

Financial Statements for the Year Ended 31 July 2013

Also available in large print (16pt)
and electronic format.

Ask Student Services for details.

www.perth.uhi.ac.uk

Perth College is a registered Scottish charity, number SC021209.



Perth College

Contents

	Page
Operating and Financial Review	1
Corporate Governance Statement	11
Statement of Responsibilities of the Members of the Board of Management	18
Independent Auditor's Report	20
Consolidated Income and Expenditure Account	22
Consolidated Statement of Historical Cost Surpluses and Deficits	23
Consolidated Statement of Total Recognised Gains and Losses	23
Balance Sheet	24
Consolidated Cash Flow Statement	25
Notes to the Accounts	26

Perth College

Perth College

Operating and Financial Review

Nature, Objectives and Strategies

The members present their report and the audited financial statements for the year ended 31 July 2013.

Legal Status

The Board of Management was established under the Further and Higher Education (Scotland) Act 1992 for the purposes of managing and conducting Perth College.

The College is registered as a charity with the Inland Revenue (Registered Charity Number - SC021209) and is potentially exempt from corporation tax.

Our Vision for the Future

In June 2007, the Board of Management adopted a 10 year strategy to 2016 and vision for Perth College. Our vision is as follows:

- We will be internationally recognised and known for our ambition and achievements.
- We will be acknowledged for our inspirational staff and our highly successful learners, who move on to become associated with the best organisations.
- We will teach at all levels and across the widest range of learners.
- We will support our teaching by carrying out international quality research in specialist subject areas.
- Our staff will be leaders in innovative learning, expertly using new technology to develop the workforce of the future.
- We will create pride in our environment, and prepare for, anticipate and exceed the needs of all our learners.

The overall goals for the College by 2016 are:

- To be a learning organisation.
- To make a greater contribution to economic success and business development.
- To grow.
- To be organisationally agile to meet this growth.
- To keep things simple.

Implementation of Strategic Plan

In August 2010 the College adopted its second strategic plan within the period of the vision with its strategic direction mapped up to 2013. The structure of the plan took a student and stakeholder perspective and recognised the contribution of all areas of the College to the 5 underlying strategies of:

- Student Experience;
- Engagement;

Perth College

- Curriculum and Research;
- Financial and Environmental Sustainability;
- Developing our Organisation.

Each underlying strategy articulated several aims with specific, aspirational targets to be achieved by July 2013.

The Board monitored the performance of the College against these targets using a balanced scorecard. The balanced scorecard analyses the measures of the targets (the key performance indicators (KPIs)) into 4 perspectives:

- Financial and Environmental Sustainability;
- Student Experience, Curriculum and Research;
- Developing our Organisation and
- Engagement.

These perspectives are reviewed by the Board of Management who have also delegated the responsibility for more detailed review of them to the Finance and General Purposes Committee and the Academic Affairs Committee. The balanced scorecard records and reports past trends and thus includes performance, actual and forecast, over the period from 2010-11 until 2012-13.

As this is the final year of the second period within our 10 year strategic view and due to the significance of change within the education sector, we have been consulting widely on our next publication of strategy covering 2013 -2016. This document and its implementation was launched in November 2013.

In March 2013 the Board of Management received the final report on the College's performance for the academic year 2011-12 against the Strategic Plan 2010-2013.

The top achievements were:

- At 70% overall, day 1 attainers exceeded the target set for July 2013 by 10%.
- The headcount for part-time students had already exceeded the target set by July 2013.
- UK/CPD commercial activity and numbers of international students on-campus had increased.
- Student progression returned to baseline levels after a decline in academic year 2010-11.
- Staffing costs have been reduced to 62% thus exceeding target.
- Non-staff costs were reduced by 7.4% which exceeded target.
- Recurrent Grant as a proportion of income fell by 1% making the College less dependent on government funding.
- Space utilisation increased above target.
- Carbon dioxide release was further reduced.

Financial Objectives

Our goal is to optimise financial stability through innovative and careful management. Every effort will be made to maximise the efficient and effective use of funds to support the academic aims and objectives of the College.

Perth College

Performance Indicators

The targets set for 2013 in the College Strategic Plan are set in the context of national, regional and local priorities. As explained earlier College performance against these targets is monitored using the balanced scorecard of key performance indicators.

The performance of the College is regularly reviewed by a range of external bodies and agencies. During 2012-13 these reviews have all been complimentary of the services that the College offers to its community and learners and include:

- External verification visits by Awarding Bodies.
- Annual visit by Education Scotland in May 2013.
- Contribution to internal University of the Highlands and Islands (UHI) Subject Reviews.
- Care commission and Education Scotland review of the College nursery.

Financial Position

Financial Results

The Group generated a pre-tax Operating Surplus in the year of £14k (2011-12 surplus of £73k). The consolidated historical cost surplus for the year was £340k.

The Group has accumulated reserves of £13,303k and cash balances of £6,978k. The College wishes to continue to accumulate reserves and cash balances as part of it's objective to achieve continued financial security.

Total Non Scottish Funding Council (SFC) Income as a % of total income for 2012/13 was 44% (2011/12 46%).

The College has a strong commitment to diversity and equality and issues of compliance with the disability provisions contained within the Equality Act 2010 are always incorporated in refurbishment and building works.

The College has a subsidiary company, Air Service Training (Engineering) Limited (AST). The principal activity of AST is the provision of aeronautical engineering courses for both the aviation industry worldwide and individual students. In the current year, AST made an operating profit of £10k after a donation of £280k to the College.

Treasury Policies and Objectives

The College has a separate treasury management policy in place and defines treasury management as the management of the organisation's cash flows, its banking and investment transactions; the effective control of the risks associated with those activities, and the pursuit of optimum performance consistent with those risks. The College had short term borrowings at 31 July 2013 of £200k.

Perth College

Cash Flows

The College maintained a positive cash flow during the year.

Liquidity

During the year the College had long term debt of £167k and at the year end the liquidity ratio stands at 1.26:1 (2011/12 1.31:1).

Days ratio of Cash to Total expenditure, at 31 July 2013 was 130 days (2011/12 115 days).

The College's gearing ratio at 31 July 2013 was 0.01:1 (2011/12 0.03:1)

Payment Performance

The College has a policy of paying its suppliers within 30 days of invoice unless other separate terms are in place, and excluding invoices held in dispute. The level of creditors in terms of the year end creditors to the aggregated invoiced amounts during the year was 36 days (2011-12 30 days). No interest was paid under the Late Payment of Commercial Debts (Interest) Act 1998.

Current and Future Development and Performance

Student Numbers

In 2012-13 the College has delivered activity that has produced £10,759k in SFC main grant allocation (2011-12 - £9,858k). The College had approximately 3,247 SFC funded students (expressed as full time equivalents) and 206 non SFC funded students.

Student Achievements

We are extremely proud of our students' achievements. These are wide in range and in level and our formal KPIs for 2012-13 on retention, attainment and progression at all levels have increased from those of 2011-12 as they did in this previous year on year comparison.

We have a strategic aim that every programme of study at the College will return at least 70% as the percentage of attainers to starters. This is now an SFC reported indicator and has been used by us to raise the bar through taking a holistic view on both retention and attainment across the portfolio and then taking action.

Our focus is not only on student attainment but also on wider achievement. We celebrate student success in citizenship, being enterprising, improving health and wellbeing and taking an active role in environmental sustainability. We are confident that our students leave the College with enhanced employability skills and are job ready.

Perth College

We exceeded our student recruitment target for 2012-13 at Further Education (FE) and met an ambitious growth target for Higher Education (HE) and our student achievement KPIs have increased at all levels.

Curriculum Developments

The following have been new and successful implementations for 2012-13:

- A new degree to allow progression for students holding an HND in Visual Communications.
- New post-graduate taught provision: Masters in Music, Aviation and Air Transport and Operations.
- A new offering of HND Engineering Systems to allow progression for students holding the HNC Engineering Systems.
- The inclusion of a full time offering for 2013-14 of the HNC Construction.
- A new full time access for adult returners.

Estates

During 2012-13 the College Estate was improved by a number of building projects throughout the campus, which encompassed upgrading the teaching facilities and addressing backlog maintenance.

