

# ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR 1 AUGUST 2010 – 31 JULY 2011

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**St Brendan's Sixth Form College  
Brislington, Bristol BS4 5RQ**

**Annual Report and Financial Statements**

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## **Section 1**

### **Operating and Financial Review**

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## **ST BRENDAN'S SIXTH FORM COLLEGE**

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#### **Operating and Financial Review**

#### **NATURE, OBJECTIVES AND STRATEGIES**

The members present their report and the audited financial statements for the year ended 31 July 2011.

#### **Mission Statement**

The Governors reviewed and confirmed the mission of the College in the spring of 2011 as follows:

St Brendan's seeks to serve the Catholic and wider community by providing full-time advanced, intermediate and foundation level education, underpinned by Christian values and ideals, principally for sixth form students.

The College strives for excellence in teaching and learning, to act in the spirit of the gospel, to provide experience of a Christian community and to support each individual as a unique creation of God.

#### **Designated Status and Governance**

In 1992, Parliament passed the Further and Higher Education Act, as a result of which, St Brendan's Sixth Form College, as a former Voluntary-aided sixth form college, was given 'designated' status within the Further Education sector in April 1993. The Governing Body became incorporated under section 143 of the Learning and Skills Act 2000. Under the 2009 Apprenticeships, Skills, Children and Learning (ASCL) Act, sixth form colleges became a separate legal entity for the first time and thus St Brendan's is now a corporate sixth form college with our 'voluntary aided' nature accepted and maintained.

As a designated institution, St Brendan's Sixth Form College operates under a Trust Deed established by the Roman Catholic Diocese of Clifton. Under the terms of the Trust, the Trustee (the Bishop) owns, with absolute discretion, most of the buildings and land curtilage. On 1 April 1993, all other buildings, property and land previously owned by the local education authority were transferred on trust to the Diocese. The deed of transfer was conditional on the land and property being used in the interests of the College. In September 2007, the Diocesan Trustees confirmed their intention that the site should continue to be used for its present purpose and that, subject to this, the College's use of the premises was secure for the next forty years.

The Governing Body of the College acts for all practical purposes, for and on behalf of the Trustee, but it does not, unlike most other Corporations in the sector, own in itself any of the Trust assets. This ownership lies exclusively with the Trustee of the Diocese.

The Governing Body has considered the requirements of the F&HE SORP October 2007 and does not think it is practicable to attribute a value to this benefit. Therefore, so as not to misrepresent the financial position of the College, both buildings and land held by the Trust on 1 April 1993 and the transferred building and land assets are excluded from the balance sheet. Any additions to the fixed assets since that date are included and have been depreciated according to agreed schedules.

Under the terms of the Act, the Governing Body retains full responsibility for the maintenance and improvement of all assets and receives funding from the Young People's Learning Agency (YPLA) and the Skills Funding Agency (SFA) for that purpose under identical terms to other fully incorporated colleges.

### **Implementation of Strategic Plan**

The College has shared with the local YPLA, and the SFA, a student number plan for the period August 2011 to July 2014. This was approved by the Governing Body as part of the financial forecasts for the same period. The Governing Body monitors the performance of the College against these plans, which are reviewed and updated each year.

The College's continuing strategic objectives are:

- To develop the range of marketing media and techniques employed, especially social networking sites and improvements to the College website, to maintain student recruitment in an increasingly competitive market place in a period of demographic downturn and foster a strong reputation and identity in all the communities within our catchment area
- To increase the use of electronic media for applications to the College and communications to applicants, to move towards straight through processing
- To further develop the quality and recording of data and the reporting of information to aid action planning and decision making
- To continue to develop the guidance and support offered by Student Support Managers to raise the achievement of students to outstanding levels
- To further develop work with strategic partners to enhance the student experience and support the College in its mission
- To enhance the College's awareness of the impact of its policies, procedures and practices through Equality Impact Analyses and take appropriate action to promote diversity and prevent discrimination
- To continue to develop the provision for learners with learning difficulties and disabilities, allowing them to gain high quality outcomes and progression
- To focus the use of resources on teaching and learning in a period of budgetary constraint in order to maintain a high quality learning experience for students

- To maintain the College's outstanding record for Financial Management and Control

The College is on target to achieve or exceed all these objectives.

The College's specific objectives (including financial objectives) for 2010/11 and achievement of those objectives is addressed below:

- to achieve the Young People's Learning Agency (YPLA) and Skills Funding Agency (SFA) funding targets; the College over achieved its total funding allocation for the year 2010/2011;
- to improve student progress; student retention (94%) was three percentage points above the previous year and the College success rate (84%) was an improvement on 09/10.
- to achieve a GCE A Level pass rate equal to the national average; this was very close to achievement with a pass rate of 97.3% (national average 97.8%);
- to maintain the proportion of higher grades at A2 through the Honours programme; this was again close to being achieved with A\*/A grades at 17.8% at A2, compared to 18% the previous year;
- to sustain the financial viability of the College by maintaining a surplus position; this was achieved with an underlying surplus of £664k for the year;
- for Governors to continue to support the distinctive character of the College in maintaining the balance between the College's mission to the Catholic community and the wider role within the Bath, South Gloucs and Bristol area; this objective has been met, but will always be ongoing.

### **Performance Indicators**

Although the YPLA & SFA continue to measure post-16 performance in terms of contribution to national targets, individual colleges are required to focus on two headline targets:

- Learner number growth and achievement of YPLA & SFA funding targets
- Learner success rates

In 2010/11 the College exceeded its learner number growth and funding targets. The College was underfunded for the year by £27k on the activity achieved. Provisional data for learner success rates indicate that the College will also meet these targets.

## **CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE**

### **Student Numbers**

The College is funded to an agreed level of activity each year. In 2010/11 the College over-recruited against its funded number, with recruitment at 1,658 FTE students versus a target of 1,630 students (at the first census date). For 2011/12, according to the new 'lagged learner number' method used by the YPLA to set target recruitment for the year, these student numbers were consolidated, so that 1,658 was the target

set for 2011/12. The College has once again recruited over target and we currently have 1,700 students enrolled. This was achieved against a background of increased competition from schools with sixth forms (new and well established) carrying out more aggressive marketing to retain their Year 11 students into the sixth form to give greater economy of scale as post-16 funding is reduced.

The continued attractiveness of the College is probably due to the improved campus comprising a major rebuild of teaching accommodation, the breadth of curriculum on offer and the maintenance of quality of achievement rates despite growth in numbers.

### **Student Achievements**

Students continue to prosper at the College. The GCE advanced level pass rate (A\*-E) was 97.3%. The A\*-C results at advanced level of 68.8% were slightly below the national average. The AS pass rate was 87.2%, close to the national average, whilst the higher grade (A-C) passes was 55.1%, again close to the national average. At level 2, the pass rate on vocationally related courses was 93%. At level 1, all students passed the major component of their programme of study.

### **Curriculum Developments**

Methods of teaching and learning are under continuous review and development in order to inspire and challenge students, which in turn will lead to the highest possible levels of student achievement. The opportunity exists at AS level to progress to A2 qualifications in all (but two) subjects. As part of the College's continued curriculum reform, the College launched the International Baccalaureate programme in September 2010 with 16 students enrolled. This programme is being offered at St Brendan's site and at St Bede's College, one of St Brendan's Catholic partner schools as part of a joint development by the staff at both institutions. In total 22 new IB students were recruited for 2011/12 with 9 new students at St Brendan's and a further 13 based at the St Bede's site.

In September 2010 the College launched AS Archaeology for the first time which proved popular with both new students and second year students looking to take up a new AS Level which was broad based in nature. AS Level Use of Maths and BTEC Level 3 Subsidiary Diploma in Performing Arts (Acting) have been offered for the first time in September 2011 and have recruited healthily with numbers exceeding expectations.

At level 2, the College continued the highly successful switch to vocationally related programmes, retaining GCSEs in 3 'essential' subjects, English Language, Mathematics and Single Science. BTEC Level 2 Diploma in Performing Arts (Performance) has been introduced to replace the two BTEC First Certificates of Music Technology and Technical Theatre and has proven popular with good recruitment. The College has also continued the established and highly successful level 1 programme of Foundation Learning.

