Annual Report and Financial Statements

Year ended 31 July 2020

BASINGSTOKE COLLEGE of TECHNOLOGY

BCoT

Key Management Personnel, Board of Governors and Professional Advisers

Key management personnel
Key management personnel are defined as members of the Group's Leadership Team and were represented by the following in 2019/20:

Basingstoke College of Technology
Anthony Bravo, Principal
David Moir, Deputy Principal (Finance and Resources)
Lorraine Heath, Deputy Principal (Curriculum, Performance and Innovation)
Alexis Smith, Assistant Principal (Foundation Learning & Student Voice)

West Berkshire Training Consortium
Matthew Garvey, Managing Director
Tammera Easterling, Chief Executive Officer (left 30/9/2019)

Board of Governors
A full list of College Governors is given on page 18 of these financial statements.
Mr S Burrell acted as Clerk to the Corporation throughout the period.

Professional advisers

Financial statements auditors and reporting accountants:

Alliotts LLP
Friary Court
13-21 High Street
Guildford
Surrey
GU1 3DL

Internal auditors:

TIAA Ltd,
Artillery House,
Fort Fareham,
Fareham
PO14 1AH

Bankers:

Barclays Bank plc
Corporate banking
Wytham Court
11 West Way
Oxford
OX2 0JB

Lloyds Bank plc
33 Old Broad Street
London
EC2N 1HZ

Solicitors:

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Cambridge
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Strategic Report

OBJECTIVES AND STRATEGY

The governing body 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 Basingstoke College of Technology (BCoT). The College is an exempt charity for the purposes of Part 3 of the Charities Act 2011.

The College has two fully-owned subsidiary companies:

BCoT Professional services Ltd – provides educational services to Basingstoke College of Technology

West Berkshire Training Consortium Limited (WBTC) – a well-established apprenticeship training provider based in Newbury.

Also included within 'The BCoT Group' are Aspiral Learning, which delivers apprenticeships and skills training to business, and The Future Skills Centre, a construction training centre at Bordon & Whitehill. These are separately branded divisions within Basingstoke College of Technology.

Our Vision and Mission

The Corporation updated its vision and mission in 2016 to be:

Vision:	Enriching lives, transforming futures
Mission:	For all our learners to progress with skills that employers need.

Our Strategic Plan

In July 2016 the College adopted a new strategic plan for the period 2016 to 2020. The plan ensures that people and businesses in Basingstoke and beyond have access to excellent technical education and training and that as a College we are meeting the needs of all our stakeholders, both now and in the future. The plan is focused on 'Skills for Work' and the College's aim is to ensure that every learner not only achieves their qualification but progresses into sustainable employment. Outstanding quality and outstanding engagement with employers are the hallmarks of this College and are fundamental to the success of our learners.

The key targets for the College are:

- Learner outcomes (achievement and destination) in the top 20% in the country;
- 10,000 new apprenticeships and traineeships;
- To increase our market share of 16-18 aged learners by 4% in the period to 2020;
- 1,000+ learners on higher level courses in 2019/20;
- 500 adults to have completed an access course and progressed to a degree programme; and
- To increase adult participation in education and skills by 10% by 2020.

To achieve these aims the key priorities are to:

- Adopt a commercial approach to apprenticeships, working in partnerships with employers;
- Provide a curriculum that is responsive to job requirements and the skills gap;
- Transform our Programmes of Study that prepare 16-18 aged learners for a successful career;

- Use technology to enhance Teaching, Learning and Assessment;
- Create an innovative work-based University centre on campus at BCoT;
- Develop impactful relationships with key University partners;
- Employ industry experts and develop their teaching skills; and
- Provide a high quality learning environment using industry standard equipment.

The Corporation uses performance measures to monitor the performance of the College against its strategic plan.

The College is currently preparing a new strategic plan for the period to 2025. This will be finalised and published early in 2021.

Resources

The College employs 305 people, of whom 126 are teaching staff.

The College enrolled 6,410 students during 2019/20. The College's student population includes 1,556 16-to-18-year-old college-based students, 874 apprentices (all ages), 3,913 adult students and 67 14-16 aged learners.

The College has £21.9 million of net assets (including a £15.0 million pension liability in relation to the Local Government Pension Scheme and £1.2 million for the Enhanced Pension Scheme). The College has no long term debt (2018/19: £nil) excluding provisions in relation to the pension schemes in place.

Tangible resources include the main College site (rebuilding cost valued at £51.4 million in 2018) and net current assets of £5.8 million. The College expects to maintain existing levels of net current assets over the next two years.

COVID-19

COVID-19 has seriously impacted the College's normal operations during the year. The College had prepared for a lockdown scenario before it was announced and so was able to seamlessly switch from on-site to remote learning, maintaining a full timetable for all 16-18 aged learners and most adult courses.

During the period of national lockdown the delivery of courses continued throughout. Financial assistance provided by government through the continuation of funding allocations enabled the college to make an undertaking that no members of staff would see their income from the college drop through the year as a result of COVID.

Consequently the College was able to continue to deliver courses that were in progress at the time of lockdown. Some new courses that could be delivered remotely were started after lockdown, but the majority of courses planned to start in the summer term were cancelled.

The vast majority of students completed their course, or were assessed on work completed up to the point of lockdown. Some courses where it was not possible to complete practical assignments such as in Beauty Therapy, Hairdressing and Bricklaying were required to be extended into the new academic year to enable students to complete.

The College's finances improved over the lockdown period as expenditure levels fell sharply. This is despite the necessity of closing the refectory and nursery, losing income in these areas but maintaining staff on full-pay. The government's furlough scheme was used to recover 80% of the wage costs in these two areas whilst staff were unable to work.

Contracts were maintained with suppliers throughout the lockdown period.

Detailed plans and risk assessments were prepared for the College's enrolment and reopening at the beginning of September 2020.

The impact of COVID on 2020/21 is expected to be significantly adverse. Income from apprenticeships and adult programmes will be much lower than normal, and coupled with higher costs of operating the College now anticipates the financial impact will be worse than it has budgeted.

Property Strategy

The college has spent over £14 million over the last nine years to improve its accommodation and equipment resources. The College estate is in good shape and provides an excellent foundation for the delivery of high quality teaching and learning.

Following a major refurbishment of 'A' block in 2018/19 to create a new HE and Business Centre, a major programme of improvements to the College's reception, entrances and refectory were undertaken during the summer 2019 which have modernised the College and enhanced the student experience.

Further funding was secured from Enterprise M3 LEP for two ground-breaking projects which were undertaken in 2019/20. Both were jointly funded by the LEP and the College.

Firstly, LaunchSpace was created. This is a technology rich learning environment bringing advanced digital skills into Basingstoke for the benefit of our learners and regional businesses. The total project value was a little over £600,000 and the facility opened for students in September 2020.

Secondly a dedicated Electric/Hybrid Vehicle Training Centre has been created on campus to meet the growing demand for skills in this area. This is a £320k project which was officially opened in October 2020.

Since clearing down its 20-year mortgage in 2016 the College is debt free and intends to maintain this position whilst the FE funding regime remains tight. A new property strategy is currently in development and it is anticipated that a major bid will be made to the College Estate Improvement capital fund for the refurbishment of the F block, including replacement of the aged curtain walling on that block.

The College also leases the Future Skills Centre at Bordon from Hampshire County Council. This brand new construction training centre was opened in September 2017 and moved into surplus for the first time in 2019/20. The college agreed revised terms with the landlord which has enabled it to maintain its operations there and build on the successes achieved to date.

West Berkshire Training Consortium operates from two leased premises in the centre of Newbury. These are adequate for the company's needs for the foreseeable future.

Stakeholders

In line with other college's and with universities, Basingstoke College of Technology has many stakeholders. These include:

- Current, future and past students;
- Education sector funding bodies;
- Staff;
- Local employers (with specific links);
- Local authorities and Local Enterprise Partnership;
- The local community;
- Other FE institutions;
- Awarding bodies;
- Professional bodies.

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

Public Benefit

Basingstoke College of Technology is an exempt charity under 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 page 18.

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, which is the principal charitable purpose of the corporation conducted for public benefit.

The guidance sets out the requirement that all organisations wishing to be recognised as charities must demonstrate, explicitly, that their aims are for the public benefit.

In delivering its mission, the College provides public benefit through:

- Its community impact – enriching the lives and transforming the futures of its learners
- Its economic impact – adding value to the regional economy through skills training and employer engagement
- Its environmental impact – reducing its carbon footprint and educating the future workforce about sustainability

DEVELOPMENT AND PERFORMANCE

Financial Results

The Group financial results for 2019/20 are in line with expectations. Our budget for the year anticipated an operating deficit after FRS 102 pension adjustments of £416k. The outturn result is an operating deficit of £291k, made up as a deficit in BCoT of £293k and a surplus from WBTC of £2k.

BCoT

The outstanding highlight of the year was the increase in 16-18 students choosing to study at the College. After several years of declining enrolments it was pleasing to see this reverse and substantially so with a 13.5% increase (170 full-time students). Due to the lagged funding methodology this growth did have to be resourced by the college in year, with the knowledge that funding would follow in 2020-21.

