

Finance and General Purposes Committee

Wednesday 7 October 2015 at 2.00 pm in Room 2009

A G E N D A

		Presented by
1	Welcome and Apologies for Absence	JH
2	Declaration of Interest	JH
3	Minute of Meeting of 9 June 2015	(attached) JH
4	Matters Arising	
	4.1 Estates Projects Update	(verbal update) JB
5	Draft Annual F&GP Committee Report (for the period April 14 to J	(report attached) KH
6	External Development Income	(report attached) KH
7	Financial Update at July 2015	(verbal update) KH
8	Aged Debt Report	(report attached) KH
9	Cash Flow Projections 2015-16	(report attached) KH
10	Draft Financial Statements (for period end 31 July 2015)	(report attached) KH
11	Any Other Business	
12	Date and Time of Next Meeting - 8 December 2015 at 2pm	

Board of Management

Minute of the Meeting of the Finance and General Purposes Committee of the Board of Management of Dumfries and Galloway College, held on Tuesday 7 October 2015 at 2.00 pm in Room 2009, Dumfries campus.

Present: John Henderson (Chair)
Kenny Henry
Karen McGahan
Carol Turnbull

In attendance: Karen Hunter, Finance Manager
Jannette Brown, Secretary to the Board and Vice Principal Corporate Services & Governance

Minute Taker: Caroline Donoghue, Executive Team Assistant

1 Welcome and Apologies

The Chair welcomed members to the meeting. Apologies were intimated on behalf of Ros Francis.

The Secretary to the Board confirmed the meeting was quorate with enough members present to allow official decisions to be made.

2 Declaration of Interest

Members agreed to declare any declarations of interest as appropriate throughout the meeting.

3 Minute of Previous Meeting

The Minute of the Finance and General Purposes Committee held on 09 June 2015 was approved.

4 Matters Arising

4.1 Insurance

The Vice Principal reported that the expected report summarising the process undertaken during the procurement of insurance will be presented at the December committee meeting.

4.2 Estates Projects 2015-16

The Vice Principal confirmed that the request for grant of £550k from the Scottish Colleges Foundation in relation to the programme of capital expenditure had been successful. The grant will be paid as requested, in two stages, £380k will be paid this month and the second payment of £170k will be paid in April 2016.

The Chair requested a report on the capital projects in 2015-16 to be presented at the December meeting.

5 Draft Annual Finance & General Purposes Committee Report

The Finance Manager spoke to the report which had been issued. The report summarises the activity and decisions of the Committee during the financial period 2014-15. The report confirmed that it was the Finance and General Purposes Committee's opinion that the College's financial affairs were planned, conducted and controlled so that its total income was sufficient, taking one period with another, to meet its total expenditure, and its financial viability was maintained.

Board of Management

The Committee considered and approved the report. The report will now go to the next board meeting in December.

6 External Development Income

The Finance Manager spoke to the report which had been issued. The report summarised non-Scottish Funding Council income for 2014-15 compared to 2013-14. The 2014-15 figures relate to the sixteen month period from April 2014 to July 2015, and the comparative figures for 2013-14 relate to the eight months from August 2013 to March 2014. It was explained that a number of factors should be taken into account when making a comparison between years. Income does not arise evenly during the academic year, for example the Skills Development Scotland contract period runs from April to March, and income is accrued in line with student milestones achieved, and course start dates. Fees for short courses are in line with the timing of courses, which can be dependent on when a company requests the delivery, as well as the availability of staff to deliver the training.

The Principal sought views from Committee members on the content of the report and whether they would like additional information included next time. After discussion the Committee would like an example of course costing model in the next report.

Members noted the report.

7 Financial Update at July 2015

The Finance Manager provided members with a verbal financial update. A formal report will be available to members at the next meeting. The outturn for the financial year 2014-15 is still being finalised. External auditors are currently auditing the 2014-15 accounts. Income and expenditure for the first two months on the 2015-16 financial year is as expected with nothing out of the ordinary to report. The Vice Principal advised the Committee of a reduction of grant and a revised budget will be presented to the Committee at its next meeting.

Members noted the update. A revised 2015-16 budget to be presented at the December meeting.

8 Aged Debt report

The Finance Manager spoke to the report which had been issued. Members commented on the positive report.

Members noted the report.

9 Cash Flow Projections 2015-16

The Finance Manager spoke to the report which had been issued. Members commented that at certain points in the year an 'overdraft' was required funded by the monies set aside for Lennartz. The Committee members were concerned that once Lennartz is paid off this flexibility will disappear. The Finance Manager confirmed that the College's cash flow is monitored on a regular basis by the Scottish Funding Council to ensure that in line with Scottish Government departments, the College is only drawing down what cash is required to meet expenditure and not building up cash in the bank.

Members noted the report.

Board of Management

10 Draft Financial Statements (for period end 31 July 2015)

The Finance Manager spoke to the report which been issued. She advised that she thought it was important for the committee to see the figures to date and in particular the narrative part of the accounts which puts the figures in context and makes them easier to read. The final accounts will be presented to the December meeting of the Committee.

Members noted the report.

11 Any Other Business

The Principal advised the Committee, that the College has received guidance indicating it is good practice to provide a statement on the pension 'pots' and salaries of the Executive Team in the annual accounts. Publishing salary information and pension contribution rates of Executive members in the accounts was not an issue. However, providing pension 'pot' information on individuals may be a breach data protection. Colleges Scotland is seeking clarification on this. Pension information will not be published until such times as the matter has been clarified.

The Chair noted this and the Committee offered their support to the Executive Team on this matter.

14 Date and Time of Next Meeting

The next meeting of the Committee would take place on 8 December 2015 at 2pm.

Board of Management

Minute of the Meeting of the Finance and General Purposes Committee of the Board of Management of Dumfries and Galloway College, held on Tuesday 9 June 2015 at 2.00 pm in Room 2009, Dumfries campus.

Present: John Henderson (Chair) Ros Francis
Kenny Henry Carol Turnbull

In attendance: Brian Johnstone, Regional Chair Karen Hunter, Finance Manager
Jannette Brown, Vice Principal and Susan Sutherland, Executive Team
Secretary to the Board Assistant

1 Welcome and Apologies

The Chair welcomed members to the meeting in particular Ros Frances to her first meeting and Brian Johnstone, Regional Chair who was attending. Apologies were received from Karen McGahan.

The Secretary to the Board confirmed the meeting was quorate with enough members present to allow official decisions to be made.

2 Declaration of Interest

Members agreed to declare any conflict of interest as appropriate throughout the meeting.

3 Minute of Previous Meeting

The Minute of the Finance and General Purposes Committee held on 9 December 2014 was approved. The Chair reminded members that Finance and General Purposes Committee business was covered at the Board meeting of the 3rd March 2015.

4 Matters Arising

4.1 Item 4.1 Retention Monies

The Committee noted no change since last report at the full board.

4.2 Item 9 Self Insurance

The Vice Principal reported that the College had gone out to tender for its insurance services, following the three year derogation granted to colleges from the Scottish Government in respect of continued use of commercial insurance. College Management and a representative from APUC had reviewed the two tenders received on 8 June 2015, and a full report would be made to the next Committee meeting.

5 Scottish Funding Council Offer of Grant 2015-16

The Committee formally noted the Scottish Funding Council letter of 17 April 2015 advising of the final funding allocation for academic year 2015-16 regional outcome agreement.

6 Revised Budget for 2015-16

The Finance Manager spoke to the report which had been issued, informing the Committee on revisions to the Budget for the 2015-16 financial year, following receipt of the final offer of grant for 2015-16.

Board of Management

The Committee reviewed the assumptions for the revised budget and, following discussion, agreed to recommend the Budget to the Board for approval at the meeting on 30 June 2015.

7 Cash Flow Projections

The Finance Manager spoke to the report which presented the cash flow forecasts to the Committee and highlighted the key assumptions made in the forecasts.

Members noted that a cash flow return was submitted to SFC on a monthly basis to draw down core grant, funding for projects and student support, and projections to July 2016 would be required in due course. The SFC grant was received mid-month and in order to ensure that sufficient funds were available to meet liabilities as they fell due until the SFC grant funding was received, a minimum month-end balance of £1M was considered to be appropriate.

The Committee noted the key assumptions used in preparing the cash flow forecasts and expected balances.

8 Fee Policy 2015-16

The Finance Manager spoke to the report which had been issued, listing the fee rates effective from 1 August 2015.

It was noted that there were no changes to main fees, in line with Scottish Government guidance, and so the Committee approved the fee policy for 2015-16.

9 Estates Projects 2015-16

The Vice Principal spoke to the report which had been issued, providing information on four estates projects where curriculum delivery improvements required changing the purpose of some rooms and redeveloping the layout of others.

During the discussion it was highlighted that the 2015-16 budget did not include funding for these particular estates projects. It was proposed that they be funded from depreciation (in line with Scottish Funding Council guidance) and or bidding into the Scottish College Foundation. During discussion the committee raised concerns about long term sustainability of funding estates projects.