## **FINANCIAL POSITION**

### **Financial Results**

The College generated an operating surplus in the year of £659k (2009/10 surplus of £535k). The underlying surplus was £664k (2009/10 £541k).

The predominant source of income for the College is now the YPLA, with any SFA funding for 19+ students being routed through the YPLA. The College exceeded its funding agreement 2010/11 by an estimated £27k.

During the year the College decreased its 15 year term loan, used to finance building works, to £1,768k (2009/10 £1,900k).

The College has accumulated reserves of £2,631k (2009/10 £2,012k), and cash/deposit balances of £2,226k (2009/10 £965k).

### **Future Building Developments**

Following encouragement from the LSC, five years ago the College undertook the development of a 'complete' rebuild of the College estate. The target date for occupation of the new buildings to allow the College to operate within them from the start of the academic year 2009/10 was largely achieved. Work continued to complete the buildings during 2009/10 and to demolish the old ones. Significant landscaping to reflect the College's historic landscape setting also took place during 2009/2010 and all these works were completed by July 2010. The College now has 'world class' accommodation for its learners; though student numbers are now running almost 200 in excess of the theoretical design capacity, so the temporary classroom block has been retained.

The College has recognised that the temporary classroom block has been relocated on four occasions and has only four years of planning permission remaining. Mindful that this is an essential part of the College estate if student numbers are to be maintained, plans are being developed for a permanent replacement comprising an initial phase of six classrooms, a multi-purpose space/workshop and associated staff offices and services, followed by a second phase of an extra four classrooms to be built on as and when funding allows. At present these plans have been progressed as far as the pre-planning stage and an application for full planning permission will be made later in the autumn term 2011.

### **Post Balance Sheet Events**

There were no post balance sheet events.

### **Planned Maintenance Programme**

In order to maintain the attractiveness of the newly built estate, some areas of the College have been re-carpeted and painting of classrooms and corridors in certain buildings has taken place. A new planned maintenance programme is being progressed which will incur increased expenditure for the maintenance of the

sophisticated systems installed within the new build such as those controlling the air handling system, rainwater harvesting etc.

### **Payment Performance**

The Late Payment and Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires Colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. The target set by the Treasury for payment to suppliers within 30 days is 95 per cent. During the accounting period 1 August 2010- 31 July 2011, the College paid 92 per cent of its invoices within 30 days (90% 2009/2010).

## **RESOURCES**

### **Financial**

The College has £20.1m of net assets (after deduction of £0.8m pension liability) and long term debt of £1.8m.

### **People**

The College employs 164 people (expressed as full time equivalents), of whom 93 are teaching staff.

### **Reputation**

The College has a good reputation locally and nationally. Evidence for this is shown by the record number of applications received and strong student recruitment in spite of growing competition. Maintaining a quality brand is essential for the College's success at attracting students and external relationships.

## **PRINCIPAL RISKS AND UNCERTAINTIES**

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

The Governing Body undertakes a comprehensive review of the risks to which the College is exposed and the strategic plan is formulated using this analysis. The plan identifies 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 by the College which is reviewed at least annually by the Audit Committee. The risk register identifies the key risks, the likelihood of these risks occurring, their potential impact on the College and the actions taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

Increased competition from local schools has arisen as a result of the Coalition Government's initiative to allow secondary schools to apply to become Academies with sixth forms. There are now 12 academies in Bristol alone with schools in each of the other unitary authority areas surrounding the city applying for academy status in addition. This number includes one of our Catholic partner schools in Bristol, which supplies 68 new students per year. In addition, our Catholic partner school in B&NES has successfully applied to federate with the C of E Secondary school in the area and to develop their own joint sixth form. These risks are mitigated by the College's marketing activities creating a large waiting list, its reputation being maintained through its success rates, subsidised transport, a vast range of options which cannot be matched by school sixth forms and the benefits which accrue through being educated on the same site as many others of the same age. The College continues to maintain good relationships with others in the area and is active in keeping dialogue open with all other parties.

The funding for 16-18 students has been cut by around £550 per full time student for the year 2011/12, by decreasing the entitlement allowance for student enrichment provision. Transitional protection (3% in 2011/12) and a very modest increase in disadvantage allowance have limited the decrease in funding for 2011/12, although the protection will only last for a further two years. In 2011/12 the College will reduce non-pay expenditure, and take advantage of natural wastage wherever possible, whilst maintaining high quality programmes for students.

To manage further reductions notified for 2012/13 and 2013/14, the College will undertake a thorough review of all expenditure, the range of provision, the nature of student programmes offered and will re-examine the College structures and functions to ensure that the College operates within its financial constraints.

## **STAKEHOLDER RELATIONSHIPS**

In line with other colleges, St Brendan's Sixth Form College has many stakeholders. These include:

- Students
- Staff
- Parents/carers
- YPLA
- SFA
- Roman Catholic Diocese of Clifton
- The Bath & Bristol Catholic Collegiate
- Local Universities
- Local employers
- Local authorities
- Government Offices
- The local community
- Other educational institutions (schools & colleges)
- Trade unions
- Professional bodies

The College recognise the importance of these relationships and engages in regular communication with them.

## **Equal Opportunities and Employment of Disabled Persons**

The College is committed to ensuring equality of opportunity for all who learn and work here. We believe that each person is a unique creation of God and, therefore, we respect and value positively aspects of diversity such as race, gender, sexual orientation, able-bodiedness, religion and belief, age, transgender, marriage and civil partnership and socio-economic background. We strive vigorously to remove conditions which place people at a disadvantage and we will actively combat bigotry. This policy will be resourced, implemented and monitored on a planned basis. The College's Equal Opportunities Policy and Equality Scheme are published on the College's website. The College is in the process of applying for the Investors in Diversity Award.

The College, in full keeping with its mission, considers all applications for employment from disabled persons, bearing in mind the aptitudes of the individuals concerned. Where an existing employee becomes disabled, every effort is made to ensure that employment with the College continues. The College's policy is to provide training, career development and opportunities for promotion which are, as far as possible, identical to those for other employees.

## **Disability Statement**

The College seeks to achieve the objectives set down in the Disability Discrimination Act 1995 as amended by the Special Education Needs and Disability Acts 2001 and 2005.

- a) The major capital project completed in 2009 has allowed the College to design access to all areas into the construction of the new building for example, it is now possible to access all parts of the main College building without having to go outside; at first floor level, it is possible to move from one end to the other with only one short platform lift journey.
- b) The College has a Learning Support Manager (Access Co-ordinator), who provides information, advice and arranges support, where necessary, for students with disabilities. Her team has expanded enormously as more students with support needs choose to study at the College.
- c) The College has put in place proactive systems to identify students who need learning support to assist them with learning difficulties. As a result the numbers receiving specialist help has increased greatly since 2005. In 2010/11 the service supported a slightly smaller number of 504 (2009/10 627) students in total, though this includes seventeen students each requiring a level of support in excess of £19,000 per student.
- d) There is a list of specialist equipment, such as an induction loop in the Theatre, a portable induction loop and a Braille printer, which the College can make available for use by students and a range of assistive technology is available in

the Learning Resources Centre to enable students to access programmes of study.

- e) The admissions policy for all students is described in the Student Admissions Policy. Appeals against a decision not to offer a place are dealt with under the complaints procedures.
- f) The College continues to make a significant investment in the appointment of staff to support students with learning difficulties and/or disabilities. The Manager works with an increasing number of Learning Support Assistants to provide appropriate support for the growing number of students with learning needs who are identifying the College as their preferred institution. There is a continuing programme of staff development for all staff to ensure the provision of a high level of appropriate support for students who have learning difficulties and/or disabilities.
- g) Specialist programmes are described in the College prospectus and achievements and destinations are recorded and published in the standard College format.
- h) Counselling and welfare services, as well as the Complaints and Disciplinary Procedure, are described in the College Student Diary and Charter, which is issued to all students.

### **Staff and Student Involvement**

The College considers good communication with its staff to be very important and, to this end, publishes regular bulletins, newsletters and notices which are available to all staff and students. There are also regular staff briefings and meetings. Increasingly plasma screen messages and email are being used as a means of ensuring quick and widespread communication to both staff and students. Students also receive briefings from their Student Support Manager. All members of staff participate in the decision making processes through the cycle of curriculum area, team and management meetings. Formal representation of staff is through the recognised trade unions whose representatives meet with senior staff and governors on a termly basis. In addition, staff are able to elect two Staff Governors.