Capital commitments disclosed within the notes to the accounts of £1,141k refers to new large teaching areas being developed at the rear of the Goodlyburn Building and a new building being created for the Construction curriculum at the rear of the Brahan Building and next to the multi trades centre.

Future Developments

The College continues to diversify its income through the development of greater specialist expertise leading to increased research funding, knowledge transfer, consultancy and international recruitment. Our focus remains on employment skills development and career opportunities for our students and this is being enhanced through our relationships with local businesses, the Chamber of Commerce, Federation of Small Businesses and our Centre for Enterprise activities. We are diversifying our international activity and new relationships are being developed which are taking an increasingly greater UHI and internationalisation perspective to the benefit of home and international students. We are pursuing active collaborations with other Colleges and Universities, in particular through the UHI Partnership, to have a coherent curriculum offering and appropriate sharing of best practice and services.

Future developments within the College estates programme include:

- The building on Campus of a Sports Centre and Multi-Purpose External Sports Arena to support the ongoing expansion of the Sports Curriculum to degree level, to increase the student experience, and to be available for the local community.

Perth College

- The steady growth in student numbers will require significant additional classroom accommodation and support facilities and these will be provided through the re-development and re-purposing of an existing building on campus.

Resources

Tangible resources include the main College site consisting of 3 major buildings, 2 outreach centres, the nursery and 3 student residence buildings.

Financial

The College has £20.4 million of net assets after deducting long term liabilities of £167k.

People

The College employs 343 people (expressed as full time equivalents), of whom 133 are teaching staff. Permanent staff turnover for the year to 31 July 2013 expressed as a full time equivalent was 17.55%. Working days lost through sickness absence expressed as a percentage of lost time against the total available working days was 2.49%, which is below the UK average of 3.4%.

Reputation

The College has a good reputation locally, nationally and internationally. Maintaining a quality brand is essential for the College's success in attracting students and developing and maintaining external relationships.

Principal Risks and Uncertainties

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

The senior management team monitors key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms which are embedded within the operational units and reinforced by risk awareness in operational planning. The senior management team and the Audit Committee also receive regular reports from internal audit and health, safety and environmental monitoring functions which include recommendations for improvement. The internal audit service concentrates on areas of key activities determined by a risk analysis and in accordance with the annual internal audit plan approved and amended by the Audit Committee. The internal auditors have direct access to the Chair of the Audit Committee and issue an annual report with an opinion of the adequacy, reliability and effectiveness of the College's internal control system.

Perth College

The Audit Committee considers risk at each Committee Meeting and receives a copy of the College Strategic Risk Register which is updated quarterly by the College Senior Management Team.

The Board of Management receive reports thereon from the Audit Committee, the emphasis being on obtaining the relevant degree of assurance and not merely reporting by exception.

The Board of Management is of a view that there is an ongoing process for identifying, evaluating and managing the College's significant risks that has been in place throughout the year ended 31 July 2013 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Board of Management and accords with the Turnbull guidance on internal control, as applicable to the further education sector.

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

1 **Government Funding**

The College has considerable reliance on continued Government funding through the SFC and UHI. In 2012-13, 52% of the College's recurrent revenue was ultimately public funded and this level of requirement is expected to continue. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

2 **Unfunded Pension Liabilities**

The financial statements report the provision made for pension costs arising from past early retirements in line with the valuation carried out by an independent firm of actuaries.

3 **Overseas Students**

Our overseas student population is looked after by our experienced and dedicated team in our international centre. The strategic and operational risks associated with overseas students are actively monitored by the international team and our academic structures.

The College has built up a network of overseas agents which is being supplemented by a growing number of partnerships of well established educational establishments abroad.

We have successfully retained our highly trusted status with the UK Borders Agency.

The College's subsidiary company, AST, is acknowledged worldwide as a leading provider of aeronautical engineering training.

Perth College

Stakeholder Relationship

In line with other colleges and universities, Perth College has many stakeholders. These include:

- Students and alumni.
- Staff.
- Scottish Funding Council.
- Local, national and international employers.
- Local authorities.
- Government offices and agencies.
- The local community.
- Community planning partnership.
- Chamber of Commerce and other business organisations.
- Scotland's Colleges, other FE and HE institutions.
- Partner institutions of UHI.
- Trade unions.
- Professional bodies.

EQUALITY & DIVERSITY

Equality and Diversity Vision

The College consulted on and developed a vision for its commitment to equality and diversity:

At Perth College UHI we have a passion for achieving more, a passion to become the most inclusive college in Scotland.

Equality Report and Mainstreaming Plan 2013-2017

To achieve our Equality & Diversity Vision and our Public Sector Equality Duties, the College developed an Equality Report and Mainstreaming Plan following extensive consultation with staff, students and other stakeholders. The Plan is an important strategic document, and an essential tool in supporting our continued commitment and success in relation to equality and diversity.

The Equality Report and Mainstreaming Plan re-affirms our commitment to the principles of equality and diversity and to encouraging all staff and students to reach their potential. It is intended to be an interactive document, driven forward and further developed as part of our commitment to equality across all protected characteristics, as set out in the Equality Act 2010.

The plan sets out an ambitious agenda for action, ensuring that we meet our general and specific duties for equality, as required by legislation, and that we work effectively to meet the needs of our diverse workforce, student population and the

Perth College

communities served by the College. This document presents an update on our activities, and our plans for moving forward.

The Equality Report and Mainstreaming Plan is on the College website at:

[http://www.perth.uhi.ac.uk/aboutus/policyprocedure/Documents/Equality Report and Mainstreaming Plan 2013-2017.pdf](http://www.perth.uhi.ac.uk/aboutus/policyprocedure/Documents/Equality%20Report%20and%20Mainstreaming%20Plan%202013-2017.pdf)

Equal Pay Statement

The College also published an Equal Pay Statement and this can also be found on the College website at:

[http://www.perth.uhi.ac.uk/aboutus/policyprocedure/Documents/Equal Pay Statement 2013.pdf](http://www.perth.uhi.ac.uk/aboutus/policyprocedure/Documents/Equal%20Pay%20Statement%202013.pdf)

The Equal Pay Statement details the College's gender pay gap and shows that this decreased as a result of the implementation of job evaluation. The Statement also provides information on occupational segregation and an Equal Pay Action plan to address the remaining equal pay gap.

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 the information.

**Approved by order of the member of the Board of Management on
18 December 2013 and signed on its behalf by:**



**Penny Brodie
Chair**

Perth College

Professional Advisers

External Auditors:

Wylie & Bisset LLP
Chartered Accountants
168 Bath Street
Glasgow
G2 4TP

Internal Auditors:

Henderson Loggie
Royal Exchange
Panmure Street
Dundee
DD1 1DZ

Bankers:

Bank of Scotland
10-16 King Edward Street
Perth
PH1 5UT

Solicitors:

Thornton Solicitors
17-21 George Street
Perth
PH1 5JY

Perth College

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 main principles set out in the UK Corporate Governance Code issued by the Financial Reporting Council in September 2012. Its purpose is to help the reader of the financial statements understand how the principles have been applied.

In the opinion of the Board of Management, the College complies with all the provisions of the UK Corporate Governance Code in so far as they apply to the Further Education sector, and it has complied throughout the year ended 31 July 2013.