The committee approved the expenditure of up to £410,000 on the estates projects, provided the necessary approval from the Scottish Funding Council on the use of depreciation was granted and or a successful application to the Scottish College Foundation was granted.

10 Financial Update at May 2015

The Finance Manager spoke to the report which been issued. The report was in a new format reflecting the budget planning objective of the College, following reclassification of the Scottish College Sector within Central Government, to achieve a balanced budget each year, manage cash balances throughout the year and maintain broadly the same level of working capital year on year, which would be closely monitored by Scottish Government.

Board of Management

The Committee noted the results to 30 April 2015, the income and expenditure to April 2015 (and forecasts to July 2015) and the balance sheet movement for period between March and April, and approved the new format of reporting.

11 Aged Debt Report

The Finance Manager spoke to the report which had been issued, giving a breakdown of the aged debtor balances as at 31 March 2015.

Following discussion, the Committee approved the proposed write-off of £3,073.65.

12 Strategic Risk Register

The Vice Principal spoke to the report which had been issued, and highlighted the changes at Risk 14 (failure to achieve attainment targets) and 15 (failure to achieve affective outcome following the Education Scotland Review) which had been agreed at the Board meeting on 21 April 2015.

Further to these, Management was proposing that Risk 5 'National Pay Bargaining' be raised to the highest level in view of recent notification on likely industrial action.

The Committee noted the report and approved the changes.

13 Any Other Business

None.

14 Date and Time of Next Meeting

The Calendar of Board and Committee meetings for Session 2015-16 would be confirmed at the Board meeting on 30 June 2015.

Finance and General Purposes Committee

Annual Report by the Finance and General Purposes Committee to the Board of Management

1 PURPOSE OF REPORT

- 1.1 To advise the Board of Management of the activities and decisions of the Finance and General Purposes Committee during Financial Period 2014/15.

2 BACKGROUND TO REPORT

- 2.1 The Finance and General Purposes Committee comprises a minimum of three members of the Board of Management, as well as the Principal and a staff representative. The Committee operates in accordance with written Terms of Reference approved by the Board of Management.
- 2.2 It is a requirement of the College's Financial Regulations that the Finance and General Purposes Committee provides the Board with an Annual Report so that all members can be fully informed of, amongst other things, the state of the College's finances.

3 ADMINISTRATIVE MATTERS

- 3.1 This report covers a sixteen month period from 1 April 2014 to 31 July 2015.
- 3.2 The membership of the Committee during the period was:

J Henderson (Chair)
R Gunnell (until 01.07.14)
P Kirby (from Dec 2014 until April 2015)
K McGahan (from April 2015)
R Francis (from April 2015)
C Turnbull (Principal)
K Henry (staff representative)

- 3.3 During the relevant period, the Committee's meetings were as follows:

2 June 2014	4 members attended (100%)
26 August 2014	3 members attended (100%)
9 December 2014	3 members attended (60%)
9 June 2015	4 members attended (80%)

Finance papers were also considered in full at the March 2015 meeting of the Board of Management.

There was an average attendance of 4 members at Finance and General Purposes Committee meetings during the period.

Finance and General Purposes Committee

4 FINANCIAL MANAGEMENT

- 4.1 The Committee is responsible under the terms of the College's Financial Regulations to ensure that the College has a sound system of internal financial management and control and a robust mechanism for considering financial issues.
- 4.2 The Committee scrutinises the College's annual revenue and capital budget, and recommends the Annual Budget for approval to the Board of Management. The Committee thereafter monitors performance throughout the year in relation to the approved budgets.
- 4.3 The Committee scrutinises the Annual Financial Statements of the College, including the Operating and Financial Review, and recommends them for approval by the Board.
- 4.4 The Committee also review and approve the College Financial Statements Return and Financial Forecast Return, which are based on the Financial Statements and Annual Budget respectively, prior to submission to the SFC.
- 4.5 In order to assess the ongoing financial position of the College during the year, and the changing environmental and other issues which affect the College, the Agenda for each Committee meeting during 2014/15 included the following Items:
- **Correspondence Received** – to assess the impact on the College of SFC circulars, and other external matters as they arise;
 - **Management Accounts and Financial Update** – to monitor operating results against budgets, and assess cash flows and forecasts;
 - **Aged Debt Report** – to monitor client and student debt balances, and approve any proposed write-offs of unrecovered debts;
 - **Institutional Sustainability** – to monitor the factors affecting the College's sustainability which fall within the remit of the Committee.
- 4.6 The impact of the ONS Re-classification on the College has continued to be the main consideration for the Committee during the year. The Committee have fully considered the implications of the re-classification on the College, in particular the impact on College budgets, accounts and working capital. The Committee have considered the differences in treatment of certain transactions for accounting purposes and for HM Treasury budget reporting, including consideration of additional expenditure against SFC's 'net depreciation cash budget'.
- 4.7 The Committee have monitored the ongoing developments on the College sector's Self—insurance Business Case following re-classification, and the tender for insurance services following the derogation granted by the Scottish Government for a three year period.
- 4.8 The Committee has continued to monitor the position with regard to ongoing issues in the Crichton building, and potential repayment of the contractors' retention held by the College.

Finance and General Purposes Committee

- 4.9 The Committee will continue to assess the issues arising from the ONS re-classification and the impact on the College budget and accounts from meeting the requirements of Government Budget and reporting.

5 ANNUAL BUDGET

- 5.1 The Annual Budget for 2014/15, which was approved in March 2014, was monitored against actual results during the current year, including developments and changes impacting on the results and forecasts.
- 5.2 The budget for 2015/16 was reviewed at the Board of Management meeting in March 2015.

6 ANNUAL FINANCIAL STATEMENTS

- 6.1 The College Financial Statements for the sixteen month period April 2014 to July 2015 are in draft form, and the external audit is scheduled to take place during October 2015. The auditors will issue their final report when the work has been completed.
- 6.2 The accounting adjustments to reflect the pension valuation at 31 July 2015 has resulted in a net charge of £286,000 against operating results for the period.
- 6.3 In order to achieve the budget targets for Scottish Government reporting, additional expenditure on development works was undertaken during the period which was met from 'depreciation cash grants'. This additional expenditure, together with the FRS 17 adjustments, have resulted in an operating deficit for the period of £508,000.

7 OTHER MATTERS

- 7.1 There are no capital finance matters arising which require the Board to obtain prior written consent from SFC.
- 7.2 The main focus and work of the Finance and General Purposes Committee for the forthcoming period will be to continue to address the changes arising from the ONS Reclassification of Scottish Colleges as Public Sector bodies, continued uncertainty over SFC grant funding levels and the impact on operating results and budgets.
- 7.3 There are no other foreseeable events that will affect the work of the Finance Committee.

8 OPINION

- 8.1 The Finance and General Purposes Committee's view on the Board of Management's responsibilities, as described in the Financial Regulations, is that they have been satisfactorily discharged.

Finance and General Purposes Committee

8.2 The Finance and General Purposes Committee's view is that

- *The College's financial affairs are planned, conducted and controlled so that its total income is sufficient, taking one period with another, to meet its total expenditure, and its financial viability is maintained; and*
- *The Board of Management has taken all reasonable steps to ensure that the College has sufficient financial resources to meet its need in the form of cash and other liquid assets or borrowing facilities or has plans to generate such resources, and this will continue to be monitored given the likelihood of ongoing funding reductions.*

Finance and General Purposes Committee

Non-Scottish Funding Council Income 2014-15

1 PURPOSE OF REPORT

The purpose of this report is to summarise the main areas of non-Scottish Funding Council (SFC) income for the 2014-15 financial period.

2 REPORT

In previous years, a report showing income and direct costs for External Development activities in the College has been prepared for the Committee to consider. The activities covered included income and related costs for the Business & Community department, SDS training contracts, and income and expenditure relating to overseas student fees.

Each of the areas within external development has a separate budget which is monitored during the year, but not all costs incurred are allocated to the budget code for example student registration fees, some lecturing staffing costs and the respective allocation of overhead costs.

Internal audit reviews have been carried out for the Open Learning and Work Based Learning as well as a review of Partnerships and Collaborative Arrangements. The recommendations are being implemented and include an assessment of actual costs for courses, and the introduction of a new costings model. The costings are being reviewed on a regular basis.

In addition, there has been some changes to the structure of some areas including External Development, Work-based learning and International departments and the information included in the reports previously is no longer relevant for the current team structure.

The attached Appendix provides a summary of the main elements of non-SFC income for 2015 compared to 2014, which have been prepared from the accounting records. In 2014-15 the College received £2,689,000 of non SFC income. The 2014/15 figures relate to the sixteen month period from April 2014 to July 2015, and the comparative figures for 2013/14 relate to the eight months from August 2013 to March 2014.

Some income does not arise evenly during the academic year. The SDS contract period runs from April to March, and income is accrued in line with student milestones achieved, and course start dates. Fees for short courses are in line with the timing of courses, which can be dependent on when a company requests the delivery, as well as the availability of staff to deliver the training. These factors should be taken into account when making a comparison between the two periods.