The College has built up a healthy level of cash reserves over the last few years and so the Corporation approved a budget for 2019/20 that enabled a net investment in the College to be made over the year i.e. the planned capital programme was greater than the value of cash generated from operations.

In order to ensure that resources are allocated within the College in line with student numbers a resourcing model is used. The model has been developed over a number of years and it enables a rapid redirection of funds to be made following the enrolment period to recognise actual student numbers in each area. When student numbers and income are declining the model identifies where and how costs can be reduced, and when student numbers and income are increasing it identifies where additional resources are required.

The resourcing model operates using an internal costing model to ensure that all curriculum delivery is financially viable. When combined with a flexible delivery team, it has been possible to adjust curriculum resourcing quickly to match student numbers. With declining income and numbers over recent years it has been necessary to reduce the costs of corporate services and College overheads. This year the opposite occurred and the college was able to quickly redeploy and increase resources to meet the demand.

Due to the impact of COVID-19 which prevented new courses from running after March 2020 the College was not able to fully utilise the value of its adult education funding allocation. The final outturn was 20%, well within the 30% tolerance allowed by the ESFA for the year.

The Corporation was pleased, despite the tight financial conditions, to be able to make a general pay award to all staff of £550 pro-rata. This is the third successive year that an award has been made and the Corporation wishes to formally acknowledge its appreciation to all staff for their hard work and dedication to the college and its students.

WBTC

It is pleasing to report that the company returned to a small surplus this year, ending a period of several years of financial challenges and operating deficits. This is an excellent result that is ahead of expectations and has been achieved despite lower than expected apprenticeship starts.

Cash flows and liquidity

At £1.6 million (2018/19 £3.2 million), net cash flow from operating activities remains strong. Cash expended on the acquisition of fixed assets amounted to £1.9 million. During the year there was a small decrease in cash of £0.3 million

Reserves

The College has accumulated reserves of £21.90million and cash and short term investment balances of £6.5 million. In the current financial climate, and with declining demographics, in the view of the Corporation it is essential to maintain a robust cash holding to ensure the continued delivery of high quality technical education in the region. Cash is placed on deposit for up to 12 months.

Sources of income

The College has significant reliance on the education sector funding bodies for its principal funding source, largely from recurrent grants. In 2019/20 the FE funding bodies provided 70% of the College's total income.

Financial health

The College assessed its financial health at 31 July 2020 to be outstanding in accordance with ESFA Financial Health Measures.

CURRENT AND FUTURE DEVELOPMENT

Student achievements

There was significant disruption to learning this year due to the ongoing COVID-19 pandemic and the college closure in the summer term. The College was well prepared to switch to online learning to minimise the impact and students continue to prosper. 96% of students progress to further study, including higher education, work or an apprenticeship. 98% of apprentices remain in sustained employment at the end of their apprenticeship, many of whom secure promotion or increased pay. GCSE pass rates continue to rise; 100% for both English and maths.

Curriculum developments

In 2016 Ofsted inspected the college and judged its overall effectiveness to be 'Good'.

Inspectors found the key strengths of the inspection were:

- Teaching, learning and assessment are good.

- Teachers make particularly innovative and effective use of information learning technology to engage and motivate learners.
- Staff maintain strong links with employers and use them well to enhance learners' and apprentices' experiences, provide valuable work experience placements and enable local businesses to grow and develop.
- Staff create an inclusive environment where learners and teachers are respectful and tolerant, and work well together.
- On completion of their programmes, most learners successfully progress to further study, apprenticeships, higher education or employment.
- All staff provide high standards of care, support and guidance for learners in the college, helping to ensure that learners undertake the course that best suits their skills and interests, and successfully progress to the next level on completion.
- The new leadership team has successfully implemented a range of improvement initiatives to reverse the decline in standards.
- Governors are knowledgeable and highly experienced; they make a valuable contribution to the smooth strategic and financial running of the college.

The College participated in an Ofsted Review of Online Learning in the summer term. The Inspector praised leaders and managers for developing strategies to manage lockdown, in the weeks prior to the announced closure, which resulted in a seamless switch to online learning. Many strengths were highlighted including:

- The single approach to delivery with all classes being carried out in timetabled slots, using Google Meet, providing learners with a sense of 'business as usual'.
- Training teams working closely with teaching support teams to develop skills for online delivery led by the pedagogy.
- Teachers using a range of methods to engage learners in online lessons to develop and reinforce knowledge, skills and behaviours.
- Learners with learning difficulties having the same support online that they had when they were physically in college.
- Learners developing new knowledge and skills and reinforcing and maintaining skills during lockdown.
- Learners' progress being assessed in a variety of forms and learners receiving feedback to help them improve.

The College's key priorities, defined in its 2016 – 2020 Strategic Plan are to:

- Adopt a commercial approach to apprenticeships, working in partnership with employers.
- Provide a curriculum that is responsive to job requirements and skills gaps.
- Transform our programmes of study that prepare 16 – 18 aged learners for a successful career.
- Use technology to enhance teaching, learning and assessment.
- Create an innovative work-based university centre on campus.
- Develop impactful relationships with key university partners.
- Employ industry experts and develop their teaching skills.
- Provide a high quality learning environment using industry standard equipment

The College's curriculum remains responsive and is continually reviewed to ensure it meets the needs of all its stakeholders. The College remains alert to market demands and uses Labour Market Intelligence data to inform its curriculum planning and identify local and regional skills gaps.

The College's continual review of its curriculum ensures all learners are equipped with the technical skills, knowledge and employability skills required to have a successful career in their chosen sector. 16 – 18 year old students follow Programmes of Study or apprenticeships with a balance of learning to develop their technical, practical, employability and social skills.

Apprenticeship opportunities are available in most vocational areas and offer an attractive alternative to full time study. Apprenticeships are available from level 2 to level 5; they provide clear routes into employment, are responsive to the local and regional economy and, financially, offer a cost effective route to degree level study in some occupational sectors.

Provision for adults continues to grow with a significant increase in distance learning course enrolments during the summer term when the national lockdown, to reduce the spread of coronavirus, was imposed. The greatest demand for courses is in healthcare and basic skills. Through partnerships with local employers, the College tailors the provision to be responsive to the needs of the region.

The College offers an alternative education provision for young people, aged 14-25, with additional needs. Its holistic approach to education and training and a strong support team, providing wrap around services such as counselling, mentoring and professional support, ensures students achieve the qualifications and life skills they need for their future success.

The College has invested in a Higher Education Centre, providing excellent facilities to deliver higher level training, predominately aimed at people in work. A partnership has been established with the University of Portsmouth to offer HNC qualifications in engineering from September 2020. This builds on the existing relationship with the University of Reading to deliver the Foundation Degree in Children's Development and Learning. The priority for next year is to further develop the HE provision, in conjunction with the University of Portsmouth, with a focus on media and games design.

In a digital age, the college recognises that students' experience is enhanced by technology and on-line learning. The College uses technology wherever possible to widen participation and enrich the student learning experience. Blended learning, the college's descriptor for on-line learning, that is closely aligned to the curriculum, is a part of all programmes of study at level 2 and 3. Many courses enrolled on by adults and apprentices also include blended learning in their programmes.

To ensure the college is at the leading edge of digital learning, it invests in robust, resilient and high performing IT systems and has significantly increased the IT capacity and capability this year. It has also established Launchspace; a multipurpose, dynamic and tech-rich facility enabling the delivery of creative and innovative project-based learning opportunities and an Electric Vehicle Training Centre to ensure our students are well trained using cutting edge technology to prepare them for the future.

Governance

The College's corporation, in conjunction with senior leaders, sets the strategic direction of the College and identifies targets to enable the performance of the College to be managed and assessed. Governors provide an appropriate balance of strategic direction, challenge and support which contributes to the work of the College and achievement of students.

Governors are linked with a curriculum area which provides the opportunity for governors to visit the College outside of the formal meeting structure and assess the implementation of policy and practice as well as to engage with staff and students.

Self-Assessment

The College is rated Good by OFSTED (May 2016). The College undertakes a self-assessment exercise each year. For 2019/20 the overall effectiveness of the College is judged as good with quality of education also assessed as good. The College recognises that all learners must consistently be stretched and challenged and there is strong emphasis on developing English, Maths and the employability skills of learners. It is also recognised that all learners have individual end goals and as a College it is recognised that this goal should be integral to planning learning and target setting.

Financial plan

The College governors have approved a financial plan in July 2020 which sets objectives for the period to July 2021.

The College aims to maintain its ESFA Financial Health Grade of 'Outstanding' whilst recognising the position for the coming year is more challenging due to COVID-19 with anticipated decreases in apprenticeships starts and adult enrolments and increased costs of operating due to risk mitigation measures for which no additional funding has been provided.

The College has budgeted an operating deficit after FRS102 pension adjustments for the year to 31 July 2021, but with a lower capital programme the budget anticipates an overall increase in cash reserves over the year.