The Board of Management

The members who served on the Board of Management during the year and up to the date of signing the accounts were as follows:

		Date of Appointment	Date of Resignation	Status of Appointment	Committees Served
Penny Brodie	Director of LEAD Scotland	21 September 2004		Independent Member	Chair: Board; Strategy and Futures; Finance and General Purposes; Nominations;
Bill Duncan	Retired Banker	27 September 2006	1 August 2012	Independent Member	Chair: Engagement; Finance and General Purposes; Nominations; Remuneration
Dr Thomas Moore		1 July 2010	30 September 2013	Principal	
Margaret Munckton		1 October 2013		Acting Principal	
Ian Marr	Development Manager, YMCA Scotland	27 September 2006	30 August 2013	Independent Member	Chair: Engagement; Finance and General Purposes; Nominations; Remuneration
Ian Mathers	Business Consultant	27 September 2006		Independent Member	Chair: Finance and General Purposes; AST; Nominations; Remuneration
Alistair Napier	Partner, Commercial Legal Centre	21 September 2005		Independent Member	Chair: AST; Audit; Nominations; Remuneration

Perth College

June Wilson		1 February 2009	1 January 2013	Support Staff Member	Engagement
Dolores Garden		20 March 2013		Support Staff Member	Engagement
Dr Harold Gillespie	Research & Development Consultant	20 March 2013		Independent member	Academic Affairs; Finance & General Purposes
Norman Wilson		1 April 2005		Lecturing Staff Member	Strategy and Futures
Derek Forgan	Retired Financial and Insurance Professional	10 March 2010		Independent Member	Chair: Audit; Strategy and Futures; Nominations; Remuneration
Mark Bell	Leadership Coach	10 March 2010		Independent Member	Finance and General Purposes; Engagement
Dr James Urquhart	Independent Business Recovery Specialist	1 April 2011	8 January 2013	Independent Member	Academic Affairs
Allan Clow	Finance Director	15 December 2011	18 February 2013	Independent Member	Finance and General Purposes
Ian Jackson	Director General Dental Council Scotland	15 December 2011		Independent Member	Audit
John McDonald	Strategic Change Manager	27 June 2012		Independent Member	Academic Affairs; Audit
Xander McDade	Chair, Student Representative Council	27 June 2012	20 April 2013	Student Member	Academic Affairs; Engagement; Strategy and Futures
Heather Greig	Student Convenor	1 July 2013		Student Member	Strategy & Futures
Kirstie Graham acts as Clerk to the Board					

It is the Board of Management's responsibility to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct. The Board of Management complies with the internal control guidance published by the Turnbull Committee and the good practice in the Guide for College Board Members 2012 issued by Scotland's Colleges.

The Board of Management 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 Board of Management meets at least 4 times a year.

The Board conducts its business through a number of committees. Each committee has formally constituted terms of reference. These committees include: Finance and

Perth College

General Purposes Committee; Audit Committee; Academic Affairs Committee; Engagement Committee; Strategy and Futures Committee; Search and Nominations Committee and a Remuneration Committee. In addition the Board of Management holds development planning days and training evenings during the course of the year for the purposes of training, self evaluation and development. The Board is supported by an Independent Clerk.

Full minutes of all meetings, except those deemed to be confidential by the Board, are available on the College website or from the Clerk to the Board at:

Perth College
Crieff Road
Perth PH1 2NX

The Clerk to the Board maintains a register of financial and personal interests of the Board members. The Register is available for inspection at the above address or on the College website.

All Board members are able to take independent professional advice in furtherance of their duties at the College's expense and have access to an independent Clerk, who is responsible to the Board for ensuring that all applicable procedures and regulations are complied with. The appointment, evaluation and removal of the Clerk are matters for the Board as a whole.

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

The Board of Management has a strong and independent non-executive element and no individual or group dominates its decision-making process. The Board of Management 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 independent judgment.

Board members are required to self evaluate collectively as Board and as individually as Board members. The self evaluation process includes consideration of the collective effectiveness of the Board of Management, and individual reflection on their adherence to the Seven Principles' of Public Life.

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

Appointments to the Board of Management

Any new appointments to the Board of Management are a matter for the consideration of the Board of Management as a whole. The Board of Management has a Search and Nominations Committee, consisting of at least 3 non-executive members of the Board of Management, which is responsible for the selection and nomination of any new member for the Board of Management's consideration.

Perth College

The Board of Management ensures that a process is in place to provide appropriate induction training to new Board of Management members and new Board members are expected to undertake induction training.

The Public Procedures for Appointing New Board members are available from the Clerk to the Board of Management.

Members of the Board of Management are appointed for an initial term of office not exceeding 4 years and may be reappointed.

Remuneration Committee

The Remuneration Committee comprises at least 3 non-executive members of the Board of Management. The committee is responsible for making recommendations to the Board on the remuneration and benefits of the Principal and the Clerk to the Board.

Details of the remuneration of senior post-holders for the year ended 31 July 2013 are set out in note 8 to the financial statements.

Audit Committee

The Audit Committee comprises 4 non-executive members of the Board of Management (excluding the Principal and Chair). The Committee operates in accordance with written terms of reference approved by the Board of Management.

The Audit Committee meets 4 times a year and provides a forum for reporting by the College's external and internal auditors, who have access to the Committee for independent discussion, without the presence of College management.

The Audit Committee advises the College on the appointment of the internal auditors and the auditors' remuneration. The Audit Committee establishes the College's risk tolerance and monitors risk.

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

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

The Audit Committee considers detailed reports together with recommendations for the improvement of the College's systems of internal control and management's responses and implementation plans. It also receives and considers reports from the Scottish Funding Council and Audit Scotland as they affect the College's business and monitors adherence to the regulatory requirements.

Finance and General Purposes Committee

The Finance Committee comprises 5 non-executive members of the Board of Management and includes the Principal. The Committee operates in accordance with written terms of reference approved by the Board of Management.

Perth College

The Finance Committee meets at least 4 times a year and, among other matters, recommends to the Board of Management the College's annual revenue and capital budgets and monitors performance in relation to approved budgets. It monitors the College's financial and business perspectives. It approves all key financial decisions, approves the annual budget, considers the annual accounts and recommends for approval, oversees the system of financial control and delegated authority. It also considers any other matters relevant to the financial duties of the Board including estates strategy.

Corporate Strategy

The Board of Management is responsible for the overall strategic development of the College and is the guardian of its vision and values. Strategic development takes place at an annual Board of Management away day, with the College's Senior Management Team. This is supported by horizon scanning and futures work undertaken by the Strategy and Futures Committee. This led to the development of a ten year strategic plan, underpinned by 3 year operational plans. Progress against the agreed strategic priorities in the plan is monitored through a balanced scorecard approach by the appropriate Board committees on a regular basis.

Risk Management and Internal Control

Scope of Responsibility

The Board of Management 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 Board of Management has delegated the day-to-day responsibility to the Principal, as Accountable 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 Perth College and the Scottish Funding Council. She is also responsible for reporting to the Board of Management 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 in Perth College for the year ended 31 July 2013 and up to the date of approval of the annual report and accounts.

Perth College

Capacity to Handle Risk

The Board of Management 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 these risks. The Board of Management is of the view that there is a formal ongoing process for identifying, evaluating and managing the College's significant risks that has been in place for the period ending 31 July 2013 and up to the date of approval of the annual report and accounts. The process is regularly reviewed by the Board of Management.

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 Board of Management.
- Regular reviews by the Board of Management of periodic and annual financial reports which indicate financial performance against forecasts.
- Setting targets to measure financial and other performance.
- Clearly defined capital investment control guidelines.
- The adoption of formal project management disciplines, where appropriate.

Perth College appoints an Internal Audit service, which operates in accordance with the requirements of the Scottish Funding Council's mandatory requirements. The work of the internal audit service is informed by an analysis of the risks to which the College is exposed, and internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the Board of Management on the recommendation of the Audit Committee. The Internal Auditors provide the Board of Management with a report on internal audit activity within the College. These reports include the Internal Auditor's independent opinion on the adequacy and effectiveness of the College's system of risk management, controls and governance processes.

Review of Effectiveness

As Accountable 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.
- The comments made by the College's external auditors in their management letters and other reports.

Perth College

The Board of Management has been advised on the implications of the review of the effectiveness of internal control by the Audit Committee, which oversees the work of the internal auditor.

The internal audit service concentrates on areas of key activities determined by a risk analysis and in accordance with the annual internal report plan amended and approved and by the Audit Committee. The internal auditors have direct access to the Chair of the Audit Committee and issue an annual report with an opinion of the adequacy, reliability and effectiveness of the College's internal control system.

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. 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 Audit Committee considers risk at each Committee meeting and receives a copy of the College Strategic Risk Register which is updated quarterly by the College Senior Management Team. The Board of Management receives reports thereon from the Audit Committee, the emphasis being on obtaining the relevant degree of assurance and not merely reporting by exception. At its December 2013 meeting, the Board of Management carried out the annual assessment for the year ended 31 July 2013 by considering documentation from the Senior Management Team and internal audit, and taking account of events since 31 July 2013.

Going Concern

The Board of Management confirms that they consider the College to be a going concern as described in the Code (section C.1.3) and that the financial statements have been prepared on this basis.