3 RECOMMENDATION

Members are requested to review the breakdown of non-SFC income, and consider the information which would be useful for future reports.

Board of Management

APPENDIX

Non-Scottish Funding Council Income

	16 month period to 31 July 2015	8 month period to 31 March 2014
	£	£
SDS Contracts	517,000	219,000
SAAS fees	758,000	324,000
Refectory income	476,000	301,000
UWS - teaching hours	45,000	94,000
UWS - property costs re-charged	108,000	71,000
FE student fees and contract income	170,000	86,000
HE student fees and contract income	132,000	96,000
Overseas student fees	28,000	32,000
CTS fees	233,000	122,000
Open learning fees	46,000	21,000
DGHP course fees	56,000	40,000
Overhead linesman course income	36,000	49,000
ERDF grants	84,000	150,000
Total	£2,689,000	£1,605,000

Finance and General Purposes Committee

AGED DEBT REPORT

DEBTORS AND COLLEGE TOTAL INCOME

The value of sales invoices issued by the College on an annual basis is relatively small in comparison to total income. The majority of College income relates to grant funding from the Scottish Funding Council, and other grants which are received at agreed stages during the year. Of the total College income of £14,541,000 for the 12 month period to March 2015, £1,099,000 or 7.6% relates to approximately 1,000 sales invoices which were issued during that period.

A large proportion of the invoices issued relates to income which has already been agreed in advance, including Skills Development Scotland funding for apprenticeships, shared services with partners, grants, and SAAS fees. Commercial income invoiced in the period amounted to £212,000 and fees of £120,000 were invoiced.

24 of the invoices raised in the period related to Bursary and other student support overpayments totalling £4,850 or 0.03% of total income. Any income received from invoices for student support overpaid requires to be repaid to the Scottish Funding Council.

The number of reminder letters issued for late payments each year is relatively low in comparison to total College income. In addition, the debts which are eventually forwarded to debt collection agents to pursue is very small in comparison to the total invoices raised each year

AGED BALANCES AS AT 31 JULY 2015

A breakdown of the aged debtor balances as at 31st July 2015 is as follows:

	March 2015 Total £	July 2015 Total £	Current £	> 1 mth £	> 2 mths £	> 3 mths £	3+ £	*No Debts 3+
Client	37,125	1,288	(15,867)	16,606	-	-	550	11
Student	1,473	(10,619)	-	(5,663)	(10)	-	(4,947)	8
Bursary 2008/09	170	140	-	-	-	-	140	1
Bursary 2013/14	2,666	-	-	-	-	-	-	-
Bursary 2014/15	1,535	1,895	-	-	299	-	1,595	7
Grand Total	42,969	(7,296)	(15,867)	10,943	289	-	(2,662)	27

Finance and General Purposes Committee

The total level of debt has decreased by 116% since March 2015, and shows a credit balance at 31 July 2015. This decrease is mainly due to reductions in monies due from clients and payments received in advance of 2015/16 fees by self-funding students. Bursary debts have also decreased.

The system of weekly reminder letters for debtor balances is ongoing and ensures that debtor balances are current. Any difficult cases are referred within the prescribed timescale to the College debt collection agents, TNC, to pursue.

CLIENT DEBTOR BALANCES

Client debt has decreased by £35,837 or 96% since March 2015. The balance includes invoices for £3,582 which have now been paid.

STUDENT DEBTOR BALANCES

The total level of student debt has decreased by £12,092 since March 2015, and the balance at 31 July shows a credit balance due to the payments received in advance of fees for 2015/16 from international students.

BURSARY DEBTORS

The overall level of bursary debt has decreased by £2,476 since March 2015 due to repayments by students and write offs as agreed previously.

BAD DEBT PROVISION

At 31 July 2015 the provision in the accounts amounts to £693, and reflects the low level of older debts.

DEBT COLLECTION AGENTS

The total balance currently at the final stage of debt collection amounts to £5,970 and is being handled by TNC. The balance includes invoices of £4,782 for bursary invoices and £1,188 of fees. This equates to approximately 0.54% of the total invoices raised.

The number of debts being pursued by the College debt collection agents as noted above is relatively low, and mainly relates to invoices for overpayments of student support. A number of balances currently being pursued for overpaid student support relate to payments made for periods covered by sickness absence.

Overpayments of student support are difficult to pursue, as the individuals who have been overpaid generally are no longer attending College, are experiencing other difficulties and are unable to pay the balances. However, the College requires to pursue these debts in

Finance and General Purposes Committee

order to comply with Scottish Funding Council and Student Awards Agency for Scotland policies.

PROPOSED BALANCES TO WRITE-OFF

There are currently no proposed write offs.

Summary of Amounts Written Off

A table is attached in the Appendix which shows the debts written-off in each of the previous six years.

Finance and General Purposes Committee

APPENDIX

Summary of amounts previously written-off:

Year debt was written-off	Year of original debt:						
	2013/14	2012/13	2011/12	2010/11	2009/10	2008/09	2007/08
2014/15	7,025.33						
2013/14		8,107.20	634.42				
2012/13			200.00		50.00	50.00	
2011/12				2,033.17		320.58	
2010/11				220.00	1,237.00	3,942.00	191.00
2009/10						25,653.00	6,276.00
2008/09							26,210.00
2007/08							1,539.00
	7,025.33	8,107.20	834.42	2,253.17	1,287.00	29,965.58	34,216.00

