Barton Peveril Sixth Form College

Annual Report and Financial Statements

For the Year Ended

31 July 2013

CONTENTS

Operating and Financial Review

NATURE, OBJECTIVES AND STRATEGIES:

The Corporation of Barton Peveril Sixth Form College has pleasure in presenting their report and the audited financial statements for the year ended 31 July 2013.

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 the Charities Act 2011.

MISSION & VALUES

Governors confirmed the College's mission and values during 2012-2013 as follows:

Barton Peveril Sixth Form College's Mission is to be a Centre of Excellence in post-16 education, adding value to our students' academic achievements and wider experiences.

Our Values

- We set high expectations of our students and want them all to fulfil their academic potential
- We prepare students for their futures whether at university, in employment or in their wider lives by developing skills such as self-reliance and resilience, creativity and imagination, problem solving and persistence, working with others, and communicating effectively
- We nurture the confidence and ambitions of all our students and praise and celebrate their efforts and commitment
- We provide challenging learning opportunities and inspiring teaching through investing in the teaching skills, subject interests and professional development of our staff
- We meet the individual needs of every one of our students and promote an environment of mutual respect and equal opportunities in a lively, purposeful, friendly, safe, inclusive and modern community
- We listen to our students and learn from them
- We cultivate a constructive, three way relationship with parents to help students achieve their full potential
- We work with partners in our community to provide the best opportunities for young people locally

Operating and Financial Review (continued)

IMPLEMENTATION OF STRATEGIC PLAN

In July 2012 the College agreed the strategic plan for the period 1 August 2012 to 31 July 2015. The Corporation monitors the performance of the College against this plan, which is reviewed and updated each year. The College's progress against its Key Performance Indicators (KPIs) is:

Progress Report July 2013: Strategic Objectives 2012-15

		Key Performance Indicator	**(NB: KPIs may relate to more than one Strategic Objective)**	**Status Quo**
Strategic Objective 1	Teaching and Learning to be 'outstanding'	KPI 1	Ofsted ' outstanding' teaching, learning and assessment at next inspection or in annual self-assessment report	Good
		KPI 2	Annual profile of lesson observations to reach 20%+ grade 1 and 85%+ grades 1 and 2	10% grade 1 75% grade 1 or 2
		KPI 3	AS / A2 / Vocational ALPS data in top quartile nationally ie grade 3 or above	AS 2nd quartile A2 top quartile Voc 4 2nd quartile

Progress Report:
KPI 1: Unable to comment at this time as the annual self-assessment has yet to be completed. A full report will be presented to the Standards Committee and the December Corporation meeting.

KPI 2: Current 2012-13 outcomes are: 14.7% Grade 1 lessons and 67.8% Grade 2, giving overall 82.5% Good and Outstanding rate.
This is generally good progress. We have improved the percentage of grade 1 lessons from the previous year but seen a fall in the percentage of grade 2 lessons. This is a result of moving some good performance into the outstanding category. The challenge now is to minimise the amount of Grade 3 teaching by moving it up into the good category through more differentiated staff development and peer observation.

KPI 3: In the summer 2012 exam series the ALPS outcomes were:
AS Grade 4 – 2nd quartile
A2 Grade 5 – 2nd quartile
Voc Grade 3 – Top quartile
This is a similar position to the previous year where we had one top quartile performer (A2) and two 2nd quartile performers (AS and Vocational). The challenge remains for us to achieve top quartile for all three elements in the same year – and then to sustain this achievement. Most of our staff development activity and the on-going development of schemes of learning are focused on improving achievement and, particularly, value added outcomes.

Operating and Financial Review (continued)

Strategic Objective 2	To nurture, retain and appoint the best staff through appropriate training, recognition and reward	KPI 4	Staff satisfaction survey shows improved scores on 2011. Series of Human Resources reports including Appraisal outcomes

Progress Report:

KPI 4: There have been no obvious indicators of staff dissatisfaction, such as grievances, or refusal to engage with management initiatives. However, there has been support for recent nationally focussed strike action, targeted at Government rather than the College as employer. Regular meetings with unions continue to be constructive, with agendas focused on how to move the College forward whilst ensuring staff workloads enable a clear focus on the quality of teaching and learning.

The absence rates are well below national benchmarks and show a general trend of falling year-on-year. Days lost on a year-by-year comparison are 2008/9 = 2071, 2009/10 = 1778, 2010/11 = 1206, 2011/12 = 1195 and for 2012/13 = 1330. However, it should be noted that two members of support staff had absences totalling 281 days in 2012/13 (166 and 115 respectively) so this has had an impact on the overall figures compared to previous years. This relates to an average of 3.4 days absence for teaching staff and 3.2 days of absence for support staff, compared to the national average for similar size public sector organisations of 6.76 days.

Appraisals have been successfully introduced, with constructive feedback from colleagues leading to further training and refinement of the process.

There is a general positivity amongst the majority of staff. The College continues to support staff requests to improve staff workroom facilities such as kitchenettes and personal PC access. During the summer of 2013, the College should also be close to achieving the aim of a computer for each member of staff in the workrooms and kitchenette in each workroom.

Strategic Objective 3	To work with our stakeholders (students, staff, parents, schools, HE, employers, community groups) to enhance our performance and the College profile for our mutual benefit	KPI 5	40% of students from our local partner schools choose BP as sixth form option	32%

Progress Report:

KPI 5: We have continued to increase the number of tailored year 10 taster events happening within the year. This year we have had the following schools attend our HE Fair: Thornden, Swanmore, Wildern, Hamble, Quilley and Brookfield. On top of this we have also put on a gifted and talented day for year 9 students from Kings College in Winchester, plus year 10 'looking Forward Days' for Mountbatten, Wildern, Hamble and Toynbee. These days involve Faculty focused taster lessons e.g separate Science, Art and Humanities days. The impact of this cannot really be assessed until after recruitment in early September, however, staff and students in these schools are seeing the College as very positive in comparison to our competitors.

Operating and Financial Review (continued)

Strategic Objective 4	To promote diversity in a community which is truly inclusive and committed to equal opportunities	KPI 6	Narrowing the gap between boys' and girls' success to 2% or less	5%

Progress Report:

KPI 6: In the summer 2012 exam series we marginally narrowed the gap from 5% to 4.6% but there is still clearly a way to go to achieve a gap of only 2% or less. In January 2013 we organised for an external trainer to come to the College and run a session on improving boy's achievement with sixty members of staff in targeted departments benefitting from this bespoke training.

Strategic Objective 5	Maintaining an outstanding educational experience for students both in and outside of the academic curriculum through promoting independence and resilience, health and wellbeing, life skills, pleasure and enthusiasm for learning, as well as readiness for Higher Education and employment.	KPI 7	Leavers' evaluation survey shows continued high levels of satisfaction with a) the enrichment offer, b) levels of participation	a)85% b)75%
		KPI 8	Maintain 66% of year 2 leavers progressing to Higher Education	66%

Progress Report:

KPI 7: In the 2012 leaver's survey 88.1% of students agreed or strongly agreed that the college has a good range of enrichment activities available to students. This maintains a three year run of this figure being above our aspiration of 85%. In terms of levels of participation, 77.8% of students reported that they had taken part in some element of the enrichment provision. This maintains a three year run of this figure being above our aspiration of 75%.

