Great Yarmouth College

Annual Report and Financial Statements

For the Year Ended 31 July 2015

Contents

Operating and Financial Review

NATURE, OBJECTIVES AND STRATEGIES

The members present their report and the audited financial statements for the year ended 31 July 2015.

Legal Status

The Corporation was established under The Further and Higher Education Act 1992 for the purpose of conducting Great Yarmouth College. The College is an exempt charity for the purposes of the Charities Act 2011.

The Corporation was incorporated as Great Yarmouth College of Further Education and trades as Great Yarmouth College.

Vision & Mission

The College's vision, as approved by its members, is:

'To transform through learning'

To achieve this, the College's Mission is to:

'To develop individuals to contribute, learn and achieve for themselves, the community and the economy.'

Public Benefit

The delivery of public benefit is covered throughout the Members' report.

Implementation of Strategic Plan

During the year the College adopted a new strategic plan for the period 2015 to 2020. This plan was structured around a series of key themes with objectives within each theme. The College's strategic themes are:

Theme 1: We will ensure success and support progression

This will be achieved by:

i) Increasing participation in Apprenticeships and Traineeships.
ii) Working with local partners to reduce local NEET.
iii) Ensuring that all students achieve their personal career plan goals and qualifications.
iv) Implementing the 'GYC job guarantee', supporting all students progressing to an apprenticeship or higher level study.
v) Increasing the number of students studying higher, technical and professional qualifications at levels 3, 4 and 5.
vi) Information, advice and guidance linked to local labour market information and employer demand. There will be clear and well supported progression ladders for Level 1 to degree.
vii) Refocussing our adult curriculum on retraining for higher level employment and increasing take up of loan funded programmes.

How will we know we have achieved?

- Participation rates for Further Education, Apprenticeships, Traineeships and degree level courses to increase by 5% each year.
- Progression rate above 90% for jobs and higher education.
- Success rates in the top 10% nationally for all our provision.
- Increasing the number of adult students accessing loans for Further Education and Higher Education by 20%.

Theme 2: We will work with our regional and local employers to drive economic outcomes

We will do this by:

i) Communicating our offer more clearly to our employers.
ii) Establishing strong key account management, underpinned by an effective Customer Relationship Management system.
iii) Treating employers as our 'ultimate customers' and celebrating their successes.
iv) Shaping our curriculum offer by listening and responding to local and regional employers and recognising the priorities of New Anglia Local Enterprise Partnership.
v) Increasing our volumes of degree level and technical training.
vi) Working alongside employer representative groups such as Chamber of Commerce, Federation of Small Businesses, East of England Energy Group and Enterprise GY.

How will we know we have achieved?

- Increasing project and commercial income by 25% per year.
- Increasing number of new large and Small Medium Enterprise (SME) employers we engage with by 10% per year.
- Improving success rates for Apprentices to top 10% nationally.
- Increasing participation on Traineeships and Apprenticeships by 10% per year.
- All students on Study Programmes to access work experience.
- Improving employer satisfaction rates to above 90%.

Theme 3: We will focus on developing wellbeing for our staff and students

We will action this by:

i) Implementing a wellbeing programme for staff and students to enhance and support resilience and personal development.
ii) Developing an innovative staff development programme supporting progression, industrial and professional practice.
iii) Introducing a new strategy to recruit and retain the highest calibre staff and leaders to Great Yarmouth College.
iv) Working collaboratively to signpost local support, helping staff and students feel safe and supported.
v) Increasing staff and student involvement by improving consultation and communication.
vi) Introducing industry best codes of practice for safety and behaviours linked to our values.

How will we know we have achieved?

- Over 500 people to participate in our GYC wellbeing programme.
- Increasing staff satisfaction rates.
- Increasing student satisfaction rates and all students report feeling safe.
- Absence rates for staff and students will be reduced.
- Achieving IIP Gold rating by 2020 and / or achieve Times100 Best Companies Listing.
- Increasing staff qualification rates and industrial skills.
- Investing in developing leadership capabilities for staff and students.

Theme 4: We will build a long term sustainable college

We will do this by:

i) Exploring options for working collaboratively and actively seeking College and employer partnerships to meet the needs of our community.
ii) Linking with local schools to support pre-16 offer alongside academies, free schools and University Technical Colleges (UTCs).
iii) Generating annual surpluses for reinvestment.

iv) Implementing a clear and published capital investment strategy for accommodation and equipment renewal.
v) Developing and completing a 5-year Information Technology investment plan to adopt technology for all curriculum and integrate support systems.
vi) Seeking and attracting new income streams through projects and partnerships.
vii) Realigning our resources to strategic priorities and seeking annual efficiencies.
viii) Improving the marketing and communication of the College to ensure growth and improving reputation.

Financial Objectives

The College's financial objectives as set out in the revised strategic plan are to:

- Staff versus income ratio to 60%.
- Generating average annual trading surplus of at least 1.5% of income.
- Increasing project and full cost income by 25% per year.
- Investing £3M over next 5 years in capital (equipment and buildings).
- Substantially increasing income over the five year plan.
- Improving cash days in hand to 60.

A series of performance indicators has also been agreed to monitor the successful implementation of the plan and is monitored regularly by the Corporation.

Performance indicators

For the year 1st August 2014 to 31st July 2015 the College considers its financial health to be good, this view is supported by the performance indicators provided by the funding bodies.

Funding for 16-18 learners provided by the Education Funding Agency (EFA) exceeded allocation by £1,084,388 or 19% although no additional funding was received in year to account for this.

During the year the College achieved and exceeded all of its original allocations from the Skills Funding Agency.

Funding for Apprentices exceeded the original allocation by £299,000 or 30%.

Funding from the Skills Funding Agency for 19+ learners exceeded the original allocation but did not achieve the revised allocation. Funding was received for all 19+ provision in year.

Success rates for all qualifications and all ages were 88.6% in the year with long qualifications at 84.8% and short qualifications at 92.4%.

The College is committed to observing the importance of sector measures and indicators and use the FE Choices website which looks at measures such as success rates. The College is required to complete the annual Finance Record for the SFA. The Finance Record produces a financial health grading. The current rating of Good is considered an acceptable outcome.

FINANCIAL POSITION

Financial Results

The College generated an operating surplus in the year of £121,000 (2013/14 £151,000). The historic cost surplus was £226,000 (2013/14 £281,000) after a release from the revaluation reserve of £105,000 relating to assets inherited at incorporation.

At the year end the College has accumulated reserves deficit of £1,342,000 (2013/14 accumulated deficit of £845,000). This has increased significantly since last year due to the large deficit increase on the pension reserve which has increased the deficit by £497,000.

Cash balances at the year-end were £858,000 compared to £875,000 in 2013/14. The improvement in cashflow was a result of careful management throughout the year and the receipt of capital funds to support the campus redevelopment not all of which had been spent by the end of the period. As a result creditors falling due within one year at 31 July 2015 were £1,209,000 compared to £1,459,000 at 31 July 2014.

The College has significant reliance on the SFA and EFA for its principal funding source, largely from recurrent grants. In 2014/15, the SFA and EFA provided 77% of the College's total income unchanged from the previous year.