Dumfries and Galloway College
Cash Flow Projections for 2015-16

	Actual	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Projected FY	Forecast	Forecast	Forecast	Forecast	Projected AY
	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	£000	Apr-16	May-16	Jun-16	Jul-16	2014-15
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Income																		
SFC Grants																		
SFC Core Grant	150,000	500,000	1,050,000	1,335,766	600,000	600,000	1,000,000	750,000	750,000	700,000	400,000	290,500	8,126,266	1,200,000	650,000	850,000	623,461	8,413,961
ESF Funding 50% Core	-	-	-	-	-	-	-	40,362	40,362	40,362	40,362	40,363	201,811	25,227	25,227	25,227	25,227	302,719
SFC (Projects Non ERDF)	-	-	-	-	-	-	-	-	-	-	-	-	0	-	-	-	-	-
- SPARQS - Single College Student Association	17,750	17,750	-	-	-	10,142	10,143	10,143	10,143	10,143	10,143	10,143	71,000	-	-	-	-	71,000
Student Support																		
Bursary	183,000	112,327	209,401	195,322	-	175,000	210,000	185,000	185,000	185,000	205,000	169,000	2,014,050	165,000	160,000	161,000	-	1,800,000
FE Childcare	20,000	6,638	43,991	8,428	-	31,000	28,000	28,000	27,550	27,200	28,000	28,000	259,951	30,550	27,500	11,091	-	266,891
HE Childcare	6,000	5,257	15,373	13,472	-	3,000	3,000	4,500	4,500	4,500	5,000	5,000	42,658	3,500	3,109	-	-	36,109
FE Hardship	20,000	1,219	25,448	5,015	-	8,500	9,000	9,000	9,500	9,500	9,500	9,203	103,417	8,500	8,000	4,901	-	85,604
ESF Funding 50% Student Support	-	-	-	-	-	-	-	42,381	42,381	42,381	42,381	42,380	211,904	30,272	30,272	30,272	-	302,720
Capital Maintenance	-	-	-	-	-	-	-	-	-	378,942	-	-	378,942	-	-	-	-	378,942
EMA Admin	-	-	-	-	8,000	-	-	-	-	-	-	-	8,000	-	-	-	-	8,000
EMA Student Maintenance	24,500	15,730	18,435	960	-	32,000	32,000	25,305	28,115	38,000	2,230	24,685	241,960	24,500	24,500	24,500	-	255,835
ESOL	-	1,069	1,069	1,069	-	-	-	-	-	-	-	-	3,207	-	-	-	-	-
ESF	-	-	-	-	-	-	-	-	-	-	-	-	0	-	-	-	-	-
Capital	-	-	-	-	-	-	-	-	-	-	-	-	0	-	-	-	-	-
Other Income																		
ERDF Grants received	-	-	38,830	-	-	-	-	-	-	-	-	-	38,830	-	-	-	-	-
Other grant income	11,057	-	-	-	-	-	10,000	2,500	-	-	-	-	23,557	-	-	-	-	12,500
HE Hardship	-	-	-	-	27,050	-	-	-	-	18,170	-	-	45,220	-	-	-	-	45,220
SAAS Fees	-	-	18,564	2,570	-	-	-	-	-	-	405,500	-	426,634	43,200	-	-	-	448,700
Re-charges - UWS/ GI. Uni/ DGC	16,587	11,255	-	18,188	4,114	-	-	-	105,000	60,000	-	50,000	265,144	40,000	-	-	-	259,114
SDS fees	33,863	20,311	57,990	42,349	16,856	18,500	18,000	20,500	21,500	21,500	22,500	25,500	319,369	28,500	25,500	21,500	22,000	262,356
Other cash received	21,000	55,684	56,606	65,780	26,711	63,000	45,500	45,500	20,000	25,500	65,500	45,500	536,281	32,500	45,000	45,000	34,500	494,211
Total cash in	503,757	709,302	1,535,707	1,635,089	682,731	941,142	1,365,643	1,163,191	1,244,051	1,561,198	1,236,116	740,274	13,318,201	1,631,749	999,108	1,173,491	705,188	13,443,882
Expenditure																		
Payroll	622,659	618,266	612,874	614,794	594,620	631,000	648,000	651,000	664,000	650,000	654,000	660,000	7,621,213	661,500	635,000	658,000	662,000	7,769,120
ESOL Salaries	1,213	1,214	2,095	667	2,293	-	-	-	-	-	-	-	7,482	-	-	-	-	2,293
ESOL	-	-	4,935	-	-	-	-	-	-	-	-	-	4,935	-	-	-	-	-
SPARQS Salaries	3,732	3,567	3,600	2,253	5,498	3,973	3,973	3,973	3,973	3,973	3,973	3,978	46,466	-	-	-	-	33,314
SFC - SPARQS - Single College Student Association	112	2,156	2,818	2,490	157	5,550	5,550	5,550	5,550	5,550	5,550	5,553	46,586	-	-	-	-	39,010
EMA payments	14,730	27,480	19,890	720	-	32,240	32,000	25,305	28,115	38,000	2,230	24,685	245,395	24,500	24,500	24,500	-	256,075
Bursary payments (inc. student transport)	110,327	105,401	104,873	5,771	1,140	390,538	240,000	205,000	225,000	240,000	225,000	207,000	2,060,050	155,000	145,000	140,000	-	2,173,678
ESF Funding - Student Support	-	-	-	-	-	-	-	42,381	42,381	42,381	42,381	42,380	211,904	30,272	30,272	30,272	-	302,720
FE Childcare	10,638	20,491	15,105	-	-	36,914	28,000	13,000	27,000	27,200	27,200	28,000	233,548	30,550	27,500	27,441	-	272,805
HE Childcare	5,700	9,974	7,537	210	-	2,790	3,000	3,500	3,500	4,000	4,000	3,500	47,711	4,000	4,000	3,609	-	35,899
FE Hardship	7,781	7,448	4,945	-	-	12,610	11,730	11,230	11,230	11,730	11,731	11,731	102,166	10,000	9,700	8,904	-	110,596
HE Hardship	5,186	4,970	3,592	-	-	6,626	4,520	4,520	4,520	4,520	4,520	4,520	47,494	4,520	4,520	4,540	-	47,326
Other Student Support	23	58	67	-	-	-	-	-	-	-	-	-	148	-	-	-	-	-
Student support overspend	-	-	-	-	-	-	-	-	25,000	25,000	25,000	25,000	100,000	-	-	-	-	100,000
Depreciation spend - estates developm	-	-	-	-	-	300,000	50,000	50,000	-	-	-	-	400,000	-	-	-	-	400,000
PL payments (excl student transport)	102,328	294,419	208,308	184,868	147,730	317,402	150,000	150,000	125,000	110,000	195,000	180,000	2,165,055	180,000	160,000	135,000	130,500	1,980,632
Maintenance costs - from SFC Capital Ma	-	-	-	-	-	-	-	-	-	378,942	-	-	378,942	-	-	-	-	378,942
Other payments	22,585	19,331	26,165	30,428	5,565	10,000	10,000	10,000	10,000	10,000	10,000	10,000	174,074	10,000	10,000	9,500	9,000	114,065
Capital Grant - payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Retention for Crichton/payment for Car P	-	-	-	-	-	-	-	-	-	-	-	120,000	120,000	-	-	-	-	120,000
Total cash out	907,014	1,114,775	1,016,804	842,201	757,003	1,749,643	1,186,773	1,175,459	1,175,269	1,551,296	1,210,255	1,326,347	14,013,169	1,110,342	1,050,492	1,041,766	801,500	14,136,475
Net cash inflow(outflow)	(403,257)	(405,473)	518,903	792,888	(74,272)	(808,501)	178,870	(12,268)	68,782	9,902	25,531	(586,073)	(694,968)	521,407	(51,384)	131,725	(96,312)	(692,593)
Balance b/f	494,079	90,822	(314,651)	204,252	997,140	922,868	114,367	293,237	280,969	349,751	359,653	385,184	494,079	200,889	320,518	269,134	400,859	997,140
Balance c/f	90,822	(314,651)	204,252	997,140	922,868	114,367	293,237	280,969	349,751	359,653	385,184	(200,889)	(200,889)	320,518	269,134	400,859	304,547	304,547

Lennartz:																		
Quarterly payments	-	-	131,148	-	-	104,708	-	-	95,954	-	-	95,954	427,764	-	-	95,954	-	392,570
Cash outflow	-	-	131,148	-	-	104,708	-	-	95,954	-	-	95,954	427,764	-	-	95,954	-	392,570

Cash Flow Projections for 2015-16

	Actual	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Projected FY	Forecast	Forecast	Forecast	Forecast	Projected AY
	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	£000	Apr-16	May-16	Jun-16	Jul-16	2014-15
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance b/f	1,242,367	1,242,367	1,242,367	1,111,219	1,111,219	1,111,219	1,006,511	1,006,511	1,006,511	910,557	910,557	910,557	1,242,367	814,603	814,603	814,603	718,649	1,111,219
Balance c/f	1,242,367	1,242,367	1,111,219	1,111,219	1,111,219	1,006,511	1,006,511	1,006,511	910,557	910,557	910,557	814,603	814,603	814,603	718,649	718,649	718,649	718,649

Hospitality Project:																		
SFC - Capital Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SFC - Capital element	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income from Foundation (Capital)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total cash in	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payments made	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SFC - Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foundation	62,008	5,885	20,675	840	-	55,128	-	-	-	-	-	-	144,536	-	-	-	-	55,128
Cash outflow	62,008	5,885	20,675	840	-	55,128	-	-	-	-	-	-	144,536	-	-	-	-	55,128
Net cash inflow/(outflow)	(62,008)	(5,885)	(20,675)	(840)	0	(55,128)	0	0	0	0	0	0	(144,536)	0	0	0	0	(55,128)
Balance b/f	144,536	82,528	76,643	55,968	55,128	55,128	-	-	-	-	-	-	144,536	-	-	-	-	55,128
Balance c/f	82,528	76,643	55,968	55,128	55,128	-	-	-	-	-	-	-	-	-	-	-	-	-

Total closing bank balances	1,415,717	1,004,359	1,371,439	2,163,487	2,089,215	1,120,878	1,299,748	1,287,480	1,260,308	1,270,210	1,295,741	613,714	613,714	1,135,121	1,083,737	1,119,508	1,023,196	1,023,196
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Opening bank balances 1,880,982

Finance and General Purposes Committee

Financial Statements for the period ended 31 July 2015

1. PURPOSE OF REPORT

The purpose of this report is to provide a summary of the results and balances reported in the Financial Statements for the period ended 31 July 2015.

A draft copy of the Financial Statements for the period is attached.

2. KEY CHANGES

The key changes which affect the financial statements for the period ended 31 July 2015 are as follows:

- Change to financial year end to 31 July 2015, and results which relate to an sixteen-month period; and
- Comparative figures are for the eight month period to March 2014.

3. OPERATING RESULTS

The results for the period show an operating deficit of £502,000. The deficit has been incurred as a result of the additional expenditure of depreciation cash budget for the period to 31 March 2015, in line with Scottish Funding Council's approval. The additional expenditure on developments which was met from the depreciation cash amounted to £296,000.

In addition, an accounting adjustment to include costs of £286,000 have been recognised within staffing costs for the period to 31 July 2015 in order to reflect the FRS 17 pension valuation at that date.

The net out-turn for student support for the sixteen month period shows an overall underspend against the grant available. The allocation of student support grants for the budget and academic periods did not correspond with the timing of expenditure and demand from students, and the net effect was an overspend of student support to 41 March 2015, but a net underspend to 31 July.

The other operating income and expenditure for the period were in line with projections.

Finance and General Purposes Committee

4. BALANCE SHEET

The Balance Sheet highlights the changes in College assets and liabilities over the sixteen month period between April 2014 and July 2015. The changes during the period were:

- **Fixed assets** – A valuation of land and buildings at 31 July 2015 was carried out which has resulted in a net decrease in the valuation of land and buildings by £1,785,000.
- **Debtors** – the net College debtor balances have decreased from 31 March 2014 balances, and reflects the change to timing of the year-end. As the majority of grant income is paid for the academic year, the balances outstanding at 31 July are low.
- **Bank balances and working capital** – the net movement in bank balances for the period is small, and reflects the additional expenditure from depreciation budgets in the period.
- **Pension liabilities** – the FRS 17 valuation at July 2015 shows an increase in the deficit for the Local Government Pension Scheme of £1,291,000 to £5,219,000, with an actuarial loss of £1,005,000 applied through the Statement of Total Recognised Gains and Losses. The valuation report indicates that the deterioration in balance sheet position is a result of a reduction in the net discount rate over the period to 31 July 2015.