KPI 8: Feedback from Internal Quality Reviews and student survey work would indicate that the tutorial programme has been very effective at helping students keep focussed on educational goals, building resilience, planning for the future, as well as ensuring they are supported pastorally throughout the year.

In addition to the tutorial programme we have continued to run Enrichment, HE and Futures Fairs. The Futures Fair involves over 70 HE providers and local employers coming into the College to run workshops for all our current students.

The raw number of students applying to university has dropped slightly; however, as a proportion of the overall cohort it has remained the same at 63%. The general drop in numbers is not a great surprise, bearing in mind the increase in tuition fees and the fact that HE providers have had their numbers capped (year-on-year figures for comparison below).

Destination	2012	2011	2010	2009
Number of students going into HE	637	633	713	658
Percentage to HE	**63%**	**63%**	**66%**	**70%**

Operating and Financial Review (continued)

To help ensure we provide the best careers advice, work experience opportunities and destinations service, we have enhanced the Careers team with a full time Careers Manager from September 2013. They will be based in the Careers and Wellbeing centre and report directly to the Assistant Principal (Students).

Strategic Objective 6	To maintain our excellent business, governance and leadership functions and focus them on enhancing teaching and learning	KPI 9	Increase m^2 accommodation in categories A and B as defined by the Education Funding Authority (A = As New, B = Sound, C = Operable, D = Inoperable)	2012: 6,607 m^2 (42% of estate) 2013: 8,347 m^2 (51% of total estate)
		KPI 10	Financial Performance Indicators within parameters set by Corporation	
		KPI 11	Student numbers hit forecast (2669 in 2015)	2609
		KPI 12	High levels of confidence in Governance, Leadership and Management as indicated by Annual Assessments, including Self-Assessment	

Progress Report:

KPI 9: by July 2013 (on completion of Nobel phase 1), the condition of the College Estate will be:

Category	A	B	C	D	Total
Percentage	2,660m^2 / 16%	5,905m^2 / 36%	8,012m^2 / 48%	0%	16577m^2
A and B combined	**42%**				

With the award of approximate £1.5 million to support Nobel phase 2, removal of the temporary buildings and the mothballing of Tennyson, the condition of College estate will, by July 2014, change to:

Category	A	B	C	D
Percentage	3,752 m^2 / 22%	5,905 m^2 / 35%	7309m^2 / 43%	0%
A and B combined	**57%**			

Overall this will have a significant impact on the learning and working conditions for staff and students, particularly in Mathematics, Psychology, Media Studies and Sport**.** This will leave only the interior of Mountbatten building and the exterior of the Hampshire building remaining in category C.

KPI 10: The College's financial performance is very positive when set against the financial performance indicators for 2012/13.

Operating and Financial Review (continued)

Indicator	**Target Bracket**	**Year-End Outturn**
Cash days in hand	45 - 60	63.68
Current ratio	1.5 - 2.5	1.17
General reserve	> 35%	49%
Surplus	2% - 4%	5%
Pay expenditure as a % of income	65% - 69%	61%
Pay expenditure as a % of recurrent grant	73% - 77%	70.4%
Dependency on funding body income	<92%	89%

KPI 11: August 2013 enrolment exceeded expectation, with enrolments matching the increase in applications by approximately 250 students from this time last year.

2013 enrolments were as follows:

	Actual Recruitment (October Census 2012)	Actual Recruitment (October Census 2013)
New f/t	1314	1550
2nd Year	1164	1071
p/t Students	24	0
Art Foundation	45	62
Total	**2547**	**2683**

The College set a recruitment target this time last year of 1,404 new level 2&3 first year students. 1550 actually were recruited, 14 above the target set for 2015.

KPI 12: Unable to comment at this time as the annual self-assessment has yet to be completed. A full report will be presented to the Standards Committee and the December Corporation meeting.

FINANCIAL OBJECTIVES

The College has a key objective to remain financially sound so as to:

- Maintain the confidence of the Funding Agencies, suppliers, bankers and auditors
- Generate sufficient income to enable maintenance and improvement of its accommodation and equipment
- Ensure that the planned maintenance programme is delivered on time and within budget
- Protect it from any unforeseen adverse changes in enrolments
- To fund continued capital investment.

Specifically these objectives would be achieved by maintaining a sound financial base both solvency and liquidity:

- Cash flow from operations will remain positive
- A current ratio will be maintained in excess of 1.5
- Salary costs will be maintained at 65% - 69% of income
- General reserves will be in excess of 35% of income
- Cash days will exceed 30 at all times
- An operating surplus will be achieved each year, normally 2% - 4%
- Borrowing levels do not exceed acceptable and manageable levels
- Financial and non-financial returns are made on time and in agreed format
- All returns requiring certification by auditors are unqualified

Operating and Financial Review (continued)

All of these objectives have been met, except the Current Ratio, and are monitored, on a monthly basis, through a series of financial performance indicators.

PERFORMANCE INDICATORS

The College is committed to observing the importance of the measures and indicators within the Framework and is monitoring these through the completion of the annual Finance Record for the Skills Funding Agency (SFA) / Education Funding Agency (EFA). The current rating is Outstanding.

FINANCIAL POSITION

FINANCIAL RESULTS

The College generated an operating surplus in the year of £713,571, for 2011/12 there was a surplus of £435,233. A surplus of £783,571 was achieved on continuing operations prior to the FRS17 adjustment.

The College has accumulated reserves of £6,760,772 and cash balances of £2,412,753.

Tangible fixed asset additions during the year amounted to £3,255,131. This was mainly for the provision of a new teaching block, completion of the Multi Games Area and provision of new cycle lockers. £250,811 of this expenditure was reported in the prior year as works under construction. £142,390 was spent on upgrading the College IT infrastructure.

The College has significant reliance on the Funding Agencies for its principal funding source, largely from recurrent grants. In 2012-13 the Funding Agencies provided 89% of the College's total income.

TREASURY POLICIES AND OBJECTIVES

Treasury management is the management of the College's cash flows, its banking, money market and capital market transactions: the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

The College has a treasury management policy clearly set out within the College Financial Regulations.

Such arrangements are restricted by limits in the College's Financial Memorandum agreed with the Education Funding Agency (EFA). All borrowing requires the authorisation of the Corporation and shall comply with the requirements of the College's Financial Memorandum.

CASHFLOWS

At £1,298,799 the operating cash 'out flow' was in line with predictions. For 2011/12, there was an operating cash 'in flow' of £922,069.

LIQUIDITY

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

CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE

Student numbers

In 2012/13 the College has delivered activity that has produced £12,202,185 in funding body main allocation funding (2011/12 – £11,916,811). There were 2,547 16-18 year old students and 635 19+ students were SFA-funded during 2012-13. There were also 286 non-Government funded students participating in a wide range of recreational and craft based courses

Student achievements

Students continue to prosper at the College. Achievement rates remained high in 2011/12 with 98.3% A level pass rate and a retention level of 95.6%.