Treasury policies and objectives

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

The College has a separate treasury management policy in place.

Short term borrowing for temporary revenue purposes is authorised by the Principal. Such arrangements are restricted by limits in the College's Financial Memorandum previously agreed with the Skills Funding Agency. All other borrowing requires the authorisation of the Corporation and shall comply with the requirements of the Financial Memorandum.

Cash flows

Operating cash flow for the year was an inflow of cash of £930,000 (2013/14 - £1,240,000), actual cash flow for the year resulted in a decrease of £17,000 after payment of interest and capital for outstanding debts of £389,000 (excluding expenditure on the major capital project).

Liquidity

During the year, the College's liquidity position improved to a £3,000 net assets at the year-end compared to a net liability of £74,000 for the same time the previous year, this is another significant improvement and is associated with the trading surplus achieved during the year and the improvement in the cash holdings of the College.

The size of the College's total borrowing and its approach to interest rates have been calculated to ensure a reasonable cushion between the total cost of servicing debt and operating cash flow. During the year this margin was achieved due to the trading surplus generated and a continued drive to reduce all debt. Net debt decreased in the year from £3,420,000 in 2013/14 to £3,290,000 at 31st July 2015.

CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE

Student numbers

In 2014/15 the College has delivered activity that has produced £8,861,000 in Funding Council main allocation funding (2013/14 £9,158,000). The College had approximately 3,000 SFA and EFA funded and 1,800 non-Council-funded students.

Student Achievements

Students achieved an estimated 89% of their qualification aims (2013/14 - 89%).

Curriculum Developments

Approaches to teaching, learning and assessment are under continuous review and development in order to ensure that the curriculum meets the needs of the local community.

During October 2013 the college was inspected for the third time in 3 years achieving a judgment of 'Good', grade 2. Whilst the quality of provision has improved significantly the need to continue to review curriculum has not decreased. The introduction of Study programmes 2013/14 and the raising of the participation age along with the need to respond to mandatory English and Maths delivery as a condition of funding means curriculum review remains of significant importance. Since inspection the College has completed two further rounds of self-assessment both of which have graded provision as 'Good', grade 2.

The College continues to cater for students with low levels of prior educational achievement with a significant number of students studying at levels one and two. For 2015-16 a new approach to level 1 delivery is planned, it includes a carousel approach to the construction and also to engineering industries. Students are able to try several disciplines before making a final choice for level 2 study. The College has also introduced 2 'Engage' programmes for level 1 learners. The main qualifications are maths and English and the rest of the study programme is based on project working in teams. One of these routes is focused on the arts the other on work largely in the community, for example decorating some areas of the College nursery.

Demand for apprenticeship continues to grow.

The College offers a range of courses for adults and in particular prepares students for university through Access courses and demand for this has remained strong, with Arts, Media and Computing Access courses being added to the offer to students.

The College is optimistic that it has halted the reduction in HE numbers which occurred in part as a result of the increase in tuition fees. New courses for next year include HNC/D Engineering and BA(Hons) Applied Care Practice. Further development of higher education courses for future years is on target for completion

Payment performance

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. The target set by the Treasury for payment to suppliers within 30 days is 95%. For the accounting period 1 August 2014 to 31 July 2015, the College has paid over 95% of its invoices within the 30 day period. The College incurred no interest charges in respect of late payment for this period.

Post-balance Sheet Events

There have been no significant Post Balance Sheet events this year that directly affect the accounts.

Future Developments

During the year the College has been finalising the major capital project that was started in 2013/14. During the year the work has mainly been undertaken on the 'B block' section of the main site which comprises of a 1950's tower block. The work was a total refurbishment and remodelling of this block with the addition of a two storey atrium.

The work was completed on time and within budget and was ready to accept new students from the start of September 2015. The new facilities offer an improved library with a separate self-study area, numerous new teaching spaces all with high quality IT provision, a new HE centre, an additional coffee outlet and numerous improved facilities and office space for staff.

Although the facility was not complete at the year-end it was available for student use from the start of the Autumn term and the staff areas will be completed and utilised by the end of November 2015.

Area Review

Following the pioneering College Area Review led by the FE commissioner, Dr David Collins, alongside Peter Mucklow, the Sixth Form College Commissioner, national funding agencies and representatives from the Department of Business, Innovation and Skills, the College has been in discussions with Lowestoft Sixth Form College and Lowestoft College as to how we can enhance post -16 education opportunities for the benefit of our students, employers and local communities. The Corporation has decided that a merger with both the colleges is an innovative and forward-thinking strategy that will enable Great Yarmouth College to preserve and expand its excellent offer in the face of current and likely future public sector funding reductions. The colleges have formed a shadow board to take this work forward and intend to share the merger proposal and consult all stakeholders in January with a view to completion by August 2016.

Staff and Student Involvement

The College considers good communication with its staff to be very important, and to this end it publishes a regular newsletter, which is available to all staff. The College encourages staff and student involvement through membership of formal committees.

Taxation

The College's activities are not subject to Corporation Tax. See accounting policies for further clarification.

Resources

The College has various resources that it can deploy in pursuit of its strategic objectives.

Tangible resources include the main college site, Studio One, Alchemy Centres, Studios 2&3 and the 'Kier' Centre for Construction.

Financial

The College has £11,507,000 of net assets (including £4,717,000 pension liability) and long term debt of £3,994,000.

People

The College employs 240 (2013/14 - 283) people (expressed as full time equivalents), of whom 150 are directly associated with delivery of teaching to students.

Reputation

The College has a good reputation locally and nationally. Maintaining a quality brand is essential for the College's success at attracting students and external relationships. The College was inspected in October 2013 and was graded 2 'Good' in all areas and 'Good' overall including for leadership and management.

PRINCIPAL RISKS AND UNCERTAINTIES

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

Based on the strategic plan, the Risk Management Group undertakes a comprehensive review of the risks to which the College is exposed. They identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the College. The internal controls are then implemented and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions. In addition to the annual review, the Risk Management Group will also consider any risks which may arise as a result of a new area of work being undertaken by the College.

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

This is supported by a risk management training programme to raise awareness of risk throughout the College.

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

1. Government funding

The College has considerable reliance on continued government funding through the SFA/EFA and HEFCE through UCS. In 2014/15, over 80% of the College's revenue was ultimately public funded and this level of requirement is expected to continue. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms beyond the next 12 months.

The College is aware of several issues which may impact on future funding,

- Budgets for both the SFA and EFA are being cut nationally and this impact will be passed onto colleges in the sector through reduced funding
- The changes regarding Study Programmes for 16-18 students and the reduction in funding for learners who reach the age of 18 have already affected the College and will continue to create challenges for curriculum managers.
- Changes to the funding of work based learning planned for 2015 will introduce new funding systems for this activity and as yet the impact on the organisation is unclear.
- The introduction of 24+ loans for learners aged 24 or over on a level 3 course was relatively successful for the College in the last year, however the expansion of loans for other areas and levels remains a potential threat to funding.
- Continuing changes to HE funding and increases in fees set by UCS continue to affect recruitment at the College and funding for HE. The College will continue to develop HE and the objective is to increase HE funding overall.