5. RECOMMENDATION

Members are asked to note the net out-turn for the period and balances at 31 July 2015.

Income and Expenditure Account for the period ended 31 July 2015

	Note	Period ended 31 July 2015	Period ended 31 March 2014
		£000	£000
INCOME			
SFC grants	2	12,906	7,062
Tuition fees and education contracts	3	2,271	1,211
Other grant income	4	1,136	283
Other operating income	5	569	352
Endowment and investment income	6	93	24
Total Income		<u>16,975</u>	<u>8,932</u>
EXPENDITURE			
Staff costs excluding exceptional costs		9,878	5,004
Exceptional costs - severance costs		<u>0</u>	<u>0</u>
Staff costs including exceptional costs	7	9,878	5,004
Other operating expenses	9	6,002	2,672
Transfer to Arms Length Foundation	9	18	2,120
Depreciation	12	1,579	787
Interest payable	10	0	0
Total Expenditure		<u>17,477</u>	<u>10,583</u>
(Deficit)/ Surplus on continuing operations after depreciation of assets at valuation and before tax		(502)	(1,651)
Taxation		<u>0</u>	<u>0</u>
(Deficit)/ Surplus on continuing operations after depreciation of assets at valuation and after tax		<u>(502)</u>	<u>(1,651)</u>
(Deficit)/ Surplus for the period retained within general reserves		<u>(502)</u>	<u>(1,651)</u>

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

Statement of Historical Cost Surpluses and Deficits for the period ended 31 July 2015

		Period ended 31 July	Period ended 31 March
	Note	2015	2014
		£000	£000
(Deficit)/ Surplus on continuing operations before taxation		(502)	(1,651)
Difference between historical cost depreciation and the actual charge for the period calculated on the revalued amount	18	<u>264</u>	<u>132</u>
Historical cost (deficit)/ surplus for the period before and after taxation		<u>(238)</u>	<u>(1,519)</u>

Statement of the Total Recognised Gains and Losses for the period ended 31 July 2015

		Period ended 31 July	Period ended 31 March
	Note	2015	2014
		£000	£000
(Deficit)/ surplus on continuing operations for the year after depreciation of assets at valuation and tax		(502)	(1,651)
Unrealised deficit on revaluation of fixed assets	12	(1,785)	0
Impairment of previously revalued fixed assets	12	0	0
Actuarial (loss)/ gain recognised since last annual report	18,24	<u>(1,005)</u>	<u>(1,066)</u>
Total recognised (loss) relating to the period		<u>(3,292)</u>	<u>(2,717)</u>
Total (loss) recognised since last annual report		<u>(3,292)</u>	<u>(2,717)</u>
Reconciliation			
Opening reserves		8,343	11,060
Total recognised (losses) for the year		<u>(3,292)</u>	<u>(2,717)</u>
		<u>5,051</u>	<u>8,343</u>

Balance Sheet as at 31 July 2015

	Note	Period ended 31 July 2015	Period ended 31 March 2014
		£000	£000
Fixed Assets			
Tangible assets	12	<u>37,953</u>	<u>40,521</u>
Current Assets			
Debtors	13	297	1,001
Cash at bank and in hand		<u>2,163</u>	<u>2,127</u>
Total current assets		2,460	3,128
Less: Creditors - amounts falling due within one year	14	<u>(1,875)</u>	<u>(2,464)</u>
Net Current Assets		<u>585</u>	<u>664</u>
Total Assets less Current Liabilities		38,538	41,185
Less: Creditors - amounts falling due after more than one year	15	(745)	(1,184)
Less: Provision for liabilities	16	<u>(796)</u>	<u>(750)</u>
Net Assets excluding pension liability		36,997	39,251
Pension liability	24	<u>(5,219)</u>	<u>(3,928)</u>
NET ASSETS INCLUDING PENSION LIABILITY		<u>31,778</u>	<u>35,323</u>
Deferred capital grants	17	<u>26,727</u>	26,980
Reserves			
Income and expenditure account excluding pension reserve		5,705	5,657
Pension reserve	18	<u>(5,219)</u>	<u>(3,928)</u>
Income and expenditure account including pension reserve	18	486	1,729
Revaluation reserve	18	<u>4,565</u>	<u>6,614</u>
Total reserves		<u>5,051</u>	<u>8,343</u>
Total Funds		<u>31,778</u>	<u>35,323</u>

The financial statements on pages 17 to 39 were approved by the Board of Management on 2015 and were signed on its behalf by:

Brian Johnstone
Chairman

C Turnbull
Principal

Cash Flow Statement for the period ended 31 July 2015

		Period ended 31 July	Period ended 31 March
	Note	2015	2014
		£000	£000
Net cash inflow from operating activities	19	2	(2,514)
Returns on investments and servicing of finance	20	16	17
Capital expenditure and financial investment	21	18	2
(Decrease)/ increase in cash in the period		<u>36</u>	<u>(2,495)</u>

Note to the Cash Flow Statement**Reconciliation of net cash flow to movement in net funds**

(Decrease)/ increase in cash in the period		<u>36</u>	<u>(2,495)</u>
Movement in net funds in period		36	(2,495)
Net funds at 1 April 2014	22	<u>2,127</u>	<u>4,622</u>
Net funds at 31 July 2015	22	<u>2,163</u>	<u>2,127</u>

Notes to the Financial Statements**1 Statement of Principal Accounting Policies****Basis of preparation**

The financial statements are prepared in accordance with the Further and Higher Education (Scotland) Act 1992 and the Accounts Direction issued thereunder by the Scottish Further and Higher Education Funding Council which requires compliance with the Statement of Recommended Practice: Accounting for Further and Higher Education (2007).

Basis of accounting

The financial statements are prepared under the historical cost convention, modified by the revaluation of certain fixed assets.

Recognition of income

Income from SFC recurrent grant has been recognised on a time basis to match the College's performance for the period in towards the SFC Outcome Agreement targets for the 2013/14 and 2014/15 academic years.

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

Income from donations is credited to the income and expenditure account in the year in which it is received, unless specific restrictions apply.

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

Fixed assets**Tangible assets*****Land and buildings***

The majority of the College's buildings being specialised buildings, open market value is not an appropriate basis of valuation. Land and buildings are therefore valued on the basis of depreciated replacement cost with the exception of the Catherinefield building which has been valued on an open market value. Land is not depreciated and buildings are depreciated over their estimated life as identified by the valuer.

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 released to income and expenditure account over the estimated life of the building on a basis consistent with the depreciation policy.

Finance costs, which are directly attributable to the construction of land and buildings, are capitalised as part of the cost of those assets.

A review for impairment of tangible fixed assets is carried out if events change or if changes in circumstances indicate that the carrying value of the tangible fixed assets may not be recoverable.

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

Subsequent expenditure on existing fixed assets

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

- Where the subsequent expenditure provides an enhancement of the economic benefits of the tangible fixed asset in excess of the previously assessed standard of performance;
- Where a component of the tangible fixed asset that has been treated separately for depreciation purposes and depreciated over its individual useful economic life, is replaced or restored; or
- Where the subsequent expenditure relates to a major inspection or overhaul of a tangible fixed asset that restores the economic benefits of the asset that have been consumed by the entity and have already been reflected in depreciation.

Equipment

Equipment costing less than £10,000 per individual item and motor vehicles costing less than £5,000 are written off to income and expenditure account in the year of acquisition. All other equipment and vehicles are capitalised and depreciated in accordance with the depreciation policy.

Where items of equipment 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 released to income and expenditure account over the estimated life of the asset on a basis consistent with the depreciation policy.

Notes to the Financial Statements (continued)**1 Statement of Principal Accounting Policies (continued)****Depreciation**

Depreciation is provided to write off the cost or valuation of tangible fixed assets on a straight-line basis over the expected useful lives of the assets.

i) Buildings	10 to 60 years
ii) Leasehold	length of lease
iii) Furniture, equipment and vehicles	3 to 10 years

Leasing agreements which transfer to the College substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright and are capitalised at their fair value at the inception of the lease and depreciated over the shorter of the lease term or the useful economic lives of equivalently owned assets. The capital element outstanding is shown as obligations under finance leases.

The finance charges are allocated over the period of the lease in proportion to the capital element outstanding. Where finance lease payments are funded in full from funding council capital equipment grants, the associated assets are designated as grant-funded assets.

Rental costs in respect of operating leases are charged to income and expenditure account on a straight line basis.

Revaluation reserve

Surpluses arising on the revaluation of the College's properties are transferred to the revaluation reserve. Additional depreciation charged on the revalued amount of these assets is transferred from revaluation reserve to income and expenditure account together with any surplus or deficit on disposal.

Maintenance of premises

The costs of maintenance are charged to the income and expenditure account in the period in which they are incurred.

Liquid resources

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

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 Chapter 3 Part 11 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 a minor element of 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

The College provides for legal or constructive obligations that are of uncertain timing or amount at the balance sheet date on the basis of the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is significant, the estimated cash flows are discounted using the discount rate prescribed by the Scottish Funding Council.