Treasury policies and objectives

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

The College has a separate treasury management policy in place.

Reserves

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. It is the Corporation's intention to maintain reserves over the life of the strategic plan through the generation of positive annual cash flow from operating activities. As at the balance sheet date the Income and Expenditure reserve stands at £2.6 million (2018/19 £8.8 million).

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. To support this conclusion the College has undertaken a rigorous budgeting process which culminates in the preparation of a financial plan and budget that incorporates an analysis of cash flow, liquidity, and borrowing facilities.

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 governing body has overall responsibility for risk management and its approach to managing risks and internal controls is explained in the Statement on Corporate Governance.

Based on the strategic plan, the Audit Committee undertakes a comprehensive review of the risks to which the College is exposed. They identify systems and procedures, 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.

A risk register is maintained at the College level which is reviewed at each meeting of the Audit Committee. 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. Each department is also responsible for maintaining its own risk register which is updated at least annually.

The main risk factors affecting the College are outlined below along with the action taken to minimise them. Not all the factors are within the College's control. Other factors besides those listed below may also adversely affect the College.

Risk	**Key Mitigating Actions**
Apprenticeship delivery is not financially viable because of a sharp drop in starts caused by COVID and its impact on employers	Accept a lower financial contribution in 20/21 to prevent provision being closed Identify opportunities to combine groups for some aspects of delivery Provision of alternative full-time provision for people unable to find an apprenticeship
Impact of Coronavirus on the college's operations	See college website for published risk assessments Plans prepared to ensure all learners remain engaged and are able to complete their course Follow government and Public Health England advice, plus AoC and others, and keep active watching brief on developments Provide remote access to college systems for all staff Loan devices to students and staff where needed Maintain open communication channels with stakeholders Prepare plans to fully reopen in September 2020
Value added/student progress is insufficient	Student targets and progress tracked via markbook Student and staff dashboards to be amended to report on progress vs targets Tracking meetings held to assess progress and identify actions for students not making expected progress For non-BTEC qualifications, system developments are required to enable pass/fail type qualifications to be progress monitored Value added measures to be part of dataset for self-assessment reporting
Devolution of adult funding will reduce the college's funding allocation	Manage withdrawal of GLA provision by July 2021 Re formulate plans to reduce the amount subcontracted Seek alternatives funding routes to continue delivery
Achievement rates decline or are low	Accountability at all levels of staff English and maths delivery changed to include small group tuition Programmes of Study changes Audit of IV procedures to be conducted Increase participants in apprenticeship review meetings Tighten tracking of apprenticeship progress
The college is not successful in reducing the number of students leaving their course early and not completing	Review and amend advice & guidance procedure – reintroduce 1-2-1 interviews with Course Director. Targeted actions at courses with high levels of early leavers Students study programmes have clear goals linked to careers and progression. Students are kept up to date on progress at regular reviews. Alternative courses available for students leaving their course early Data analysis of early leavers used to target specific issues. Rewards and incentives for good attendance Investigate use of technology to engage and incentivise students
Breaches of: Data Protection Act Freedom of Information Act GDPR (2018)	Policies and procedures Staff development and training Hardware audit and upgrade Information audit External expert support

KEY PERFORMANCE INDICATORS

During 2017/18 the Corporation updated the financial indicators it uses to assess and manage the financial position of the College. The updated indicators provide a balanced view of the solvency, liquidity and financial sustainability of the College, in particular recognising the importance of cash generation, cash availability and capital expenditure.

The measures place less emphasis on the reported surplus or deficit for the year as reported in the financial statements under FRS 102. The accounting adjustments required in respect of FRS 102, particularly in relation to the LGPS, are outside the College's control and beyond what could be reasonably covered by annual College income. The surplus / (deficit) is still considered, but as one of 7 measures which, taken together, provide an overview of the College's financial position.

The Earnings before Interest, Depreciation and Amortisation (EBITDA) measure is now used widely in the sector, including by the ESFA when calculating a college's financial health score. The corporation considered whether it should use EBITDA as an alternative to operating surplus / (deficit) but decided instead to use a modified version of EBITDA which it refers to as 'Cash Generated from Operations'. The cash generation measure differs from EBITDA as it is after interest received and debt servicing. It reports the amount of cash generated over the year which is available for capital investment. The Corporation decided to use a monetary value for this measure, rather than expressing it as a percentage of income - the important aspect to this measure is whether the College is generating sufficient cash to meet its ongoing capital expenditure requirements.

Performance indicator	Measures			Budget 2019/20	Outturn 2019/20	Assessment
	Concern	Satisfactory	Strong			
ESFA financial health score	< 110	> 170	> 230	280	290	Strong
Cash generated from operations (available for capital)	<£500k	> £1.0 m	> £1.4 m	£1.364m	£1.451m	Strong
Capital expenditure as a proportion of cash generated	> 75%	50% to 75%	< 50%	102%	90%	High
Surplus/(deficit) as a % of income	< -3%	> 0%	> 3%	-2.7%	-2.3%	Acceptable
Pay costs as a % of income	> 70%	< 67.5%	< 65%	61.0%	61.0%	Strong
Cash days	< 25 days	>42.5 days	> 60 days	180	173	Strong
Current ratio	< 1.0	> 1.6	> 2.0	5.8	4.9	Strong

Equality & Diversity (E&D)

The College is committed to providing a high quality educational experience where learners and staff can work in a positive and inclusive environment.

Our vision is “Enriching lives, transforming futures” and our values include:

- Respectful – We value every person as an individual and embrace diversity in our community
- Inclusive – We provide opportunities for all and we welcome people of all abilities and backgrounds

The College Equality and Diversity objectives 2016-2020

- Everyone working for and studying at BCoT will promote our values of Equality, Diversity and Inclusion and this will underpin everything the College does.
- Review achievement disparities between different groups and to action support processes so these groups can achieve their full potential, and provide information and guidance to departments/curriculum areas.
- The College will recruit and maintain a staff and student population which is reflective of the local and wider community
- The College’s vision and values for Equality, Diversity and Inclusion will be communicated to everyone.
- All staff will be supported by training and development to advance the College’s values

All staff and students should expect

- to be treated fairly irrespective of any perceived differences, including, but not limited to characteristics protected under the Equality Act 2010; and
- to work free from harassment and bullying.

External contractors and employers or work placement providers are expected to adhere to its ethos.

The College seeks to ensure that its policies, procedures and practices promote E&D and are clearly communicated, accessible and equally applied to all sections of the College community including potential learners, service users and job applicants. We believe that all members of the College community have the right to be treated fairly (and the duty to treat others fairly) irrespective of disability or any other perceived difference and to work and study in an environment which is free from harassment and bullying.

Disability statement

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

- As part of its accommodation strategy the College updated its access point as part of its property and maintenance works. The College has worked with DisabledGo experts in access to buildings and facilities.
- The College has a Nurse and Health and Safety Expert, who provides information, advice and arranges support where necessary for students with disabilities;
- There is a list of specialist equipment, such as radio aids, which the College can make available for use by students in addition to a range of assistive technology is available in the learning centre;
- The College has made a significant investment in the appointment of specialist lecturers to support students with learning difficulties and/or disabilities. There are a number of student support assistants who can provide a variety of support for learning. There is a continuing

programme of staff development to ensure the provision of a high level of appropriate support for students who have learning difficulties and/or disabilities;
- Specialist programmes are described in College prospectuses, and achievements and destinations are recorded and published in the standard College format; and
- Counselling and welfare services are described in the College Student Guide, which is issued to students together with the Complaints and Disciplinary Procedure leaflets at induction.

Safeguarding

The College has a statutory and moral duty to safeguard all its people, both learners and staff and sees this as central to all it does. This covers all matters connected with learners and staff having a safe working environment, ensuring that they know how to keep themselves safe. It pays particular regard to the welfare of people under the age of 18 and to that of adults at risk.

At BCoT we take our responsibility around Safeguarding very seriously. Students and staff should feel safe at College and everyone should be aware of the processes if someone is feeling unsafe. All College staff have responsibility for the safety and promotion of welfare of our students.

When students come to the College we consistently use the three words - Ready, Respect and Safe.

As a college we adhere to the regulations and requirements that are covered in; Working together to safeguard children (DfE March 2013) and Keeping children safe in education: information for school and college staff (DfE Sept 2016) - copies of these can be found on the intranet as can the College safeguarding policy.

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. In 2019/20 the number of employees who acted in such a capacity was NIL.

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. During the accounting period 1 August 2019 to 31 July 2020, the College paid 84 per cent of its invoices within 30 days.

The principal reasons for any non-payment of an invoice within 30 days are that the supplier has not followed the College's terms and conditions of purchase which then slows down the payment approval process, or that there is a query or dispute in relation to the supply which causes the College to delay payment until satisfactory resolution of the issue.

The College incurred no interest charges in respect of late payment for this period.

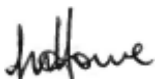
EVENTS AFTER THE REPORTING PERIOD

There are no significant post balance sheet events to report.