All students have the option to be elected to the College Council, affiliated to the National Union of Students, which has an Executive consisting of seven members, again elected by the student body. Tutor Group representatives meet with the Executive periodically and this joint group meets senior staff on a regular basis. There are also two elected student representatives on the Governing Body. A handbook and charter is provided free of charge to all students, which sets out students' rights and responsibilities. Each year students are invited to give feedback to the College through enrolment, induction and satisfaction surveys.

Volunteer Student Ambassadors are recruited annually to represent the College at certain events and activities including open evenings, career fairs and visits to partner schools.

## **Taxation Status**

The College is a charity under the terms of the Charities Act 1993 as amended by the Charities Act 2006 and is exempt from corporation tax in respect of its current activities.

## **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.

**PROFESSIONAL ADVISERS**

External Auditors    Moore Stephens  
30 Gay Street  
Bath BA1 2PA

Internal Auditors    Bishop Fleming  
16 Queen Square  
Bristol BS1 4NT

Bankers                National Westminster Bank plc  
3 Temple Back East  
Temple Quay  
Bristol BS1 9BW

Allied Irish Bank  
9/10 Angel Court  
London EC2 7AB

Solicitors             Bevan Brittan  
Kings Orchard  
1 Queen Street  
Bristol BS2 OHQ

Clerk to the            Mr P Harrison  
Governors              c/o St. Brendan's Sixth Form College  
Broomhill Road  
Brislington  
Bristol BS4 5RQ

Mrs O Barnes  
Chair of Governors

Date.....

## Statement of Corporate Governance and Internal Control

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

In the opinion of the Governing Body, the College complies with all the provisions of the Code in so far as they apply to the Further Education Sector and it has complied throughout the year ended 31 July 2011.

### The Governing Body

The members who served on the Governing Body during the year and up to the date of signature of this report were as listed below:

Name	Date of Appointment	Term of Office	Date of Resignation	Status of appointment	Committee Served
Mr Michael Anglin	October 2006; Re-appointed August 2009 Formerly Co-opted	4 years	30 Sept 2014	Foundation Governor	Audit (until Dec 2010) Planning, Curriculum and Student Provision (from Jan 2011)
Mr Joseph Ayaabah	September 2009	4 years	30 Nov 2013	Foundation Governor	Personnel; Strategy & Remuneration
Mrs Olive Barnes	August 2001; Re-appointed 2005 & 2009	4 years	31 Aug 2013	Foundation Governor (Chair from Oct 2011) (Vice Chair Oct 2010-Oct 2011)	Planning, Curriculum and Student Provision (Chair until Oct 2011); Search & Membership; Strategy & Remuneration
Mr Geoffrey Barrett	February 1996; re-appointed 2000, March 2004 & May 2008	4 years	30 April 2013	Foundation Governor; Chair of Governors until Oct 2010	Resources; Strategy & Remuneration
Dr Tim Coyle	January 2009	4 years	7 Jan 2013	Foundation Governor	Audit
Mr Ross Kilpatrick	January 2005 Reappointed January 2009	4 years	31 Dec 2012	Foundation Governor	Audit (from Dec 2010); Resources (until Dec 2010)
Mr Brendan McBride	October 2007 Re-appointed Sept 2011	4 years	30 Sept 2015	Foundation Governor	Audit; Personnel; Strategy & Remuneration

<b>Name</b>	<b>Date of Appointment</b>	<b>Term of Office</b>	<b>Date of Resignation</b>	<b>Status of appointment</b>	<b>Committee Served</b>
Mr Michael McConalogue	October 2007 Re-appointed Oct 2011	4 years	30 Sept 2015	Foundation Governor	Resources
Mr Owen McNamara (Vice Chair from Oct 2011)	September 2002; re-appointed Sept 05 & 09	4 years	31 Aug 2013	Foundation Governor	Resources (Chair from Oct 2010) Search & Membership
Mr A Smith	September 2000 From Sept 2002; re-appointed September 05 & 09	4 years		Foundation Governor; (Chair of Governors from Oct 2010) Resigned as Governor Oct 2011	Resources (Chair before Oct 2010) Search & Membership; Personnel; Strategy & Remuneration
Dr Brendan Smith	September 2009	4 years	31 Aug 2013	Foundation Governor	Planning, Curriculum & Student Provision
Mr Mark Williams	July 2009	4 years	8 July 2013	Co-opted Governor	Personnel (Chair) Strategy & Remuneration Search & Membership
Rev Timothy Atere	Oct 2010	2 years	18 Oct 2011	Co-opted Governor	Audit; Strategy & Remuneration
Mr Carew Reynell	20 May 2010	4 years	20 May 2014	Co-opted Member of the Governors' Audit Committee	Audit (Chair from Oct 2010) Search & Membership
Mr Nick Mitchell	Oct 2010	2 years	31 Aug 2012	Parent Governor	Resources
Ms Anna Mearns	Oct 2006	4 years	Oct 2010	Staff Governor (Teacher)	Personnel (until Sept 2010)
Ms Sarah Ockenden	Oct 2010	4 years	18 Oct 2014	Staff Governor (Teacher)	Personnel (until Dec 2010); Planning, Curriculum & Student Provision (from Jan 2011)
Mrs Christine Hayward	October 2006; Re-appointed October 2010	4 years	18 Oct 2014	Staff Governor (Support Staff)	Planning, Curriculum & Student Provision (until Dec 2010); Personnel (from Jan 2011)

<b>Name</b>	<b>Date of Appointment</b>	<b>Term of Office</b>	<b>Date of Resignation</b>	<b>Status of appointment</b>	<b>Committee Served</b>
Mr Callum Laken	May 2010		April 2011	Student Governor	Planning, Curriculum & Student Provision (until Dec 2010); Resources (Jan 2011-April 2011)
Mr Fife McKenny	May 2010		April 2011	Student Governor	Personnel (until April 2011)
Mr Samuel Walker	May 2011		April 2012	Student Governor	Planning, Curriculum & Student Provision
Mr Daniel Mencil	May 2011		April 2012	Student Governor	Resources
Mrs Ann Barrow	January 2010	<i>Ex officio</i>	April 2012	Principal	Personnel; Planning, Curriculum & Student Provision Resources; Search

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

The Governing Body 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 Governing Body meets at least each term.

The Governing Body conducts its business through a number of committees. Each committee has terms of reference, which have been approved by the Governing Body. These committees are Planning Curriculum and Student Provision, Personnel (including Remuneration sub-committee), Resources (finance, premises and equipment), Search & Membership and Audit. Full minutes of all meetings, except those deemed to be confidential by the Governing Body, are available on the website or from the Clerk to the Governors at:

St Brendan's Sixth Form College  
Broomhill Road  
Brislington  
Bristol BS4 5RQ

The Clerk to the Governors maintains a register of financial and personal interests of the governors. The register is available for inspection, on application, 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 Governors, who is responsible to the Governing Body for ensuring compliance with all applicable procedures and regulations. The appointment, evaluation and removal of the Clerk are matters for the Governing Body as a whole.

Formal agendas, papers and reports are supplied to Governors in a timely manner, prior to Governing Body meetings. Training for Governors and briefings by managers are provided on a planned basis throughout the year.

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

There is a clear division of responsibility in that the roles of the Chair of the Governors and Principal are separate.

### **Appointments to the Governing Body**

The Bishop of Clifton appoints Foundation Governors, who form a majority of the members of the Governing Body. Other new appointments to the Governing Body are a matter for the consideration of the Governing Body as a whole. The Governing Body has a Search & Membership committee comprising of the Chair and four other Governors, which is responsible for the selection and nomination of any new member for the Governing Body's consideration. The Governing Body is responsible for ensuring that appropriate training is provided as required. Members of the Governing Body are appointed for a term of office not exceeding four years.

### **Remuneration Committee**

Throughout the year ended 31 July 2011, a sub-set of the College's Personnel Committee dealt with remuneration committee matters; this committee comprised all members of the Personnel Committee except the Principal and Staff Governor. This committee's responsibilities are to make decisions, reported to the Governing Body, on the remuneration and benefits of the Principal and other senior post holders.