CURRICULUM DEVELOPMENTS

During the day the College continues to provide high quality sixth-form education to its traditional catchment area of Eastleigh and the neighbouring communities of Romsey and the New Forest to the west and Swanmore and Bishops Waltham to the east. However, increasing numbers of students are continuing to come from schools in Fareham, Southampton and Winchester. We also offer a growing number of accredited as well as non-accredited courses to adults from the local community in the evening. The adults were also successful in employment-related courses such as NVQ Care. The College has recently introduced Access Courses for adults to broaden the College's adult portfolio in meeting the needs of Government priorities.

The College has been very successful in its first year of delivering the Art Foundation course with results well above the national benchmark.

PAYMENT PERFORMANCE

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires Colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. The target set by the Treasury for payment to suppliers within 30 days is 95 per cent. During the accounting period 1 August 2012 to 31 July 2013, the College paid 96.4 per cent of its invoices within 30 days. The College incurred no interest charges in respect of late payment for this period.

POST-BALANCE SHEET EVENTS

There were no significant post balance sheet events.

FUTURE DEVELOPMENTS

The College's recruitment projection shows a continued increase in future student numbers and the College has invested in its capital infrastructure to reflect this. This will have a positive impact on its ability to cope with potential reductions in income due to Government changes in funding for the sector and remain a going concern.

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.

Operating and Financial Review (continued)

Financial
The College has £10.954 million of net assets (including £2.31 million pension liability) and long term debt of £3.272 million.

People
The College employs 394 people (224 expressed as full time equivalents), of whom 136 are teaching staff.

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

PRINCIPAL RISKS AND UNCERTAINTIES:

The College has undertaken further work during the year to develop and embed the system of internal control, including financial, operational and risk management which is designed to protect the College's assets and reputation.

The Risk Management Group undertakes a comprehensive review of the risks to which the College is exposed. They identify '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. 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.

A risk register is maintained at the College level which is reviewed at least annually by the Audit Committee and more frequently where necessary. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the College and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

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

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

The College has considerable reliance on continued government funding through the Funding Agencies. In 2012/13, 89% of the College's revenue was ultimately public funded and this level of requirement 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,

- The lagged student number funding system.
- Current simplification of the funding system.

This risk is mitigated in a number of ways:

- Funding is derived through a number of direct and indirect contractual arrangements
- By ensuring the College is rigorous in delivering high quality education and training
- 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.

In line with the majority of other colleges, Barton Peveril Sixth Form College will seek to increase tuition fees in accordance with the rising fee assumptions. The price elasticity of adult learning determines how the College sets its fees in line with market forces and a its understanding of its customer base. The risk for the College is that demand falls off as fees increase. This will impact on the Adult Learning strategy of the College.

This risk is mitigated in a number of ways:
- By ensuring the College is rigorous in delivering high quality education and training, thus ensuring value for money for students.
- Close monitoring of the demand for courses as prices change.

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

This risk is mitigated in a number of ways:
- By investing in multiple server locations to cover the risk of a significant fire in the current server room
- 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
- To increase the programming team to maintain and protect the College’s investment in its bespoke software.

3. ‘Securing student access to appropriate transport to and from College’

This risk is mitigated in a number of ways:

- By ensuring the College has appropriate contracts with local transport operators, to ensure all students are able to access transport to college and by offering value for money ticketing for those journeys.
- Close monitoring of the demand for transport from each cohort of students.

STAKEHOLDER RELATIONSHIPS

In line with other colleges, Barton Peveril Sixth Form College has many stakeholders. These include: Students; Funding Councils; Staff; Local employers (with specific links); Local Authorities; Government Offices/ Regional Development Agencies; The local community; Other FE institutions; Trade unions; Professional bodies.

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

Equal opportunities and employment of disabled persons

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, ability, class 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’s Single Equality Scheme is published on the College’s Internet site.

Operating and Financial Review (continued)

The College publishes an Annual Equality Report and Equality Objectives to ensure compliance with all relevant equality legislation including the Equality Act 2010. The College undertakes equality impact assessments on all new policies and procedures and publishes the results. Equality impact assessments are also undertaken for existing policies and procedures on a prioritised basis.

The College is a ‘Positive about Disabled’ employer and has committed to the principles and objectives of the Positive about Disabled standard. 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. An equalities plan is published each year and monitored by managers and governors.

Disability statement

The College seeks to achieve the objectives set down in the Disability Discrimination Act 1995 as amended by the Special Education Needs and Disability Act 2001.

a) As part of its on-going Equality and Diversity strategy the College updated its access audit, and the results of this formed the basis of an action plan aimed at improving access.
b) The College has an Equality and Diversity Coordinator, who provides information, advice and arranges support where necessary for students with disabilities.
c) There is a range of specialist equipment, such as radio aids, which the College can make available for use by students and a range of assistive technology is available in the learning support department.
d) The admissions policy for all students is described in the College Charter. Appeals against a decision not to offer a place are dealt with under the complaints policy.
e) The College has a professional team of specialist teaching and non-teaching staff to support students with learning difficulties and/or disabilities.
f) All areas of the college buildings are accessible to staff or students with disabilities. This is supported by tactile signage, lifts and disabled toilets in each building.
g) Counselling and welfare services are described in the College Student Guide, which includes the Complaints and Disciplinary Procedure at induction.

Disclosure of information to auditor

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 is 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 2nd December 2013 and signed on its behalf by:

………………………………………

Professor Roger Brown
Chair of Corporation

Professional Advisers for the period of this report are:

Financial statement and regularity auditor:
Baker Tilly UK Audit LLP
Registered Auditor
Chartered Accountants
Portland
25 High Street
Crawley
West Sussex
RH10 1BG

Internal auditor:

Hampshire Audit Services
County Treasurer's Department
The Castle
Winchester
Hampshire
SO23 8UB

Internal Auditor From 1 August 2013:

TIAA Ltd
Business Support Centre
53-55 Aerodrome Road
Gosport
Hampshire
PO13 0FQ

Bankers:
Lloyds TSB Bank
39 Threadneedle Street
London
EC2R 8AU

Solicitors:
Paris Smith
Number 1 London Rd
Southampton
Hampshire
S015 2AE

Statement of Corporate Governance and Internal Control

The College is committed to exhibiting best practice in all aspects of corporate governance. This summary describes the manner in which the College has applied the principles set out in the UK Corporate Governance Code (“the Code “) issued by the FRC in June 2010. Its purpose is to help the reader of the accounts understand how the principles have been applied.

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. In the opinion of the Governors, the College complies with all the provisions of the Code in so far as they apply to the Further Education Sector, and it has complied throughout the year ended 31 July 2013.

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 below.