Unfunded pensions are accounted for under FRS 12.

Agency arrangements

The College acts as an agent in the collection and payment of certain Student Support Funds. These funds are excluded from the College Income and Expenditure Account, and movements have been disclosed in the notes to the accounts. Where the College has more discretion in the manner in which specific funds are disbursed, and those funds do not meet the definition of agency funds, the income and expenditure relating to those funds are shown in the College Income and Expenditure Account.

Notes to the Financial Statements (continued)**1 Statement of Principal Accounting Policies (continued)****Retirement Benefits**

All new members of staff have the option of joining a pension scheme. The schemes currently open to new members of staff are the Dumfries and Galloway Council Pension Fund and the Scottish Teachers' Superannuation Scheme. Existing employees are entitled to maintain their membership of the Scottish Teachers' Superannuation Scheme.

Dumfries and Galloway Council Pension Fund

The Dumfries and Galloway Council Pension Fund is a pension scheme providing benefits based on final pensionable pay. The assets and liabilities of the scheme are held separately from those of the College. Pension scheme assets are measured using bid values. Pension scheme liabilities are measured using a 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. Contributions to the Scheme are determined by an actuary on the basis of triennial valuations using the Age Attained Method. Variations from regular cost are spread over the expected average remaining working lifetime of members of the schemes, after making allowances for future withdrawals. The amount charged to the income and expenditure account represents the service cost expected to arise from employee service in the current year.

Scottish Teachers' Superannuation Scheme (STSS)

The College participates in the Scottish Teachers' Superannuation Scheme pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the College. The College is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS17 'Retirement Benefits', accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the year.

Leased Assets

Leasing agreements which transfer to the College substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright and are capitalised at the present value of minimum lease payments at the inception of the lease and depreciated over the shorter of the lease term or the useful economic lives of equivalently owned assets. The capital element outstanding is shown as obligations under finance leases.

The finance charges are allocated over the period of the lease in proportion to the capital element outstanding. Where finance lease payments are funded in full from funding council capital equipment grants, the associated assets are designated as grant-funded assets.

Rental costs in respect of operating leases are charged to income and expenditure account on a straight line basis.

Notes to the Financial Statements (continued)

	Note	Period ended 31 July 2015 £000	Period ended 31 March 2014 £000
2 SFC Grants			
FE recurrent grant (including fee waiver)		11,082	5,554
FE and HE childcare funds		374	123
Release of deferred capital grants	17	888	445
Infrastructure grant		379	791
Other SFC grants		183	149
Total		<u>12,906</u>	<u>7,062</u>
3 Tuition Fees and education contracts			
FE fees - UK		448	230
HE fees		919	452
SDS contracts		517	219
Education contracts		2	4
Other contracts		385	306
Total		<u>2,271</u>	<u>1,211</u>
4 Other grant income			
European funds		84	150
Release of deferred capital grants	17	164	77
Other grants		888	56
Total		<u>1,136</u>	<u>283</u>
5 Other operating income			
Residences and catering		486	310
Other income-generating activities		34	16
Other income		49	26
Total		<u>569</u>	<u>352</u>

Notes to the Financial Statements (continued)

	Period ended 31 July 2015 £000	Period ended 31 March 2014 £000
6 Endowment and investment income		
Bank interest	16	17
Net return on pension asset/ liability	77	7
Total	93	24
7 Staff costs		
Wages and salaries	7,711	4,062
Social security costs	527	265
Past service credit (note 24)	0	0
Other pension costs (including FRS 17 adjustments of £268k (2014 - £95k))	1,640	677
Staff costs excluding exceptional costs	9,878	5,004
Exceptional costs - severance costs	0	0
Staff costs including exceptional costs	9,878	5,004
Academic/ Teaching departments	4,988	2,546
Academic/ Teaching services	1,096	455
Administration and central services	3,109	1,735
Premises	531	212
Other expenditure	154	56
Catering and residences	0	0
Total	9,878	5,004
The average number of full-time equivalent employees, including higher paid employees, during the year was:		
	No.	No.
Academic/ Teaching departments	82	84
Academic/ Teaching services	19	16
Administration and central services	92	86
Premises	13	13
Other expenditure	3	3
Catering and residences	0	0
Total	209	202

Notes to the Financial Statements (continued)

7 Staff costs (continued)

The number of staff, including senior post-holders and the Principal, who received total annual emoluments (excluding pension contributions) in the following ranges were:

	Period ended 31 July 2015		Period ended 31 March 2014	
	Number senior post- holders	Number other staff	Number senior post-holders	Number other staff
£50,001 to £60,000 per annum	1	0	3	0
£60,001 to £70,000 per annum	3	0	1	0
£70,001 to £80,000 per annum	0	0	0	0
£80,001 to £90,000 per annum	0	0	1	0
£90,001 to £100,000 per annum	1	0	0	0
£100,001 to £110,000 per annum	0	0	0	0
	<u>5</u>	<u>0</u>	<u>5</u>	<u>0</u>

8 Senior post-holders' emoluments

The number of senior post-holders, including the Principal was:

	2015 No.	2014 No.
	<u>5</u>	<u>5</u>

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

	Period ended 31 July 2015	Period ended 31 March 2014
	£	£
Salaries	383,118	216,691
Benefits in kind	0	0
Pension contributions	69,749	38,609
Total emoluments	<u>452,867</u>	<u>255,300</u>

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

	£	£
Salary (including holiday pay)	122,100	60,000
Benefits in kind	0	0
	<u>122,100</u>	<u>60,000</u>
Pension contributions	<u>23,975</u>	<u>11,647</u>

Notes to the Financial Statements (continued)**8 Senior post-holders' emoluments (continued)**

The Principal and two other senior post-holder were members of the Local Government pension Scheme and two senior post-holders were members of the Scottish Public Pensions Agency. All pension contributions were paid at the same rate as for other members of staff.

The members of the Board of Management, other than the Principal, Regional Chairman, and staff members, did not receive any payment from the College other than the reimbursement of travel and subsistence expenses incurred in the course of their duties. Travel expenses reimbursed to four members of the Board of Management during the year amounted to £565.

	Period ended 31 July 2015	Period ended 31 March 2014
	£000	£000
9 Other operating expenses		
Teaching departments	1,155	797
Administration and central services	1,454	1,036
Premises costs (including additional Lennartz charge £90,000. 2014 - credit - £111,000)	1,277	184
Planned maintenance	1,335	144
Other employee related costs	215	67
(Gain)/ Loss on disposal of fixed assets	(16)	(2)
Agency Staff Costs	61	38
Other income generating activities	0	0
Residences and catering	516	313
Overspend on student support funds	5	95
	<u>6,002</u>	<u>2,672</u>
Transfer to Arms Length Foundation	18	2,120
Total	<u><u>6,020</u></u>	<u><u>4,792</u></u>
Other operating costs include:		
Auditors' remuneration		
- external audit of these financial statements	15	16
- internal audit services	24	13
- other services	0	7
Hire of plant and machinery - operating leases	106	57
Hire of other assets - operating leases	<u>0</u>	<u>0</u>

The College is participating in the Scottish Colleges Foundation, an independent trust which has been established with the purposes of supporting further and higher education colleges in Scotland. Total donations from the College to the Foundation in the period to 31 July 2015 amounted to £17,500.

10 Interest payable

Net interest cost on pension liability (note 24)	<u><u>0</u></u>	<u><u>0</u></u>
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11 Taxation

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

Notes to the Financial Statements (continued)

12 Tangible Fixed Assets

	Land and Buildings £000	Equipment £000	Motor Vehicles £000	Total £000
Cost or valuation				
At 1 April 2014	41,498	310	267	42,075
Additions	679	35	85	799
Disposals	0	(8)	(99)	(107)
Transfers	0	0	0	0
Revaluation adjustment	(3,968)	0	0	(3,968)
At 31 July 2015	38,209	337	253	38,799
Depreciation				
At 1 April 2014	1,031	277	246	1,554
Provided during period	1,544	15	20	1,579
On disposals	0	(6)	(99)	(105)
Revaluation adjustment	(2,182)	0	0	(2,182)
At 31 July 2015	393	286	167	846
NBV at 1 April 2014	40,467	33	21	40,521
NBV at 31 July 2015	37,816	51	86	37,953
Inherited	3,950	0	0	3,950
Financed by capital grant	33,866	51	80	33,997
Other	0	0	6	6
At 31 July 2015	37,816	51	86	37,953

Land and buildings were revalued at 31st July 2015 by DM Hall, Chartered Surveyors in the capacity of independent valuer. The basis of valuation adopted was depreciated replacement cost for all but the Catherinefield Nursery which was valued at Market Value, and the valuation was made in accordance with the Royal Institution of Chartered Surveyors' Appraisal and Valuation Manual.

The Crichton campus, which was completed in January 2009, is a key part of the strategic plan that will provide long-term financial sustainability for the College.