**Approved by order of the members of the Board of Management on
18 December 2013 and signed on its behalf by:**



Penny Brodie
Chair



Margaret Munckton
Acting Principal

Perth College

Statement of Responsibilities of the Members of the Board of Management

The Board of Management are required to present audited financial statements for each financial year.

In accordance with the Further and Higher Education (Scotland) Act 1992 the Board of Management is responsible for the administration and management of the College's affairs, including ensuring an effective system of internal control, and is required to present audited financial statements for each financial year.

The Board of Management is responsible for ensuring that proper accounting records are maintained which disclose, with reasonable accuracy at any time, the financial position of the College and enable it to ensure that the financial statements are prepared in accordance with the Further and Higher Education (Scotland) Act 1992, the 2007 *Statement of Recommended Practice – Accounting for Further and Higher Education Institutions* and other relevant accounting standards.

In addition, within the terms and conditions of a Financial Memorandum agreed between the Scottish Funding Council and the College's Board of Management, the Board, through its designated office holder, the Principal, is required to prepare financial statements for each financial year which give a true and fair view of the College's state of affairs and of the surplus or deficit and cash flows for that year.

In preparing the financial statements, the Board of Management 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 a going concern basis, unless it is inappropriate to presume that the College will continue in operation. The Board of Management is satisfied that it has adequate resources to continue in operation for the foreseeable future and for this reason the going concern basis continues to be adopted in the preparation of the financial statements.

The Board of Management has taken reasonable steps to:

- ensure that funds from the Scottish Funding Council are used only for the purposes for which they have been given and in accordance with the Financial Memorandum with the Funding Council and any other conditions which the Funding Council may from time to time prescribe;
- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;
- safeguard the assets of the College and prevent and detect fraud; and
- secure the economical, efficient and effective management of the College's resources and expenditure.

Perth College

The key elements of the College's system of internal financial control, which is designed to discharge the responsibilities set out above, include the following:

- clear definitions of the responsibilities of, and the authority delegated to, heads of academic and administrative areas;
- a comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets;
- regular reviews of key performance indicators and business risks and quarterly reviews of financial results involving variance reporting and updates of forecast outturns;
- clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review according to approval levels set by the Board of Management;
- Financial Regulations, detailing financial controls and procedures, approved by the Audit Committee and the Finance Committee; and
- a professional Internal Audit team whose annual programme is approved by the Audit Committee and endorsed by the Board of Management, and whose head provides the Board of Management with a report on internal audit activity within the College and an opinion on the adequacy and effectiveness of the College's system of internal control, including internal financial control.

Any system of internal financial control can, however, only provide reasonable, but not absolute, assurance against material misstatement or loss.

**Approved by order of the member of the Board of Management on
18 December 2013 and signed on its behalf by:**



**Penny Brodie
Chair**

Perth College

Independent Auditor's Report

To the members of the Board of Management of Perth College, the Auditor General for Scotland and the Scottish Parliament

We have audited the financial statements of Perth College for the year ended 31 July 2013 under the Further and Higher Education (Scotland) Act 1992 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. The financial statements comprise the Consolidated Income and Expenditure Account, the Consolidated Statement of Historical Cost Surpluses and Deficits, the Consolidated Statement of Total Recognised Gains and Losses, the Consolidated and College Balance Sheet, the Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 125 of the Code of Audit Practice approved by the Auditor General for Scotland, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Respective Responsibilities of the Board of Management and Auditor

As explained more fully in the Statement of Responsibilities of the Board of Management set out on page 18, the Board of Management is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and is also responsible for ensuring the regularity of expenditure and income. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Auditor General for Scotland. Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. We are also responsible for giving an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

Scope of the Audit of the Financial Statements

An audit involves obtaining evidence about the amounts, disclosures, and regularity of expenditure and income in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the body's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Board of Management; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Perth College

Opinion on Financial Statements

In our opinion the financial statements:

- give a true and fair view in accordance with the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council of the state of the body's affairs as at 31 July 2013 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 14 of The Charities (Scotland) regulations 2006.

Opinion on Regularity

In our opinion in all material respects the expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers.

Opinion on Other Prescribed Matters

In our opinion the information given in the Operating and Financial Review for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We are required to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit; or
- the Statement of Corporate Governance and Internal Control does not comply with Scottish Funding Council requirements.

We have nothing to report in respect of these matters.

Wylie & Bisset LLP

168 Bath Street
Glasgow
G2 4TP

*Wylie, Bisset
LLP*

Date: 18/12/13

18 December 2013

Wylie & Bisset LLP is eligible to act as an auditor in terms of Section 21 of the Public Finance and Accountability (Scotland) Act 2000.

Perth College

Consolidated Income and Expenditure Account for the year ended 31 July 2013

	Notes	Year ended 31 July 2013	Year ended 31 July 2012
		£000	£000
Income			
Funding council grants	2	11,611	10,229
Tuition fees and education contracts	3	4,803	3,913
Research grants and contracts	4	86	209
Other income	5	3,925	4,329
Investment income	6	127	110
Total Income		<u>20,552</u>	<u>18,790</u>
Expenditure			
Staff costs	7	12,452	11,639
Exceptional restructuring costs	7	-	214
Other operating expenses	9	7,119	5,877
Depreciation	13	937	945
Interest payable	10	30	42
Total Expenditure		<u>20,538</u>	<u>18,717</u>
Surplus on continuing operations after depreciation of tangible fixed assets at valuation and before tax		14	73
Taxation	11	(2)	5
Surplus on continuing operations after depreciation of assets at valuation and tax	12	<u>12</u>	<u>78</u>

The income and expenditure account is in respect of continuing activities. There were no operations that were acquired or discontinued by Perth College during the year.

Perth College
Consolidated Statement of Historical Cost Surpluses and Deficits for
the year ended 31 July 2013

	Notes	Year ended 31 July 2013	Year ended 31 July 2012
		£000	£000
Surplus on continuing operations before taxation		14	73
Difference between historical cost depreciation and the actual charge for the year calculated on the re-valued amount	22	328	328
Historical cost surplus for the year before taxation		<u><u>342</u></u>	<u><u>401</u></u>
Historical cost surplus for the year after taxation		<u><u>340</u></u>	<u><u>406</u></u>

Consolidated Statement of Total Recognised Gains and Losses for the Year ended 31 July 2013

	Year ended 31 July 2013	Year ended 31 July 2012
	£000	£000
Surplus on continuing operations for the year	12	78
Unrealised deficit on disposal of fixed assets	<u>-</u>	<u>-</u>
Total recognised gains/(losses) related to the year	<u><u>12</u></u>	<u><u>78</u></u>
Reconciliation		
Opening reserves	13,291	13,213
Total recognised gains/(losses) for the year	<u>12</u>	<u>78</u>
Closing reserves	<u><u>13,303</u></u>	<u><u>13,291</u></u>

Perth College
Balance Sheet as at 31 July 2013

	Notes	Group 2013	College 2013	Group 2012	College 2012
		£000	£000	£000	£000
Fixed assets					
Tangible assets	13	20,363	20,327	21,029	20,994
Investments	14	-	20	-	20
		<u>20,363</u>	<u>20,347</u>	<u>21,029</u>	<u>21,014</u>
Current assets					
Stock		17	11	15	11
Debtors	15	922	826	766	541
Cash at bank and in hand		6,978	6,373	5,584	5,403
		<u>7,917</u>	<u>7,210</u>	<u>6,365</u>	<u>5,955</u>
Creditors: amounts falling due within one year	17	6,306	5,566	4,872	4,422
Net current assets/(liabilities)		<u>1,611</u>	<u>1,644</u>	<u>1,493</u>	<u>1,533</u>
Total assets less current liabilities		21,974	21,991	22,522	22,547
Creditors: amounts falling due after more than one year	18	167	167	367	367
Provisions for liabilities and charges	20	1,453	1,453	1,453	1,453
NET ASSETS		<u>20,354</u>	<u>20,371</u>	<u>20,702</u>	<u>20,727</u>
Deferred capital grants	21	7,051	7,051	7,411	7,411
Revaluation reserve	22	7,577	7,577	7,905	7,905
Designated reserve	23	500	500	500	500
Income and Expenditure reserve	24	5,226	5,243	4,886	4,911
Total Reserves		<u>13,303</u>	<u>13,320</u>	<u>13,291</u>	<u>13,316</u>
TOTAL		<u>20,354</u>	<u>20,371</u>	<u>20,702</u>	<u>20,727</u>