Details of remuneration for the year ended 31 July 2011 are set out in note 8 to the financial statements.

### **Audit Committee**

The Audit Committee is comprised of four members of the Governing Body (excluding the Principal and Chair). The committee operates in accordance with written terms of reference approved by the Governing Body.

The Audit Committee meets once each term. It provides a forum for reporting by the College's internal, regularity and financial statements auditors, who have access to the Committee for independent discussion, without the presence of College management.

The Committee also receives and considers reports from the YPLA/SFA as they affect the College's business.

The College's internal auditors monitor the system 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 Governing Body on the appointment of internal, regularity and financial statements auditors and their remuneration for both audit and non-audit work.

## **Internal Control**

### **Scope of Responsibility**

The Governing Body 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 Governing Body 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 she is personally responsible, in accordance with the responsibilities assigned to her in the Financial Memorandum between the College and Funding Bodies. She is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

### **The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can, therefore, only provide reasonable, and not absolute, assurance of effectiveness. The system of internal control is based on an 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 at St Brendan's Sixth Form College for the year ended 31 July 2011 and up to the date of approval of the annual report and accounts.

## **Capacity to Handle Risk**

The Governing Body 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 Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the College's significant risks that has been in place for the period ended 31 July 2011 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Governing Body.

## **The Risk and Control Framework**

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

- comprehensive budgeting systems with an annual budget, which is reviewed and agreed by the Governing Body
- regular reviews by the Governing Body of periodic and annual financial reports which indicate financial performance against forecasts
- setting targets to measure financial and other performance
- clearly defined capital investment control guidelines
- the adoption of formal project management disciplines.

The College has an internal audit service, which operates in accordance with the requirements of Funding Bodies Audit Code of Practice. The work of the 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 Governing Body 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 process.

## **Review of Effectiveness**

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

- the work of the internal auditors
- the work of the executive managers within the College who have responsibility for the development and maintenance of the internal control framework

- comments made by the College's financial statements auditors and the regularity auditors in their management letters and other reports.

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

The Senior Management Team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The Senior Management Team and the Audit Committee also receive regular reports from internal audit, which include recommendations for improvement. The Audit Committee's role in this area is confined to a high level review of the arrangements for internal control. The Governing Body'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 December 2011 meeting, the Governing Body will carry out an annual assessment for the year ended 31 July 2011 by considering documentation from the Senior Management Team and internal audit and taking account of events since 31 July 2011.

### **Going Concern**

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

Approved by order of the members of the Governing Body on 8 December 2011 and signed on its behalf by:

Mrs O Barnes  
Chair of Governors

Mrs A C Barrow  
Principal

## **ST BRENDAN'S SIXTH FORM COLLEGE**

### **STATEMENT OF THE RESPONSIBILITIES OF THE GOVERNING BODY**

The Governing Body of the College is required to present audited financial statements for each financial year.

Within the terms and conditions of the Financial Memorandum agreed between the YPLA/SFA and the Governors of the College, the Governing Body, through its Principal, is required to prepare financial statements for each financial year in accordance with the 2007 Statement of Recommended Practice – Accounting for Further and Higher Education Institutions and with the Accounts Direction issued jointly by the SFA and YPLA which give a true and fair view of the state of affairs of the College and result for that year.

In preparing the financial statements, the Governing Body 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; and
- Prepare financial statements on the going concern basis, unless it is inappropriate to assume that the College will continue in operation.

The Governing Body is also required to prepare a members' report which describes what it is trying to do and how it is going about it, including the legal and administrative status of the College.

The Governing Body is responsible for keeping proper accounting records, which disclose with reasonable accuracy, at any time, the financial position of the College and to enable it to ensure that the financial statements are prepared in accordance with the relevant legislation of incorporation and other relevant account standards. It is responsible for taking steps that are reasonably open to it to safeguard assets of the College and to prevent and detect fraud and other irregularities.

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

The Governing Body is 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 YPLA/SFA are used in accordance with the Financial Memorandum with the YPLA/SFA and any other conditions that the YPLA/SFA may from time to time prescribe. The Governing Body must ensure that there are appropriate financial and management controls in place to safeguard public and other funds and ensure that they are used properly.

In addition, Governors are responsible for securing the 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 by the YPLA/SFA are not put at risk.

Approved by Order of the Governing Body and signed on its behalf by:

Mrs O Barnes  
Chair of Governors

8 December 2011

## **Independent Auditors' Report to the Governing Body of St Brendan's Sixth Form College**

We have audited the financial statements of St Brendan's Sixth Form College for the year ended 31 July 2011, which comprise the income and expenditure account, the balance sheet, the cash flow statement, the statement of total recognised gains and losses and the related notes. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out therein.

This report is made solely to the Governing Body, as a body, in accordance with statutory requirements. Our audit work has been undertaken so that we might state to the Governing Body, as a body, those matters we are required to state to them in an auditors' 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 Governing Body, as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective Responsibilities of the Members of the Governing Body of St Brendan's Sixth Form College and Auditors**

As described in the Statement of Responsibilities, the College's Governing Body is responsible for preparing the Members Report and financial statements in accordance with the Statement of Recommended Practice – Accounting for Further and Higher Education, applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Statement of Recommended Practice – Accounting for Further and Higher Education. We also report to you if, in our opinion, the Members' Report is not consistent with the financial statements, if the College has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read the Members' Report and consider the implications for our report if we become aware of any apparent misstatement within it.

### **Basis of Audit Opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board and the Audit Code of Practice issued by the Young People's Learning Agency. An audit includes examination, on a test basis, of evidence relevant to amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the College's Governing Body in the preparation of the financial statements, and of whether the accounting policies are appropriate to the College's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give us reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

## **Opinion**

In our opinion;

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of affairs of the College as at 31 July 2011 and of the College's surplus of income over expenditure for the year then ended, and
- the financial statements have been properly prepared in accordance with the Statement of Recommended Practice – Accounting for Further and Higher Education Institutions.

**MOORE STEPHENS**

**Chartered Accountants**

**Registered Auditors**

**Date:** \_\_\_\_\_

## **Independent Auditors' Report on Regularity to the Governing Body of St Brendan's Sixth Form College ('the Governing Body') and the Chief Executive of the Young People's Learning Agency ('the YPLA')**

In accordance with the terms of our engagement letter and further to the requirements of the Chief Executive of the YPLA, we have carried out a review to obtain assurance about whether, in all material respects, the expenditure and income of St Brendan's Sixth Form College ('the College') for the year ended 31 July 2011 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to the Governing Body and the Chief Executive of the YPLA. Our review work has been undertaken so that we might state to the Governing Body and the Chief Executive of the YPLA those matters we are required to state to it 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 Governing Body and the Chief Executive of the YPLA, for our review work, for this report, or for the opinion we have formed.

### **Respective responsibilities of the Members of the Governing Body of St Brendan's Sixth Form College and Auditors**

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

Our responsibilities for this review are established in the United Kingdom by our profession's ethical guidance and the audit guidance set out in the Audit Code of Practice and the Regularity Audit Framework issued by the YPLA. We report to you whether, in our opinion, in all material respects, the College's expenditure and income for the year ended 31 July 2011 have been applied to purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

### **Basis of opinion**

We conducted our review in accordance with the Audit Code of Practice and the Regularity Audit Framework issued by the YPLA. Our review includes examination, on a test basis, of evidence relevant to the regularity and propriety of the College's income and expenditure.