DISCLOSURE OF INFORMATION TO AUDITORS

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

Approved by order of the members of the Board of Corporation on 9 December 2020 and signed on its behalf by:



M Howe
Chair of Governors

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:

1. in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership);
2. in full accordance with the guidance to colleges from the Association of Colleges in The Code of Good Governance for English Colleges ("the Code").

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. In carrying out its responsibilities, it takes full account of The Code of Good Governance for English College's issued by the Association of College's in March 2015, which it formally adopted on 23 March 2016.

Members of 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 table below.

	Member	Category	Term of Office	Committee Membership	Notes	Attendance
1	George Batho	External	Full year	F&R, Remun		70%
2	Anthony Bravo	Principal	Full year	F&R, C&Q, Search, Cap Proj		88%
3	Charles Cardiff	External	Full year	Audit	Chair of Audit	71%
4	Terry Clark	Staff	Full year	C&Q		100%
5	Greg Devereux-Cooke	Staff	Full year	F&R		80%
6	Steve Fussey	External	Full year	C&Q, Remun, Cap Proj	Vice Chair of Corp Chair of Quality	90%
7	Lynne George	External	Full year	F&R	Chair of F&R	90%
8	Mike Howe	External	Full year	F&R, Search, Cap Proj	Chair of Corp Vice Chair F&R	100%
9	Beryl Huntingdon	External	Full year	C&Q		71%
10	Nicole Martin	External	Full year	Audit		57%
11	Anne Millar	External	Full year	C&Q, Search		89%
12	Chris Moore	External	Full year	F&R, Cap Proj		100%
13	Dave Murray	External	Full year	F&R, Cap Proj		82%
14	Martin Slatford	External	Full year	Audit		71%
15	Mike Wilkinson	External	Left Feb 2020	Quality	Vice Chair C&Q	83%
16	Colin Willoughby	External	Full year	F&R, Cap Proj		91%
17	Pamela Woolgrove	External	Full year	Audit, Search	Chair of Search Vice Chair Audit	77%
18	Holly Keast	Student	Full year	C&Q		29%
19	Vacancy (Keith Jackman)	External	N/A			N/A
20	Vacancy (Tim Sayer)	External	N/A			

External Co-opted Member on Audit Committee

	Vacancy (Nicole Martin)	Co-opted	N/A	Audit		

The governance framework

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 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 Finance and Resources, Audit, Curriculum & Quality, Remuneration, Search and Capital Projects.

Full minutes of all meetings, except those deemed to be confidential by the Corporation, are available on the College's website www.bcot.ac.uk or from the Clerk to the Corporation at:

Basingstoke College of Technology,
Worting Road,
Basingstoke,
RG21 8TN

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 Board for ensuring that all applicable procedures and regulations are complied with. The appointment, evaluation and removal of the Clerk are matters for the Corporation as a whole.

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

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

There is a clear division of responsibility in that the roles of the Chairman 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 committee, consisting of three 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

2019/20 started on a very positive note for the Corporation and the College. Enrolments had increased above forecast and reserves continued to be built-up. The College estate continued to be refurbished and developed. Funding bids had been submitted for the LEP to support capital developments. The biggest external factor during the latter part of 2019 was related to Brexit, but that did not have an impact on the operation of the College.

The merger with West Berkshire Training Consortium (WBTC) continued to move forward on a positive basis and was working well. The Principal chairs the WBTC board of trustees, supported by two

Corporation-nominated members on the board.

New Members to the Corporation were also appointed, filling some of the vacancies that had been held pending the (then) potential merger with Alton College.

The early part of 2020 saw the introduction of significant nationwide restrictions placed on the whole country because of the Covid-19 pandemic. The College continued to operate with all teaching and learning being undertaken online. Staff and students embraced this method of operation. During this period the College was part of a pilot study run by Ofsted who were reviewing remote learning opportunities and gave the College very positive feedback on how it had implemented changes and continued to operate remotely with learners.

The Corporation continues to work closely with the Senior Management Team to ensure teaching and the curriculum are continuously reviewed to meet learners and employers needs and the College maintains a flexible approach to learning in the COVID world.

The Corporation continues to operate on the 'traditional' structure of the main board supported by several key committees.

Members continue to challenge the Corporation and the senior management team at both board and committee meetings on a wide range of issues to ensure that the overall strategic objectives, as set out in the Articles of Government and the strategic plan, are met.

Looking towards the next year, the current Strategic Plan is due for renewal in 2020. The Corporation will establish a working Group of Members to review progress against the current Strategic Plan and to present a new Plan to the Corporation for approval. The Finance & Resources Committee and the Corporation will continue to monitor closely the finances of the College to ensure that the best use of the resources is made for the benefit of current and future learners. In addition, the College has re-opened to on-site teaching in line with the government's instructions and guidance on such matters.

Remuneration Committee

Throughout the year ending 31 July 2020 the College's Remuneration Committee comprised two members of the Corporation. The Committee's responsibilities are to make recommendations to the Board on the remuneration and benefits of the Accounting Officer and other key management personnel.

Details of remuneration for the year ended 31 July 2020 are set out in note 6 to the financial statements.

Audit Committee

The Audit Committee comprises five members of the Corporation (excluding the Accounting Officer and Chair) as well as an External Co-opted member. The Committee operates in accordance with written terms of reference approved by the Corporation.

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

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

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

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

Finance and Resources Committee

The Finance and Resources Committee is made up of eight members of the Corporation and monitors the College's financial position and financial controls systems. The committee focuses on areas of Finance, Human Resources, IT and Estates.

The Committee operates in accordance with the Terms of Reference approved by the Corporation and meets four times a year.

Quality Committee

The Quality Committee oversees the effective implementation of the College's quality processes and reports to the Board of Corporation. The committee meets termly and comprises seven members of the Corporation.

Capital Projects Committee

The Capital Projects committee provides the Corporation with authoritative advice in relation to a Capital Building Project. It is formed solely to oversee a specific capital project and has no authority to consider any other property or capital matters unless specifically delegated such authority by the Corporation. Its term of office expires one calendar year after the official handover of the project to the College. The committee reports to the Board of Corporation and comprises six members of the Corporation.

INTERNAL CONTROL

Scope of responsibility

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

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

The purpose of the system of internal control

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of College policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Basingstoke College of Technology 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 have 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; and
- the adoption of formal project management disciplines, where appropriate.

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

Review of effectiveness

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

- the work of the internal auditors;
- the work of the executive managers within the College who have responsibility for the development and maintenance of the internal control framework; and
- comments made by the College's financial statements auditors, the reporting accountant for regularity assurance, the appointed funding auditors (for college's 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 other sources of assurance, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

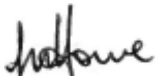
The senior management team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The Senior Management Team and the Audit Committee also receive regular reports from internal audit and other sources of assurance, which include recommendations for improvement.

The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Corporation's agenda includes a regular item for consideration of risk and control and 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 November 2020 meeting, the Corporation carried out the annual assessment for the year ended 31 July 2020 by considering documentation from the senior management team and internal audit, and taking account of events since 31 July 2020.

Based on the advice of the Audit Committee and the Accounting Officer, the Corporation is of the opinion that the College has an adequate and effective framework for governance, risk management and control,

and has fulfilled its statutory responsibility for "*the effective and efficient use of resources, the solvency of the institution and the body and the safeguarding of their assets*".

Approved by order of the members of the Corporation on 9 December 2020 and signed on its behalf by:



M Howe
Chair of Governors

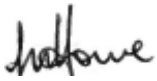
A Bravo
Accounting Officer

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 the ESFA. As part of our consideration we have had due regard to the requirements of the grant funding agreements and contracts with the ESFA.

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

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



M Howe
Chair of Governors

A Bravo
Accounting Officer

Statement of Responsibilities of the Members of the Corporation

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

Within the terms and conditions of the College's grant funding agreements and contracts with the ESFA, the Corporation, through its Accounting Officer, is required to prepare financial statements and an operating and financial review for each financial year in accordance with the *Statement of Recommended Practice – Accounting for Further and Higher Education,* the ESFA's college accounts direction and the UK's Generally Accepted Accounting Practice, and which give a true and fair view of the state of affairs of the Corporation and 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.

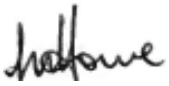
The Corporation is also required to prepare a Members' Report which describes what it is trying to do and how it is going about it, including information about the legal and administrative status of the College.

The Corporation is responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the College, and which enable it to ensure that the financial statements are prepared in accordance with the 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 in order to safeguard the assets of the College 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 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 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 College'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 9 December 2020 and signed on its behalf by:



M Howe
Chair of Governors

INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF BASINGSTOKE COLLEGE OF TECHNOLOGY

Opinion

We have audited the financial statements of Basingstoke College of Technology (the 'College') and its subsidiaries (the 'Group') for the year ended 31 July 2020 which comprise the consolidated and college statements of comprehensive income, the consolidated and college balance sheets, the consolidated and college statements of changes in reserves, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the College's affairs as at 31 July 2020 and of the Group's and the College's deficit of income over expenditure 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 group and 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 governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the college's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the [Report and Financial Statements][1] other than the financial statements and our auditor's report thereon. The governors are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Office for Students' Accounts Direction

In our opinion, in all material respects:

- funds from whatever source administered by the college for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the Office for Students, UK Research and Innovation (including Reasearch England), the Education and Skills Funding Agency and Department for Education have been applied in accordance with the relevant terms and conditions; and
- the requirements of the Office for Students' accounts direction for the relevant year's financial statements have been met.