The financial statements on pages 22 to 47 were approved by the Board of Management on 18th December 2013 and were signed on its behalf by:



P Brodie - Chairman



M Munckton - Acting Principal

Perth College**Consolidated Cash Flow Statement for the year ended 31 July 2013**

	Notes	Year ended 31 July 2013 £000	Year ended 31 July 2012 £000
Cash Flow from Operating Activities	25	1,740	862
Returns on investments and servicing of finance	26	124	42
Capital expenditure and financial investment	27	(270)	(165)
Financing	28	(200)	(220)
Increase in cash in the year	29	<u>1,394</u>	<u>519</u>
Reconciliation of net cash flow to movement in net funds			
Increase in cash in the year		1,394	519
Change in net debt resulting from cash flows	28	<u>200</u>	<u>220</u>
Movement in net funds in year	29	1,594	739
Net funds at 1 August	29	5,217	4,478
Net funds at 31 July	29	<u>6,811</u>	<u>5,217</u>

Perth College

Notes to the Accounts

1 Statement of Principal Accounting Policies

a Basis of Preparation

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

b Basis of Accounting

The financial statements have been prepared under the historic cost convention as modified by the revaluation of certain fixed assets.

c Basis of Consolidation

The consolidated accounts include the financial statements of the College and its subsidiary undertaking made up to 31 July 2013. Intra group sales and profits are eliminated fully on consolidation.

d Tangible Fixed Assets

Land and Buildings

Land and buildings inherited from Tayside Regional Council are stated in the balance sheet at a value based on the depreciated replacement cost basis. Land and Buildings acquired since incorporation are included in the balance sheet at cost. Feuhold land associated with the buildings and undeveloped feuhold land is not depreciated. Buildings are depreciated over their economic life on a straight line basis to the College of between 20 to 50 years.

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

On adoption of FRS15, the College followed the transitional provision to retain the book value of land and buildings which were revalued in 1995 but not to adopt a policy of revaluations of these properties in the future. These values are retained subject to the requirement to test assets for impairment in accordance with FRS11.

Buildings 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.

Perth College

Notes to the Accounts

1 Statement of Principal Accounting Policies (continued)

Equipment

Equipment purchased as part of a capital building project is capitalised and depreciated over its useful economic life. Individual items of equipment purchased with values greater than £1,000 are capitalised at cost if deemed to have a minimum economic useful life of 3 years and not regarded as a repair to existing assets. Capitalised equipment is depreciated on a straight line basis over its useful economic life as follows:

Motor vehicles and general equipment	10%, 25% and 33% per year
Computer equipment	20% and 25% per year

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.

e 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 in which it is incurred, unless it meets one of the following criteria in which case it is capitalised and depreciated on the relevant basis:

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

f Leased Assets

Rental costs in respect of operating leases are charged to expenditure at the cost incurred during the year. Leasing arrangements 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. The assets are included in fixed assets and the capital elements of the leasing commitments are shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged to the Income and Expenditure Account in proportion to the reducing capital element outstanding. Assets held under finance leases are depreciated over the shorter of the lease term or the useful economic lives of equivalent owned assets. Assets held under hire purchase contracts, which have the characteristics of finance leases, are depreciated over their useful economic lives.

Perth College

Notes to the Accounts

1 Statement of Principal Accounting Policies (continued)

g Investments

Fixed asset investments are carried at historical cost less any provision for a permanent diminution in their value.

h Recognition of Income

Income from grants, contracts and other services rendered is included to the extent of the completion of the contract or service concerned. This is generally equivalent to the sum of the relevant expenditure incurred during the year and any related contributions towards overhead costs. Income from tuition fees is recognised in the period for which it is received. Income from donations is included to the extent of the relevant expenditure incurred during the year. Recurrent grants from the SFC are recognised in the period in which they are receivable. Non-recurrent grants from SFC or other bodies received in respect of the acquisition or construction of fixed assets are treated as deferred capital grants and amortised in line with depreciation over the life of the assets.

i Pension Schemes

The College participates in 2 multi-employer defined benefit pension schemes.

Teaching staff may join the Scottish Teachers' Superannuation Scheme (STSS), which is administered by the Scottish Public Pensions Agency (SPPA). Perth College is unable to identify its share of the underlying assets and liabilities of the STSS on a consistent and reasonable basis and therefore, as required by FRS 17 "retirement benefits", accounts for its participation in the STSS as if it were a defined contribution scheme. The contributions are determined by qualified actuaries on the basis of periodic valuations and are recognised in the accounting periods in which they arise.

Administrative and support staff may join the Local Government Pension Scheme (LGPS) which is administered by Dundee City Council. The fund is a defined benefit scheme, providing benefits based on final pensionable pay, which is contracted out of the State Earnings-Related Pension Fund. The contributions are determined by qualified actuaries on the basis of periodic valuations using the projected unit method.

Perth College is unable to identify its share of the underlying assets and liabilities of the LGPS on a consistent and reasonable basis and therefore as required by FRS17 "retirement benefits", account for its participation in the LGPS as if it were a defined contribution scheme. The contributions are determined by qualified actuaries on the basis of periodic valuations using the projected unit method.

Perth College

Notes to the Accounts

1 Statement of Principal Accounting Policies (continued)

j Stocks

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

k 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.

The College's subsidiary company, Air Service Training (Engineering) Limited is subject to corporation tax and VAT in the same way as any other commercial organisation. Tax relief is available on Air Service Training (Engineering) Limited's profits that are gift aided to the College.

l Deferred Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more or a right to pay less tax in the future have occurred by the balance sheet date with certain limited exceptions.

Deferred tax is calculated on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

m Provisions

Provisions are recognised when the institution 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.

Perth College

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 as required by the Accounts Direction issued by the Scottish Funding Council.

n 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 the Income and Expenditure Account together with any surplus or deficit on disposal.

o Recognition of Income and Expenditure

The accounts have been prepared on an accruals basis, that is income and expenditure are recognised as they are earned or incurred, not as money is received or paid. All material sums payable to or due by the College as at the end of the financial year are brought into account.

p Agency Arrangements

The College acts as an agent in the collection and payment of certain Student Support Funds. These funds are excluded from the 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 these 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.

q Foreign Currency Translation

Transactions denominated in foreign currencies are recorded at the exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling either at year end rates or, where there are related forward foreign exchange contracts, at contract rates. The resulting exchange differences are dealt with in the determination of income and expenditure for the year.

Perth College
Notes to the Accounts

2 Funding Council Grants

	Year ended 31 July 2013	Year ended 31 July 2012
	£000	£000
SFC FE recurrent grant (including fee waiver)	6,273	6,641
Funding for increased STSS contributions	-	-
UHI Millennium Institute recurrent grant	4,486	3,217
Financial security funding	-	-
FE Childcare funds (note 38)	318	297
Release of deferred capital grants (note 21)	36	36
Other SFC grants	418	38
Other UHI Millennium Institute grants	80	-
	<u><u>11,611</u></u>	<u><u>10,229</u></u>

3 Tuition Fees and Education Contracts

	Year ended 31 July 2013	Year ended 31 July 2012
	£000	£000
UK Higher Education students	2,069	1,742
Non-EU students	-	-
UK Further Education students	402	322
	<u>2,471</u>	<u>2,064</u>
Management of Local Enterprise Company projects	268	281
Other contracts	-	-
Tuition fees of subsidiary	2,064	1,568
	<u><u>4,803</u></u>	<u><u>3,913</u></u>

4 Research Grants and Contracts

	Year ended 31 July 2013	Year ended 31 July 2012
	£000	£000
Research grants	66	58
European Commission	20	151
	<u><u>86</u></u>	<u><u>209</u></u>

Perth College
Notes to the Accounts

5 Other Income

	Year ended 31 July 2013 £000	Year ended 31 July 2012 £000
Residences and catering	926	915
Other income generating activities	2,047	2,524
Releases from deferred capital grants (non Funding Council) (note 21)	325	367
Other income	627	523
	<u><u>3,925</u></u>	<u><u>4,329</u></u>

