



COULSDON
SIXTH FORM COLLEGE

REPORT AND FINANCIAL STATEMENTS

**For the Year Ended
31 July 2015**

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Coulsdon Sixth Form College

OPERATING AND FINANCIAL REVIEW

For the Year from 1 August 2014 to 31 July 2015

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 Coulsdon Sixth Form College. The College is an exempt charity for the purposes of the Charities Act 2011.

The Corporation was incorporated as Coulsdon College on 1 April 1993. On the 12 July 2010 a resolution was passed to formally approve the name of the College to be changed to Coulsdon Sixth Form College.

In March 2013, the College entered into a Federation with Reigate College, an outstanding sixth form college located in Reigate, Surrey.

Mission

The College serves primarily its traditional market of full time 16-19 year olds. Its mission is 'to provide high quality education in a supportive community'.

The College's aims are:

- To engage with the local and regional community and other relevant stakeholders in order to provide a broad and balanced education primarily for 16 –19 full time students.
- To achieve targets as agreed with the Corporation.
- To be responsive to the learning and development needs of all students and staff, with the principles of inclusivity, equality and diversity and safeguarding embedded throughout the institution.
- To provide high quality physical resources which meet the needs of students, staff and the local community, through prudent financial management.

Public Benefit

Coulsdon College is an exempt charity under Part 3 of the Charities Act 2011 and is regulated by the Secretary of State for Education for Sixth Form Colleges. The members of the Governing Body, who are trustees of the charity, are disclosed on page 13.

In setting and reviewing the College's strategic objectives, the Governing Body has had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education. The guidance sets out the requirement that all organisations wishing to be recognised as charities must demonstrate, explicitly, that their aims are for the public benefit.

In delivering its mission, the College provides the following identifiable public benefits through the advancement of education:

- High-quality teaching

Coulsdon Sixth Form College

OPERATING AND FINANCIAL REVIEW (CONTINUED)

For the Year from 1 August 2014 to 31 July 2015

Public Benefit (Continued)

- Widening participation and tackling social exclusion
- Excellent employment record for students
- Strong student support systems
- Links with employers, industry and commerce

Implementation of Strategic Plan

In Spring 2015 the College adopted a strategic plan for the period 1 August 2015 to 31 July 2016. This strategic plan includes property and financial plans. The Corporation monitors the performance of the College against these plans. The plans are reviewed and updated each year.

The College's continuing strategic objectives, which have been aligned with those of Reigate College, are set out below:

- To be recognised as a leading inclusive provider of a comprehensive range of AS/A level subjects, BTEC National courses and other provision at level 2 and 3 appropriate to the needs of the local and regional community.
- To work in partnership with the Surrey S7 Consortium (S7).
- To meet student participation, retention, achievement and value added targets.
- To achieve performance indicators as follows:
 - a. Exceed national benchmarks for aggregate attendance, retention and achievement.
 - b. Ensure that students are reaching their potential as indicated by aggregate value added outcomes.
- To significantly improve the College's reputation with Ofsted and throughout the region.
- To ensure that the College implements appropriate actions, in accordance with equality & diversity and safeguarding legislation.
- To achieve the College's staff development priorities for the year as identified in the College's Staff Development Plan, with a particular focus on teaching, learning and attainment.
- To provide effective teaching, learning and support for students which enables them to progress to further study, or appropriate employment and to fulfil their role in society.
- To improve the Financial Health assessment.
- To work in partnership with Reigate College, ensuring aligned policies, systems and procedures across the two federated colleges.

Coulson Sixth Form College

OPERATING AND FINANCIAL REVIEW (CONTINUED)

For the Year from 1 August 2014 to 31 July 2015

Financial Objectives

The College's financial objectives are:

- To maintain Satisfactory or better assessments in Financial Health, Financial Management and Control and Use of Resources within the finance dimension of the FE Choices (formerly the Framework for Excellence); and
- To implement an accommodation and estates strategy, which reflects curriculum planning and the needs of staff and students and, where appropriate, the local community.
- To ensure compliance with bank covenants.

During the year, the College met all of these objectives.