Land and Buildings with a net book value of £37,816,000 have been partially financed by exchequer funds. Should these assets be sold, the College may be liable, under the terms of the Financial Memorandum with the Council, to surrender the proceeds.

Notes to the Financial Statements (continued)

12 Tangible Fixed Assets (continued)

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

	£000
Cost	0
Aggregate depreciation based on cost	<u>0</u>
	<u><u>0</u></u>

13 Debtors: Amounts falling due within one year	Period ended 31 July 2015 £000	Period ended 31 March 2014 £000
Trade debtors - net of provision for doubtful debts	56	121
European Funding	0	0
Prepayments and accrued income	<u>241</u>	<u>880</u>
	<u><u>297</u></u>	<u><u>1,001</u></u>

14 Creditors: Amounts falling due within one year	Period ended 31 July 2015 £000	Period ended 31 March 2014 £000
Trade creditors	19	134
VAT	96	61
HMRC Lennartz Scheme	373	355
Other taxation and social security	118	138
Pension	115	122
Contract retentions	142	120
Accruals and deferred income	761	1,513
Bursaries and Access funds for future disbursement	<u>251</u>	<u>21</u>
	<u><u>1,875</u></u>	<u><u>2,464</u></u>

Notes to the Financial Statements (continued)

15 Creditors: Amounts falling due after more than one year	Period ended 31 July 2015	Period ended 31 March 2014
	£000	£000
HMRC Lennartz Scheme	<u>745</u>	<u>1,184</u>

16 Provisions for liabilities and charges	Early retirement pension costs	Other	2014-15 Total	2013-14 Total
At 1 April 2014	741	9	750	959
Expenditure in the period	(64)	0	(64)	(32)
Additional provision required in period	95	0	95	(13)
Revaluation adjustment	0	0	0	(179)
Interest charged	15	0	15	15
At 31 July 2015	<u>787</u>	<u>9</u>	<u>796</u>	<u>750</u>

The pension provision has been revalued using actuarial tables supplied by SFC. The net interest rate applied was 2%.

Other provisions relate to redundancy costs.

17 Deferred Capital Grants	SFC £000	Other £000	Total £000
At 1 April 2014			
Land and Buildings	22,385	4,296	26,681
Equipment	264	35	299
	<u>22,649</u>	<u>4,331</u>	<u>26,980</u>
Cash Receivable			
Land and Buildings	7	672	679
Equipment	120	0	120
	<u>127</u>	<u>672</u>	<u>799</u>
Released to Income and Expenditure Account			
Land and Buildings	(596)	(156)	(752)
Equipment	(292)	(8)	(300)
	<u>(888)</u>	<u>(164)</u>	<u>(1,052)</u>
At 31 July 2015			
Land and Buildings	21,796	4,812	26,608
Equipment	92	27	119
	<u>21,888</u>	<u>4,839</u>	<u>26,727</u>

Notes to the Financial Statements (continued)

18 Reserves	Period ended 31 July 2015	Period ended 31 March 2014
	£000	£000
Revaluation Reserve		
At 1 April 2014	6,614	6,746
Revaluations in the period	(1,785)	0
Transfer to Income & expenditure account in respect of:		
Depreciation on revalued assets	(264)	(132)
At 31 July 2015	4,565	6,614
General Reserve		
At 1 April 2014	1,729	4,314
(Deficit)/ Surplus for the period	(502)	(1,651)
Transfer from revaluation reserve	264	132
Actuarial (losses)/ gains on pension scheme	(1,005)	(1,066)
At 31 July 2015	486	1,729
Represented by:		
Income & expenditure account		
At 1 April 2014	5,657	7,088
(Deficit)/ Surplus for the period	(502)	(1,651)
Transfer to pension reserve	286	88
Transfer from revaluation reserve	264	132
	5,705	5,657
Pension Reserve		
At 1 April 2014	(3,928)	(2,774)
Current service cost	(1,045)	(377)
Employer contributions	682	282
Past service costs	0	0
Gains/ (losses) on curtailments and settlements	0	0
Net return on assets	77	7
Transfer to income & expenditure	(286)	(88)
Actuarial (losses)/ gains	(1,005)	(1,066)
At 31 July 2015	(5,219)	(3,928)
Summary		
Income & expenditure account	5,705	5,657
Pensions reserve	(5,219)	(3,928)
At 31 July 2015	486	1,729

Notes to the Financial Statements (continued)

19 Reconciliation of operating surplus/(deficit) to net cash flow from operating activities	Note	Period ended 31 July 2015	Period ended 31 March 2014
		£000	£000
Operating (deficit)/ surplus after depreciation of assets at valuation and tax		(502)	(1,651)
Pension costs	24	363	95
Depreciation	12	1,579	787
(Gain)/net loss on disposal of fixed assets	9,12	(16)	(2)
Deferred capital grants released to income	17	(1,052)	(522)
Decrease/ (increase) in debtors	13	704	(449)
Decrease in creditors	14,15	(1,027)	(539)
Increase/ (decrease) in provisions	16	46	(209)
Interest receivable - bank interest	6	(16)	(17)
Net return on pension liability	18	(77)	(7)
Net cash (outflow)/ inflow from operating activities		<u>2</u>	<u>(2,514)</u>
20 Returns on investments and servicing of finance			
Interest received	6	16	17
Interest element of finance lease repayments		0	0
Net cash inflow from returns on investments and servicing of finance		<u>16</u>	<u>17</u>
21 Capital expenditure			
Purchase of tangible fixed assets	12	(799)	0
Sales of tangible fixed assets		18	0
Deferred capital grants received	17	799	0
Net cash inflow/(outflow) from capital expenditure		<u>18</u>	<u>0</u>

Notes to the Financial Statements (continued)

22 Analysis of Net Funds

	At 1 April 2014	Cash Flows	Other Changes	At 31 July 2015
	£000	£000	£000	£000
Cash	2,127	36	0	2,163
Finance lease/hire purchase contracts	0	0	0	0
TOTAL	2,127	36	0	2,163

23 Lease commitments

	Period ended 31 July 2015	Period ended 31 March 2014
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The annual commitments under operating leases for equipment are as follows:

Expiry - within one year	3	3
- within two to five years	45	44
- after five years	0	0

Notes to the Financial Statements (continued)**24 Pensions and similar obligations**

The College's employees belong to two principal pension schemes, the Scottish Public Pensions Agency (SPPA) and the Local Government Pension Scheme (LGPS).

The total pension costs for the institution was :

		16 months to July 2015 £000	8 months to March 2014 £000
Contribution to SPPA		580	276
Contribution to LGPS		682	293
Pension costs as a result of implementing FRS 17	18	363	95
Total pension cost		<u>1,625</u>	<u>664</u>

Employer contribution rates during the period were:

SPPA - 14.9%

LGPS - 20% increased to 20.3% from 1 April 2015

The Scottish Public Pensions Agency

College lecturing staff are entitled to become members of the Scottish Teachers' Superannuation Scheme. The latest actuarial valuation of this scheme was carried out as at 31 March 2005.

The assumptions which have the most significant effect on the valuation and other relevant data are as follows:

Rate of return on investments in excess of rate of increase in salaries	2.0%
Rate of return on investments in excess of rate of increase in pensions	3.5%
Market value of the assets as at 31 March 2005	£18,474m

The actuarial value of the SPPA scheme at 31 March 2005 showed a deficiency of £836m, which requires a supplementary provision by all members of 3.15% per annum for a period of 15 years.

The College is unable to identify its share of the underlying assets and liabilities in the SPPA scheme. Consequently, in line with the requirements of FRS 17 - Retirement Benefits, the College accounts for contributions to this scheme as if it were a defined contribution scheme.

The Local Government Pension Scheme (LGPS)

The LGPS is a defined benefit scheme, with the assets held in separate trustee administered funds.

The latest actuarial valuation of the scheme was at 31 March 2014. The assumptions that have the most significant effect on the valuation and other relevant data at 31 July 2015 are as follows :

	31 July 2015 % p.a.	31 March 2014 % p.a.
Pension Increase Rate	2.6%	2.8%
Salary Increase Rate	4.5%	5.1%
Expected Return on Assets	3.6%	5.7%
Discount Rate	3.6%	4.6%

Life expectancy is based on the S1NMA and S1NFA year of birth tables with medium cohort improvements and a 1% p.a. underpin, applied from 2008, and are the same as those used in the previous accounting period.