6 Investment Income

	Year ended 31 July 2013 £000	Year ended 31 July 2012 £000
Interest receivable	127	110
	<u><u>127</u></u>	<u><u>110</u></u>

7 Staff Costs

	Year ended 31 July 2013	Year ended 31 July 2012
--	----------------------------	----------------------------

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

	Number	Number
Teaching departments - teaching staff	133	143
Teaching departments - other staff	61	63
Teaching support services	37	36
Administration and central services	42	42
Premises	28	25
Subsidiary (AST) staff	28	26
Other	14	14
	<u><u>343</u></u>	<u><u>349</u></u>

Analysed as:

Staff on indefinite contracts	304	311
Staff on temporary contracts	39	38
	<u><u>343</u></u>	<u><u>349</u></u>

Perth College
Notes to the Accounts

7 Staff Costs (continued)

Staff costs for these persons:

	Year ended 31 July 2013	Year ended 31 July 2012
	£000	£000
Wages and salaries	10,418	9,694
Social security costs	789	734
Other pension costs	1,245	1,211
Exceptional restructuring costs	0	214
	<u>12,452</u>	<u>11,853</u>
Teaching departments - teaching staff	5,816	5,309
Teaching departments - other staff	1,154	1,083
Teaching departments - AST staff	828	761
Teaching support services	1,071	994
Administration and central services	1,784	1,326
Premises	522	483
Other income generating activities	1,277	1,683
Exceptional restructuring costs	0	214
	<u>12,452</u>	<u>11,853</u>
Analysed as:		
Staff on indefinite contracts	11,350	10,473
Staff on temporary contracts	1,102	1,166
Exceptional restructuring costs	0	214
	<u>12,452</u>	<u>11,853</u>

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

	Year ended 31 July 2013		Year ended 31 July 2012	
	Number Senior post- holders	Number Other Staff	Number Senior Senior post- holders	Number Other Staff
£50,001 to £60,000	-	3	3	1
£60,001 to £70,000	-	-	1	-
£70,001 to £80,000	3	-	1	1
£80,001 to £90,000	-	-	-	-
£90,001 to £100,000	-	-	1	-
£100,001 to £110,000	1	-	-	-
	<u>4</u>	<u>3</u>	<u>6</u>	<u>2</u>

No pay award for 2012/13 was paid to staff during the year following agreement with staff that any award would only be considered after the financial outcome for the year was known. A provision has been made in these accounts in respect of a backdated award for 2012/13. Discussions with staff are in progress regarding agreement of any pay award to be made in respect of 2012/13.

No pay award for 2012/13 was paid by the subsidiary company to academic staff, management or to support staff during the year. A provision has been made in these accounts in respect of an award for 2012/13.

Perth College
Notes to the Accounts

8 Senior Post-holders' Emoluments

	Number 2013	Number 2012
The number of senior post-holders including the Principal was:	4	6
Senior post-holders' emoluments are made up as follows:	£000	£000
Salaries	322	399
Benefits in kind	0	0
Pension contributions	52	68
	<u><u>374</u></u>	<u><u>467</u></u>

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

	Year ended 31 July 2013	Year ended 31 July 2012
	£000	£000
Salary	108	98
Benefits in kind	<u>0</u>	<u>0</u>
	<u><u>108</u></u>	<u><u>98</u></u>
Pension contributions	<u>16</u>	<u>15</u>

The pension contributions in respect of the Principal and senior post-holders are in respect of employer's contributions to the Scottish Teachers Superannuation Scheme or Tayside Superannuation Scheme and are paid at the same rate as for other employees.

The members of the Board of Management other than the Principal and the staff members did not receive any payment from the institution other than the reimbursement of travel and subsistence expenses incurred in the course of their duties.

No pay award for 2012/13 was paid during the year to senior post holders, including the Principal and other higher paid staff. A provision has been made in these accounts in respect of a backdated pay award for 2012/13 yet to be agreed on the same basis as for all other staff. No bonuses were paid or payable to senior post holders for 2012/13.

Perth College
Notes to the Accounts

9 Other Operating Expenses

	Year ended 31 July 2013	Year ended 31 July 2012
	£000	£000
Teaching departments	1 453	1 141
Teaching support services	479	404
Administration and central services	1,018	1,133
Premises costs	2 442	1 574
Other income generating activities	571	647
Catering and residence operations	838	678
Other expenses - Childcare Grant	318	300
	<u>7,119</u>	<u>5,877</u>

Other operating expenses include:

	Year ended 31 July 2013	Year ended 31 July 2012
	£000	£000
Auditors' remuneration:		
external audit	14	14
internal audit	8	11
other services from external or internal audit	18	11
Hire of plant and machinery - operating leases	83	70
Hire of other assets - operating leases	<u>206</u>	<u>253</u>

10 Interest Payable

	Year ended 31 July 2013	Year ended 31 July 2012
	£000	£000
On bank loans, overdrafts and other loans: Repayable within 5 years, not by instalments	<u>30</u>	<u>42</u>

11 Taxation

The College is not liable for any corporation tax arising out of its activities during the year (2012 - £nil). There is a taxation debit arising in its subsidiary of £2k (2012 - £5k credit) (note 16), in relation to deferred taxation.

12 Surplus on continuing operations for the year

The surplus on continuing operations for the year is made up as follows:

	Year ended 31 July 2013	Year ended 31 July 2012
	£000	£000
College's Surplus/(Deficit) for the year	4	98
Surplus generated by subsidiary undertaking	8	(20)
	<u>12</u>	<u>78</u>

Perth College
Notes to the Accounts

13 Tangible Fixed Assets (Group)

	Freehold Land and Buildings £000	Equipment £000	Total £000
Cost or Valuation			
At 1 August 2012	29,531	3,999	33,530
Additions	-	270	270
Disposals	-	-	-
At 31 July 2013	<u>29,531</u>	<u>4,269</u>	<u>33,800</u>
Depreciation			
At 1 August 2012	9,066	3,434	12,500
Charge for year	665	272	937
Eliminated in respect of disposals	-	-	-
At 31 July 2013	<u>9,731</u>	<u>3,706</u>	<u>13,437</u>
Net book value At 31 July 2013	<u><u>19,800</u></u>	<u><u>563</u></u>	<u><u>20,363</u></u>
Net book value At 1 August 2012	<u><u>20,465</u></u>	<u><u>565</u></u>	<u><u>21,030</u></u>
Inherited	7,392	-	7,392
Financed by capital grant	6,906	145	7,051
Other	5,502	418	5,920
Net book value At 31 July 2013	<u><u>19,800</u></u>	<u><u>563</u></u>	<u><u>20,363</u></u>

Perth College
Notes to the Accounts

13 Tangible Fixed Assets (College only)

	Freehold Land and Buildings £000	Equipment £000	Total £000
Cost or Valuation			
At 1 August 2012	29,531	3,675	33,206
Additions	-	248	248
Disposals	-	-	-
At 31 July 2013	<u>29,531</u>	<u>3,923</u>	<u>33,454</u>
Depreciation			
At 1 August 2012	9,066	3,146	12,212
Charge for year	665	250	915
Eliminated in respect of disposals	-	-	-
At 31 July 2013	<u>9,731</u>	<u>3,396</u>	<u>13,127</u>
Net book value At 31 July 2013	<u>19,800</u>	<u>527</u>	<u>20,327</u>
Net book value At 1 August 2012	<u>20,465</u>	<u>529</u>	<u>20,994</u>
Inherited	7,392	-	7,392
Financed by capital grant	6,906	145	7,051
Other	5,502	382	5,884
Net book value At 31 July 2013	<u>19,800</u>	<u>527</u>	<u>20,327</u>

Land and buildings were valued in 1995 at depreciated replacement cost by a firm of independent chartered surveyors. Other tangible fixed assets inherited from the Local authority at incorporation have not been valued.

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

Inherited Land and buildings with a net book value of £7.4m have been financed by exchequer funds. Should these assets be sold, the College may be liable, under the terms of the Financial Memorandum with the Scottish Funding Council to surrender the proceeds.

Perth College
Notes to the Accounts

13 Tangible Fixed Assets (College only) (continued)

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

	£000
Cost	-
Aggregate depreciation based on cost	-
Net book value based on cost	<u>-</u>

14 Investments

	College Year ended 31 July 2013 £000	College Year ended 31 July 2012 £000
Investments in subsidiary company	<u>20</u>	<u>20</u>

The college owns 100% of the issued ordinary £1 shares of Air Service Training (Engineering) Limited, a company incorporated in Great Britain and registered in Scotland.