Performance Indicators

The College is required to complete the annual Finance Record for the Education Funding Agency. The Finance Record produces a financial health grading. The current rating of Satisfactory is considered an acceptable outcome. Details of the College's success rates can be found on page 6.

FINANCIAL POSITION

Financial Results

The College generated an operating deficit in the year of £1,004k (2013-14 – surplus of £23k).

The College has total net assets of £29.2 million (including deferred capital grants of £27.1 million) and cash balances of £2.3 million (2013-14 –£3.5m). Loan repayments to the value of £153,000 were made in the year.

Tangible fixed asset additions during the year amounted to £89,000. This was split between land and building additions of £3,000 and equipment purchased of £86,000.

The College has significant reliance on education sector funding bodies for its principal funding source, largely from recurrent grants. In 2014-15 funding bodies provided 94.7% (excluding deferred grants) of the College's total income.

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's financial regulations include a treasury management policy.

Coulsdon Sixth Form College

OPERATING AND FINANCIAL REVIEW (CONTINUED)

For the Year from 1 August 2014 to 31 July 2015

Treasury Policies and Objectives (continued)

Short term borrowing for temporary revenue purposes is authorised by the Accounting Officer. All other borrowing requires the authorisation of the Corporation.

Cashflows

The College generated a cash outflow of £882k (2013-14 £231k inflow) from operating activities in the year.

Liquidity

The College currently has in place secured loans totalling £2.5m (no new loans were taken out in the current financial year). During the year the College repaid £153,000 of its bank loans.

The size of the College's total borrowing and its approach to interest rates has been calculated to ensure that borrowing costs do not exceed 7% of total income in line with the lenders covenant. During the year this margin was comfortably exceeded.

All ordinary capital additions were met by use of accumulated College funds.

CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE

Student Numbers

In 2014-15 the College has delivered activity that has produced £4.2 million in funding body main allocation funding (2013-14 – £5.6 million). The College was funded in the current year on lagged numbers of 866 learners. For the next financial year, the College has agreed with the Education Funding Agency that as a result of the exceptional growth in student numbers at enrolment in September 2015, additional in-year funding will be received.

STUDENT ACHIEVEMENTS

The success of the College is shown in the following 3 year analysis:

Overall Performance – 2012-13

(data source – Ofsted)

Starts	Success			Retention			Achievement			High Grades		
	%	%	%	%	%	%	%	%	%	%	%	%
	S	BS	S -BS	S	BS	S -BS	S	BS	S -BS	S	BS	S -BS
2551	76.9	85.1	-8.2	87.5	89.8	-2.3	88.0	94.8	-6.8	29.4	42.0	-12.6

Coulsdon Sixth Form College

OPERATING AND FINANCIAL REVIEW (CONTINUED)

For the Year from 1 August 2014 to 31 July 2015

STUDENT ACHIEVEMENTS (continued)

Overall Performance – 2013-14

(data source – Ofsted)

Starts	Success			Retention			Achievement			High Grades		
	%	%	%	%	%	%	%	%	%	%	%	%
	S	BS	S -BS	S	BS	S -BS	S	BS	S -BS	S	BS	S -BS
2092	90.5	85.7	+4.8	93.9	89.6	+4.3	96.4	95.7	+0.6	34.2	25.3	+8.9

Overall Performance – 2014-15

(data source – Pro Achieve)

Starts	Success			Retention			Achievement			High Grades		
	%	%	%	%	%	%	%	%	%	%	%	%
	S	BS	S -BS	S	BS	S -BS	S	BS	S -BS	S	BS	S -BS
2205	84.9	85.7	-0.8	91.0	89.6	1.4	93.4	95.7	-2.3	31.9	25.3	+6.6

S = College Performance

BS = Benchmark

High grades are for graded courses only from Pro Achieve

Curriculum Developments

The College is a provider of 'distinct 16–19 provision', as described in the DfES guidelines '*Principles underpinning the organisation of 16–19 provision*'.

The most substantial areas of work are in Science and Mathematics, Business Studies, Public Services Information and Communication Technology, Sports, Leisure & Tourism, Visual Arts, Performing Arts & Media, Humanities and English & Communications.