Notes to the Financial Statements (continued)

24 Pensions and similar obligations (continued)

Local Government Pension Scheme

	Period ended 31 July 2015	Period ended 31 March 2014
	£000	£000
Fair value of plan assets	16,191	13,366
Present value of funded defined benefit obligations	<u>(21,387)</u>	<u>(17,269)</u>
	(5,196)	(3,903)
Present value of unfunded defined benefit obligations	<u>(23)</u>	<u>(25)</u>
Deficit	<u><u>(5,219)</u></u>	<u><u>(3,928)</u></u>

Movements in present value of defined benefit obligation

At 1 April 2014	17,294	15,440
Movement in year :		
Current service cost	1,045	377
Past service costs relating to retrospective changes to members' benefits	0	0
Past service (gains) in respect of future pension increases	0	0
Interest cost	1,022 #	473
Curtailment	0	0
Actuarial gains/(losses)	2,258	1,084
Contributions by members	211	85
Benefits paid	(420)	(165)
At 31 July 2015	<u><u>21,410</u></u>	<u><u>17,294</u></u>

Movements in fair value of plan assets

At 1 April 2014	13,366	12,666
Expected return on plan assets	1,099	480
Actuarial gains/(losses)	1,253	18
Contributions by employer	682	282
Contributions by members	211	85
Benefits paid	(420)	(165)
At 31 July 2015	<u><u>16,191</u></u>	<u><u>13,366</u></u>

Expense recognised in the income and expenditure account

Current service cost	1,045	377
Losses on settlements and curtailments	0	0
Past service cost/(gain)	0	0
Interest on defined benefit pension plan obligation	1,022	473
Expected return on defined benefit pension plan assets	(1,099)	(480)
Total	<u><u>968</u></u>	<u><u>370</u></u>

The expense is recognised in the following line items in the income and expenditure account:

Staff costs	1,045	377
Investment income	(77)	(7)
Interest costs	0	0
	<u><u>968</u></u>	<u><u>370</u></u>

Notes to the Financial Statements (continued)

24 Pensions and similar obligations (continued)

	Period ended 31 July 2015 £000	Period ended 31 March 2014 £000
Analysis of the amount recognised in the statement of total recognised gains and losses (STRGL):		
Actual return less expected return on pension assets	1,253	18
Change in financial assumptions underlying the scheme liabilities	(2,258)	(1,084)
Actuarial (loss)/ gain recognised in the STRGL	<u>(1,005)</u>	<u>(1,066)</u>

The fair value of the plan assets and return on those assets were as follows:

	2015 Fair value £000		2014 Fair value £000
Equities	12,143 #		10,025
Corporate bonds	2,429 #		2,005
Property	1,619		1,069
Other	0		267
	<u>16,191</u>		<u>13,366</u>
Actual return on plan assets	<u>1,524</u>		<u>498</u>

The overall expected rate of return is calculated by weighting the individual rates in accordance with the anticipated balance in the plan's investment portfolio.

Principal actuarial assumptions (expressed as weighted averages) at the year end were as follows:

	As at 31/07/15 %	As at 31/03/14 %
Discount rate	3.60%	4.30%
Expected rate of return on plan assets	3.60%	6.00%
Future salary increases	4.50%	5.10%
Inflation/ pension rate increase	2.60%	2.80%

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65-year old person to live for a number of years as follows:

- Current pensioner aged 65: 23 years (male), 25.6 years (female).
- Future retiree upon reaching 65: 24.9 years (male), 27.7 years (female).

Notes to the Financial Statements (continued)

24 Pensions and similar obligations (continued)

History of plans

The history of the plans for the current and prior periods is as follows:

<i>Balance sheet</i>	Period ended 31/07/15 £000	Period ended 31/03/14 £000	Year ended 31/07/13 £000	Year ended 31/07/12 £000	Year ended 31/07/11 £000
Present value of scheme liabilities	(21,387)	(17,269)	(15,415)	(14,127)	(12,352)
Present value of unfunded liabilities	(23)	(25)	(25)	(25)	(22)
Fair value of scheme assets	16,191	13,366	12,666	11,033	10,569
Deficit/ surplus	<u>(5,219)</u>	<u>(3,928)</u>	<u>(2,774)</u>	<u>(3,119)</u>	<u>(1,805)</u>
<i>Experience adjustments</i>					
Experience adjustments on scheme liabilities	(796)	5	0	675	(1)
Experience adjustments on scheme assets	1,253	18	810	(607)	453
	<u>457</u>	<u>23</u>	<u>810</u>	<u>68</u>	<u>452</u>

The College expects to contribute approximately £544,000 to the scheme in the next financial year.

25 Related Party Transactions

The Board of Management of Dumfries and Galloway College is a body incorporated under the Further and Higher Education (Scotland) Act 1992 and is funded by the Scottish Funding Council (SFC).

SFC and the Scottish Executive Enterprise and Lifelong Learning Department (SEELLD) are regarded as related parties. During the year Dumfries and Galloway College had various material transactions with these bodies and with other entities for which they are either the Funding Council or are regarded as the sponsor Department, e.g. Student Awards Agency for Scotland, and a number of other colleges and higher education institutions.

Due to the nature of the College's operations and the composition of its Board of Management 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 Management may have an interest. All transactions involving organisations in which a member of the Board of Management may have a material interest are conducted at arm's length and in accordance with normal project and procurement procedures.

During the year under review, the College had no transactions with non-public bodies in which a member of the Board of Management has an interest and which, in aggregate, exceeded £5,000 except as disclosed below.

The College had transactions during the year, or worked in partnership with, the following publicly funded or representative bodies in which members of the Board of Management hold, or held, official positions.

Member	Organisation	Position
J. Henderson	Crichton Foundation	Appointed Trustee
B. Johnstone	Armstrong Watson	Partner (until)
H. Carr	Dumfries and Galloway Housing Partnership	Director of Finance
K. McGahan	William Waugh & Sons (Builders) Ltd	Finance Director

Notes to the Financial Statements (continued)

25 Related Party Transactions (continued)

The Crichton Foundation has previously provided grant funding towards the Henry Duncan building, which forms part of the Crichton Campus. During the period ended 31 July 2015 the Crichton Foundation provided grant funding of £10,000 for student support, which was fully disbursed to students by the College during the period. In addition, £500 was invoiced to Crichton Foundation in respect of a contribution to the annual College Award Ceremony. No balances were outstanding at 31 July 2015.

The College use Armstrong Watson for payroll bureau services. Invoices from Armstrong Watson to the College during the period ended 31 July 2015 amounted to £8,316, and no balances were due to Armstrong Watson by the College at 31 July 2015.

The College provided training courses to Dumfries and Galloway Housing Partnership during the period to 31 July 2015. Invoices to Dumfries and Galloway Housing Partnership amounted to £47,359. No balances were due to the College from Dumfries and Galloway Housing Partnership at 31 July 2015.

The College has appointed William Waugh & Sons (Builders) Ltd for various maintenance works during the period, following tender exercises. Invoices from William Waugh & Sons during the period amounted to £90,465. No balances were due to William Waugh by the College at 31 July 2015.

The members of the Board of Management, other than the Principal, Regional College Chair, and staff members, did not receive any payment from the College other than the reimbursement of travel and subsistence expenses incurred in the course of their duties. Travel expenses reimbursed to four members of the Board of Management during the year amounted to £565.

26 FE Bursaries and other Student Support Funds

	FE			Period ended	Period
	Bursary	EMA's	Other	31 July	ended 31
	£000	£000	£000	2015	March
				£000	2014
Balance brought forward	0	0	0	0	113
Allocation received in period (including interest)	2,635	351	140	3,126	1,664
	<u>2,635</u>	<u>351</u>	<u>140</u>	<u>3,126</u>	<u>1,777</u>
Expenditure	(2,312)	(351)	(145)	(2,808)	(1,750)
Repayable to Funding Council as Clawback	0	0	0	0	(3)
College Contribution to funds	0	0	0	0	26
Virements	(85)	0	5	(80)	0
Balance Carried forward	<u>238</u>	<u>0</u>	<u>0</u>	<u>238</u>	<u>50</u>
Represented by:					
Repayable to Funding Council as Clawback	238	0	0	238	0
Retained by College for Students	0	0	0	0	50
	<u>238</u>	<u>0</u>	<u>0</u>	<u>238</u>	<u>50</u>

The student support grants detailed above are available solely for students, the College acting only as paying agent. The grants and related disbursements are therefore excluded from the Income and Expenditure Account.

Notes to the Financial Statements (continued)

27 FE and HE Childcare Funds

	Period ended 31 July 2015 £000	Period ended 31 March 2014 £000
Balance brought forward	0	7
Allocation received in period	296	116
	<u>296</u>	<u>123</u>
Expenditure	(374)	(214)
Repayable to Funding Council as Clawback	0	0
Virements	78	0
College contribution to funds	0	91
Balance Carried forward	<u>0</u>	<u>0</u>
Represented by:		
Repayable to Funding Council as Clawback	0	0
Retained by College for Students	0	0
	<u>0</u>	<u>0</u>

Childcare Fund transactions are included within the College Income & Expenditure account in accordance with accounts direction from SFC, as the College has more discretion in the manner in which these funds are disbursed.

28 Capital Commitments

	Period ended 31 July 2015 £000	Period ended 31 March 2014 £000
Contracted for at 31 July 2015 (31 March 2014)	<u>0</u>	<u>0</u>

29 Post Balance Sheet Events

There are no post balance sheet events.

30 Contingent Liabilities

The College had no contingent liabilities at 31 July 2015 and 31 March 2014.

31 Comparatives

The comparative figures relate to the period 1 August 2013 to 31 March 2014.