This risk is mitigated in a number of ways:

- Funding is derived through a number of direct and indirect contractual arrangements, and as part of the new Strategic plan the College is trying to grow this income and has had some success during the year
- By ensuring the College is rigorous in delivering high quality education and training
- Considerable focus and investment is placed on maintaining and managing key relationships with the various funding bodies and key partners
- Ensuring the College is focused on those priority sectors which will continue to benefit from public funding
- To increase the employer focus of the organisation to satisfy the needs of local employers to attract full cost income and additional apprenticeship income.

2. Tuition fee policy

Ministers have confirmed that the fee assumption remains at 50% for 2014/15. In line with the majority of other colleges, Great Yarmouth College will increase tuition fees in accordance with the rising fee assumptions. The price elasticity of adult learning for the College is not yet fully understood. The risk for the College is that demand falls off as fees increase.

This risk is mitigated in a number of ways:

- For 2014/15 the College has adopted Funding Council rates for all fees for mainstream delivery and work based apprentices and is using project monies to support fee costs wherever possible
- The College continues to encourage 24+ loan students to access loans to meet fee costs and this has seen significant growth during 2014/15
- The College will continue to utilise Learner Support Funds (LSF) to support disadvantaged learners with fees wherever permitted.

3. Maintain adequate funding of pension liabilities

The financial statements report the share of the pension scheme deficit on the College's balance sheet in line with the requirements of FRS 17. For 2014/15 there has been a significant adverse movement in the actuarial valuation for the second year running. This now means that the overall Pension deficit is £4,717k.

STAKEHOLDER RELATIONSHIPS

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

- Learners and their sponsors;
- Education sector funding bodies;
- FE Commissioner;
- Staff;
- Local employers (with specific links);
- Local Authorities;
- Government Offices/ Regional Development Agencies/LEPs;
- The local community;
- Other FE institutions;
- Trade unions;
- Professional bodies.

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

Equal Opportunities and Employment of Disabled Persons

The College is committed to ensuring equality of opportunity for all who learn and work here. We respect and value positively differences in race, gender, sexual orientation, disability, religion or belief and age. We strive vigorously to remove conditions which place people at a disadvantage and we will actively combat bigotry. This policy is resourced, implemented and monitored on a planned basis. The College's Equal Opportunities Policy is published on the College's Intranet site.

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

The College is a 'Positive about Disabled' employer and has committed to the principles and objectives of the Positive about Disabled standard. The College considers all employment applications from disabled persons, bearing in mind the aptitudes of the individuals concerned, and guarantees an interview to any disabled applicant who meets the essential criteria for the post. Where an existing employee becomes disabled, every effort is made to ensure that employment with the College continues. The College's policy is to provide training, career development and opportunities for promotion which, as far as possible, provide identical opportunities to those of non-disabled employees.

Disability Statement

The College seeks to achieve the objectives set down in the Equality Act 2010, and in particular makes the following commitments:

a) as part of the redevelopment of the buildings it is installing lifts and ramps so that eventually most of the facilities will allow access to people with a disability;

b) there is a list of specialist equipment, such as lighting, audio facilities or wheelchairs, which the College can make available for use by students or visitors;

c) the admissions policy for all students is described in the College charter. Appeals against a decision not to offer a place are dealt with under the complaints policy

d) the College has made a significant investment in the appointment of specialist lecturers to support students with learning difficulties and/or disabilities. There are a number of student support assistants who can provide a variety of support for learning. There is a continuing programme of staff development to ensure the provision of a high level of appropriate support for students who have learning difficulties and/or disabilities;

e) specialist programmes are described in programme information guides, and achievements and destinations are recorded and published in the standard College format;

f) counselling and welfare services are described in the College charter.

Disclosure of information to auditors

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

Approved by order of the members of the Corporation on 24th November 2015 and signed on its behalf by:

Mr Rob Evans

Chairman

Professional Advisers

Financial Statement and Regularity Auditors:	**Internal Auditors:**
Scrutton Bland Fitzroy House Crown Street Ipswich Suffolk IP1 3LG	Baker Tilly Audit Limited The Pinnacle 170 Midsummer Boulevard Milton Keynes Bucks MK9 1BP
Bankers:	**Solicitors:**
Lloyds TSB Bank Plc 41, Prince of Wales Road Norwich Norfolk NR1 1BL	Norfolk County Council Martineau Lane County Hall Norwich Norfolk NR2 1NH

Statement of Corporate Governance and Internal Control

The following statement is provided to enable readers of the annual report and accounts of the College to obtain a better understanding of its governance and legal structure.

The College endeavours to conduct its business:

i. in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership);
ii. in full accordance with the guidance to colleges from the Association of Colleges in the Code of Good Governance for English Colleges which replaced the foundation code of governance.

The College is committed to exhibiting best practice in all aspects of corporate governance and in particular the College/Board has adopted and complied with the Code of Good Governance for English Colleges.

In the opinion of the Governors, the College complies with all the provisions of the Code of Good Governance for English Colleges, and it has complied throughout the year ended 31 July 2015. The Governing Body recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times. In carrying out its responsibilities, it takes full account of Code of Good Governance for English Colleges which it formally adopted in July 2015 and this was reviewed through the Governance Self-Assessment process for 2014/15.

The College is an exempt charity within the meaning of Part 3 of the Charities Act 2011.The Governors, who are also the Trustees for the purposes of the Charities Act 2011, confirm that they have had due regard for the Charity Commission's guidance on public benefit and that the required statements appear elsewhere in these financial statements.

The Corporation

The members who served on the Corporation during the year and up to the date of signature of this report were as listed in Table 2.

Table 2. Governors serving on the College Board during 2014/15

Name	Date of most recent appointment	Term of office	Date of resignation	Status of appointment	Committees served	Corporation meeting attendance
J Beck	22.11.11	4 years		Independent	Estates	4/9
A Cadmore	16.07.13	4 years		Independent	GR&S, Audit, Standards	8/9
L Dyble	21.05.13	4 years		Independent	Standards	6/9
R Evans	20.03.12	4 years		Independent	GR&S	9/9
T Garrod	13.07.10	4 years	End of term 12.07.14	Independent	F&GP, GR&S	N/A
R Kirk	10.05.11 Reappointed date 19.5.15	4 years	Left college 04.08.15	Staff	Standards, Estates	6/9
A Mobbs	20.11.12	4 years	30.10.14	Independent	Standards	1/1
M Redington	21.05.13		Left college 15.7.14	Student	Standards	N/A
S Robertson	16.01.12	4 years		Independent	Standards, Audit, GR&S	8/9
S Rolfe	14.12.10 Reappointed date 25.11.14	4 years	Resigned 29.06.15	Independent	Audit	7/8
S Sirdar	27.11.10 Reappointed date 25.11.14	4 years		Independent	Standards, Estates	9/9
T Ward	21.11.11	4 years		Staff	GR&S	7/9
B Wilson	21.05.13	4 years		Independent	Standards, Audit (until 27.1.15) F&GP (from 3.2.15)	8/9
S Rimmer	15.7.14			Principal	Estates, F&GP, GRS, Standards	9/9
M Castle	15.7.14	4 years		Independent	GR&S	8/9
Fiona McDiarmid	15.7.14	4 years		Independent	Audit, Standards	6/9
Tony Wright	22.4.14	4 years		Independent	F&GP, Estates	8/9
David Hill	25.2.14	4 years		Independent	F&GP	4/9
Gary Crompton	20.5.14	4 years		Staff	F&GP	7/9
Tamsin Poulter	27.01.15	4 years		Independent	Audit, Standards	3/5
Jacqueline Blyth	24.03.15			Student	Standards	3/4
Mrs Wendy Stanger acts as Head of Governance						

Statement of Corporate Governance and Internal Control (continued)

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

The Corporation is provided with regular and timely information on the overall financial performance of the College together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel related matters such as health and safety and environmental issues. The Corporation meets each term.