Through the Federation with Reigate College, the College works closely with a number of schools in the area to ensure that its provision meets the progression needs of local young people; where these needs cannot be met, students are offered detailed advice through partner schools liaison regarding courses in local general further education colleges.

There is a strategic understanding with East Surrey College regarding the range of courses offered by each college. This arrangement ensures that the full breadth of vocational and academic qualifications are provided for the local and regional community.

Outside the classroom, an activities programme offers a wide variety of opportunities. In June each year Lower Sixth students participate in Activities Week. Over 20 diverse activities were offered which catered for all interests. An active students' union contributes to the community ethos of the College.

Executive Principal

Mr S Oxlade has resigned with effect from 31 August 2016.

Coulsdon Sixth Form College

OPERATING AND FINANCIAL REVIEW (CONTINUED)

For the Year from 1 August 2014 to 31 July 2015

Payment performance

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1st November 1998, requires Colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. The target set by the Treasury for payment to suppliers within 30 days is 95 per cent. During the accounting period 1 August 2014 to 31 July 2015, the College paid 93% of its invoices within 30 days. The College incurred no interest charges in respect of late payment for this period.

Post-Balance sheet events

No significant post balance sheet events have occurred which need to be reported.

Future Developments

The College seeks to increase student numbers over the next three years in line with the forecast agreed with the EFA.

Further cuts in funding will detrimentally impact upon the College's future.

RESOURCES

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

Financial

The College has £29.2 million of net assets and £2.5 million of long term debt. The main tangible resource is the main College site.

People

During the year to 31 July 2015, the average number of people employed by the College was 98 (expressed as full time equivalents), of whom 51 are teaching staff.

Reputation

The College's reputation has been greatly enhanced since the establishment of the Federation with Reigate College in March 2013. The state of the art campus and resources provide an outstanding basis on which to build the College's standing both nationally and in the local community

The Ofsted inspection of 2014 resulted in the College being graded "good". The improvement from "inadequate" to "good" has never before been achieved by a sixth form college in the timescale undertaken by the Federation.

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 Senior Leadership Team (SLT) 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

Coulsdon Sixth Form College

OPERATING AND FINANCIAL REVIEW (CONTINUED)

For the Year from 1 August 2014 to 31 July 2015

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

against risk mitigation actions. In addition to the annual review, the SLT will also consider any risks which may arise from any 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. Failure to deliver participation targets

This could occur if either an insufficient number of students apply, or the College makes inaccurate predictions/estimates of numbers of students enrolling and being retained.

To mitigate against this risk, the College has robust marketing and publicity procedures. Curriculum expansion is being considered in order to stimulate new markets. The senior management team regularly reviews application numbers and patterns to ensure the target number of students is enrolled.

2. Government funding

The College has considerable reliance on continued government funding through the Education Funding Agency. In 2014-15 94.7% 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.

The College is aware of a number of issues which may impact on future funding:

- The demand led funding system which applies a series of factors such as retention rates and social disadvantage to calculate an amount of funding to be received for each learner. Funding has been significantly reduced since 2011 and further cuts are yet to be announced.

This risk is mitigated in a number of ways:

- 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 funding bodies.
- Ensuring the College is focused on those priority sectors which will continue to benefit from public funding.
- Taking a pro-active role in area based reviews.
- Development of partnership arrangements with local academies.

3. Failure to achieve key performance indicators

The College would be at risk if its aggregate success rates fall below Sixth Form College benchmarks. There is a wide range of policies and systems in place to mitigate against this risk, including lesson

Coulsdon Sixth Form College

OPERATING AND FINANCIAL REVIEW (CONTINUED)

For the Year from 1 August 2014 to 31 July 2015

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

observations, the Learner Improvement Programme, departmental self-assessment, and the A Level AB grade value-added strategy.

4. Failure to provide appropriate infrastructure and resources

The College would be at risk if its accommodation and physical resources were insufficient in terms of volume or quality to meet curriculum needs, or if its human resources were insufficient in terms of experience and/or qualifications to meet curriculum and support needs. The College's financial plan includes investment in its accommodation and physical resources, including maintenance and refurbishment as needed. There are disaster recovery plans in place for the College's premises and IT. The College's staff recruitment and staff development policies ensure that staff are suitably experienced and qualified.

