistant Principal, Quality was appointed from 11 June 2018 to 3rd June 2019 as maternity cover for the Vice Principal, Quality.

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	
	2020 No.	2019 No.
£20,001 to £30,000	-	1
£40,001 to £50,000	1	1
£60,001 to £70,000	2	2
£70,001 to £80,000	2	2
£120,001 to £160,000	1	1
	6	**7**

Key management personnel compensation is made up as follows:

	2020 £'000	2019 £'000
Salaries	459	470
Pension contributions	105	78
Total key management personnel compensation	**564**	**548**

There were no amounts due to key management personnel that were waived in the year, nor any salary sacrifice arrangements in place. The above emoluments include amounts payable to the Accounting Officer (who is the highest paid senior post-holder) of:

	2020 £'000	2019 £'000
Salaries	136	132
Pension Contributions	30	22
Total emoluments	**166**	**154**

The remuneration package of key management staff, including the Principal/Chief Executive, is subject to annual review by the Remuneration Committee of the governing body who use benchmarking information to provide objective guidance. The Principal/Chief Executive reports to the Chair of Governors, who undertakes an annual review of his performance against the college's overall objectives using both qualitative and quantitative measures of performance. 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.

Relationship of Principal/Chief Executive pay and remuneration expressed as a multiple:

	2020 £'000	2019 £'000
Principal/Chief Executive basic salary as a multiple of the median of all staff	3.9	3.9
Principal/Chief Executive total remuneration as a multiple of the median of all staff	4.1	3.9

8. Other Operating Expenses	2020 £'000	2019 £'000
Teaching costs	1,348	1,391
Non teaching costs	1,540	1,586
Premises costs	763	686
	3,651	**3,663**

Other operating costs include:	2020 £'000	2019 £'000
Auditors' remuneration		
- Financial statements audit	16	15
- Internal audit	7	9
- Other services provided by Financial statements auditor	-	2
Operating leases	50	54

9. Interest payable and other finance costs	2020 £'000	2019 £'000
On bank loans, overdrafts and other loans, repayable wholly or partly in more than five years.	132	149
Pension finance costs (note 22)	93	90
	225	**239**

10. Taxation

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

11. Tangible fixed assets

	Land and Buildings			
	Under construction £'000	Freehold £'000	Equipment £'000	Total £'000
Cost or valuation				
At 1 August 2019	-	31,948	3,665	35,613
Additions	28	285	-	313
Disposals	-	(388)	(2,099)	(2,487)
At 31 July 2020	**28**	**31,845**	**1,566**	**33,439**
Depreciation				
At 1 August 2019	-	10,489	2,850	13,339
Charge for period	-	865	129	994
Disposals	-	(388)	(2,099)	(2,487)
At 31 July 2020	**-**	**10,966**	**880**	**11,846**
Net book value at 31 July 2020	**28**	**20,879**	**686**	**21,593**
Net book value at 1 August 2019	-	21,459	815	22,274

Land and buildings inherited from the LEA at incorporation were 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 £4,811,228 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	£0
Aggregate depreciation based on cost	£0
Net book value based on cost	£0

12. Debtors

	2020 £'000	2019 £'000
Amounts falling due within one year:		
Trade receivables	1	13
Prepayments and other accrued income	214	161
Amounts owed by ESFA	10	-
Total	**225**	**174**

13. Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Bank loans and overdrafts	355	355
Payments received in advance	215	323
Trade payables	205	104
Other taxation and social security	190	187
Other creditors	345	289
Accruals	82	95
Deferred capital grants	214	214
	1,606	**1,567**

14. Creditors: amounts falling due after more than one year	2020 £'000	2019 £'000
Bank loans	5,148	5,503
Deferred capital grants	4,597	4,817
	9,745	**10,320**

15. Maturity of debt

Bank loans and overdrafts

Bank loans and overdrafts are repayable as follows:

	2020 £'000	*2019* £'000
In one year or less	355	355
Between one and two years	355	355
Between two and five years	1,065	1,065
In five years or more	3,728	4,083
Total	**5,503**	**5,858**

Bank loans totalling £5,502,500 repayable by instalments falling due between 1 August 2019 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.

16. Provisions	Defined benefit obligations £'000	Total £'000
At 1 August 2019	4,420	**4,420**
Expenditure in the period	(462)	**(462)**
Additions in the period	3,804	**3,804**
At 31 July 2020	**7,762**	**7,762**

Defined benefit obligations relate to the liabilities under the College's membership of the Local Government Pension Scheme. Further details are given in note 22.

17. Cash and cash equivalents

	1 August 2019 £'000	*Cash flows* £'000	*31 July 2020* £'000
Cash and cash equivalents	**2,885**	**1,391**	**4,276**

18. Capital commitments

As at the 31st July 2020 the College had capital commitments of £1,324k (2019 £0) with regard to the expected costs in developing the College's Rose Theatre.