The Corporation conducts its business through a number of committees. Each committee has terms of reference, which have been approved by the Corporation. These committees are Finance and General purposes, Standards, Governance, Remuneration and Search, Estates and Audit. Full minutes of all meetings, except those deemed to be confidential by the Corporation, are available from the Head of Governance at:

Great Yarmouth College
Southtown
Great Yarmouth
Norfolk
NR31 0ED
Web address: www.gyc.ac.uk

The Head of Governance maintains a register of financial and personal interests of the Governors. The register is available for inspection at the above address.

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

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

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

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

Appointments to the Corporation

Any new appointments to the Corporation are a matter for the consideration of the Corporation as a whole. The Corporation has a Governance Remuneration and search committee comprised of not less than five members, which is responsible for the selection and nomination of any new member for the Corporation's consideration. The Corporation is responsible for ensuring that appropriate training is provided as required.

Members of the Corporation are appointed for a term of office not exceeding four years, although members may serve more than one term of office but not normally more than two.

Governance Remuneration and Search committee

In the year ended 31 July 2015, the College's remuneration committee was amalgamated with the Governance and Search Committee to form the Governance Remuneration and Search Committee and comprised five members. The committee's responsibilities include to make recommendations to the Board on the remuneration and benefits of the Principal and other senior post-holders.

Details of remuneration for the year ended 31 July 2015 are set out in note 8 to the financial statements.

Audit Committee

The audit committee comprises of four members of the Corporation (excluding the Principal and Chair). The committee operates in accordance with written terms of reference approved by the Corporation.

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

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

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

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

Internal Control

Scope of responsibility

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

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

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an 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 Great Yarmouth College for the year ended 31 July 2015 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Corporation has reviewed the key risks to which the College is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Corporation is of the view that there is a formal ongoing process for identifying, evaluating and managing the College's significant risks that has been in place for the period ended 31 July 2015 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Corporation.

The risk and control framework

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

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

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

Review of effectiveness

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

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

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

The senior management team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The senior management team and the audit committee also receive regular reports from internal audit and other sources of assurance, which include recommendations for improvement. The audit committee's role in this area is confined to a high- level review of the arrangements for internal control. The Corporation's agenda includes a regular item for consideration of risk and control and receives reports thereon from the senior management team and the audit committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its 24 November 2015 meeting, the Corporation carried out the annual assessment for the year ended 31 July 2015 by considering documentation from the senior management team and internal audit, and taking account of events since 31 July 2015.

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

Going concern

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

Approved by order of the members of the Corporation on 24th November 2015 and signed on its behalf by:

Mr Rob Evans
Chairman

Mr Stuart Rimmer
Principal & Chief Executive

Governing Body's statement on the College's regularity, propriety and compliance with Funding body terms and conditions of funding

The Corporation has considered its responsibility to notify the Skills Funding Agency of material irregularity, impropriety and non-compliance with Skills Funding Agency terms and conditions of funding, under the financial memorandum in place between the College and the Skills Funding Agency. As part of its consideration the Corporation has had due regard to the requirements of the financial memorandum/funding agreement.

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We confirm, on behalf of the Corporation, that after due enquiry, and to the best of our knowledge, we are able to identify any material irregular or improper use of funds by the College, or material non-compliance with the Skills Funding Agency's terms and conditions of funding under the College's financial memorandum.

We confirm that no instances of material irregularity, impropriety or funding noncompliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Skills Funding Agency.

Statement of the Responsibilities of the Members of the Corporation

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

Within the terms and conditions of the Financial Memorandum/Funding Agreement between the Skills Funding Agency/Education Funding Agency and the Corporation of the College, the Corporation, through its Principal, is required to prepare financial statements for each financial year in accordance with the 2007 *Statement of Recommended Practice – Accounting for Further and Higher Education Institutions* and with the Accounts Direction for 2014/15 financial statements issued jointly by the Skills Funding Agency (SFA) and the Education Funding Agency (EFA), and which give a true and fair view of the state of affairs of the College and the result for that year.

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

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

The Corporation is also required to prepare an Operating and Financial Review which describes what it is trying to do and how it is going about it, including the legal and administrative status of the College.

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

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

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

Approved by order of the members of the Corporation on 24th November 2015 and signed on its behalf by:

Mr Rob Evans
Chairman

Independent auditor's report to the Corporation of Great Yarmouth College

We have audited the financial statements of Great Yarmouth College for the year ended 31 July 2015 which comprise the Income and Expenditure account, the Statement of Total Recognised Gains and Losses, the Statement of Historical Cost Surpluses and Deficits, Balance Sheet and Cash Flow Statement and the related notes for the year ended 31 July 2015. 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 Corporation, as a body, in accordance with statutory requirements. Our audit work has been undertaken so that we might state to the Corporation, as a body, those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Corporation, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of members and auditors

As explained more fully in the Statement of the Responsibilities of the Members of the Corporation, the Corporation is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures 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 College's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Corporation; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the affairs of the College as at 31 July 2015 and of its surplus of income over expenditure for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the 2007 Statement of Recommended Practice – Accounting for Further and Higher Education

Opinion on other matters prescribed by the Joint Audit Code of Practice issued jointly by the Skills Funding Agency and Education Funding Agency:

We have nothing to report in respect of the following matters where the Joint Audit Code of Practice requires us to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns.

Scrutton Bland

Scrutton Bland
Chartered Accountants and Statutory Auditors
Ipswich

1 December 2015

Reporting accountant's assurance report on regularity

To: The corporation of Great Yarmouth College and Secretary of State for Business, Innovation and Skills acting through Skills Funding Agency

In accordance with the terms of our engagement letter and further to the requirements of the financial memorandum with Skills Funding Agency we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest that in all material respects the expenditure disbursed and income received by Great Yarmouth College during the period 1 August 2014 to 31 July 2015 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

The framework that has been applied is set out in the Joint Audit Code of Practice issued jointly by Skills Funding Agency and Education Funding Agency. In line with this framework, our work has specifically not considered income received from the main funding grants generated through the Individualised Learner Record (ILR) returns, for which the Skills Funding Agency has other assurance arrangements in place.