5. Loss of key staff

If the duties and responsibilities of specialised staff could not be covered within an acceptable timeframe, the College would be at risk. The College organisation chart shows how roles of key specialised staff can be covered at all levels for short terms.

6. Maintain adequate funding of pension liabilities

The financial statements report the share of the Local Government Pension Scheme deficit on the College's balance sheet in line with the requirements of FRS 17.

STAKEHOLDER RELATIONSHIPS

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

- Students;
- Education Sector Funding Bodies;
- Sixth Form Commissioner;
- Staff;
- Local employers (with specific links);
- Local Authority;
- Government Offices/ Regional Development Agencies/ LEP's
- 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.

Coulsdon Sixth Form College

OPERATING AND FINANCIAL REVIEW (CONTINUED)

For the Year from 1 August 2014 to 31 July 2015

Equal Opportunities and Employment of Disabled Persons

The College aims to encourage all individuals to achieve their full potential by ensuring individuals treat each other with respect, regardless of race (including colour, nationality and ethnic origin), culture, gender, age, health status, disability, linguistic differences, sexuality, sexual orientation, political or religious beliefs, income, social class or any other factor which is not considered relevant. This policy is resourced, implemented and monitored on a planned basis. The College's Equal Opportunities Policy, including its Race Relations Policy and Disability Policy, is available from the Personnel Office.

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. The College has also implemented an updated Equality & Diversity training programme which all staff have attended. Refresher training and training for new starters is carried out on an ongoing basis.

Disability Statement

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

- The College has appointed a Learning Support Manager who provides information, advice and arranges support where necessary for students with disabilities.
- There is a range of specialist equipment and assistive technology which the College can make available for use by students.
- The admissions policy for all students is available on the College's website. Appeals against a decision not to offer a place are handled by the Principal.
- The College has made a significant investment in the appointment of learning facilitators to support students with learning difficulties and/or disabilities. 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.
- Achievements and destinations are recorded and evaluated by the College Equality Committee.
- Counselling and welfare services are described in the College Student Diary, which is issued to students together with the Student Code of Conduct leaflets at induction.

Disclosure of information to auditor

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 auditor is aware of that information.

Approved by order of the members of the Corporation on 7th March 2016 and signed on its behalf by:


.....
Mr R T G Hails
Chair

Coulsdon Sixth Form College

OPERATING AND FINANCIAL REVIEW (CONTINUED)

For the Year from 1 August 2014 to 31 July 2015

PROFESSIONAL ADVISERS

Financial Statement and Regularity Auditors:

RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP)
Portland
25 High Street
Crawley
RH10 1BG

Internal Auditors:

RSM Risk Advisory Services LLP
(formerly Baker Tilly Risk Advisory Services LLP)
6th Floor, 25 Farringdon Street
London
EC4A 4AB

Bankers:

Lloyds TSB
21 Station Road
Caterham
Surrey
CR3 6YT

Solicitors:

Thomas Eggar LLP
Belmont House
Station Way
Crawley
West Sussex
RH10 1JA

Coulsdon Sixth Form College

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

For the Year from 1 August 2014 to 31 July 2015

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); and
- ii. having due regard to the UK Corporate Governance Code ("the Code") insofar as it is applicable to the further education sector

The College is committed to exhibiting best practice in all aspects of corporate governance. We have not adopted, and therefore do not apply, the UK Corporate Governance Code or the Foundation Code. We have reported on our Corporate Governance arrangements by drawing upon best practice available, including those aspects of the UK Corporate Governance Code we consider to be relevant to the further education sector. 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.