Governors serving with the College Corporation during 2012-2013

Name	Date of appointment	Term of Office	Date of departure	Status of appointment	Committees served during the period
Professor Roger Brown ***Chair of Corporation from Dec 2009***	March 2009 Re-appointed March 2013	4 years		Corporation Member	Standards Search and Governance (***Chair from May 2010)*** Finance and Employment
Mr Simon Gardiner ***Vice Chair of Corporation from Nov 2010***	*November 2007* Appointed November 2009 (due for re-appointment October 2013 but meeting cancelled so deferred to December 2013)	4 years		*Additional Committee Member* Corporation Member	Finance and Employment **(Chair to Nov 2012)**
Mr Jonathan Prest	August 2008	N/A		Principal	Search and Governance Finance and Employment
Mrs Shirley Anderson	*(October 2008)* Appointed December 2009	*N/a* 4 years		*Additional Committee Member* Corporation Member	Search and Governance Finance and Employment
Miss Lucy Baxter	July 2012	1 year	March 2013	Student Member	Standards
Mr Jack Bell	July 2013	1 year		Student Member	Standards

Statement of Corporate Governance and Internal Control (continued)

Mr Peter Boote	July 2010	4 years		Corporation Member	Audit
Miss Sheila Campbell	November 2007 Re-appointed November 2011	4 years		Co-opted Member Corporation Member	Standards ***(Chair from Nov 10)*** Finance and Employment
Miss Yasmin Chowdhury	July 2013	1 year		Student Member	Standards
Mrs Karen Everett	March 2010	4 years		Corporation Member	Finance and Employment **(Chair from Nov 2012)** Search and Governance
Mr Joel Horner	May 2010 Re-appointed July 2013	3 years		Staff Member	Standards
Cllr Keith House	2002 Re-appointed July 2006, July 2010	4 years		Corporation Member	Search and Governance Finance and Employment
Mr Andrew Jackman	October 2012	4 years		Corporation Member	Audit Search and Governance
Mr Peter Jones	December 2011	3 years		Parent Governor	Standards
Professor Jane Longmore	October 2012	4 years		Corporation Member	Standards
Mr David Quinney ***Vice Chair of Corporation to November 2010***	1992 Re-appointed 1997, 2001, 2005 and July 2009	4 years	July 2013	Corporation Member	Finance and Employment
Dr David Robinson	March 2013	4 years		Corporation Member	Audit
Mr Nick Tustian	2005 Re-appointed December 2009	4 years		Corporation Member	Audit ***(Chair from Nov 10)***
Mr Stephen Vincent-Marshall	2006, Re-appointed May 2009 July 2012	3 years		Staff Member	Audit
Mr Daniel Walker	July 2012	1 year	March 2013	Student Member	Standards
Mrs Sally Weavind	2005 Re-appointed March 2009	4 years	March 2013	Corporation Member	Audit Standards
Mrs Lynn Webb	March 2011	4 Years		Corporation Member	Standards
Mrs Joan Miles	January 2012	Clerk to the Corporation			

Statement of Corporate Governance and Internal Control (continued)

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 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 Principal 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 five 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.

Finance and Employment Committee

Throughout the year ending 31 July 2013, the College's Finance and Employment Committee comprised eight 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 2013 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 Funding Agencies as they affect the College's business.

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

The 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. The Internal Auditor has changed from Hampshire Audit Services to TIAA with effect from 1 August 2013.

Search and Governance

The Search and Governance committee meets at least three times a year and comprises six 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

The Standards Committee meets at least three times a year and comprises at least six members, one of which is a Student Governor. 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.

Members undertook a substantial revision of the Committee's Terms of Reference in June 2013 in order to clarify the committee's role in providing a challenging and supporting review of student achievement. At the same time members decided to amend the title of the committee to the Standards, Curriculum and Learning Committee to better reflect its purpose.

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 2013 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 2013 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.

Statement of Corporate Governance and Internal Control (continued)

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

Review of effectiveness

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

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

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

The senior management team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The senior management team and the Audit Committee also receive regular reports from internal audit, which 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 management team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its July 2013 meeting, the Corporation carried out the annual assessment for the year ended 31 July 2013 by considering documentation from the senior management team and internal audit, and taking account of events since 31 July 2012.

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

Going concern

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

Approved by order of the members of the Corporation on 2nd December 2013 and signed on its behalf by:

Signed……………………..	**Signed……………………………**
Professor Roger Brown **Chair**	**Jonathan Prest** **Principal**

Statement of Responsibilities of the Members of the Corporation

The members of the Corporation who act as trustees for the charitable activities of the College are required to present audited financial statements for each financial year.

The law applicable to charities in England and the terms and conditions of the Funding Agreement between the Education Funding Agency and the Corporation of the College, requires the corporation of the college to prepare financial statements and the Operating and Financial Review for each financial year in accordance with the 2007 Statement of Recommended Practice – Accounting for Further and Higher Education Institutions the annual Accounts Direction issued jointly by the Skills Funding Agency and the Education Funding Agency, and applicable United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and which give a true and fair view of the state of affairs of the College and of the College's surplus/deficit of income over expenditure for that period.

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

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

The Corporation is 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 the Charities Act 2011 and other relevant accounting standards. It is responsible for taking steps that are reasonably open to it in order to safeguard the assets of the College and to prevent and detect fraud and other irregularities.

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

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

Approved by order of the members of the Corporation on 2nd December 2013 and signed on its behalf by:

Signed……………………….   Professor Roger Brown, Chair

Independent Auditor's Report to the Corporation of Barton Peveril Sixth Form College

We have audited the College financial statements ("the financial statements") set out on pages 23 to 40. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice) as set out in our engagement letter dated 12 November 2013.

This report is made solely to the Corporation as a body, in accordance with the Funding Agreement published by the Education Funding Agency and our engagement letter dated 12 November 2013. Our audit work has been undertaken so that we might state to the Corporation, as a body, those matters we are required under our engagement letter dated 12 November 2013 to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Corporation, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of the Corporation of Barton Peveril Sixth Form College and Auditor

As explained more fully in the Statement of the Corporation's responsibilities set out on page 20, the Corporation is responsible for the preparation of financial statements which give a true and fair view.

Our responsibility is to audit, and express an opinion on, the financial statements in accordance with the terms of our engagement letter dated 12 November 2013, Audit Code of Practice issued by the Learning and Skills Council and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-(issued-1-December-2010).aspx

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of [the Groups' and] the College's affairs as at 31 July 2013 and of the College's surplus of income over expenditure for the year then ended;

  and

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the revised Joint Audit Code of Practice (Part 1) issued jointly by the Skills Funding Agency and the Young People's Learning Agency and the Audit Code of Practice issued by the Learning and Skills Council requires us to report to you if, in our opinion:

- proper accounting records have not been kept;

  or

- the financial statements are not in agreement with the accounting records.

BAKER TILLY UK AUDIT LLP
Chartered Accountants
Portland
25 High Street
Crawley
West Sussex

Date

BARTON PEVERIL SIXTH FORM COLLEGE

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR FROM 1 AUGUST 2012 TO 31 JULY 2013

	Notes	***Year ended 31 July 2013 £***	***Year ended 31 July 2012 £***
Income			
Funding body grants	2	12,504,899	12,221,538
Tuition fees and education contracts	3	140,346	139,963
Other income	4	1,363,492	1,376,619
Investment income	5	32,304	25,772
Total income		**14,041,041**	**13,763,892**
Expenditure			
Staff costs	6	8,456,654	8,638,397
Other operating expenses	8	3,956,653	3,714,156
Depreciation	11	667,372	677,042
Interest payable	10	246,791	299,064
Total expenditure		**13,327,470**	**13,328,659**
Surplus on continuing operations after depreciation of tangible fixed assets at valuation, exceptional items but before tax		**713,571**	**435,233**
Taxation	9	0	0
Surplus on continuing operations after depreciation of tangible fixed assets at valuation and tax		**713,571**	**435,233**

The income and expenditure account is in respect of continuing operations.