This report is made solely to the corporation of Great Yarmouth College and the Skills Funding Agency in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the corporation of Great Yarmouth College and Skills Funding Agency those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the corporation of Great Yarmouth College and Skills Funding Agency for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Great Yarmouth College and the reporting accountant

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

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Joint Audit Code of Practice. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 August 2014 to 31 July 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Joint Audit Code of Practice issued jointly by Skills Funding Agency and Education Funding Agency. We performed a limited assurance engagement as defined in that framework. The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

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

The work undertaken to draw to our conclusion includes:

- A review of the College's Self Assessment Questionnaire for the period 1 August 2014 to 31 July 2015.
- A review of the evidence supplied by the College to support the Self Assessment Questionnaire and discussions with members of the College's staff.
- Tests of detail.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 August 2014 to 31 July 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Scrutton Bland

Scrutton Bland
Chartered Accountants
Fitzroy House
Crown Street
Ipswich IP1 3LG

Date: 1 December 2015

Income and Expenditure Account for the year ended 31 July 2015

	Notes	Year ended 31 July 2015 £000's	Year ended 31 July 2014 £000's
Income			
Funding body income	2	9,968	10,086
Tuition fees and education contracts	3	1,745	1,535
Research grants and contracts	4	375	254
Other income	5	847	858
Endowment and Investment income	6	-	-
Total Income		**12,935**	**12,733**
Expenditure			
Staff costs	7	8,591	8,598
Other operating expenses	9	3,095	2,713
Depreciation	12	940	1,002
Interest and other finance costs	10	188	269
Total Expenditure		**12,814**	**12,582**
Surplus on continuing operations after depreciation of tangible fixed assets at valuation and before tax		121	151
Loss on disposal of assets		-	(1)
Surplus on continuing operations after depreciation of tangible fixed assets at valuation and disposal of assets but before tax		121	150
Taxation	11	-	-
Surplus on continuing operations after depreciation of assets at valuation, disposal of assets and tax		**121**	**150**

The income and expenditure account is in respect of continuing activities

There were no operations that were acquired or discontinued by Great Yarmouth College during the year.

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

	Notes	Year ended 31 July 2015 £000's	Year ended 31 July 2014 £000's
Surplus on continuing operations after depreciation of assets at valuation and disposal of assets and tax		121	150
Actuarial gain/(loss) in respect of pension scheme	25	(723)	(720)
Total recognised gains/(losses) since last report		**(602)**	**(570)**
Reconciliation			
Opening reserves and endowments		(29)	547
Total recognised gains/(losses) for the year		(602)	(570)
Increase/(Decrease) in restricted reserves		(13)	(6)
Closing reserves and endowments		**(644)**	**(29)**

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

	Notes	Year ended 31 July 2015 £000's	Year ended 31 July 2014 £000's
Surplus on continuing operations before taxation		121	150
Difference between historical cost depreciation and the actual charge for the year calculated on the re-valued amount	18	105	131
Historical cost Surplus for the year before taxation		**226**	**281**
Historical cost Surplus for the year after taxation		**226**	**281**

Balance Sheet as at 31 July 2015

	Notes	2015 £000's	2014 £000's
Tangible assets	12	20,457	16,716
Current assets			
Debtors	13	354	510
Cash at bank and in hand		858	875
		1,212	1,385
Creditors: amounts falling due within one year	14	(1,209)	(1,459)
Net current assets/(liabilities)		**3**	**(74)**
Total assets less net current (liabilities)		20,460	16,642
Creditors: amounts falling due after more than one year	15	(3,994)	(4,148)
Provisions for liabilities and charges	16	(242)	(239)
Net assets excluding pension liability		**16,224**	**12,225**
Net pension liability	25	**(4,717)**	**(3,965)**
Net assets including pension liability		**11,507**	**8,290**
Deferred capital grants	17	12,151	8,319
Revaluation reserve	18	642	747
Restricted reserve		56	69
General reserve	19	(1,342)	(845)
Total reserves		(644)	(29)
TOTAL		**11,507**	**8,290**

The financial statements on pages 21 to 42 were approved by the governing body on 24th November 2015 and were signed on its behalf by:-

Mr Rob Evans
Chairman

Mr Stuart Rimmer
Principal & Chief Executive

Cash Flow Statement for the year ended 31 July 2015

	Notes	Year ended 31 July 2015 £000's	Year ended 31 July 2014 £000's
Cash flow from operating activities	20	930	1,240
Returns on investments and servicing of finance	21	(242)	(239)
Capital expenditure	22	(558)	(129)
Financing	23	(147)	(190)
Increase/(Decrease) in cash in the year	24	**(17)**	**682**

Reconciliation of net cash flow to movement in net debt

	Notes	Year ended 31 July 2015 £000's	Year ended 31 July 2014 £000's
Increase in cash in the year		(17)	682
Cash outflow from decrease in net debt		147	189
Net debt at 1 August		(3,420)	(4,291)
Net debt at 31 July	24	**(3,290)**	**(3,420)**

Notes to the Financial Statements for the Period from 1 August 2014 to 31 July 2015

1 Statement of Accounting Policies

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

Basis of preparation

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

Basis of accounting

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

Going Concern

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

The College's forecasts and financial projections demonstrate that it will be able to operate within the funding allocations confirmed by the funding bodies for 2015/16. However, given the considerable uncertainties affecting future funding allocations, and the outcomes of the Area Review, the Corporation have decided that a merger with Lowestoft Sixth Form College and Lowestoft College offers an innovative and forward thinking strategy to best preserve and expand its educational offer.

The College currently has £3,994k of loans outstanding with bankers on terms negotiated in 2008. The terms of the existing agreement are for up to another 18 years. The College's forecasts and financial projections indicate that it will be able to operate within this existing facility and covenants for the foreseeable future.

Accordingly, the members of the Corporation have a reasonable expectation that the College has adequate resources to continue in operational existence for a period of at least twelve months from the date of signing of these statements, and for this reason will continue to adopt the going concern basis in the preparation of its annual financial statements.

Recognition of income

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

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

Income from tuition fees is recognised in the period for which it is received and includes all fees payable by students or their sponsors, for example the National Health Service. Income from grants, contracts and other services rendered is included to the extent of the completion of the contract or service concerned.

All income from short-term deposits is credited to the income and expenditure account in the period in which it is earned. Income from specific endowments not expended in accordance with the restrictions of the endowment is transferred from the income and expenditure account to specific endowments.

Post-retirement benefits

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

Contributions to the TPS are calculated so as to spread the cost of pensions over employees' working lives with the College in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 25, the TPS is a multi-employer scheme and the College is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

Enhanced Pensions

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

Tangible fixed assets

Land and buildings

Land and buildings inherited from the Local Education Authority (LEA) and buildings acquired since incorporation are stated in the balance sheet at valuation on the basis of depreciated replacement cost, as the open market value for existing use is not readily obtainable. The associated credit is included in the revaluation reserve. The difference between depreciation charged on the historic cost of assets and the actual charge for the year calculated on the revalued amount is released to the income and expenditure account reserve on an annual basis. Land and buildings acquired and building improvements made since incorporation are included in the balance sheet at cost. Freehold land is not depreciated. Freehold buildings are depreciated over a straight line basis over their expected useful economic life to the College of between 20 and 50 years. The College has a policy of depreciating major adaptations to buildings over the period of their useful economic life.