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 MEMBERS

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

Member	Date of appointment	Term of office	Date of resignation	Status of appointment	Committees Served	No. of meetings attended/total meetings held
Mr D Attah	10.12.02	31.12.18		External	Finance & General Purposes	8 / 9
Mr P Brightly-Jones	28.03.12	27.03.16	31.7.15	External	Audit	9 / 10
Mrs Y White	01.01.05	03.01.17		Staff	Planning & Performance	6 / 9
Mr S Oxlade	11.03.13	During period of Executive Principalship		Executive Principal	Finance & General Purposes; Planning & Performance; Search & Governance	11 / 12
Mr R Hails (Chair)	20.03.13	19.03.17		External	Finance & General Purposes; Planning & Performance; Search & Governance	11 / 12
Ms J Tindle (Vice Chair)	26.03.13	25.03.17		External	Planning & Performance (Chair); Search & Governance	8 / 9
Mr M Jones	26.03.13	25.03.17		External	Finance & General Purposes (Chair)	9 / 9
Mr I Fortune	26.03.13	25.03.17		External	Audit; Search & Governance	9 / 9
Mr M Coleman	26.03.13	25.03.17		External	Audit (Chair); Search & Governance	8 / 10
Cllr C Wright	01.08.01	31.07.17		External	Finance & General Purposes	8 / 9
Mr A Booth	01.01.17	31.12.18		External	Planning & Performance	5 / 6
Ms S Joarder	01.04.15	31.03.19		External	Audit	2 / 3
Ms P Keating	01.04.15	31.03.19		External	Planning & Performance	2 / 2
Mr P Ofori	01.09.14	31.07.15		Student	Planning & Performance	8 / 9
Ms A Apeagyei	01.09.15	31.07.16		Student	Planning & Performance	n/a

Mr J Allen acts as Clerk to the Corporation.

Coulsdon Sixth Form College

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROLS (CONTINUED).

For the Year from 1 August 2014 to 31 July 2015

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, employment and remuneration, audit and planning and performance. Full minutes of all meetings except, those deemed to be confidential by the Corporation, are available on the College's website (at coulsdon.ac.uk) or from the Clerk to the Corporation at:

Coulsdon Sixth Form College
Placehouse Lane
Old Coulsdon
Surrey
CR5 1YA

The Clerk to the Corporation maintains a register of financial and personal interests of the governors. The register is available for inspection at the above address.

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

Formal agendas, papers and reports are supplied to governors in a timely manner, prior to board meetings. Briefings are 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 Accounting Officer are separate.

APPOINTMENTS TO THE CORPORATION

The Corporation of Coulsdon College is the appointing authority in relation to the appointment of its members.

Members of the Corporation are reappointed for a term of office not exceeding every four years.

REMUNERATION COMMITTEE

Reigate College's Remuneration Committee has the responsibility to make recommendations to the Corporation on the remuneration and benefits of the Accounting Officer. The Corporation approves the remuneration and benefits of other senior post holders.

Coulsdon Sixth Form College

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROLS (CONTINUED).

For the Year from 1 August 2014 to 31 July 2015

Details of remuneration for the year ended 31 July 2015 are set out in notes 5 and 6 to the financial statements.

AUDIT COMMITTEE

The Audit Committee membership comprises three members (excluding the Accounting Officer and the 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, regularity and financial statements auditors, who have access to the Committee for independent discussion, without the presence of College management. The Committee also receives and considers reports from the 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 undertakes periodic follow up reviews to ensure 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 Executive 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/Funding Agreement between Coulsdon Sixth Form College and the funding bodies. He is also responsible for reporting to the Corporation any material weaknesses or breakdowns in internal control.

The purpose of the system of internal control

The system of internal control is 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 Coulsdon Sixth Form College for the year ended 31 July 2015 and up to the date of approval of the annual report and accounts.

Coulsdon Sixth Form College

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROLS (CONTINUED).

For the Year from 1 August 2014 to 31 July 2015

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 ending 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
- the adoption of formal project management disciplines, where appropriate.

Coulsdon Sixth Form College has an independent 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 Executive 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 regularity auditors, in their management letters and other reports.

The Accounting Officer 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

Coulsdon Sixth Form College

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROLS (CONTINUED).

For the Year from 1 August 2014 to 31 July 2015

reporting by exception. At its December 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.