BARTON PEVERIL SIXTH FORM COLLEGE

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	Notes	*Year ended 31 July 2013* **£**	*Year ended 31 July 2012* **£**
Surplus on continuing operations after depreciation and disposal of tangible fixed assets at valuation and tax		713,571	435,233
Actuarial gain/(loss) in respect of pension scheme	16	260,000	(630,000)
Total recognised gains relating to the year		**973,571**	**(194,767)**
Reconciliation			
Opening reserves		5,542,562	5,737,329
Total recognised gains/(losses) for the year		973,571	(194,767)
Closing Reserves		**6,516,133**	**5,542,562**

BARTON PEVERIL SIXTH FORM COLLEGE

STATEMENT OF HISTORICAL COST SURPLUSES AND DEFICITS

FOR THE YEAR FROM 1 AUGUST 2012 TO 31 JULY 2013

	Notes	***Year ended 31 July 2013 £***	***Year ended 31 July 2012 £***
Surplus on continuing operations before tax		713,571	435,233
Difference between historical cost depreciation and actual charge for the year calculated on the revalued amount	18	89,054	98,479
Historical cost surplus for the period		**802,625**	**533,712**

BARTON PEVERIL SIXTH FORM COLLEGE

BALANCE SHEET

AS AT 31 JULY 2013

	Notes	*Year ended 31 July 2013* £	*Year ended 31 July 2012* £
FIXED ASSETS			
Tangible assets	11	**16,173,690**	**13,585,931**
CURRENT ASSETS			
Stock		21,394	13,181
Debtors	12	34,084	68,877
Cash in hand and at bank		2,412,753	3,711,552
Total current assets		**2,468,231**	**3,793,610**
CREDITORS: Amounts falling due within one year	13	2,106,343	1,634,984
NET CURRENT ASSETS		**361,888**	**2,158,626**
TOTAL ASSETS less CURRENT LIABILITIES		**16,535,578**	**15,744,557**
CREDITORS: Amounts falling due after more than one year	14	3,271,818	3,879,116
Net Assets excluding pension liability		**13,263,760**	**11,865,441**
Net pension liability	16	(2,310,000)	(2,500,000)
NET ASSETS INCLUDING PENSION LIABILITY		**10,953,760**	**9,365,441**
Deferred capital grants	17	4,437,626	3,822,878
Reserves			
Income and Expenditure account excluding pension reserve		6,760,772	5,888,147
Pension Reserve	16	(2,310,000)	(2,500,000)
Income and Expenditure account including pension reserve	19	4,450,772	3,388,147
Revaluation reserve	18	2,065,362	2,154,416
Total Funds		**10,953,760**	**9,365,441**

The financial statements on pages 23 to 40 were approved and authorised for issue by the Corporation on 2nd December 2013 and signed on its behalf on that date by:

Prof R Brown
Chair of Corporation

J Prest
Principal

BARTON PEVERIL SIXTH FORM COLLEGE

CASH FLOW STATEMENT

FOR THE YEAR FROM 1 AUGUST 2012 TO 31 JULY 2013

	Notes	*Year ended 31 July 2013 £*	*Year ended 31 July 2012 £*
Net cash inflow from operating activities	20	**1,892,492**	**901,279**
Returns on investments and servicing of finance			
Interest received		32,304	25,772
Interest paid		(206,791)	(239,064)
Net cash outflow from investments and servicing of finance		**(174,487)**	**(213,292)**
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(3,255,131)	(1,054,559)
Deferred capital grants received		824,730	1,326,598
Net cash outflow from investing activities		**(2,430,401)**	**272,039**
Net cash (outflow)/inflow before financing		**(712,396)**	**960,026**
Financing			
New Secured Loans	21	0	370,000
Repayment of amounts borrowed	21	(586,403)	(407,957)
Net cash outflow from financing		**(586,403)**	**(37,957)**
(Decrease)/Increase in cash	21	**(1,298,799)**	**922,069**
Reconciliation of net cash flow to movement in net funds/debt			
(Decrease)/Increase in cash in the period		(1,298,799)	922,069
Cash (inflow)/outflow from financing		586,403	37,957
Movement in net funds in year		(712,396)	960,026
Net debt at 1 August		(753,968)	(1,713,994)
Net debt at 31 July		(1,466,364)	(753,968)

In this statement, figures in brackets refer to cash outflows and all other figures are cash inflows to the College.

1. STATEMENT OF ACCOUNTING POLICIES

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 2007 (the SORP), the Accounts Direction for 2012-2013 financial statements and in accordance with applicable Accounting Standards.

Basis of Accounting

The financial statements are prepared in accordance with the historical cost convention, modified by the revaluation of certain fixed assets and in accordance with applicable United Kingdom Accounting Standards.

Going Concern

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

The College currently has £3.879m of loans outstanding with bankers on terms negotiated in 2010. 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 foreseeble future.

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

Recognition of Income

Funding Body recurrent grants are recognised in line with best estimates for the period of what is receivable and depend on the particular income stream involved. Any under or over achievement for the Adult Skills Budget is adjusted for and reflected in the level of recurrent grant recognised in the income and expenditure account. The final grant income is normally determined with the conclusion of the year end reconciliation process with the Funding Body at the end of November following the year end. 16-18 learner responsive funding is not normally subject to a reconciliation and is therefore not subject to contract adjustments.

Non-recurrent grants from the funding bodies or other bodies received in respect of the acquisition of fixed assets are treated as deferred capital grants and amortised in line with depreciation over the life of the assets.

Income from Tuition Fees is recognised in the period for which it is received and includes all fees payable by students or their sponsors.

Income from grants, contracts and other services rendered is included to the extent the conditions of the funding have been met or the extent of the completion of the contract or service concerned.

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

Post Retirement Benefits

Retirement benefits to employees of the College are 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 Earnings Related Pension Scheme (SERPS).

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 quinquennial valuations using a prospective benefit method. As stated in note 16, the TPS is a multi-employer scheme and the College is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions are recognised as they are paid each year.

The assets of the LGPS are measured using closing market values. LGPS liabilities are measured using the projected unit method and discounted at a rate equivalent to the current rate of return on high quality corporate bond of equivalent term and currency to the liability. The increase in the present value of the liabilities of the scheme expected to arise from employee service in the period is charged to the operating surplus. The expected return on the scheme's assets and the increase during the period in the present value of the scheme's liabilities, arising from the passage of time, are included in the pension finance costs. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

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 basis consistent with the depreciation policy.

Finance costs, which are directly attributable to the construction of land and buildings, are not capitalised as part of the cost of those assets. A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying of any fixed asset may not be recoverable.

On adoption of FRS 15, 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. These values are retained subject to the requirement to test assets for impairment in accordance with FRS 11.

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

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

Equipment

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

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

building improvements - 10 years on a straight-line basis
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

Where equipment is acquired with the aid of specific grants it is capitalised and depreciated in accordance with the above policy, with the related grant being credited to a deferred capital grant account and are released to the income and expenditure account over the expected economic life of the related equipment.