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

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

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

On adoption of FRS 15, the College followed the transitional provision to retain the book value of land and buildings, which were revalued in 1996, but not to adopt a policy of revaluations of these properties in the future. These values are retained subject to the requirement to test assets for impairment in accordance with FRS 11.

Assets under construction

Assets under construction are accounted for at cost, based on the value of architects' certificates and other direct costs, incurred to 31 July 2015. They are not depreciated until they are brought into use.

Subsequent expenditure on existing fixed assets

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

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

Buildings owned by third parties

Where land and buildings are used, but the legal rights are held by a third party, for example a charitable trust, they are only capitalised if the College has rights or access to ongoing future economic benefit. These assets are then depreciated over their expected useful economic life.

Equipment

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

All assets are depreciated on a straight line basis over their useful economic life as follows:

Motor vehicles and general equipment	-	seven and five years;
Computer equipment	-	four years;
Furniture and fittings	-	seven and five years.

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

Leased assets

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

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.

Maintenance of premises

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

Taxation

The College is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the College is potentially exempt from 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 receives no similar exemption in respect of Value Added Tax. For this reason the College is generally unable to recover input VAT it suffers on goods and services purchased. Non-pay expenditure is therefore shown inclusive of VAT with any partial recovery netted off against these figures.

Liquid resources

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

Provisions

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

Agency arrangements

The College acts as an agent in the collection and payment of Learner Support Funds. Related payments received from the SFA and its successor organisations and subsequent disbursements to students are excluded from the Income and Expenditure account and are shown separately in Note 29, except for the 5% of the grant received which is available to the College to cover administration costs relating to the grant. The College employs one member of staff dedicated to the administration of Learner Support Fund applications and payments.

2 Funding Body Income

	Year ended 31 July 2015 £000's	Year ended 31 July 2014 £000's
EFA & SFA Recurrent grant	7,486	7,779
Work Based Learning	1,375	1,379
Releases of deferred capital grants	382	274
Other/Local Initiative Funds	725	654
	9,968	**10,086**

3 Tuition Fees and Education Contracts

	Year ended 31 July 2015 £000's	Year ended 31 July 2014 £000's
UK Higher Education students	1,087	1,072
UK Further Education students	387	229
	1,474	1,301
Other contracts	17	26
Other contracts - LEA & Schools	141	93
Other contracts - Full Cost	113	115
	1,745	**1,535**

Tuition fees funded by Learner Support Funds
Included within the above amounts are tuition fees funded by Learner Support Funds of £43,817 (2013/14 £40,053)

4 Research Grants and Contracts

	Year ended 31 July 2015 £000's	Year ended 31 July 2014 £000's
Other	375	254
	375	**254**

5 Other Income

	Year ended 31 July 2015 £000's	Year ended 31 July 2014 £000's
Residencies, catering and conferences	362	301
Releases from deferred capital grants (non Funding Body)	-	138
Nursery Income	213	208
Field Trips	1	-
Retail Services	66	81
Other income	205	130
	847	**858**

6 Endowment and Investment Income

	Year ended 31 July 2015 £000's	Year ended 31 July 2014 £000's
Pension finance income (note 25)	-	-
Other interest receivable	-	-
	-	-

7 Staff Costs

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

	Year ended 31 July 2015 Number	Year ended 31 July 2014 Number
Teaching departments - teaching staff	121	127
Teaching departments - other staff	7	7
Teaching support services	22	29
Other support services	9	7
Administration and central services	58	58
Premises	6	6
Catering & Residences	8	7
Other Income Generating Activities	9	10
	240	**251**

Staff costs for the above persons:	Year ended 31 July 2015 £000's	Year ended 31 July 2014 £000's
Wages and salaries	7 197	7 384
Social security costs	452	462
Other pension costs	754	736
Staff restructuring costs	188	16
	8,591	**8,598**

Teaching departments	3,985	5,053
Teaching departments -other staff	2,172	1,058
Teaching support services	338	553
Other support services	46	34
Administration and central services	1,326	1,282
Premises	235	239
Catering and residences	126	125
Other Income Activities (Nursery)	175	179
Staff restructuring costs	188	16
Staff Bonus	-	59
Total	**8,591**	**8,598**

	Year ended 31 July 2015 £000's	Year ended 31 July 2014 £000's
Employment costs for staff on permanent contracts	7,939	7,904
Employment costs for staff on short-term and temporary contracts	464	678
Staff restructuring costs	188	16
	8,591	**8,598**

7 Staff Costs (continued)

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

	Year ended 31 July 2015		Year ended 31 July 2014	
	Number senior post-holders	Number other Staff	Number senior post-holders	Number other Staff
£ 60,001 to £ 70,000		1	-	1
£ 70,001 to £ 80,000	1	-	1	-
£ 80,001 to £ 90,000	-	-	-	-
£ 90,001 to £ 100,000	-	-	-	-
£ 100,000 to £ 110,000	1	-	-	-
£ 110,000 to £ 120,000	-	-	1	-
	2	**1**	**2**	**1**

8 Senior Post-holders' Emoluments

Senior post-holders are defined as the Principal (or Chief Executive) and holders of the other senior posts whom the Board have selected for the purposes of the articles of government of the institution relating to the appointment and promotion of staff who are appointed by the Governing Body.

	Number 2015	Number 2014
The number of senior post-holders including the principal was:	2	3

	Year ended 31 July 2015 £	Year ended 31 July 2014 £
Salaries	182,758	198,198
Benefits in kind	-	15,523
Pension contributions	20,442	26,104
Total emoluments	**203,200**	**239,825**

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

	Year ended 31 July 2015 £	Year ended 31 July 2014 £
Salary for period 01/08/2013 - 02/07/2014		112,248
Pension contributions for period 01/08/2013 - 02/07/2014		14,836
Salary for period 01/08/2014-31/07/2015 : 03/07/2014 - 31/07/2014	105,438	8,750
Pension contributions for period 01/08/2014-31/07/2015 : 03/07/2014 - 31/07/2014	12,827	1,234
Total	**118,265**	**137,068**

Stuart Rimmer is the principal and is the highest paid senior post holder during the year 01/08/2014-31/07/2015.

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

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

8 Senior Post-holders' Emoluments (continued)

Overseas activities

No costs were incurred during the year ended 31 July 2015 in respect of overseas activities.