### **Opinion**

In our opinion, in all material respects the expenditure and income for the year ended 31 July 2011 have been applied to purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

**MOORE STEPHENS**

**Chartered Accountants, Registered Auditors**

**Date:** \_\_\_\_\_

## **Section 2**

### **Financial Statements for the year ended 31 July 2011**

**INCOME AND EXPENDITURE ACCOUNT**

<b>Income</b>	Notes	<b>2011</b>	2010
		<b>£000</b>	£000
Funding body grants	2	<b>9,510</b>	8,362
Tuition fees and education contracts	3	<b>15</b>	17
Research grants and contracts	4	<b>15</b>	15
Other income	5	<b>38</b>	140
Investment income	6	<b>13</b>	15
<b>Total income</b>		<b><u>9,591</u></b>	<u>8,549</u>
<b>Expenditure</b>			
Staff costs	7	<b>6,032</b>	5,639
Other operating expenses	9	<b>2,003</b>	1,862
Depreciation	13	<b>839</b>	395
Interest payable	10	<b>53</b>	112
<b>Total expenditure</b>		<b><u>8,927</u></b>	<u>8,008</u>
Surplus on continuing operations after depreciation of tangible fixed assets at cost/valuation and before tax and exceptional items		<b>664</b>	541
Loss on disposal of assets		<b>(5)</b>	0
Accelerated Depreciation	30	<b>0</b>	(314)
Release of capital grants related to accelerated depreciation	30	<b>0</b>	124
FRS17 Past Service Cost exceptional item		<b>0</b>	<b>184</b>
Surplus on continuing operations after depreciation of assets at cost/valuation and disposal of assets but before tax and exceptional items		<b>659</b>	535
Taxation	11	<b>0</b>	0
<b>Surplus on continuing operations after depreciation of assets at cost/valuation, disposal of assets and tax</b>		<b><u>659</u></b>	<u>535</u>

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

## STATEMENT OF HISTORICAL COST SURPLUSES AND DEFICITS

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	Notes	2011	2010
		£000	£000
Surplus on continuing operations before taxation		659	535
Difference between historical cost depreciation and the actual charge for the year calculated on the revalued amount	21	0	0
Realisation of property revaluation gains of previous years		0	0
<b>Historical cost surplus for the year</b>		<u>659</u>	<u>535</u>

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	Note	2011 £000	2010 £000
Surplus on continuing operations after depreciation of assets at valuation, disposal of assets and tax		659	535
Actuarial gain/(loss) in respect of pension scheme	23	(40)	(2)
<b>Total recognised gains/(losses) since last report</b>		<b>619</b>	<b>533</b>
<b>Reconciliation</b>			
Opening reserves and endowments		2,012	1,479
Total recognised gains for the year		619	533
<b>Closing reserves and endowments</b>		<b>2,631</b>	<b>2,012</b>

**BALANCE SHEET AT 31 July 2011**

	Notes	2011 £000	2010 £000
<b>Fixed assets</b>			
Tangible assets	13	21,336	21,895
		<u>21,336</u>	<u>21,895</u>
<b>Current assets</b>			
Debtors	15	212	369
Investments	14	0	0
Cash at bank and in hand		2,226	965
Total current assets		<u>2,438</u>	<u>1,334</u>
<b>Less Creditors - amounts falling due within one year</b>	16	<u>1,087</u>	955
<b>Net current assets</b>		<u>1,351</u>	379
<b>Total assets less current liabilities</b>		<u>22,687</u>	<u>22,274</u>
Less Creditors - amounts falling due after more than one year	17	1,768	1,900
Less Provisions for liabilities	19	0	0
<b>Net assets excluding pension liability</b>		<u>20,919</u>	20,374
Net pension liability	23	<u>(805)</u>	<u>(709)</u>
<b>NET ASSETS INCLUDING PENSION ASSET/(LIABILITY)</b>		<u>20,114</u>	<u>19,665</u>
<b>Deferred capital grants</b>	20	17,483	17,653
<b>Reserves</b>			
Income and expenditure account excluding pension reserve	22	3,036	2,321
Pension reserve	23	<u>(805)</u>	<u>(709)</u>
Income and expenditure account including pension reserve		2,231	1,612
Designated working capital reserve	22	400	400
Revaluation reserve	21	0	0
<b>Total reserves</b>		<u>2,631</u>	<u>2,012</u>
<b>TOTAL</b>		<u>20,114</u>	<u>19,665</u>

The financial statements contained in this report were approved by the Governing Board on 8 December 2011 and were signed on its behalf by:

O Barnes  
Chair of Governors

A C Barrow  
Principal

**CASH FLOW STATEMENT**

	Notes	2011 £000	2010 £000
<b>Cash flow from operating activities</b>	24	<b>1,404</b>	(307)
Returns on investments and servicing of finance	26	(15)	(43)
Taxation		0	0
Capital expenditure and financial investment	27	4	3,393
Management of liquid resources	28	0	0
Financing	29	(132)	(2,300)
<b>Increase/(decrease) in cash in the year</b>		<b><u>1,261</u></b>	<b><u>743</u></b>
<b>Reconciliation of net cash flow to movement in net funds/(debt)</b>			
Increase in cash in the period		1,261	743
Cash inflow from new unsecured loan		0	0
Cash inflow from liquid resources		0	0
Revaluation and profit on disposal of current asset investments		0	0
Change in net debt resulting from cash flows		132	2,300
Movement in net funds in period		<b><u>1,393</u></b>	3,043
Net funds at 1 August	25	<b>(935)</b>	(3,978)
<b>Net funds at 31 July</b>	25	<b><u>458</u></b>	<b><u>(935)</u></b>

## **Section 3**

### **Notes to the Financial Statements**

## **ST BRENDAN'S SIXTH FORM COLLEGE**

### **Financial Statements for the Year Ended 31 July 2011**

#### **Notes to the Accounts**

##### **1: Accounting Policies**

###### **Statement of Accounting Policies**

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

###### **Basis of Preparation**

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2007 (the SORP) and in accordance with applicable Accounting Standards. They conform to guidance published jointly by the SFA and YPLA in the 2010/11 Accounts Direction Handbook.

###### **Basis of Accounting**

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

###### **Recognition of Income**

The recurrent grants from the Funding Bodies represent the funding allocations attributable to the current financial year and are credited direct to the income and expenditure account. Recurrent grants are recognised in line with planned activity.

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

Income from tuition fees is recognised in the period for which it is received and includes all fees payable by students.

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

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

## **ST BRENDAN'S SIXTH FORM COLLEGE**

### **Notes to the Accounts (continued)**

#### **Going Concern**

The activities of the College, together with the factors likely to affect its future development and performance are set out in the Operating and Financial Review.

The financial position of the College, its cashflow, liquidity and borrowings are described in the Financial Statements and accompanying Notes.

The College currently has £1.8m of loans outstanding with bankers on terms negotiated in 2007, see note 18 for further information.

The College's forecasts and financial projections indicate that it will be able to operate within this existing facility and covenants for the foreseeable future. Accordingly the College has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future, and for this reason will continue to adopt the going concern basis in the preparation of its Financial Statements.

#### **Post Retirement Benefits**

Retirement benefits to employees of the College are provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). These are defined benefit schemes, which are externally funded and contracted out of the State Earnings Related Pension Scheme (SERPS)

Contributions to the TPS are calculated so as to spread the cost of pensions over the course of the employees' working lives with the College in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 23, the TPS is a multi employer scheme and the College is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is, therefore, treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The assets of the LGPS are measured using closing market values. LGPS liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The increase in present value of the liabilities of the scheme expected to arise from employee service in the period is charged to the operating surplus. The expected return on the scheme's assets and the increase during the period in the present value of the scheme's liabilities,

## **ST BRENDAN'S SIXTH FORM COLLEGE**

### **Notes to the Accounts (continued)**

arising from the passage of time, are included in the pension finance costs. Actuarial gains and losses are recognised in the statement of total recognised gains and losses.

### **Tangible Fixed Assets**

#### *Land and Buildings*

As explained in the report of the Governing Body, trust held land and buildings in place on 1 April 1993 are not stated in the balance sheet. Buildings and improvements made since designation are stated in the balance sheet at cost less depreciation. Freehold buildings are depreciated over their expected useful economic life to the College of 40 years in the case of new buildings. The College has a policy depreciating major adaptations to the buildings over the period of their useful economic life, usually 20 years.

Where land and buildings are acquired with the aid of specific grants, they are capitalised and depreciated as above. The related grants are credited to a deferred capital grant account and are released to the income and expenditure account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Finance costs, which are directly attributable to the construction of land and buildings, are not capitalised as part of the cost of those assets.

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

On adoption of FRS 15, the College followed the transitional provision to retain the book value of land and buildings and not to adopt a policy of revaluation of these properties in the future. These values are retained subject to the requirement to test assets for impairment in accordance with FRS 11.