Leased Assets

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

Stocks

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

Maintenance of Premises

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

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 from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or section 256 of the 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.

Liquid Resources

Liquid resources include sums on short term deposit with recognised banks, building societies and government securities.

Provisions

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.

Agency Arrangements

The College acts as an agent in the collection and payment of Discretionary Support Funds. Related payments received from the LSC and its successor organisations and subsequent disbursements to students are excluded from the income and expenditure account and are shown separately in note 27, except for the 5 per cent of the grant received which is available to the College to cover administration costs relating to the grant. The College employs one member of staff dedicated to the administration of the Discretionary Support Fund applications and payments.

2. FUNDING BODY GRANTS

	Year ended 31 July 2013	*Year ended 31 July 2012*
	£	**£**
Recurrent grant - Main Funding Body	12,202,185	11,916,811
Releases of deferred capital grant	209,982	209,332
Income to support financing of major works - Main Funding Body	0	0
Non-Recurrent grants - Main Funding Body	92,732	95,395
	12,504,899	**12,221,538**

3. TUITION FEES AND CHARGES

	Year ended 31 July 2013	*Year ended 31 July 2012*
	£	**£**
Tuition Fees	140,346	139,963
Education Contracts	0	0
	140,346	**139,963**

4. OTHER OPERATING INCOME

	Year ended 31 July 2013	*Year ended 31 July 2012*
	£	**£**
Lettings	15,819	17,071
Shop sales / sale of equipment and books	63,104	64,287
Fees and charges	652,206	668,802
Catering Income (taken in-house wef 1 August 2011)	400,528	370,737
Other income	231,835	255,722
	1,363,492	**1,376,619**

5. INVESTMENT INCOME

	Year ended 31 July 2013	*Year ended 31 July 2012*
	£	**£**
Interest receivable	32,304	25,772
	32,304	**25,772**

6. STAFF COSTS

The average number of persons (including senior postholders) employed by the college during the year, expressed as full time equivalents, was:

	Year ended 31 July 2013	*Year ended 31 July 2012*
	£	**£**
Teaching Staff	136	151
Non Teaching Staff	87	73
	223	224

Staff costs for the above persons:	*Year ended 31 July 2013*	*Year ended 31 July 2012*
	£	**£**
Wages and salaries	6,903,489	7,044,951
Social security costs	482,743	488,151
Redundancy Costs	25,500	68,400
Pension costs (including FRS17 adjustments 2013 -£30,000, 2012 £10,000)	934,150	903,910
Staff costs sub total	**8,345,882**	**8,505,412**
Contracted out staffing services	110,772	132,985
	8,456,654	**8,638,397**
Exceptional item in respect of past service costs	0	0
Total staff costs	8,456,654	8,638,397

The number of senior post-holders and other staff who received emoluments, including benefits in kind, in the following ranges was: The figures for 2012 have been restated removing pension contribution amounts.

	Senior Post-holders		**Other Staff**	
	2013	**2012**	**2013**	**2012**
	No.	**No.**	**No.**	**No.**
£10,001 to £20,000	1	1	0	0
£20,001 to £50,000	0	0	0	0
£50,001 to £60,000	0	0	3	3
£60,001 to £80,000	0	0	0	0
£80,001 to £90,000	1	1	0	0
£90,001 to £100,000	0	0	0	0
£100,001 to £110,000	0	0	0	0
£110,001 to £120,000	1	1	0	0
	3	3	3	3

No cost of living award was made to either teaching and non-teaching staff.

7. EMOLUMENTS OF SENIOR POST HOLDERS

Senior post-holders are defined as the Principal and holders of other senior posts whom the Governing Body has selected for the purposes of the articles of government of the College relating to the appointment and promotion of staff who are appointed by the Governing Body.

	Year ended 31 July 2013	***Year ended 31 July 2012***
The number of senior post-holders, including the Principal was	2	2
Senior post-holders' emoluments are made up as follows:		
	£	**£**
Salaries	199,432	198,501
Pension Contributions	28,046	27,989
Total emoluments	227,478	226,490

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

	Year ended 31 July 2013	***Year ended 31 July 2012***
	£	**£**
Salaries	115,710	115,568
Benefits in kind	0	0
Pension Contributions	16,315	16,295
Total emoluments	132,025	131,863

The members of the Corporation other than the Principal and staff members did not receive any payment from the college other than reimbursement of travel and subsistence expenses incurred in the course of their duties. The pension contributions in respect of the Principal and other senior post-holders are in respect of employer's contributions to the Teachers Pension Scheme and Local Government Pension Scheme and are paid at the same rate as for other employees.

8. OTHER OPERATING EXPENSES

	Year ended 31 July 2013	***Year ended 31 July 2012***
	£	**£**
Teaching costs	1,527,159	1,194,576
Non teaching costs	1,321,252	1,426,926
Premises costs	889,797	863,789
Catering	218,445	228,865
	3,956,653	**3,714,156**

Other operating costs include:	*Year ended 31 July 2013* £	*Year ended 31 July 2012* £
Auditor's remuneration		
- external audit	14,250	13,750
- internal audit	9,175	9,850
- other services (taxation), external auditors	0	0
Loss on disposal of tangible fixed assets	0	0
Hire of plant/machinery	49,640	47,910

9. TAXATION

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

10. INTEREST PAYABLE

	Year ended 31 July 2013 £	*Year ended 31 July 2012* £
On bank loans, overdrafts and other loans:	206,791	239,064
Pension Finance Costs (note 16)	40,000	60,000
	246,791	**299,064**

11. TANGIBLE FIXED ASSETS

	Buildings under construction £	Freehold Land and Buildings £	Equipment £	Total £
Cost or valuation				
at 1 August 2012	250,810	18,745,170	2,097,401	21,093,381
Additions	2,962,417	123,804	168,910	3,255,131
Transfer	(54,418)	54,418	0	0
At 31 July 2013	**3,158,809**	**18,923,392**	**2,266,311**	**24,348,512**
Depreciation				
at 1 August 2012	0	5,623,694	1,883,756	7,507,450
Charge for period	0	553,418	113,954	667,372
Disposals	0	0	0	0
At 31 July 2013	**0**	**6,177,112**	**1,997,710**	**8,174,822**
Net book value at 31 July 2013	**3,158,809**	**12,746,280**	**268,601**	**16,173,690**
Net book value at 31 July 2012	250,810	13,121,476	213,645	13,585,931

The transitional rules set out in FRS 15 Tangible Fixed Assets have been applied on implementing FRS 15 accordingly, the book values at implementation have been retained.

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

Land and buildings with a net book value of £4,427,626 have been funded from exchequer funds, through the receipt of capital grants from the Funding Councils. Should these assets be sold, the College may be liable, under the terms of the Financial Memorandum with the Funding Councils, to surrender the proceeds.