9 Other Operating Expenses

	Year ended 31 July 2015 £000's	Year ended 31 July 2014 £000's
Teaching departments	752	506
Teaching support services	161	115
Other support services	64	131
Administration and general services	1,184	1,087
Premises costs	722	677
Planned maintenance	2	2
Other income generating activities - Refectory	188	168
Catering and residence operations - Nursery	22	27
Total	**3,095**	**2,713**

Other operating expenses include:	Year ended 31 July 2015 £000's	Year ended 31 July 2014 £000's
Auditors' remuneration:		
financial statements audit	16	16
internal audit	21	16
other services from either external or internal audit	1	-

10 Interest and Other Finance Costs

	Year ended 31 July 2015 £000's	Year ended 31 July 2014 £000's
Loan interest	226	237
Notional interest on enhanced pension provision	(38)	32
Total	**188**	**269**

11 Taxation

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

12 Tangible Fixed Assets

	Freehold Land and Buildings £000's	Computers £000's	Equipment £000's	Total £000's
At 1 August 2014	23,666	390	2,242	26,298
Additions	4 632	29	20	4 681
Reallocation	-	-	-	-
Disposals	-	(1)	(23)	(24)
At 31 July 2015	**28 298**	**418**	**2 239**	**30 955**
Depreciation				
At 1 August 2014	7 718	274	1 590	9 582
Charge for year	701	41	198	940
Reallocation	-	-	-	-
Eliminated in respect of disposals	-	(1)	(23)	(24)
At 31 July 2015	**8 419**	**314**	**1 765**	**10 498**
Net book value at 31 July 2015	**19 879**	**104**	**474**	**20 457**
Net book value at 1 August 2014	**15,948**	**116**	**652**	**16,716**
Inherited	634	-	-	634
Financed by capital grant	11,989	-	161	12,150
Other	7,256	104	313	7,673
Net book value at 31 July 2015	**19,879**	**104**	**474**	**20,457**

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

The net book value of freehold land and buildings includes £6083 and £414 (of which 2014 - £1,457) of assets under construction which have not been depreciated.

13 Debtors

	Year ended 31 July 2015 £000's	Year ended 31 July 2014 £000's
Amounts falling due within one year		
Trade debtors	68	135
Other debtors	1	1
Prepayments and accrued income	285	114
Amounts owed by the Skills Funding Agency	-	260
	354	**510**

14 Creditors: Amounts Falling Due Within One Year

	Year ended 31 July 2015 £000's	Year ended 31 July 2014 £000's
Bank loans & overdrafts	154	147
SFA payments received in advance	270	194
Capital grant received		95
Other Creditors	120	144
Trade creditors	301	597
Obligations under finance leases	-	-
Other taxation and social security	141	162
Accruals	223	120
	1,209	**1,459**

The obligations under finance leases are secured against the assets to which they relate.

15 Creditors: Amounts Falling Due After One Year

	Year ended 31 July 2015 £000's	Year ended 31 July 2014 £000's
Bank Loan	3,994	4,148
Obligations under finance leases	-	-
	3,994	4,148
Included in the above are amounts falling due as follows:		
Between one and two years	154	146
Between two and five years	420	438
Over five years	3,420	3,564
	3,994	4,148

The bank loans due after 5 years are unsecured and repayable through instalments. They attract interest at commercial fixed and variable rates.

16 Provisions for Liabilities and Charges - Provision for Voluntary Early Retirement

	£000's
At 1 August 2014	239
Expenditure in the year	3
Transferred from income and expenditure account	-
Transferred to STRGL	-
At 31 July 2015	242

The principal assumptions for this calculation are:	2015	2014
Price inflation	1.00%	1.00%
Discount rate	3.55%	3.50%

17 Deferred Capital Grants

		Funding Body Grant £000's	Other Grants £000's	Total £000's
At 1 August 2014				
	Land and buildings	5,815	2,267	8,082
	Equipment	-	237	237
Cash received				
	Land and buildings	4,213	-	4,213
	Equipment	-	-	-
Debtor reduction				
	Land and buildings	-	-	-
	Equipment	-	-	-
Released to income and expenditure account				
	Land and buildings	(201)	(105)	(306)
	Equipment	-	(75)	(75)
At 31 July 2015		**9,827**	**2,324**	**12,151**
Comprising				
	Land and buildings	9,827	2,162	11,989
	Equipment	-	162	162
Total		**9,827**	**2,324**	**12,151**

18 Revaluation Reserve

	Year ended 31 July 2015 £000's	Year ended 31 July 2014 £000's
At 1 August	747	878
Depreciation on the surplus on the revalued assets	(105)	(131)
At 31 July	**642**	**747**

19 Movement on General Reserves

Income and Expenditure Account	Year ended 31 July 2015 £000's	Year ended 31 July 2014 £000's
At 1 August	(845)	(406)
Surplus retained for the year	121	150
Transfer from revaluation reserve	105	131
Actuarial gain/(loss) in respect of pension scheme	(723)	(720)
At 31 July	**(1,342)**	**(845)**
Balance represented by:		
Pension reserve	(4,717)	(3,965)
Income and expenditure reserve excluding pension reserve	3,375	3,120
At 31 July	**(1,342)**	**(845)**

20 Reconciliation of Operating Surplus to Net Cash Inflow from Operating Activities

	Year ended 31 July 2015 £000's	Year ended 31 July 2014 £000's
Surplus on continuing operations after depreciation of assets at valuation	121	150
Depreciation (note 12)	940	1,002
Deferred capital grants released to income (note 2, 5 & 17)	(382)	(412)
Interest payable (note 10)	188	269
Pension cost less contributions payable (notes 7,10 and 25)	66	76
Loss on disposal of fixed assets	-	(1)
(Increase)/Decrease in debtors	156	(315)
Decrease/(Increase) in creditors	(156)	489
Decrease in provisions	3	(12)
Increase/(Decrease) in restricted reserves	(6)	(6)
Increase/Decrease in Capital Grant Debtor (Note 17)		-
Net cash inflow from operating activities	**930**	**1,240**

21 Returns on Investments and Servicing of Finance

	Year ended 31 July 2015 £000's	Year ended 31 July 2014 £000's
Other interest received	-	-
Interest paid	(242)	(239)
Net cash outflow from returns on investment and servicing of finance	**(242)**	**(239)**

22 Capital Expenditure and Financial Investment

	Year ended 31 July 2015 £000's	Year ended 31 July 2014 £000's
Purchase of tangible fixed assets	(4,676)	(1,646)
Proceeds from sale of fixed assets	-	-
Deferred capital grants received	4,118	1,517
Net cash outflow from capital expenditure and financial investment	**(558)**	**(129)**

23 Financing

	Year ended 31 July 2015 £000's	Year ended 31 July 2014 £000's
Debt due beyond a year:		
New unsecured loans repayable by 2034	-	-
Repayment of amounts borrowed	(147)	(190)
Net cash inflow/(outflow) from financing	(147)	(190)

24 Analysis of Changes in Net Debt	At 1 August 2014 £000's	Cashflows £000's	Other changes £000's	At 31 July 2015 £000's
Cash in hand, and at bank	875	(17)	-	858
Debt due within 1 year	(147)	(7)	-	(154)
Debt due after 1 year	(4,148)	154	-	(3,994)
Finance leases	-	-	-	-
Total	**(3,420)**	**130**	**-**	**(3,290)**

25 Pension and similar obligations

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

Total pension cost for the year	Year ended 31 July 2015 £000's	Year ended 31 July 2014 £000's
Teachers Pension Scheme: contributions paid	322	399
Local Government Pension Scheme:		
Contributions paid	432	389
FRS17 charge(credit)	66	(52)
Total Pension Cost for Year	820	736

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuations of the TPS was 31 March 2012 and the LGPS 31 March 2010. There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

25 Pension and similar obligations (continued)

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act 1972 and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest actuarial review of the TPS was carried out as at 31 March 2012 and in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education (the Department) on 9 June 2014. The key results of the valuation and the subsequent consultation are:

- employer contribution rates were set at 16.48% of pensionable pay (including a 0.08% levy for administration);
- total scheme liabilities for service to the effective date of £191.5 billion, and notional assets of £176.6 billion, giving a notional past service deficit of £14.9 billion;
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations

The new employer contribution rate for the TPS will be implemented in September 2015.