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 2019 to 2020 issued by the Education and Skills Funding Agency requires us to report to you if, in our opinion:

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

We have nothing to report in respect of the following matters where the Office for Students' accounts direction requires us to report to you if:

- the College's grant and fee income, as disclosed in the note to the accounts, has been materially misstated.

Responsibilities of the Corporation of Basingstoke College of Technology

As explained more fully in the Statement of the Corporation Responsibilities set out on page 25 the Corporation is responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Corporation determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the Corporation, as a body, in accordance with the Funding Agreement published by the Education and Skills Funding Agency and our engagement letter dated 14 May 2020. Our audit work has been undertaken so that we might state to the Corporation, as a body, those matters we are engaged to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Corporation, as a body, for our audit work, for this report, or for the opinions we have formed.

Alliotts LLP
Chartered Accountants
Friary Court
13 -21 High Street
Guildford
Surrey
GU1 3DL

Date:

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON REGULARITY TO THE CORPORATION OF BASINGSTOKE COLLEGE OF TECHNOLOGY AND THE SECRETARY OF STATE FOR EDUCATION ACTING THROUGH THE EDUCATION AND SKILLS FUNDING AGENCY (THE ESFA) AND THE GREATER LONDON AUTHORITY.

In accordance with the terms of our engagement letter dated 14 May 2020 and further to the requirements and conditions of funding in the ESFA's grant funding agreements and contracts, or those of any other public funder, including the Greater London Authority] 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 Basingstoke College of Technology 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 the ESFA and in any relevant conditions of funding concerning adult education notified by a relevant funder. In line with this framework, our work has specifically not considered income received from the main funding grants generated through the Individualised Learner Record data returns, for which the ESFA or devolved authority has other assurance arrangements in place..

This report is made solely to the corporation of Basingstoke College of Technology and the ESFA and the Greater London Authority in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the corporation of Basingstoke College of Technology and the ESFA and the Greater London Authority 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 Basingstoke College of Technology and the ESFA and the Greater London Authority for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Basingstoke College of Technology and the reporting accountant

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

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Code. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 August 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 the ESFA and in accordance with any guidance provided by a relevant devolved authority. 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 our conclusion included:

- Documenting the framework of authorities which govern the activities of the College;
- Undertaking a risk assessment based on our understanding of the general control environment and any weaknesses in internal controls identified by our audit of the financial statements;
- Reviewing the self-assessment questionnaire which supports the representations included in the Chair of Governors and Accounting Officer's statement on regularity, propriety and compliance with the framework authorities;
- Testing transactions with related parties;
- Confirming through enquiry and sample testing that the College has complied with its procurement policies and that these policies comply with delegated authorities; and
- Reviewing any evidence of impropriety resulting from our work and determining whether it was significant enough to be referred to in our regularity report.

This list is not exhaustive and we perform additional procedures designed to provide us with sufficient appropriate evidence to express a limited assurance conclusion on regularity consistent with the requirements of the Code.

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.

Alliotts LLP

Date:

Basingstoke College of Technology
Consolidated Statements of Comprehensive Income and Expenditure

	Notes	2020 Group £'000	2020 College £'000	2019 Group £'000	2019 College £'000
INCOME					
Funding body grants	2	13,115	10,785	13,772	11,349
Tuition fees and education contracts	3	2,510	2,713	2,226	2,312
Other income	4	1,916	1,654	1,650	1,475
Investment income	5	44	44	45	39
Total income		**17,585**	**15,196**	**17,693**	**15,175**
EXPENDITURE					
Staff costs	6	10,904	10,055	9,947	9,155
Fundamental restructuring costs	6	164	100	26	26
Other operating expenses	7	5,177	3,716	5,486	3,749
Depreciation and amortisation	9/10	1,434	1,421	1,409	1,385
Interest and other finance costs	8	197	197	150	150
Total expenditure		**17,876**	**15,489**	**17,018**	**14,465**
Surplus before other gains and losses		**(291)**	**(293)**	**675**	**710**
Acquisition of West Berkshire Training Consortium		-	-	563	-
(Loss) / Profit on disposal of assets	9	(45)	(45)	56	56
Surplus for the year		**(336)**	**(338)**	**1,294**	**766**
Actuarial (loss) in respect of pension schemes	20	(6,258)	(6,258)	(2,072)	(2,072)
Total Comprehensive Income for the year		**(6,594)**	**(6,596)**	**(778)**	**(1,306)**

The statement of comprehensive income is in respect of continuing activities

Basingstoke College of Technology
Consolidated and College Statement of Changes in Reserves

	Income and Expenditure account	Revaluation reserve	Total
	£'000	£'000	£'000
Group			
Balance at 1st August 2018	9,760	20,061	29,821
Surplus from the income and expenditure account	1,294	-	1,294
Other comprehensive income / (expenditure)	(2,072)	-	(2,072)
Transfers between revaluation and income and expenditure reserves	362	(362)	-
	(416)	(362)	(778)
Balance at 31st July 2019	9,344	19,699	29,043
Surplus from the income and expenditure account	(336)	-	(336)
Other comprehensive income / (expenditure)	(6,258)	-	(6,258)
Transfers between revaluation and income and expenditure reserves	362	(362)	-
Total comprehensive income for the year	(6,232)	(362)	(6,594)
Balance at 31st July 2020	**3,112**	**19,337**	**22,449**
College			
Balance at 1st August 2018	9,760	20,061	29,821
Surplus from the income and expenditure account	766	-	766
Other comprehensive income / (expenditure)	(2,072)	-	(2,072)
Transfers between revaluation and income and expenditure reserves	362	(362)	-
	(944)	(362)	(1,306)
Balance at 31st July 2019	8,816	19,699	28,515
Surplus from the income and expenditure account	(338)	-	(338)
Other comprehensive income / (expenditure)	(6,258)	-	(6,258)
Transfers between revaluation and income and expenditure reserves	362	(362)	-
Total comprehensive income for the year	(6,234)	(362)	(6,596)
Balance at 31st July 2020	**2,582**	**19,337**	**21,919**

Basingstoke College of Technology
Consolidated Balance Sheets as at 31 July 2020

	Notes	2020 Group	2020 College	2019 Group	2019 College
Non current assets		**£'000**	**£'000**	**£'000**	**£'000**
Tangible fixed assets	9	34,849	34,818	34,391	34,380
Intangible fixed assets	10	41	41	61	61
		34,890	**34,859**	**34,452**	**34,441**
Current assets					
Stocks		2	2	3	3
Trade and other receivables	11	1,401	1,140	1,091	796
Cash and cash equivalents	15	7,174	6,519	7,478	6,903
		8,577	**7,661**	**8,572**	**7,702**
Less: Creditors - amounts falling due within one year	12	(2,304)	(1,887)	(2,102)	(1,749)
Net current assets		**6,273**	**5,774**	**6,470**	**5,953**
Total assets less current liabilities		**41,163**	**40,633**	**40,922**	**40,394**
Less: Creditors – amounts falling due after more than one year	13	(2,476)	(2,476)	(2,472)	(2,472)
Provisions					
Defined benefit obligations	14	(15,000)	(15,000)	(8,390)	(8,390)
Enhanced pension provision	14	(1,238)	(1,238)	(1,017)	(1,017)
Total net assets		**22,449**	**21,919**	**29,043**	**28,515**
Unrestricted reserves					
Income and expenditure account		3,112	2,582	9,344	8,816
Revaluation reserve		19,337	19,337	19,699	19,699
Total unrestricted reserves		**22,449**	**21,919**	**29,043**	**28,515**

The financial statements on pages 31 to 60 were approved and authorised for issue by the Corporation on 9 December 2020 and were signed on its behalf on that date by:

M Howe
Chair of Governors

A Bravo
Accounting Officer

Basingstoke College of Technology
Consolidated Statement of Cash Flows

	Notes	2020 £'000	2019 £'000
Cash inflow from operating activities			
(Deficit)/Surplus for the year		(336)	1,294
Adjustment for non cash items			
Depreciation	9	1,403	1,374
Amortisation	10	31	44
Increase in debtors	11	(310)	(372)
Increase in creditors due within one year	12	202	385
Increase in creditors due after one year	13	4	118
Decrease in provisions	14	(59)	(56)
Pensions costs less contributions payable	20	632	490
Adjustment for investing or financing activities			
Investment income	5	(44)	(45)
Loss / (Profit) on sale of fixed assets	7	45	(56)
Net cash flow from operating activities		**1,568**	**3,176**
Cash flows from investing activities			
Investment income	5	44	45
Payments made to acquire fixed assets		(1,916)	(1,168)
		(1,872)	(1,123)
Increase in cash and cash equivalents in the year		**(304)**	**2,053**
Cash and cash equivalents at beginning of the year	15	7,478	5,425
Cash and cash equivalents at end of the year	15	7,174	7,478

Notes to the Accounts

1. Statement of accounting policies and estimation techniques

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

Basis of preparation

These financial statements have been prepared in accordance with the *Statement of Recommended Practice: Accounting for Further and Higher Education 2019* (the 2019 FE HE SORP), the C*ollege Accounts Direction for 2019 to 2020* and in accordance with Financial Reporting Standard 102 – *"The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland"* (FRS 102) and Regulatory Advice 9: Accounts Direction issued by the Office for Students. The College is a public benefit entity and has therefore applied the relevant public benefit 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 modified by the revaluation of certain fixed assets.