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

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

12. DEBTORS

	31 July 2013	31 July 2012
	£	£
Trade debtors	12,315	10,729
Prepayments and other accrued income	21,769	58,148
Accrued interest	0	0
	34,084	**68,877**

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 July 2013	31 July 2012
	£	£
Bank loans	607,298	586,403
Payments received in advance	598,358	189,217
Trade creditors	3,072	10,327
Other taxation and social security	150,139	162,323
Other creditors	254,573	293,182
Accruals	492,903	393,532
	2,106,343	**1,634,984**

Included within payments received in advance are amounts in relation to the EFA of £557,271 (2012: £66,240). Other creditors includes £5,232 clawback in respect of SFA Discretionary Support Funds.

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

	31 July 2013	31 July 2012
	£	£
Bank loans	3,271,818	3,879,116
	3,271,818	**3,879,116**

15. BORROWINGS

	31 July 2013	31 July 2012
Bank loans and overdrafts	£	£
Bank loans and overdrafts are repayable as follows:		
In one year or less	607,298	586,403
Between one and two years	628,895	607,298
Between two and five years	1,625,062	1,855,504
In five years or more	1,017,861	1,416,314
Total	**3,879,116**	**4,465,519**

Bank loans totalling £3,879,116 repayable by instalments falling due between 1 August 2013 and 31 January 2022 are secured on a portion of the freehold land and buildings of the College. There are four elements to the loan balance, the interest charged on each element is shown below:

Outstanding Balance	Interest Rate
£2,426,775	Libor + 0.9%
£468,762	Libor +1.85%
£246,737	Base Rate +1.85%
£736,842	Base rate +.0.9%

16. PENSION AND SIMILAR OBLIGATIONS

The College's employees belong to two principal pension schemes, 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 defined-benefit schemes.

Total pension cost for the year	***Year ended 31 July 2013 £***	***Year ended 31 July 2012 £***
Teachers Pension Scheme:contributions paid	647,380	672,495
Local Government Pension Scheme:		
Contributions paid	256,770	241,415
Non exceptional FRS 17 debit/(credit)	30,000	(10,000)
	934,150	**903,910**
Exceptional FRS 17 past service cost credit	0	0
Total pension cost for the year	934,150	903,910

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuations of the TPS was 31 March 2004 and the LGPS 31 March 2010.

Contributions amounting to £117,363 (2012 - £113,101) were payable to the scheme at 31 July and are included in other creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme is an unfunded defined benefit scheme. Contributions on a pay as you go basis are credited to the Exchequer under arrangements governed by the Superannuation Act 1972. A notional asset value is ascribed to the scheme for the purposes of determining contribution rates.

The pension cost is normally assessed no less than every four years in accordance with the advice of the Government Actuary. The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows:

Latest actuarial valuation	31 March 2004
Actuarial method	Prospective Benefit
Investment returns per annum	6.5% per annum
Salary scale increases per annum	5.0% per annum
Market value of assets at date of last valuation	£162,650 million
Proportion of members' accrued benefits covered by actuarial value of assets	98.88%

Following the implementation of the Teachers' Pensions (Employers' Supplementary Contributions) Regulations 2000 the Government Actuary carried out a further review on the level of employers' contributions. For the period 1 August 2011 to 31 July 2012 the employer contribution was 14.1%. The employee rate was 6.4% for the period to 31st March 2012, with rates between 6.4% and 8.8% depending on the members salary from 1st April 2012.

FRS 17

Under the definitions set out in Financial Reporting Standard (FRS17) Retirement Benefits, the TPS is a multi-employer pension scheme. The College is unable to identify its share of the underlying assets and liabilities of the scheme.

Accordingly, the College has taken advantage of the exemption in FRS17 and has accounted for its contributions to the scheme as if it were a defined-contribution scheme. The College has set out above the information available on the scheme and the implications for the College in terms of the anticipated contribution rates.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate funds administered by Hampshire County Council. The total contribution made for the year ended 31 July 2013 was £345,850 of which employers contributions totalled £256,770 and employees contributions totalled £89,080.

The agreed contribution rates for future years are 13.1% with a fixed payment of £71,600 per annum for employers and a range from 5.5% to 7.5% for employees, depending on salary.

FRS 17

Principal Actuarial Assumptions

	as at 31 July 2013	as at 31 July 2012	as at 31 July 2011
RPI Inflation	3.6%	3.1%	3.7%
CPI Inflation	2.7%	2.1%	2.8%
Rate of increase in salaries	4.6%	4.6%	5.2%
Rate in increase of pensions	2.7%	2.1%	2.8%
Discount Rate for Liabilities	4.5%	4.1%	5.3%

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

	as at 31 July 2013	as at 31 July 2012
	%	%
Retiring today/current pensioners		
Males	24.0	23.9
Females	25.0	24.9
Retiring in 20 years/future pensioners		
Males	25.7	25.6
Females	26.9	26.8

The assets in the scheme and the expected rates of return were:

	Long-term rate of return expected at 31 July 2013	**Fair Value at 31 July 2013**	**Long-term rate of return expected at 31 July 2012**	**Fair Value at 31 July 2012**
Equities	7.8%	2,386,250	7.5%	1,808,190
Bonds	3.3%	1,062,400	2.5%	965,700
Property	7.3%	311,250	7.0%	266,400
Other Assets	7.8%	390,100	7.5%	289,710
Total Market Value of assets		**4,150,000**		**3,330,000**
Present value of scheme liabilities				
Funded		(6,460,000)		(5,830,000)
Related deferred tax liability		0		0
(Deficit) in the scheme		**(2,310,000)**		**(2,500,000)**

Amounts recognised in the income and expenditure account

	Year ended 31 July 2013 £	*Year ended 31 July 2012 £*
Employer service cost (net of employee contributions)	260,000	240,000
Past service cost	0	0
Total operating charge	260,000	240,000

Analysis of pension finance income/(costs)

Expected return on pension scheme assets	200,000	200,000
Interest on pension liabilities	(240,000)	(260,000)
Pension finance cost	(40,000)	(60,000)

Amount recognised in statement of total recognised gains and losses (STRGL) (STRGL)

Actuarial gains/losses on pension scheme assets	360,000	(70,000)
Actuarial gains losses on scheme liabilities including CPI credit of £nil (2010: £470,000)	(100,000)	(560,000)
Actuarial loss recognised in STRGL	260,000	(630,000)

Movement in deficit during year

Deficit in scheme at 1 August	(2,500,000)	(1,820,000)
Movement in year:		
Current service charge	(290,000)	(230,000)
Contributions	260,000	240,000
Past service cost	0	0
Net interest/return on assets	(40,000)	(60,000)
Actuarial gain/(loss)	260,000	(630,000)
Deficit in scheme at 31 July	(2,310,000)	(2,500,000)

Asset and Liability Reconciliation

Reconciliation of Liabilities

	31 July 2013 £	*31 July 2012 £*
At 1 August	5,830,000	4,780,000
Current Service Cost	290,000	230,000
Interest Cost	240,000	260,000
Employee contributions	90,000	80,000
Actuarial loss	100,000	560,000
Benefits paid	(90,000)	(80,000)
Past Service Cost	0	0
At 31 July	**6,460,000**	**5,830,000**

Reconciliation of Assets

	31 July 2013 £	*31 July 2012 £*
At 1 August	3,330,000	2,960,000
Expected return on assets	200,000	200,000
Actuarial gain/(loss)	360,000	(70,000)
Change in asset valuation	0	0
Employer contributions	260,000	240,000
Employee contributions	90,000	80,000
Benefits paid	(90,000)	(80,000)
At 31 July	**4,150,000**	**3,330,000**

The estimated value of the employer contributions for the year ended 31 July 2014 is £280,000.