Scheme Changes

Following the Hutton report in March 2011 and the subsequent consultations with trade unions and other representative bodies on reform of the TPS, the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

Regulations giving effect to a reformed Teachers' Pension Scheme came into force on 1 April 2014 and the reformed scheme will commence on 1 April 2015.

The pension costs paid to TPS in the year amounted to £322k (2014 £399k).

25 Pension and similar obligations (continued)

FRS 17

Under the definitions set out in Financial Reporting Standard 17 (Retirement Benefits), the TPS is a multi-employer pension scheme. The College is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the College has taken advantage of the exemption in FRS17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The College has set out above the information available on the deficit in the scheme and the implications for the College in terms of the anticipated contribution rates.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. The total contribution made for the year ended 31 July 2015 was £563k of which employers contributions totalled £432k and employees contributions totalled £131k. The agreed contribution rates for future years are 13% for employers and range from 5.5% to 7.5% for employees.

FRS 17

Principal Actuarial Assumptions	**At 31 July 2015**	**At 31 July 2014**
Rate of increase in salaries	3.50%	3.50%
Rate of increase for pensions/Inflation	2.60%	2.70%
Discount rate for scheme liabilities	3.60%	4.00%
Commutation of pensions to lump sums	50.00%	50.00%

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

Retiring today		
Males	22	22
Females	24	24
Retiring in 20 years		
Males	25	25
Females	27	27

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

	Long-term rate of return expected at 31 July 2015	Value at 31 July 2015 £000's	Long-term rate of return expected at 31 July 2014	Value at 31 July 2014 £000's
Equities	3.60%	7,502	6.50%	7,314
Bonds	3.60%	3,306	4.10%	2,400
Property	3.60%	1,526	4.70%	1,371
Cash	3.60%	381	3.60%	343
Total Market Value of assets		**12,715**		**11,428**
Present value of scheme liabilities		(17,432)		(15,393)
Related deferred tax liability		-		-
Deficit in the scheme		**(4,717)**		**(3,965)**

Analysis of the amount charged to income and expenditure account	**Year ended 31 July 2015 £000's**	**Year ended 31 July 2014 £000's**
Employer service cost (net of employee contributions)	498	465
Past service cost	-	-
Total operating charge	498	465
Analysis of pension finance income / (costs)		
Expected return on pension scheme assets	659	588
Interest on pension liabilities	(621)	(620)
Pension finance Income(Costs)	38	(32)

25 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

Amount recognised in the statement of total recognised gains and losses (STRGL)		
Actuarial gains on pension scheme assets	393	422
Actuarial (losses) on pension scheme liabilities	(1,116)	(1,142)
Actuarial (loss)/gain recognised in STRGL	(723)	(720)

Movement in surplus/deficit during year		
(Deficit) in scheme at 1 August 2014	(3,965)	(3,137)
Movement in year:		
Current service charge	(498)	(465)
Employer contributions	432	389
Past service costs		-
Net interest/return on assets	38	(32)
Actuarial gain/(loss)	(723)	(720)
Losses on Curtailment and Settlement	(1)	-
Deficit in scheme at 31 July 2015	(4,717)	(3,965)

Asset and Liability Reconciliation

Reconciliation of Liabilities	**Year ended 31 July 2015 £000's**	**Year ended 31 July 2014 £000's**
Liabilities at 1 August 2014	15,393	13,361
Service cost	498	465
Interest cost	621	620
Employee contributions	131	128
Experience gains and losses on scheme liabilities	1	-
Actuarial loss	1,116	1,142
Benefits paid	(328)	(323)
Past Service cost	-	-
Curtailments and settlements	-	-
Liabilities at 31 July 2015	17,432	15,393

Reconciliation of Assets	**Year ended 31 July 2015 £000's**	**Year ended 31 July 2014 £000's**
Assets at 1 August 2014	11,428	10,224
Expected return on assets	659	588
Actuarial gain/(loss)	393	422
Employer contributions	432	389
Employee contributions	131	128
Benefits paid	(328)	(323)
Assets at 31 July 2015	12,715	11,428

The estimated value of employer contributions for the year ended 31 July 2016 is £457,000.

25 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

History of experience gains and losses	Year ended 31 July 2015 £000's	Year ended 31 July 2014 £000's	Year ended 31 July 2013 £000's	Year ended 31 July 2012 £000's	Year ended 31 July 2011 £000's	Year ended 31 July 2010 £000's
Difference between the expected and actual return on assets:	393	422	258	350	339	369
% of scheme assets	3.1%	3.7%	2.5%	(4.0%)	4.1%	5.2%
Experience gains and losses on scheme liabilities:	(1,116)	(1,142)	(301)	(1,496)	879	31
% of scheme liabilities	6.4%	7%	2.25%	12.16%	8.7%	0.3%
Total amount recognised in STRGL	723	720	677	(1,845)	1,456	(246)
% of scheme liabilities	4.1%	4.7%	5.1%	(15.0%)	14.5%	(2.4%)

26 Capital Commitments

	As at 31 July 2015 £000's	As at 31 July 2014 £000's
Commitments contracted	-	-
Authorised but not contracted	-	-

27 Financial commitments

The College had annual commitments under non-cancellable operating leases as follows

	As at 31 July 2015 £000's	As at 31 July 2014 £000's
Land & Buildings expiring within two to five years inclusive	-	-

28 Related Party Transactions

During 2014/2015 no related party transactions were declared (2013/14 - nil)

The total expenses paid to or on behalf of the Governors during the year was £2,732, 4 governors (2013/14 £2,599, 4 governors). This represents travel and subsistence expenses and other out of pocket expenses incurred in attending Governor meetings and charity events in their official capacity.
No Governor has received any remuneration from the College during the year (2013/14 Nil).

29 Access Funds

	Year ended 31 July 2015 £000's	Year ended 31 July 2014 £000's
Funding body grants	465	462
Interest earned	-	-
	465	462
Disbursed to Students	(452)	(453)
Balance unspent at 31 July 2015	13	9

Funding body grants are available solely for students. In the majority of instances, the College only acts as a paying agent. In these circumstances, the grants and related disbursements are therefore excluded from the income and expenditure account. The income and expenditure consolidated in the College's financial statements relates to the purchase of some equipment from the access fund and the payment of accommodation by the College on the student's behalf.