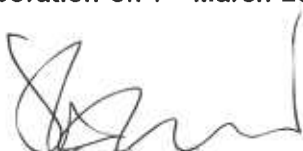
Based on the advice of the Audit Committee and the Accounting Officer, the Corporation is of the opinion that the College has an adequate and effective framework for governance, risk management and control, and has fulfilled its statutory responsibility for *"the effective and efficient use of resources,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

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 7th March 2016 and signed on its behalf by:


.....
Mr R T G Hails
Chair


.....
Mr S P Oxlade
Accounting Officer

Coulsdon Sixth Form College

GOVERNING BODY'S STATEMENT ON THE COLLEGE'S REGULARITY, PROPRIETY AND COMPLIANCE WITH FUNDING BODY TERMS AND CONDITIONS OF FUNDING For the Year from 1 August 2014 to 31 July 2015

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

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 Education Funding Agency's terms and conditions of funding under the College's funding agreement.

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



.....
Mr R T G Hails
Chair



.....
Mr S P Oxlade
Accounting Officer

Coulsdon Sixth Form College

STATEMENT OF RESPONSIBILITIES OF THE MEMBERS OF THE CORPORATION

The members of the Corporation, who act as trustees for the charitable activities of the College, are required to present audited financial statements for each financial year.

Within the terms and conditions of the Funding Agreement between the Education Funding Agency and the Corporation of the College, the Corporation, through its Accounting Officer, 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 and with the Accounts Direction for 2014 to 2015 financial statements issued jointly by the Skills Funding Agency and the 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
- prepare financial statements on the going concern basis, unless it is inappropriate to assume that the College will continue in operation. The Education Funding Agency has provided the College with letters of comfort for the next two financial years and has agreed to provide additional in-year growth funding based on the projected growth in student numbers. There is every expectation that the projected growth in student numbers will be achieved.

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 Charities Act 2011 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 EFA are used only in accordance with the Funding Agreement with the 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 EFA are not put at risk.

Approved by order of the members of the Corporation on 7th March 2016 and signed on its behalf by:


.....
Mr RT G Hails
Chair

Coulsdon Sixth Form College

INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF COULSDON SIXTH FORM COLLEGE

For the Year from 1 August 2014 to 31 July 2015

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNING BODY OF COULSDON COLLEGE

We have audited the College's financial statements ("the Financial Statements") set out on pages 21 to 41. The financial reporting framework that has been applied in their preparation is United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice) as set out in our engagement letter dated 12 November 2015.

This report is made solely to the Governing Body, as a body, in accordance with the Funding Agreement published by the Education Funding Agency and our engagement letter dated 12 November 2015. Our audit work has been undertaken so that we might state to the Governing Body, as a body, those matters we are required under our engagement letter dated 12 November 2015 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 Governing Body, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of the Governing Body of Coulsdon College and Auditor

As explained more fully in the Statement of the Governing Body's Responsibilities set out on page 19, the Governing Body is responsible for the preparation of financial statements which give a true and fair view.

Our responsibility is to audit, and express an opinion on, the Financial Statements in accordance with the terms of our engagement letter dated 12 November 2015, Joint Audit Code of Practice issued by the Skills Funding Agency and Education Funding Agency and International Standards on Auditing (UK and Ireland). The International Standards on Auditing (UK and Ireland) require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on financial statements

In our opinion the Financial Statements:

- give a true and fair view of the state of the College's affairs as at 31 July 2015 and of the College's deficit of income over expenditure for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Joint Audit Code of Practice issued jointly by the Skills Funding Agency and the Education Funding Agency requires us to report to you if, in our opinion:

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

RSM UK Audit LLP
RSM UK AUDIT LLP

Chartered Accountants
Portland
25 High Street
Crawley
West Sussex
RH10 1BG

Date 11/03/16

Coulsdon Sixth Form College
INCOME AND EXPENDITURE ACCOUNT
For the Year from 1 August 2014 to 31 July 2015