#### *Assets under Construction*

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

#### *Subsequent expenditure on existing fixed assets*

Where significant expenditure is incurred on tangible fixed assets, it is charged to the income and expenditure account in the period it is incurred, unless it meets one of the following criteria, in which case it is capitalised and

## **ST BRENDAN'S SIXTH FORM COLLEGE**

### **Notes to the Accounts (continued)**

depreciated on the relevant basis:

Market value of the fixed asset has subsequently improved

Asset capacity increases

Substantial improvement in the quality of output or reduction in operating costs

Significant extension of the asset's life beyond that conferred by repairs and maintenance

#### *Equipment*

Equipment costing less than £1,500 per individual item is written off to the income and expenditure account in the period of acquisition. All other equipment is capitalised at cost.

All equipment is depreciated over their useful economic life as follows:

Motor vehicles	-	4 years on a straight-line basis
Furniture, fittings and equipment	-	5 years on a straight-line basis
Computer equipment	-	5 years on a straight-line basis
Building improvements	-	20 years on a straight-line basis

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

#### **Leased Assets**

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

#### **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 the income and expenditure account in the period in which they arise.

## **ST BRENDAN'S SIXTH FORM COLLEGE**

### **Notes to the Accounts (continued)**

#### **Taxation**

The College is an exempt charity within the meaning of Schedule 2 of the Charities Act 1993 as amended by the Charities Act 2006 and as such is a charity within the meaning of section 506(1) of the Income and Corporation Taxes Act 1988 (ICTA 1988). Accordingly, the College is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 505 of ICTA 1988 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

The College receives no similar exemption in respect of value added tax. For this reason the College is generally unable to recover input VAT it suffers on goods and services purchased. Non pay expenditure is, therefore, shown inclusive of VAT.

#### **Liquid Resources**

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

#### **Provisions**

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

#### **Learner Support Fund**

The Learner Support Fund grant from the Funding Bodies is available solely for students; the College acts only as the paying agent. The grants and related disbursements are, therefore, excluded from the Income and Expenditure account. None of the grant was used by the College to cover administration costs relating to the grant.

## Notes to the Accounts (continued)

**2: FUNDING BODY GRANTS**

	<b>2011</b>	2010
	<b>£000</b>	£000
Recurrent grant from the LSC/YPLA/SFA	<b>9032</b>	8227
Releases of deferred capital grants (LSC/SFA)	<b>459</b>	97
Other Grants	<b>19</b>	38
<b>Total</b>	<b>9,510</b>	8,362

**3: TUITION FEES AND EDUCATION CONTRACTS**

	<b>2011</b>	2010
	<b>£000</b>	£000
Tuition fees	<b>15</b>	17
Education contracts	<b>0</b>	0
<b>Total</b>	<b>15</b>	17

**4: RESEARCH GRANTS AND CONTRACTS**

	<b>2011</b>	2010
	<b>£000</b>	£000
Other grants and contracts	<b>15</b>	15
<b>Total</b>	<b>15</b>	15

**Notes to the Accounts (continued)****5: OTHER INCOME**

	<b>2011</b>	2010
	<b>£000</b>	£000
Other income generating activities	4	3
Other income	34	137
<b>Total</b>	<b>38</b>	140

**6: INVESTMENT INCOME**

	<b>2011</b>	2010
	<b>£000</b>	£000
Other interest receivable	13	15
<b>Total</b>	<b>13</b>	15

**7: STAFF COSTS**

The average number of persons (including senior post holders) employed by the College during the year expressed as full-time equivalents, was:

	<b>2011</b>	2010
	<b>No.</b>	No.
Teaching staff	93	84
Teaching support services	71	72
	<b>164</b>	156

**Staff costs for the above persons:**

<b>2011</b>	2010
<b>£000</b>	£000

**7: STAFF COSTS (continued)**

The number of senior post-holders and other staff who received emoluments, including pension contributions, in the following ranges was:

	Senior post-holders		Other Staff	
	##	2010	2011	2010
	No	No.	No.	No.
£60,001 to £70,000	1	1	0	0
£70,001 to £80,000	2	1	0	0
£80,001 to £90,000	0	0	0	0
£90,001 to £100,000	0	0	0	0
£100,001 to £110,000	1	1	0	0
	<b>4</b>	<b>3</b>	<b>0</b>	<b>0</b>

**8: SENIOR POST- HOLDERS' EMOLUMENTS**

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

	2011	2010
	No.	No.
The number of senior post-holders including the Principal was:	<b>4</b>	4

Senior post-holders' emoluments are made up as follows:

	£000	£000
Salaries	275	276
Benefits in kind	0	0
Pension contributions	38	39
<b>Total emoluments</b>	<b>313</b>	315

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

	£000	£000
Salary	89,622	88,724
Benefits in kind	0	0
Pension contributions	12,637	12,510
	<b>102,259</b>	101,234

The pension contributions in respect of the Principal and senior post-holders are in respect of employers' contributions to the Teachers Pension Scheme and the LGPS and are paid at the same rate as for other employees.

The Governors, other than the Principal and staff governors (2), did not receive any payment from the College other than the reimbursement of travel and subsistence expenses incurred in the course of their duties.

**Notes to the Accounts (continued)****9: OTHER OPERATING EXPENSES**

	<b>2011</b>	2010
	<b>£000</b>	£000
Teaching departments	<b>414</b>	352
Non teaching costs	<b>1,106</b>	1,033
Premises costs	<b>483</b>	477
<b>Total</b>	<b><u>2,003</u></b>	<u>1,862</u>

**Other operating expenses include:**

	<b>2011</b>	2010
	<b>£000</b>	£000
Auditor's Remuneration- external audit	<b>12</b>	11
Auditor's Remuneration- internal audit	<b>13</b>	14
Hire of other assets - operating leases	<b>23</b>	25

**10: INTEREST PAYABLE**

	<b>2011</b>	2010
	<b>£000</b>	£000
On bank loans, overdrafts and other loans:		
Repayable within 5 years, not by instalments	<b>0</b>	0
Repayable wholly or partly in more than 5 years	<b>29</b>	58
	<b><u>29</u></b>	<u>58</u>
Pension finance costs	<b>24</b>	54
<b>Total</b>	<b><u>53</u></b>	<u>112</u>

**11: TAXATION**

The College was not liable for any corporation tax arising out of its activities during the year.

**12: SURPLUS ON CONTINUING OPERATIONS FOR THE YEAR**

	<b>2011</b>	2010
College's surplus for the year	<b>0</b>	0
	<b><u>659</u></b>	<u>535</u>
	<b><u>659</u></b>	<u>535</u>

## Notes to the Accounts (continued)

**13: TANGIBLE FIXED ASSETS**

	Land and Buildings £000	Equipment £000	Total £000
<b>Cost or valuation</b>			
At 1 August 2010	22,639	1,928	24,567
Additions	92	193	285
Disposals	(1,417)	(111)	(1,528)
<b>At 31 July 2011</b>	<b>21,314</b>	<b>2,010</b>	<b>23,324</b>
<b>Depreciation</b>			
At 1 August 2010	1,906	766	2,672
Charge for year	534	305	839
Elimination in respect of disposals	(1,417)	(106)	(1,523)
<b>At 31 July 2011</b>	<b>1,023</b>	<b>965</b>	<b>1,988</b>
<b>Net book value at 31 July 2011</b>	<b>20,291</b>	<b>1,045</b>	<b>21,336</b>
Net book value at 31 July 2010	20,733	1,162	21,895
Inherited			
Financed by capital grant	17,437	0	17,437
Other	2,854	1,045	3,899
<b>Net book value at 31 July 2011</b>	<b>20,291</b>	<b>1,045</b>	<b>21,336</b>

The transitional rules set out in FRS 15 Tangible Fixed Assets have been applied on implementing FRS15. Accordingly, the book values at implementation have been retained.

As a designated institution, St Brendan's Sixth Form College operates under a Trust Deed established by the Roman Catholic Diocese of Clifton. Under the terms of the Trust, the Trustee (the Bishop) owns with absolute discretion the land curtilage. On 1 April 1993, all other buildings, property and land previously owned by the local education authority were transferred on trust to the Diocese. The deed of transfer was conditional on the land and property being used in the interests of the College. In September 2007 the Diocesan Trustees confirmed their intention that the site should continue to be used for its present purpose and that, subject to this, the College's use of the premises was secure for the next forty years.