Basis of consolidation

The consolidated financial statements include the College and its subsidiaries, BCoT Professional Services Limited (BPSL) and West Berkshire Training Consortium (WBTC), controlled by the Group. Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The results of the subsidiaries are included in the consolidated income and expenditure account from the date that BPSL was formed and the date on which control of WBTC took place. Intra-group sales and profits are eliminated fully on consolidation.

Going concern

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

The College currently has no outstanding debt as well as healthy reserves of liquid assets. A robust budgeting and forecasting system allows the College to predict there is at least a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future.

For this reason the College will continue to adopt the going concern basis in the preparation of its Financial Statements.

Recognition of income

Revenue grant funding

Government revenue grants include funding body recurrent grants and other grants and are accounted for under the accrual model as permitted by FRS 102. Funding body recurrent grants are measured in line with best estimates for the period of what is receivable and depend on the particular income stream involved. Any under achievement for the Adult Education Budget is adjusted for and reflected in the level of recurrent grant recognised in the income and expenditure account. The final grant income is normally determined with the conclusion of the year end reconciliation process with the funding body following the

year end, and the results of any funding audits. 16-18 funding is not normally subject to reconciliation and is therefore not subject to contract adjustments.

Levy-funded and ESFA funding for co-investment model apprenticeships income is measured in line with best estimates of the provision delivered in the year.

The recurrent grant from OfS represents the funding allocations attributable to the current financial year and is credited direct to the Statement of Comprehensive Income.

Where part of a government grant is deferred, the deferred element is recognised as deferred income within creditors and allocated between creditors due within one year and creditors due after more than one year as appropriate.

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

Capital grant funding

Government capital grants are capitalised, held as deferred income and recognised in income over the expected 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 received.

Agency arrangements

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

Accounting for post-employment benefits

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

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.

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 a 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 staff costs as incurred.

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

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

Short term Employment benefits

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

Enhanced Pensions

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

Tangible fixed assets

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

Land and buildings

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

- North site – 45 years
- South site – 40 years

Freehold land is not depreciated as it is considered to have an infinite useful life.

The College has a policy of depreciating major adaptations to buildings over the period of their useful economic life.

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

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, which were revalued in 2014 as deemed cost but not to adopt a policy of revaluations of these properties in the future.

Assets under construction

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

Subsequent expenditure on existing fixed assets

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

Equipment

Equipment costing less than £2,000 per individual item is recognised as expenditure in the period of acquisition. All other equipment is capitalised at cost. Equipment inherited from the local education authority is included in the balance sheet at valuation.

Capitalised equipment is depreciated over its useful economic life as follows:

- Computer Hardware & Software - 4 years on a straight-line basis
- Equipment - 5 years on a straight-line basis
- Building improvements - in line with the useful economic life of the building or shorter if the useful economic life is excepted to be shorter
- Fixtures and Fittings - 10 years on a straight-line basis
- Motor Vehicles - 5 years on a straight-line basis

A full year of depreciation is charged in the year of purchase.

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 released to the income and expenditure account over the expected useful economic life of the related equipment.

Intangible assets

All software and licences are capitalised at cost and depreciated over 4 years or the licence period if longer.

Leased assets

Costs in respect of operating leases are charged on a straight-line basis over the lease term to the Statement of Comprehensive Income and Expenditure.

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

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

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

Inventories

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

Cash and cash equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts.

Cash equivalents are short term, highly liquid investments that are readily convertible to cash with insignificant risk of change in value, including funds placed on deposit for a period of up to 12 months.

Financial liabilities and equity

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

All 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 cost, however the College has calculated that the difference between the historical cost and amortised cost basis is not material and so these financial instruments are stated on the balance sheet at historical cost. Loans and investments that are payable or receivable within one year are not discounted.

Foreign currency translation

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

Taxation

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

The College is partially exempt in respect of Value Added Tax, so that it can only recover around 1% of the VAT charged on its inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

Provisions and contingent liabilities

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

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

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

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

Judgements in applying accounting policies and key sources of estimation uncertainty

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

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

Other key sources of estimation uncertainty

- *Tangible fixed assets*

Tangible fixed assets, are depreciated over their 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 values.

- *Local Government Pension Scheme*

The present value of the Local Government Pension Scheme defined benefit 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 20, will impact the carrying amount of the pension liability. The actuary has used a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 to value the pensions liability at 31 July 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Basingstoke College of Technology
Notes to the Accounts (continued)

2 Funding body grants

	2020 Group £'000	2020 College £'000	2019 Group £'000	2019 College £'000
Recurrent grants				
Education and Skills Funding Agency - adult	2,102	2,102	1,972	1,969
Education and Skills Funding Agency - 16-18	6,251	5,961	7,056	6,716
Education and Skills Funding Agency - apprenticeships	4,535	2,495	4,523	2,443
Office for Students - HE	72	72	64	64
Specific Grants				
Education and Skills Funding Agency - provider relief scheme	-	-	-	-
Releases of government capital grants	155	155	157	157
Total	**13,115**	**10,785**	**13,772**	**11,349**

3 Tuition fees and education contracts

	2020 Group £'000	2020 College £'000	2019 Group £'000	2019 College £'000
Adult education fees	832	832	567	575
Apprenticeship fees and contracts	479	682	548	626
Fees for FE loan supported courses	450	450	420	420
Fees for HE loan supported courses	192	192	193	193
International students fees	22	22	31	31
Total tuition fees	1,975	2,178	1,759	1,845
Education contracts	535	535	467	467
Total	**2,510**	**2,713**	**2,226**	**2,312**
Total grant and fee income				
Grant income from the Ofs	72	72	64	64
Grant income from other bodies	13,043	10,713	13,708	11,285
Total grants	**13,115**	**10,785**	**13,772**	**11,349**
Fee income for taught awards (exclusive of VAT)	192	192	193	193
Fee income from non-qualifying courses (exclusive of VAT)	2 318	2 521	2 033	2 119
Total tuition fees and education contracts	**2 510**	**2 713**	**2 226**	**2 312**
Total grant and fee income	**15,625**	**13,498**	**15,998**	**13,661**

Basingstoke College of Technology
Notes to the Accounts (continued)

4 Other income

	2020 Group	2020 College	2019 Group	2019 College
	£'000	£'000	£'000	£'000
Catering and residences	186	186	239	239
Other income generating activities	736	565	624	624
Other grant income	413	338	245	77
Non government capital grants	-	-	-	-
Coronavirus Job Retention Scheme grant	119	63	-	-
Miscellaneous income	462	502	542	535
Total	**1,916**	**1,654**	**1,650**	**1,475**

The Corporation furloughed a small number of Catering, Restaurant and Nursery staff under the government's Coronavirus Job Retention Scheme. The funding received relates to staff costs which are included within the staff costs note 6.

5 Investment income

	2020 Group	2020 College	2019 Group	2019 College
	£'000	£'000	£'000	£'000
Other interest receivable	44	44	45	39
Total	**44**	**44**	**45**	**39**

Basingstoke College of Technology
Notes to the Accounts (continued)

6 Staff costs

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

	2020 Group	2020 College	2019 Group	2019 College
By Headcount	Headcount	Headcount	Headcount	Headcount
Teaching staff	144	126	155	137
Non teaching staff	272	179	246	189
	416	**305**	**401**	**326**

	2020 Group	2020 College	2019 Group	2019 College
By full time equivalent staff (FTE)	FTE	FTE	FTE	FTE
Teaching staff	106	80	98	79
Non teaching staff	176	122	169	138
	282	**202**	**267**	**217**

		2020 Group £'000	2020 College £'000	2019 Group £'000	2019 College £'000
Wages and salaries		8,168	6,339	7,705	6,503
Social security costs		681	545	632	540
Other pension costs		1,909	1,820	1,536	1,471
Payroll sub total		**10,758**	**8,704**	**9,873**	**8,514**
Contracted out staffing services		146	1,351	74	641
Total Staff Costs		**10,904**	**10,055**	**9,947**	**9,155**
Fundamental restructuring costs	- contractual	105	75	20	20
	- non contractual	59	25	6	6
		11,068	**10,155**	**9,973**	**9,181**

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 the four most senior members which comprises the Principal, two Deputy Principals and the Assistant Principal.