19. Lease obligations

At 31 July 2020 the College had minimum lease payments under other non-cancellable operating leases as follows:

Future minimum lease payments due	2020 £'000	2019 £000's
Other		
Not later than one year	52	50
Later then one year and not later than five years	69	65
	121	**115**

20. Contingent liabilities
The College has no contingent liabilities.

21. Post balance sheet events
There have been no significant post balance sheet events.

22. 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	**2020 £'000**	**2019 £'000**
Teachers' Pension Scheme: contributions	1,158	830
Local Government Pension Scheme:		
Contributions Paid	454	398
FRS 102 (28) charge	416	410
Total Pension Cost for Year within staff costs	**2,028**	**1,638**

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuations of the TPS was 31 March 2016 and the LGPS 31 March 2019.

Teachers' Pension Scheme

The Teachers' Pension Scheme ("TPS") is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2014. These regulations apply to teachers in schools, colleges and other educational establishments.

Membership is automatic for teachers and lecturers at eligible institutions. Teachers and lecturers are able to opt out of the TPS.

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

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

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

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

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

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/19). The DfE agreed to pay a

teacher pension employer contribution grant to cover the additional costs during the 2019-20 academic year.

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

The pension costs paid to TPS in the year amounted to £1,157,695 (2019: £830,298).

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 2020 was 582,317 of which employers' contributions totalled £453,990 and employees' contributions totalled £128,327.

The agreed contribution rates for future years are 20.70% with a fixed payment of £29,004 per annum for employers and a range from 5.5% to 12.5% for employees, depending on salary.

Principal Actuarial Assumptions

	At 31 July 2020	At 31 July 2019
CPI Inflation	2.2%	2.2%
Rate of increase in salaries	3.2%	3.7%
Future pensions increases	2.2%	2.2%
Discount Rate for scheme liabilities	1.4%	2.2%

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

	At 31 July 2020 Years	At 31 July 2019 Years
Retiring today/current pensioners		
Males	23.0	23.1
Females	25.5	25.8
Retiring in 20 years/future pensioners		
Males	24.7	24.7
Females	27.2	27.6

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

	2020 £'000	2019 £'000
Equity instruments	5,125	5,213
Debt instruments	1,938	1,784
Property	568	624
Cash	149	165
Other	1,537	875
Total fair value of plan assets	**9,317**	**8,661**
Actual return on plan assets	**304**	**540**

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

	2020 £'000	2019 £'000
Fair value of plan assets	9,317	8,660
Present value of plan liabilities	(17,079)	(13,080)
Net pensions (liability)/asset (Note 16)	**(7,762)**	**(4,420)**

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

	2020 £'000	2019 £'000
Amounts included in staff costs		
Current Service cost	878	530
Past service cost	-	280
Total	**878**	**810**
Amounts included in investment income		
Net interest income	(93)	(90)
	(93)	**(90)**
Amount recognised in statement of other comprehensive income		
Return on pension plan assets	110	320
Losses arising on defined benefit obligations	(2,943)	(1,100)
Amount recognised in other comprehensive income	**(2,833)**	**(780)**

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

	2020 £'000	2019 £'000
Net defined benefit (liability)/asset in scheme at 1 August	(4,420)	(3,140)
Movement in year:		
Current service charge	(878)	(530)
Employer contributions	462	400
Past service cost	-	(280)
Net interest on the defined (liability)/asset	(93)	(90)
Actuarial gain or loss	(2,833)	(780)
Net defined benefit (liability)/asset in scheme at 31 July	**(7,762)**	**(4,420)**

Asset and Liability Reconciliation

	2020 £'000	2019 £'000
Changes in the present value of defined benefit obligations		
Defined benefit obligations at the start of period	13,080	10,940
Current Service Cost	878	530
Interest Cost	287	310
Contributions by scheme participants	130	110
Experience gains and losses on defined benefit obligations	2,943	1,100
Estimated benefits paid	(239)	(190)
Past Service Cost	-	280
Defined benefit obligations at the end of period	**17,079**	**13,080**

Changes in fair value of plan assets

Fair value of plan assets at start of period	8,660	7,800
Interest on plan assets	194	220
Return on plan assets	110	320
Employer contributions	462	400
Contributions by scheme participants	130	110
Estimated benefits paid	(239)	(190)
Fair value of plan assets at end of period	**9,317**	**8,660**

23. 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.

Expenses paid to Governors to cover travel costs incurred in attending Governor meetings and events during the year totalled £275 (2019: £nil)

No Governor has received any remuneration or waived payments from the College during the year (2019: £nil).

Transactions with the ESFA are detailed in note 2.

24. Amounts disbursed as agent

Discretionary Support Funds	**2020 £'000**	**2019 £'000**
ESFA grants - hardship funds	399	315
Disbursed to Students	(274)	(198)
Administration Costs	(11)	(11)
Balance unspent as at 31 July, included in creditors	**114**	**106**

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