The Governing Body has considered the requirements of the F&HE SORP 2007 and do not think it is practicable to attribute a value to this benefit. Therefore, so as not to misrepresent the financial position of the College, the land and buildings held by the trust on 1 April 1993 and the transferred building and land assets are excluded from the balance sheet. Any additions to the fixed assets since that date are included and have been depreciated according to agreed schedules.

**14: INVESTMENTS**

	<b>2011</b>	2010
<b>At lower of Cost or Market Value</b>		
Bonds/ Equities (listed)		
Balance at 1 August	<b>0</b>	0
Additions	<b>0</b>	0
Disposals	<b>0</b>	0
<b>Total</b>	<b>0</b>	0
<b>At Market Value</b>		
Equities (listed)	<b>0</b>	0
<b>Total</b>	<b>0</b>	0

**15: DEBTORS**

	<b>2011</b>	2010
	<b>£000</b>	£000
Amounts falling due within one year:		
Trade debtors	<b>200</b>	347
Prepayments and accrued income	<b>12</b>	22
<b>Total</b>	<b>212</b>	369

**16: CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2011</b>	2010
	<b>£000</b>	£000
Bank loans and overdrafts	<b>0</b>	0
Payments received on account	<b>67</b>	0
Trade creditors	<b>311</b>	353
Other taxation and social security	<b>110</b>	108
Accruals	<b>599</b>	494
<b>Total</b>	<b>1,087</b>	955

**17: CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>2011</b>	2010
	<b>£000</b>	£000
Bank loans	<b>1,768</b>	1,900
<b>Total</b>	<b>1,768</b>	1,900

## Notes to the Accounts (continued)

**18: ANALYSIS OF BORROWINGS OF THE COLLEGE**

The unsecured revolving credit facility of £4.2m with Allied Irish Bank PLC used to fund the sports hall, classroom block and social space expired in July 2010 and was reduced to the term loan amount of £1.9m at that time. The term loan is being repaid quarterly with overall repayment due by 21 December 2024. As at 31 July 2011 the loan amount outstanding was £1.8m.

**19: PROVISIONS FOR LIABILITIES AND CHARGES**

	Enhanced Pension £000	Other Provisions £000	Total £000
At 1 August 2010	0	0	0
Expenditure in the year	0	0	0
Transferred from income and expenditure account	0	0	0
<b>At 31 July 2011</b>	<b>0</b>	<b>0</b>	<b>0</b>

**20: DEFERRED CAPITAL GRANTS**

	LSC grants £000	Other grants £000	Total £000
At 1 August 2010			
Land and Buildings	17,632	0	17,632
Equipment	21	0	21
Cash received/receivable:			
Land and Buildings	289	0	289
Equipment	0	0	0
Released to income and expenditure account:			
Land and buildings	(459)	0	(459)
Equipment	0	0	0
<b>At 31 July 2011</b>			
<b>Land and Buildings</b>	<b>17,462</b>	<b>0</b>	<b>17,462</b>
<b>Equipment</b>	<b>21</b>	<b>0</b>	<b>21</b>
<b>Total</b>	<b>17,483</b>	<b>0</b>	<b>17,483</b>

## Notes to the Accounts (continued)

**21: REVALUATION RESERVE**

	<b>2011</b>	2010
	<b>£000</b>	£000
At 1 August	0	0
Revaluations in the period	0	0
Transfer from revaluation reserve to general reserve in respect of:		
Depreciation on revalued assets	0	0
Disposals	0	0
<b>At 31 July</b>	<b>0</b>	<b>0</b>

**22: MOVEMENT ON GENERAL RESERVES**

	<b>2011</b>	2010
	<b>£000</b>	£000
<b>Income and expenditure account reserve</b>		
At 1 August 2010	1,612	1,079
Surplus retained for the year	659	535
Actuarial gain/(loss) in respect of pension scheme	(40)	(2)
<b>At 31 July</b>	<b>2,231</b>	<b>1,612</b>
Balance represented by:		
Pension reserve	(805)	(709)
Income and expenditure account reserve excluding pension reserve	3,036	2,321
<b>At 31 July</b>	<b>2,231</b>	<b>1,612</b>

The general reserve finances the fixed assets and working capital of the College.

	<b>2011</b>	2010
	<b>£000</b>	£000
Designated working capital reserve		
At 1 August 2010 and 31 July 2011	<b>400</b>	400

The designated working capital reserve was created by transferring surplus funds out of the general reserve. The purpose of the fund is to ensure the College has sufficient funds to finance any unforeseen downturn in the College's financial performance. The Governing Body continues to believe it is prudent to maintain this fund at the level of £400k.

## Notes to the Accounts (continued)

**23: PENSION AND SIMILAR OBLIGATIONS**

The College's employees belong to two principal pension schemes, the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff and Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the Avon Pension Fund. Both are defined benefit schemes.

<b>Total Pension Cost for the Year</b>	<b>2010/11</b>	<b>2009/10</b>
	<b>£000</b>	<b>£000</b>
Teachers Pension contributions paid	<b>467</b>	432
Local Government Pensions Scheme:		
Contributions paid	<b>130</b>	<b>121</b>
FRS17 charge	<b>32</b>	<b>17</b>
Charge to the Income and Expenditure Accounts (staff costs)	<b>162</b>	138
Enhanced pension charge to Income and Expenditure Accounts (staff costs)	<b>0</b>	0
<b>Total Pension Cost for Year</b>	<b>629</b>	<b>570</b>

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuations of the schemes were as at 31 March 2004 for the TPS and 31 March 2010 for the LGPS. Contributions amounting to £71,759 (2010 £68,983) were payable to the scheme and are included in creditors.

**Teachers' Pension Scheme**

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

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

Latest actuarial valuations (under new provisions)	31 March 2004
Actuarial method	Prospective benefits
Investment returns per annum	6.5%      7.0% per annum
Salary scale increases per annum	5.0% per annum
Notional value of assets at date of last valuation	£162,650 million

Proportion of members' accrued benefits covered by the notional value of the assets. 98.88%

Following the implementation of the Teachers' Pensions (Employers' Supplementary Contributions) Regulations 2000, the Government Actuary carried out a further review on the level of employer contributions. For the period from 1 August 2010 to 31 July 2011 the employer contribution rate was 14.1%. The employee rate was 6.4% for the same period. An appropriate provision in respect of unfunded pensioners' benefits is included in provisions.

## Notes to the Accounts (continued)

Pension and similar obligations (continued)  
Teachers Pension Scheme (continued)

## FRS 17

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The College is unable to identify its share of the underlying assets and liabilities of the scheme.

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

## Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. The total contribution made for the year ended 31 July 2011 was £188k of which employers contributions totalled £58k and employees contributions totalled £130k. The agreed contribution rate for employers was 13.8%, however from 1 April 2011 this rate has been split between a service rate of 11.4% and a deficit recovery rate of 2.4%. The rate for employees changed from 6% to a banded system with effect from 1 April 2008, with salary related bands ranging from 5.25% to 7.2%.