Emoluments of Key management personnel, Accounting Officer and other higher paid staff

	2020 Group & College No.	2019 Group & College No.
The number of key management personnel including the Accounting Officer was:	5	6

Basingstoke College of Technology
Notes to the Accounts (continued)

6 Staff costs (continued)

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

	Key management personnel		Other staff	
	2020 Group & College No.	2019 Group & College No.	2020 Group & College No.	2019 Group & College No.
£45,001 to £50,000	-	1	-	-
£60,001 to £65,000	1	1	-	-
£70,001 to £75,000	-	1	-	-
£75,001 to £80,000	1	-	-	-
£80,001 to £85,000	1	1	-	-
£95,001 to £100,000	1	1	-	-
£130,001 to £135,000	1	1	-	-
	5	**6**	-	-

Key management personnel compensation is made up as follows:

	2020 Group & College £'000	2019 Group & College £'000
Salaries	487	508
Employers National Insurance	61	62
Benefits in kind	5	14
	553	**584**
Pension contributions	84	66
Total key management personnel compensation	**637**	**650**

There were no amounts due to key management personnel that were waived in the year, nor any salary sacrifice arrangements in place.

The above compensation includes amounts payable to the Accounting Officer (who is also the highest paid member of staff) of:

	2020 Group & College £'000	2019 Group & College £'000
Salaries	131	128
Benefits in kind	2	2
	133	130
Pension contributions	30	21

Basingstoke College of Technology
Notes to the Accounts (continued)

6 Staff costs (continued)

The remuneration package of the Principal and Chief Executive, who is the accounting officer of the college, is subject to annual review by the Remuneration Committee of the governing body who use benchmarking information to provide objective guidance.

The Principal and Chief Executive reports to the Chair of Corporation, who undertakes an anuual review of his performance against the college's overall objectives using both qualitative and quantitive measures of performance.

Relationship of Principal's pay and remuneration expressed as a multiple:

	2020	2019
Principal's basic salary as a multiple of the median of all staff	5.5	5.2
Principal's total remuneration as a multiple of the median of all staff	6.0	5.5

Compensation for loss of office paid to former key management personnel

	2020 Group & College £'000	2019 Group & College £'000
Compensation paid to the former post-holder	34	6
Estimated value of other benefits, including provisions for pension benefits	-	-

Compensation for loss of office was paid to one person. The payment was approved by the Board of Trustess of West Berkshire Training Consortium and ratified by the BCoT Corporation.

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

Basingstoke College of Technology
Notes to the Accounts (continued)

7 Other operating expenses

	2020 Group £'000	2020 College £'000	2019 Group £'000	2019 College £'000
Teaching costs	2,221	1,020	2,500	1,117
Non teaching costs	1,875	1,713	1,901	1,686
Premises costs	1,081	983	1,085	946
Total	**5,177**	**3,716**	**5,486**	**3,749**

Other operating expenses include:	2020 £'000	2020 £'000	2019 £'000	2019 £'000
Auditors' remuneration:				
External audit	25	21	29	21
Internal audit	8	8	15	15
Other services provided by the financial statements auditors	5	1	9	-
Hire of assets under operating leases	102	102	102	102

8 Interest and other finance costs

	2020 Group £'000	2020 College £'000	2019 Group £'000	2019 College £'000
Pension finance costs (note 20)	197	197	150	150
Total	**197**	**197**	**150**	**150**

Basingstoke College of Technology
Notes to the Accounts (continued)

9 Tangible fixed assets

Group

	Land and buildings (Freehold)	Equipment	Assets in the Course of Construction	Total
	£'000	£'000	£'000	£'000
Cost or valuation				
At 1 August 2019	36,208	6,657	29	42,894
Additions	-	33	1,873	1,906
Transfer to Completed Assets	63	1,161	(1,224)	-
Disposals	-	-	(45)	(45)
At 31 July 2020	**36,271**	**7,851**	**633**	**44,755**
Depreciation				
At 1 August 2019	3,395	5,108	-	8,503
Charge for the year	708	695	-	1,403
Elimination in respect of disposals	-	-	-	-
At 31 July 2020	**4,103**	**5,803**	**-**	**9,906**
Net book value at 31 July 2020	**32,168**	**2,048**	**633**	**34,849**
Net book value at 31 July 2019	32,813	1,549	29	34,391

Basingstoke College of Technology
Notes to the Accounts (continued)

9 Tangible fixed assets (continued)

College

	Land and buildings (Freehold)	Equipment	Assets in the Course of Construction	Total
	£'000	£'000	£'000	£'000
Cost or valuation				
At 1 August 2019	36,208	6,674	29	42,911
Additions	-	-	1,873	1,873
Transfer to Completed Assets	63	1,161	(1,224)	-
Disposals	-	-	(45)	(45)
At 31 July 2020	**36,271**	**7,835**	**633**	**44,739**
Depreciation				
At 1 August 2019	3,395	5,136	-	8,531
Charge for the year	708	682	-	1,390
Elimination in respect of disposals	-	-	-	-
At 31 July 2020	**4,103**	**5,818**	**-**	**9,921**
Net book value at 31 July 2020	**32,168**	**2,017**	**633**	**34,818**
Net book value at 31 July 2019	32,813	1,538	29	34,380

Land and buildings were valued on 31 July 2014 at depreciated replacement cost by JLL a firm of independent chartered surveyors. The valuation totalled £32,330,000.

Land and buildings with a net book value of £2,499,222 have been partly financed by exchequer funds, through for example the receipt of capital grants. Should these assets be sold, the College may be liable, under the terms of the Financial Memorandum with the ESFA, to surrender the proceeds.

Basingstoke College of Technology
Notes to the Accounts (continued)

10 Intangible fixed assets

Group

	Software and Licences	Assets in the Course of Construction	Total
	£'000	£'000	£'000
Cost or valuation			
At 1 August 2019	410	-	410
Additions	11	-	11
Transfer to Completed Assets	-	-	-
Disposals	-	-	-
At 31 July 2020	**421**	**-**	**421**
Depreciation			
At 1 August 2019	349	-	349
Charge for the year	31	-	31
Elimination in respect of disposals	-	-	-
At 31 July 2020	**380**	**-**	**380**
Net book value at 31 July 2020	**41**	**-**	**41**
Net book value at 31 July 2019	61	-	61

Basingstoke College of Technology
Notes to the Accounts (continued)

10 Intangible fixed assets (continued)

College

	Software and Licences	Assets in the Course of Construction	Total
	£'000	£'000	£'000
Cost or valuation			
At 1 August 2019	410	-	410
Additions	11		11
Transfer to Completed Assets	-	-	-
Disposals	-	-	-
At 31 July 2020	**421**	**-**	**421**
Depreciation			
At 1 August 2019	349	-	349
Charge for the year	31	-	31
Elimination in respect of disposals	-	-	-
At 31 July 2020	**380**	**-**	**380**
Net book value at 31 July 2020	**41**	**-**	**41**
Net book value at 31 July 2019	61	-	61

Basingstoke College of Technology
Notes to the Accounts (continued)

11 Trade and other receivables

	2020 Group £'000	2020 College £'000	2019 Group £'000	2019 College £'000
Amounts falling due within one year:				
Trade receivables	434	409	442	412
Prepayments and accrued income	240	155	173	109
Other debtors	277	257	93	92
Amounts owed by the ESFA	450	319	383	183
Total	**1,401**	**1,140**	**1,091**	**796**

12 Creditors: amounts falling due within one year

	2020 Group £'000	2020 College £'000	2019 Group £'000	2019 College £'000
Trade payables	531	409	499	353
Other taxation and social security	165	165	153	153
Accruals and deferred income	1,294	1,143	1,292	1,135
Deferred income - government capital grants	155	155	108	108
Amounts owed to the ESFA	159	15	50	-
Total	**2,304**	**1,887**	**2,102**	**1,749**

13 Creditors: amounts falling due after one year

	2020 Group £'000	2020 College £'000	2019 Group £'000	2019 College £'000
Deferred income - government capital grants	2,476	2,476	2,472	2,472
Total	**2,476**	**2,476**	**2,472**	**2,472**

Basingstoke College of Technology
Notes to the Accounts (continued)

14 Provisions

	Defined benefit Obligations	Enhanced Pensions	Total
	Group & College £'000	Group & College £'000	Group & College £'000
At 1 August 2019	(8,390)	(1,017)	(9,407)
Expenditure in the period	-	81	81
Transferred from income and expenditure	(6,610)	(302)	(6,912)
At 31 July 2020	**(15,000)**	**(1,238)**	**(16,238)**

Defined benefit obligations relate to the liabilities under the College's membership of the Local Government Pension Scheme. Further details are given in Note 20.

The enhanced pension provision relates to the cost of staff who have already left the College's employ and commitments for reorganisation costs from which the College cannot reasonably withdraw at the balance sheet date.