The five-year history of experience adjustments is as follows:

	2013	2012	2011	2010	2009
	£	£	£	£	£
Experience adjustments on share of scheme assets:	360,000	(70,000)	(220,000)	200,000	(350,000)
Experience adjustments on scheme liabilities:	(100,000)	(560,000)	50,000	(310,000)	(410,000)
Total amount recognised in STRGL	260,000	(630,000)	(170,000)	(110,000)	(760,000)

17. DEFERRED CAPITAL GRANTS

	Main Funding Body	Other	TOTAL
	£	£	£
At 1 August 2012			
Land and Buildings	3,792,976	0	3,792,976
Equipment	29,902	0	29,902
Cash received			
Land and Buildings	814,730	0	814,730
Equipment	0	10,000	10,000
Released to income and expenditure account			
Land and Buildings	(180,180)	0	(180,180)
Equipment	(29,052)	(750)	(29,802)
At 31 July 2013			
Land and Buildings	**4,427,526**	**0**	**4,427,526**
Equipment	**850**	**9,250**	**10,100**
Total	**4,428,376**	**9,250**	**4,437,626**

18. REVALUATION RESERVE

	31 July 2013	*31 July 2012*
	£	£
At 1 August	2,154,416	2,252,895
Transfer from revaluation reserve to income and expenditure account in respect of depreciation on revalued assets.	(89,054)	(98,479)
Loss on Disposals	0	0
At 31 July	**2,065,362**	**2,154,416**

19. MOVEMENT ON GENERAL RESERVES

	31 July 2013	*31 July 2012*
	£	£
Income and expenditure account reserve		
At 1 August	3,388,146	3,484,434
Transfer from revaluation reserve to income and expenditure account	89,054	98,479
Actuarial gain/(loss) on pension liability	260,000	(630,000)
Surplus on continuing operations after depreciation of assets at valuation and tax	713,571	435,233
At 31 July	**4,450,771**	**3,388,146**
Balance represented by:		
Pension reserve	(2,310,000)	(2,500,000)
Income and expenditure account reserve excluding pension reserve	6,760,772	5,888,147
At 31 July	**4,450,772**	**3,388,147**

20. RECONCILIATION OF OPERATING SURPLUS TO NET CASHFLOW FROM OPERATING ACTIVITIES

	Year ended 31 July 2013 £	*Year ended 31 July 2012* £
(Deficit)/Surplus on continuing operations after depreciation of assets at valuation and tax	713,571	435,233
Depreciation	667,372	677,042
Deferred Capital Grant (note 18)	(209,982)	(209,332)
FRS 17 Pension cost less contributions payable (note 17)	30,000	(10,000)
FRS 17 Pension finance cost (note 11)	40,000	60,000
(Increase)/decrease in stock	(8,213)	228
Interest payable	206,791	239,064
(Decrease)/increase in debtors	34,793	10,117
Increase/(decrease) in trade creditors	(7,255)	(12,801)
(Decrease)/increase in tax and pension contributions	(12,184)	949
Increase/(decrease) in payments on account	409,141	(6,695)
Increase/(decrease) in other liabilities	60,762	(256,754)
Interest receivable (note 5)	(32,304)	(25,772)
Net cash inflow from operating activities	**1,892,492**	**901,279**

21. ANALYSIS OF CHANGES IN CASH FLOWS

Analysis of changes in net funds/(debt)	*31 July 2012* £	*Cash flows* £	*31 July 2013* £
Cash at bank and in hand	3,711,552	(1,298,799)	2,412,753
	3,711,552	(1,298,799)	2,412,753
Debt due within 1 year	(586,403)	(20,895)	(607,298)
Debt due after 1 year	(3,879,116)	607,298	(3,271,818)
Total	(753,967)	(712,396)	(1,466,363)

22. CAPITAL COMMITMENTS

The College has capital commitments of £1,751,888 as at 31 July 2013 for the completion of the two new teaching blocks currently under construction.

A total of £435k worth of orders were raised in July 2013 for delivery in August 2013, these orders are authorised but not contracted for.

23. POST BALANCE SHEET EVENTS

There have been no significant post balance sheet events.

24. FINANCIAL COMMITMENTS

At 31 July 2013 the college had annual commitments under non-cancelable operating leases as follows:

	31 July 2013 £	*31 July 2012* £
Other		
Expiring within one year	11,870	0
Expiring between two and five years inclusive	37,770	47,910
Expiring in over five years	0	0
	49,640	**47,910**

25. RELATED PARTY TRANSACTIONS

Due to the nature of the College's operations and the composition of the Corporation (being drawn from local public and private sector organisations) it is inevitable that transactions may take place with organisations in which a member of the Corporation may have an interest. All transactions involving organisations in which the member of the Corporation may have an interest are conducted in accordance with the College's financial regulations and normal procurement procedures. No transactions were identified which should be disclosed under Financial Reporting Standard 8 Related Party Disclosures.

Transactions with the LSC and its successor organisations are detailed in notes 2, 13 and 17.

26. AMOUNTS DISPURSED AS AGENT

Discretionary Support Funds	***Year ended 31 July 2013 £***	***Year ended 31 July 2012 £***
EFA and SFA grants - hardship funds	165,630	108,072
Disbursed to Students	152,299	93,274
Administration Costs	8,095	5,404
Balance unspent as at 31 July	**5,236**	**9,394**

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

Independent Report to the Corporation of Barton Peveril Sixth Form College ('the Corporation') and the Secretary of State for Education acting through the Education Funding Agency

In accordance with the terms of our engagement letter dated 6 June 2011 and further to the requirments of the Education Funding Agency, we have carried out a review to obtain assurance about whether, in all material respects, the expenditure (disbursed) and income (received) of Barton Peveril Sixth Form College ("the College") during the year ended 31 July 2013 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of the Members of the Corporation of Barton Peveril College Sixth Form College and Auditors

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

Our responsibilities for this review are established in the United Kingdom by our profession's ethical guidance and the audit guidance set out in the revised Joint Audit Code of Practice (Part1) issued jointly by the Skills Funding Agency and the Young People's Learning Agency and the Audit Code of Practice and Regularity Audit Framework 2006/07 issued by the LSC. And are to obtain reasonable assurance and report in accordance with our engagement letter and the Regularity Audit Framework 2006/07. We report to you whether, in our opinion, in all material respects, the College's expenditure disbursed and income received for the year ended 31 July 2013 have been applied to purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Basis of opinion

We conducted our review in accordance with the Joint Audit Code of Practice (Part1) issued jointly by the Skills Funding Agency and the Young People's Learning Agency and the Audit Code of Practice and the Regularity Audit Framework 2006/04 issued by LSC. We performed a reasonable assurance engagement as defined in our engagement letter.

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

Opinion

In our opinion, in all material respects the expenditure disbursed and income received for the year ended 31 July 2013 have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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