## FRS17

	At 31 July 2011	At 31 July 2010
Principal Actuarial Assumptions		
CPI Inflation	2.90%	2.70%
Rate of increased in salaries	4.40%	4.45%
Rate of increase for pensions	2.90%	2.70%
Discount rate for liabilities	5.30%	5.50%

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 2011	At 31 July 2010
<i>Retiring today</i>		
Males	22.7	21.2
Females	25.6	24.1
<i>Retiring in 20 years</i>		
Males	25.0	22.2
Females	28.0	25.0

**Notes to the Accounts (continued)****Pension and similar obligations (continued)**  
**Local Government Pension Scheme (continued)**

The assets and liabilities in the scheme (of which the College's share is estimated at 0.06%) and the expected rates of return were:

	Long-term rate of return expected at 31-Jul-11	Value at 31-Jul-11 £000	Long-term rate of return expected at 31-Jul-10	Value at 31-Jul-10 £000
Equities	7.0%	1,437	7.5%	1,153
Bonds	3.9%	307	4.2%	290
Other bonds	4.9%	185	5.1%	169
Property	6.0%	157	6.5%	94
Cash/liquidity	0.5%	39	0.5%	42
Other	7.5%	187	7.5%	175
Total Market Value of assets		<b>2,312</b>		1,923
Present value of scheme liabilities				
- Funded		<b>(3,117)</b>		(2,632)
- Unfunded		<b>0</b>		0
Related deferred tax liability		<b>0</b>		0
Deficit in the scheme		<b>(805)</b>		(709)

**Analysis of the amount charged to income and expenditure account**

	2011 £000	2010 £000
Employer service cost (net of employee contributions)	<b>162</b>	138
Past service cost	<b>0</b>	0
Total operating charge	<b>162</b>	138

**Analysis of pension finance income/(costs)**

Expected return on pension scheme assets	<b>125</b>	97
Interest on pension liabilities	<b>(149)</b>	(151)
<b>Pension finance income/(costs)</b>	<b>(24)</b>	(54)

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

Actuarial gain/(loss) on scheme liabilities	<b>(177)</b>	(156)
Actuarial gain/(loss) on pension scheme assets	<b>137</b>	154
<b>Actuarial gain/(loss) recognised in STRGL</b>	<b>(40)</b>	(2)

Notes to the Accounts (continued)

**Pension and similar obligations (continued)**  
**Local Government Pension Scheme (continued)**

<b>Movement in deficit during the year</b>	<b>2011</b>	2010
	<b>£000</b>	£000
Deficit in scheme at 1 August	<b>(709)</b>	(820)
Movement in year:		
Current employee service cost	(162)	(136)
Employer Contributions	130	121
Past service gain	0	184
Net interest/return on assets	(24)	(56)
Actuarial gain or loss	(40)	(2)
<b>Deficit in the scheme at 31 July</b>	<b>(805)</b>	<b>(709)</b>

**Asset and Liability Reconciliation**

	<b>2011</b>	2010
	<b>£000</b>	£000
<b>Reconciliation of Liabilities</b>		
<b>Liabilities at start of period</b>	2,632	2,300
Service cost	162	136
Interest costs	149	151
Employee contributions	58	54
Actuarial (gain)/loss	177	156
Benefits/transfers paid	(61)	19
Past service gain	0	(184)
Curtailments and settlements	0	0
<b>Liabilities at end of period</b>	<b>3,117</b>	<b>2,632</b>

<b>Reconciliation of Assets</b>	<b>£000</b>	£000
<b>Assets at start of period</b>	<b>1,923</b>	1,480
Expected return on assets	125	95
Actuarial gain/(loss)	137	154
Employer contributions	130	121
Employee contributions	58	54
Benefits/transfers paid	(61)	19
<b>Assets at end of period</b>	<b>2,312</b>	<b>1,923</b>

Notes to the Accounts (continued)

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Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

	2011	2010	2009	2008	2007
<b>History of experience gains/(losses)</b>					
Difference between the expected and actual return on assets:					
Amount £000	91	154	(161)	(172)	(37)
Experience gains/(losses) on scheme liabilities:					
Amount £000	(79)	0	0	(38)	0
Total amount recognised in STRGL					
Amount £000	(40)	(2)	66	(400)	46

## Notes to the Accounts (continued)

**24: RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	Notes	2011 £000	2010 £000
Surplus on continuing operations after depreciation of assets at valuation		659	535
Depreciation	13	839	709
Loss/(profit) on disposal of tangible fixed assets		5	0
Deferred capital grants released to income	20	(459)	(221)
Interest payable	10	29	58
FRS17 pensions costs less contributions payable	23	55	(113)
(Increase)/decrease in debtors	15	157	(348)
Increase/(decrease) in creditors	16	132	(912)
Interest receivable	6	(13)	(15)
Gain on sale of investments		0	0
Net cash inflow from operating activities		<u>1,404</u>	<u>(307)</u>

**25: ANALYSIS OF CHANGES IN NET FUNDS**

	At 01-Aug- 10 £000	Cash flows £000	Other Movements £000	At 31-Jul- 11 £000
Cash in hand, and at bank	965	1,261	0	2,226
Overdrafts	0	0	0	0
Debt due within 1 year	965 0	1,261 0	0 0	2,226 0

## Notes to the Accounts (continued)

**26: RETURNS ON INVESTMENTS AND SERVICING OF FINANCE**

	<b>2011</b>	2010
	<b>£000</b>	£000
Interest received	13	15
Interest paid	<b>(28)</b>	(58)
<b>Net cash inflow from returns on investments and servicing of finance</b>	<b>(15)</b>	<b>(43)</b>

**27: CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT**

	<b>2011</b>	2010
	<b>£000</b>	£000
Purchase of tangible fixed assets	<b>(285)</b>	(4,870)
Sales of tangible fixed assets	0	0
Deferred capital grants received	<b>289</b>	8,263
<b>Net cash inflow/(outflow) from capital expenditure and financial investment</b>	<b>4</b>	<b>3,393</b>

**28: MANAGEMENT OF LIQUID RESOURCES**

	<b>2011</b>	2010
	<b>£000</b>	£000
Sale of investments	0	0
Purchase of investments	0	0
<b>Net cash inflow from management of liquid resources</b>	<b>0</b>	<b>0</b>

**29: FINANCING**

	<b>2011</b>	2010
	<b>£000</b>	£000
Debt due beyond a year:		
New unsecured loans repayable by 2024	0	0
Repayment of amounts borrowed	<b>(132)</b>	(2,300)
<b>Net cash inflow/(outflow) from financing</b>	<b>(132)</b>	<b>(2,300)</b>

**Notes to the Accounts (continued)****30: MAJOR NON-CASH TRANSACTIONS**

	<b>2011</b>	2010
	<b>£000</b>	£000
Accelerated depreciation ( see note 13)	<b>0</b>	314
Release of capital grants related to the accelerated depreciation charges (see note 20)	<b>0</b>	(124)
FRS Past Service Cost exceptional item	<b>0</b>	(184)
<b>Net charge for the year</b>	<b>0</b>	<b>6</b>

In 2008 the College received LSC consent for the detailed approval for its property strategy and work commenced accordingly. This strategy involved the demolition and rebuilding of the majority of the buildings with a completion date of July 2010.

Following completion of the demolition of the old building, the balance of the remaining net book value was written off in the year generating an accelerated depreciation charge of £314k, The balance remaining of capital grants associated with the affected buildings has also been released.

In line with guidance provided by the Accounts Direction Handbook, the accelerated depreciation and associated grant release has been presented separately from the remainder of the income and expenditure of the College.

Following the Chancellor's announcement in the June emergency budget that the increase in public sector pensions are now linked to CPI rather than RPI, a one-off, in-year gain of £184k has arisen.

**31: POST BALANCE SHEET EVENTS**

There were no post balance sheet events.

**32: CAPITAL COMMITMENTS**

	<b>2011</b>	2010
	<b>£000</b>	£000
Commitments contracted for at 31 July	<b>0</b>	230

This capital commitment relates to the College building development of a new main block.

**33: FINANCIAL COMMITMENTS**

At 31 July 2011 the College had annual commitments of £22,544 (2009/10 - £25,995) under non-cancellable operating leases, expiring within two to five years.

**34: CONTINGENT LIABILITY**

There were no known contingent liabilities at 31 July 2011.

## Notes to the Accounts (continued)

**35: RELATED PARTY TRANSACTIONS**

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

All governors complete a declaration of interest return. No transactions were identified which should be disclosed under Financial Reporting Standard 8 Related Party Disclosures.

**36: LEARNER SUPPORT FUNDS**

	<b>2011</b>	2010
	<b>£000</b>	£000
Funding Council grants	<b>63</b>	49
Interest earned		0
Disbursed to students	<b>(63)</b>	(49)
Audit fees	<b>0</b>	0
	<hr/>	<hr/>
Balance unspent at 31 July	<b>0</b>	0
	<hr/> <hr/>	<hr/> <hr/>

Young People's Learning Agency grants are available solely for students; the College acts only as a paying agent.

The grants and related disbursements are therefore excluded from the income and expenditure account.