The principal assumptions for this calculation are:

	2020	2019
Price inflation	2.20%	2.20%
Discount rate	1.40%	2.20%

15 Cash and cash equivalents

Group	At 1 August 2019	Cash flows	Other changes	At 31 July 2020
	£'000	£'000	£'000	£'000
Cash and cash equivalents	7,478	(304)	-	7,174
Total	**7,478**	**(304)**	**-**	**7,174**

College	At 1 August 2019	Cash flows	Other changes	At 31 July 2020
	£'000	£'000	£'000	£'000
Cash and cash equivalents	6,903	(384)	-	6,519
Total	**6,903**	**(384)**	**-**	**6,519**

16 Capital commitments

	2020 Group & College	2019 Group & College
	£'000	£'000
Commitments contracted for at 31 July	361	98

Basingstoke College of Technology
Notes to the Accounts (continued)

17 Lease Obligations

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

	2020 Group & College £'000	2019 Group & College £'000
Future minimum lease payments due		
Land and buildings		
Not later than one year	20	20
Later than one year and not later than five years	20	20
later than five years	-	-
	40	40
Other		
Not later than one year	42	32
Later than one year and not later than five years	44	56
later than five years	-	-
	86	88

18 Contingent liabilities

A grant of £300,000 from Basingstoke & Deane Borough Council towards the costs of providing the Learning Resources Centre, a Student Learning Development Centre and a Nursery was received in 1997. This was matched against individual items costing less than £1,000 and expensed directly to the income and expenditure account. As part of the funding agreement, the Corporation has given a commitment that it will continue to provide the facilities to the local community for a period of at least 50 years. If this is not met, a proportion of the funds may need to be repaid. As the Corporation offers these facilities to the local community and will continue to do so for the foreseeable future, no financial provision has been made in these accounts relating to this matter.

19 Events after the reporting period

There are no events after the reporting period.

Basingstoke College of Technology
Notes to the Accounts (continued)

20 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 Wessex Local Government Pension Scheme (LGPS) for non-teaching staff. Both are multi-employer defined-benefit plans.

Total pension cost for the year		**2020 £'000**		**2019 £'000**
Teachers Pension Scheme: contributions paid		653		422
Local Government Pension Scheme:				
Contributions paid	707		683	
FRS 102 (28) charge	460		340	
Charge to the Statement of Comprehensive Income		1,167		1,023
Enhanced pension charge to Statement of Comprehensive Income		-		32
Total Pension Cost for Year (note 6)		**1,820**		**1,477**
Pension costs in respect of restructuring undertaken		-		-
Total Pension Cost for year within staff costs		**1,820**		**1,477**

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

There were £76,639 of outstanding contributions to the TPS at the end of the year (£52,240 at the start of the year) and £75,926 of outstanding pension contributions to the LGPS (normal contributions) at the end of the year (£73,925 at the start of the year). These contributions amounting to £152,565 (2019:£126,165) are included in creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including colleges. Membership is automatic for teachers and lecturers at eligible institutions. Teachers and lecturers are able to opt out of the TPS.

Basingstoke College of Technology
Notes to the Accounts (continued)

20 Defined benefit obligations (continued)

The Teachers' Pension Budgeting and Valuation Account

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

Valuation of the Teachers' Pension Scheme

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 (the Department) in April 2019. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £198 billion giving a notional past service deficit of £22 billion.

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/19). DfE has agreed to pay a teacher pesnion 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 £897,528 (2019: £630,712). Employer contributions amounted to £652,316 (2019: £410,909) and employee contributions amounted to £245,212 (2019: £219,803).

FRS 102 (28)

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit plan, with the assets held in separate funds administered by Hampshire County Council Local Authority.

The total contributions made for the year ended 31 July 2020 were £892,884 of which employer's contributions totalled £706,984 and employees' contributions totalled £185,900. The agreed contribution rates for future years are 17.3% for the college and range from 5.5% to 12.5% for employees, depending on salary according to a national scale.

Basingstoke College of Technology
Notes to the Accounts (continued)

20 Defined benefit obligations (continued)

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2016 updated to 31 July 2020 by a qualified independent actuary.

	At 31 July 2020	At 31 July 2019
Rate of increase in salaries	3.2%	2.8%
Future pensions increases	2.2%	2.2%
Discount rate for scheme liabilities	1.4%	2.2%
Inflation assumption (CPI)	2.2%	2.2%
Pension accounts revaluation rate	2.2%	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		
Males	23.00	23.10
Females	25.50	25.80
Retiring in 20 years		
Males	24.70	24.70
Females	27.20	27.60

Basingstoke College of Technology
Notes to the Accounts (continued)

20 Defined benefit obligations (continued)

Local Government Pension Scheme (continued)

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

	Fair Value at 31 July 2020 £'000	Fair Value at 31 July 2019 £'000
Equities	10,646	10,932
Bonds	4,026	3,741
Property	1,181	1,308
Cash	310	345
Other	3,194	1,834
Total market value of assets	**19,356**	**18,160**
Actual return on plan assets	**836**	**1,130**

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

	2020 £'000	2019 £'000
Fair value of plan assets	19,356	18,160
Present value of plan liabilities	(34,356)	(26,550)
Net pensions liability (Note 14)	**(15,000)**	**(8,390)**

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

	2020 £'000	2019 £'000
Amounts included in staff costs		
Current service cost	(1,160)	(900)
Past service cost	-	(130)
Total	**(1,160)**	**(1,030)**
Amounts included in investment income		
Net interest expense	175	150
	175	**150**
Amounts recognised in Other Comprehensive Income		
Return on pension plan assets	432	660
Experience gains arising on defined benefit obligations	(6,410)	(2,820)
Amount recognised in Other Comprehensive Income	**(5,978)**	**(2,160)**

Basingstoke College of Technology
Notes to the Accounts (continued)

20 Defined benefit obligations (continued)

Local Government Pension Scheme (continued)

Movement in net defined benefit liability during the year

	2020	2019
	£'000	£'000
Deficit in scheme at 1 August	(8,390)	(5,740)
Movement in year:		
Current service cost	(1,160)	(900)
Employer contributions	703	690
Past service cost	-	(130)
Net interest on the defined liability	(175)	(150)
Actuarial gain or loss	(5,978)	(2,160)
Net defined benefit liability at 31 July	**(15,000)**	**(8,390)**

Asset and Liability Reconciliation

	2020	2019
	£'000	£'000
Changes in the present value of defined benefit obligations		
Defined benefit obligations at start of period	26,550	22,300
Current Service cost	1,160	900
Interest cost	579	620
Contributions by Scheme participants	186	190
Experience gains and losses on defined benefit obligations	6,410	2,820
Estimated benefits paid	(529)	(410)
Past Service cost	-	130
Defined benefit obligations at end of period	**34,356**	**26,550**
Reconciliation of Assets		
Fair value of plan assets at start of period	18,160	16,560
Interest on plan assets	404	470
Return on plan assets	432	660
Employer contributions	703	690
Contributions by Scheme participants	186	190
Estimated benefits paid	(529)	(410)
Assets at end of period	**19,356**	**18,160**

Basingstoke College of Technology
Notes to the Accounts (continued)

20 Defined benefit obligations (continued)

These accounts show a past service cost of £0.13 million in respect of the McCloud / Sergeant judgment which ruled that the transitional protection for some members of public service schemes implemented when they were reformed constituted age discrimination. This provision is just under 2% of the total scheme liability as at 31 March 2019.The calculation of adjustment to past service costs, arising from the outcome of the Court of Appeal judgment is based on a number of key assumptions including:

- the form of remedy adopted
- how the remedy will be implemented
- which members will be affected by the remedy
- the earning assumptions
- the withdrawal assumption

The other financial and demographic assumptions adopted to calculate the past service cost are the same as those used to calculate the overall scheme liability. Adopting different assumptions, or making other adjustments to reflect behavioural changes stemming from the judgment, would be expected to change the disclosed past service cost. Similarly, allowing for variations in individual members' future service or salary progression is expected to produce higher costs. The past service cost is particularly sensitive to the difference between assumed long term general pay growth and the CPI. If the long term salary growth assumptions were 0.5% pa lower, then the past service cost disclosed here would be expected to reduce by 50% and conversely a 0.5% pa increase would increase the estimated cost by 65%.

21 Related party transactions

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

The total expenses paid to or on behalf of the Governors during the year was £736; and related to 2 governors (2019: £486; 2 governors). This represents travel and subsistence expenses and other out of pocket expenses incurred in attending Governor meetings and charity events in their official capacity. No Governor has received any remuneration or waived payments from the College or its subsidiary during the year (2019: None).

The Principal is remimbursed for home broadband costs. The amount reimbursed during the year amounted to £628 (2019 :£579).

22 Amounts disbursed as agent

Learner support funds

	2020 Group & College £'000	2019 Group & College £'000
Funding body grants – guaranteed bursary	28	18
	28	18
Disbursed to students	(18)	(14)
Balance unspent as at 31 July, included in creditors	10	4

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.