The principal business activity of Air Service Training (Engineering) Limited is the provision of training and education in the field of aeronautical engineering.

In the year to 31st July 2013, the Company made an operating profit before tax of £10k and had a net asset deficit position of £4k at that date.

15 Debtors

	Group Year ended 31 July 2013 £000	College Year ended 31 July 2013 £000	Group Year ended 31 July 2012 £000	College Year ended 31 July 2012 £000
Amounts falling due within one year				
Trade Debtors	557	231	464	248
Deferred Taxation (note 16)	1	-	3	-
Amounts owed by group undertakings:				
Subsidiary undertaking	-	282	-	17
Prepayments and accrued income	364	313	299	276
	<u>922</u>	<u>826</u>	<u>766</u>	<u>541</u>

Perth College
Notes to the Accounts

16 Deferred Taxation	Group Year ended 31 July 2013 £000	College Year ended 31 July 2013 £000	Group Year ended 31 July 2012 £000	College Year ended 31 July 2012 £000
-----------------------------	---	---	---	---

The deferred tax included in the Balance Sheet is as follows:

Included in debtors/creditors (Note 15/17)	<u>(1)</u>	<u>-</u>	<u>(3)</u>	<u>-</u>
--	------------	----------	------------	----------

The movement in the deferred taxation account during the year was:

At 1 August 2012	(3)	-	2	-
Profit and loss account movement arising during the year	<u>2</u>	<u>-</u>	<u>(5)</u>	<u>-</u>
At 31 July 2013	<u>(1)</u>	<u>-</u>	<u>(3)</u>	<u>-</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

Other timing differences	<u>1</u>	<u>-</u>	<u>3</u>	<u>-</u>
--------------------------	----------	----------	----------	----------

17 Creditors: Amounts Falling Due Within One Year

	Group Year ended 31 July 2013 £000	College Year ended 31 July 2013 £000	Group Year ended 31 July 2012 £000	College Year ended 31 July 2012 £000
Bank loans and overdrafts	200	200	200	200
Trade creditors	708	689	490	425
Amounts owed to group undertakings:				
Subsidiary undertaking	-	-	-	1
Other creditors	204	150	185	174
Deferred Taxation	-	-	-	-
Other taxation and social security	234	209	223	201
Accruals	4,901	4,259	3,719	3,366
Unspent student support funds	59	59	55	55
	<u>6,306</u>	<u>5,566</u>	<u>4,872</u>	<u>4,422</u>

18 Creditors: Amounts Falling Due After More Than One Year

	Group Year ended 31 July 2013 £000	College Year ended 31 July 2013 £000	Group Year ended 31 July 2012 £000	College Year ended 31 July 2012 £000
Repayable Loans				
Bank of Scotland term loan	167	167	367	367
Salix loan	-	-	-	-
	<u>167</u>	<u>167</u>	<u>367</u>	<u>367</u>

19 Borrowings

	Group Year ended 31 July 2013 £000	College Year ended 31 July 2013 £000	Group Year ended 31 July 2012 £000	College Year ended 31 July 2012 £000
--	---	---	---	---

Repayable Loans

The Repayable loans are repayable as follows:

In one year or less	200	200	220	220
Between one and two years	167	167	200	200
Between two and five years	-	-	167	167
In five years or more	-	-	-	-
	<u>367</u>	<u>367</u>	<u>587</u>	<u>587</u>

The Salix loan taken out to improve energy efficiency within the college is unsecured, repayable over 4 years, and carries a zero interest rate. This loan has now been fully repaid.

The term loan taken out with the Bank of Scotland is secured over the property known within the Standard Security as the Student Accommodation, Perth College, Brahan Campus, Crieff Road, Perth. The loan is repayable over 5 years and carries an interest rate of 6.21% p.a.

Perth College
Notes to the Accounts

20 Provisions for Liabilities and Charges

	Group and College	
	Year ended 31 July 2013 £000	Year ended 31 July 2012 £000
At 1 August	1,453	1,301
Expenditure in the period	(109)	(105)
Interest charged	109	91
Additional provision required in the year	-	166
At 31 July	<u>1,453</u>	<u>1,453</u>

The provision is solely for Pension costs arising from early retirement. A valuation of the existing pension provision was carried out by Barnett Waddingham, an independent firm of actuaries at 31 July 2012. Interest is charged at 7% per annum (7% 2012).

21 Deferred Capital Grants

	Group and College		
	Funding Council £000	Other grants £000	Total £000
At 1 August			
Land and buildings	744	6,366	7,110
Equipment	69	232	301
Cash received (Note 27)			
Land and buildings	-	-	-
Equipment	-	-	-
Disposals			
Land and buildings	-	-	-
Equipment	-	-	-
Released to income and expenditure account			
Land and buildings	(31)	(172)	(203)
Equipment	(4)	(153)	(157)
At 31 July			
Land and buildings	713	6,194	6,907
Equipment	65	79	144
	<u>778</u>	<u>6,273</u>	<u>7,051</u>

22 Revaluation Reserve

	Group and College	
	Year ended 31 July 2013 £000	Year ended 31 July 2012 £000
At 1 August	7,905	8,233
Transfer from revaluation reserve to general reserve in respect of:		
Depreciation on revalued assets	(328)	(328)
Disposal from revaluation reserve	-	-
At 31 July	<u>7,577</u>	<u>7,905</u>

This reserve was created by the revaluation of Land and Buildings in 1995 and is being reduced by the excess of depreciation on revalued assets over the depreciation of the assets at cost.

Perth College
Notes to the Accounts

23 Designated Reserve

	Group and College	
	Year Ended 31 July 2013 £000	Year Ended 31 July 2012 £000
At 1 August	500	500
Transfer to/from designated reserve to general reserve	-	-
At 31 July	<u><u>500</u></u>	<u><u>500</u></u>

This reserve represents funds earmarked for future use in respect of long term estates management and student support.

24 Movement on General Reserves

	College	College
	Total Year Ended 31 July 2013 £000	Total Year Ended 31 July 2012 £000
Income and Expenditure Account Reserve		
At 1 August	4,911	4,485
Surplus on continuing operations after depreciation of assets at valuation, disposal of assets and tax	4	98
Transfer from revaluation reserve	328	328
At 31 July	<u><u>5,243</u></u>	<u><u>4,911</u></u>
	Group	Group
	Total Year Ended 31 July 2013	Total Year Ended 31 July 2012
Income and Expenditure Account Reserve		
At 1 August	4,886	4,480
Surplus on continuing operations after depreciation of assets at valuation, disposal of assets and tax	12	78
Transfer from revaluation reserve	328	328
At 31 July	<u><u>5,226</u></u>	<u><u>4,886</u></u>

25 Reconciliation of Consolidated Operating Surplus to Net cash inflow/(outflow) from operating activities

	Year ended 31 July 2013 £000	Year ended 31 July 2012 £000
Surplus on continuing operations after depreciation of assets at valuation	14	73
Depreciation (note 13)	937	945
Deferred capital grants released to income (note 2 and 5)	(361)	(403)
Interest payable (note 10)	30	42
(Increase)/Decrease in stocks	(2)	-
(increase)/Decrease in debtors	(185)	(72)
Increase/(Decrease) in creditors	1,434	235
Increase/(Decrease) in provisions	-	152
Interest receivable (note 6)	(127)	(110)
Net cash inflow/(outflow) from operating activities	<u><u>1,740</u></u>	<u><u>862</u></u>

Perth College
Notes to the Accounts

26 Returns on Investments and Servicing of Finance

	Year ended 31 July 2013	Year ended 31 July 2012
	£000	£000
Interest received	154	84
Interest paid	(30)	(42)
Net cash inflow from returns on investment and servicing of finance	<u><u>124</u></u>	<u><u>42</u></u>

27 Capital Expenditure and Financial Investment

	Year ended 31 July 2013	Year ended 31 July 2012
	£000	£000
Purchase of tangible fixed assets	(270)	(165)
Sales of tangible fixed assets	-	-
Deferred capital grants received (note 21)	-	-
Net cash inflow/(outflow) from capital expenditure and financial investment	<u><u>(270)</u></u>	<u><u>(165)</u></u>

28 Financing

	Year ended 31 July 2013	Year ended 31 July 2012
	£000	£000
Debt due beyond a year:		
Repayment of amounts borrowed		
Repayment of Term Loan	(200)	(200)
Repayment of new Loan	-	(20)
Net cash Inflow (outflow) from financing	<u><u>(200)</u></u>	<u><u>(220)</u></u>

29 Analysis of changes in Net Funds

	31 July 2012	Cashflows	Other changes	31 July 2013
	£000	£000	£000	£000
Cash in hand, and at bank	5,584	1,394	-	6,978
Debt due within 1 year	-	-	-	-
Debt due after 1 year	-	-	-	-
New Loan	-	-	-	-
Term Loan	(367)	200	-	(167)
Total	<u><u>5,217</u></u>	<u><u>1,594</u></u>	<u><u>-</u></u>	<u><u>6,811</u></u>

Perth College
Notes to the Accounts

30 Pension and similar obligations

The College's employees belong to 2 principal pension schemes, the Scottish Teachers' Superannuation Scheme (STSS) and Tayside Superannuation Scheme, the Local Government Pension Scheme (LGPS). The total pension cost for the year was £1,245k (2012 - £1,211k).

Scottish Teachers' Superannuation Scheme

The STSS, in common with most other public service superannuation schemes, has no real fund and is an unfunded defined benefit scheme. Contributions on a pay as you go basis are credited to the Exchequer under arrangements governed by the Superannuation Act 1972. A notional asset value is ascribed to the scheme for the purposes of determining contribution rates.

Under the definitions set out in Financial Reporting Standard 17: Retirement Benefits, the STSS 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 accounted for its contributions as if it were a defined contribution scheme.

The current contribution paid by Perth College for the year was 14.9%

Local Government Pension Scheme (Tayside Superannuation Fund)

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. The scheme is subject to triennial valuation by independent actuaries, the last valuation being carried out as at 31 July 2011.

In view of the fact that contributions to the scheme are currently established on a scheme-wide basis and that the College's share of the scheme assets is only derived on a notional basis and has no impact on the College's contribution rates as an employer, the Board of Management is of the view that the scheme should be accounted for as if it was a defined contribution scheme. The cost recognised within the surplus for the year in the income and expenditure account is equal to the contributions payable to the scheme for the year.

The most recent actuarial valuation was carried out at 31 March 2011. The value of the fund was £1,922m, and there was a deficiency of £35.8m. The funding level was 98% and an average required contribution rate was 18.5% of the pensionable pay. The contribution rate for the period 2012 to 2015 will be 18%. The funding objective is to achieve and maintain a funding level of 100%. The contribution rates paid by Perth College over the accounting periods are as follows:

April 2011 to March 2012 18.5% of pensionable pay
April 2012 to March 2013 18.0% of pensionable pay
April 2013 to March 2014 18.0% of pensionable pay

These figures include the part service element of the contribution rate.

Surpluses or deficits which arise at future valuations may impact on the College's future contribution commitment. The total LGPS pension cost for the College was £603k (2011/12 £610k).

In preparing the Annual Report for the year ended 31 July 2009, the Board of Management took advice in relation to the applicability of the accounting provisions of Financial Reporting Standard 17 (Retirement Benefits) ("FRS17") to the College's participation in the Tayside Superannuation Fund. FRS17 provides that where an entity participates in a multi-employer retirement benefit scheme, that entity should apply the accounting provisions, and recognise its share of the actuarial surplus or deficit on its balance sheet, only where the entity's share of scheme assets and liabilities has been tracked on a consistent and reasonable basis.

Having made enquires of the scheme actuary, the Board of Management have reached the conclusion that the scheme assets have not been tracked on a consistent and reasonable basis and that there is therefore scope within the administration of the scheme for a significant level of cross-subsidisation between participating employers. On that basis, the Board of Management have assessed that the accounting provisions of FRS17 should not be applied in respect of the College's participation in the Tayside Superannuation Fund and that the charge to the income and Expenditure for the year should represent only the value of the contributions made.

Perth College
Notes to the Accounts

31 Post Balance Sheet Events

There are no Post Balance Sheet Events to report.

32 Capital Commitments

	Group and College	
	Year ended 31 July 2013 £000	Year ended 31 July 2012 £000
Commitments contracted for at 31 July	<u>441</u>	<u>-</u>

The commitments contracted for above relate to the creation of new large teaching areas within the Goodlyburn Building.

Authorised but not contracted for at 31 July	<u>700</u>	<u>-</u>
--	------------	----------

The commitments authorised but not contracted for above relate to the creation of a new building for the Construction curriculum to the rear of the Brahan building.

33 Financial Commitments

At 31 July had annual commitments under non-cancellable operating leases as follows:

	Group Year ended 31 July 2013 £000	College Year ended 31 July 2013 £000	Group Year ended 31 July 2012 £000	College Year ended 31 July 2012 £000
Land and Buildings				
Expiring within one year	35	35	186	35
Expiring within two and five years inclusive	-	-	-	-
Expiring in over five years	-	-	-	-
Equipment				
Expiring within two and five years inclusive	3	-	3	-
	<u>38</u>	<u>35</u>	<u>189</u>	<u>35</u>

34 Contingent Liability

The College and Air Service Training (Engineering) Limited has executed a Corporate Guarantee under which each Borrower guarantees the payment of all Indebtedness now or in the future owing by each Borrower to Bank of Scotland.

Perth College
Notes to the Accounts

35 Related Party Transactions

Due to the nature of the College's operations and the composition of the 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 organisation in which a member of the board of governors may have an interest are conducted at arm's length and in accordance with the College's financial regulations and normal procurement procedures. Transactions during the year with non-public bodies in which a member of the Board of Management may have a material interest and which in aggregate exceeded £5,000 are noted below:

Company	Member(s)	Contract	Year ended 31 July 2013 £000	Year ended 31 July 2012 £000
UHI Millenium Institute	Dr T Moore	Supply Sales	142 97	132 53
Speakeasy Productions	J Adamson	Supply	-	37
Perth College Development Trust 2004	P Brodie Dr T Moore	*		

*The Perth College Development Trust 2004 was established to provide financial and other assistance for Perth College and its students. There are therefore transactions between the two entities. Perth College nominates Trustees to the board of the Trust and administers the Trust on a day to day basis.

During the year the Trust paid support costs of Nil to the College covering the year to 31 July 2013 and donated £97k towards the Centre for Rural Child projects, £36k to the Centre for Alzheimers Research and £11k towards student scholarships.

Perth College
Notes to the Accounts

36 Bursaries and Other Student Support Funds

	Bursary £000	FE H'ship £000	EMAs £000	Other £000	Year ended 31-Jul-13 Total £000	Year ended 31-Jul-12 Total £000
Balance brought forward	-	15	-	6	21	112
Allocation received in year	1,620	125	245	83	2,073	1,989
College contribution to funds	24	-	-	-	24	47
Expenditure	(1,644)	(122)	(245)	(77)	(2,088)	(2,071)
Repaid to SFC/UHI (Clawback)	-	-	-	(6)	(6)	(27)
Virements	-	-	-	-	-	(29)
Balance carried forward	<u>-</u>	<u>18</u>	<u>-</u>	<u>6</u>	<u>24</u>	<u>21</u>
Represented by:						
Repayable to SFC/UHI as clawback	-	18	-	6		
Retained by College for students	-	-	-	-		

Bursary funds, Higher Education Hardship, Further Education Hardship and Education Maintenance Allowances (EMAs) are available solely for students; the college acts only as a paying agent. The income and related disbursements are therefore excluded from the Income and Expenditure Account.

37 Childcare Funds

	Year ended 31-Jul-13 Total £000	Year ended 31-Jul-12 Total £000
Balance brought forward	34	45
Allocation received in year	227	257
College contribution to funds	-	3
Expenditure	(318)	(300)
Repaid to SFC (Clawback)	-	-
Virements	92	29
Balance carried forward	<u>35</u>	<u>34</u>
Represented by:		
Repayable to SFC as clawback	1	
Retained by College for students	34	

The income and related disbursements are included in the Income and Expenditure Account.