		Year ended 31 July 2015 £000	Year ended 31 July 2014 £000
	Notes		
INCOME			
Funding body grants	2	5,142	6,771
Other income	3	222	333
Investment income	4	16	21
TOTAL INCOME		5,380	7,125
EXPENDITURE			
Staff costs	5	3,982	4,439
Other operating expenses	7	1,297	1,265
Interest and other finance costs	8	123	131
Depreciation	10	984	1,267
TOTAL EXPENDITURE		6,386	7,102
(Deficit) / surplus on continuing operations after depreciation of tangible fixed assets at valuation and before exceptional items and tax		(1,006)	23
Profit on disposal of assets		2	-
(Deficit) / surplus on continuing operations after depreciation of tangible fixed assets at valuation and exceptional items but before tax		(1,004)	23
Taxation	9	-	-
(DEFICIT) / SURPLUS ON CONTINUING OPERATIONS AFTER DEPRECIATION OF ASSETS AT VALUATION, EXCEPTIONAL ITEMS AND TAX		(1,004)	23
Transferred from revaluation reserves	15	-	-
(DEFICIT) / SURPLUS FOR THE YEAR RETAINED WITHIN GENERAL RESERVES		(1,004)	23

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

Coulsdon Sixth Form College

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

For the Year from 1 August 2014 to 31 July 2015

	Notes	Year ended 31 July 2015 £000	Year ended 31 July 2014
(Deficit) / surplus on continuing operations after depreciation of assets at valuation and disposals of assets and tax		(1,004)	23
Actuarial loss in respect of pension scheme	22	(295)	(566)
TOTAL LOSSES SINCE LAST ANNUAL REPORT		(1,299)	(543)
Reconciliation			
Total recognised losses for the year		(1,299)	(543)
Opening reserves		3,469	4,012
Closing reserves		2,170	3,469

Coulsdon Sixth Form College

BALANCE SHEET

As at 31 July 2015

	Notes	2015 £000	2014 £000
FIXED ASSETS			
Tangible assets	10	32,227	33,122
CURRENT ASSETS			
Debtors – amounts due within one year	11	199	95
Cash at bank and in hand		2,338	3,527
Total current assets		2,537	3,622
Less: Creditors - amounts falling due within one year	12	(745)	(790)
NET CURRENT ASSETS		1,792	2,832
TOTAL ASSETS LESS CURRENT LIABILITIES		34,019	35,954
Less: Creditors - amounts falling due after more than one year	13	(2,310)	(2,467)
Net Assets Excluding Pension Liability		31,709	33,487
Net Pension Liability	22	(2,481)	(2,111)
NET ASSETS INCLUDING PENSION LIABILITY		29,228	31,376
DEFERRED CAPITAL GRANTS	14	27,058	27,907
Reserves			
Revaluation reserve	15	960	960
Income and Expenditure reserve excluding pension reserve	16	3,691	4,620
Pension reserve	16	(2,481)	(2,111)
Income and Expenditure reserve including pension reserve	16	1,210	2,509
Total reserves		2,170	3,469
TOTAL FUNDS		29,228	31,376

The financial statements on pages 21 to 41 were approved and authorised for issue by the Corporation on 7th March 2016 and were signed on its behalf on that date by:



Mr R T G Hails
Chair



Mr S P Oxlade
Accounting Officer

Coulsdon Sixth Form College

CASH FLOW STATEMENT

For the year ended 31 July 2015

	Notes	Year ended 31 July 2015 £000	Year ended 31 July 2014 £000
CASH (OUTFLOW) / INFLOW FROM OPERATING ACTIVITIES	17	(882)	231
Returns on investments and servicing of finance	18	(67)	(72)
Capital expenditure and financial investment	19	(87)	448
Cash (outflow) / inflow before financing and management of liquid resources		<u>(1,036)</u>	<u>607</u>
Management of liquid resources			
Financing	20	(153)	(149)
(DECREASE) / INCREASE IN CASH IN THE YEAR	21	<u>(1,189)</u>	<u>458</u>
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT			
(Decrease) / increase in cash in the period		(1,189)	458
Cash outflow from repayment of unsecured loans	20	153	149
Movement in net funds in period		<u>(1,036)</u>	<u>607</u>
Net funds at 1 August		907	300
NET (DEBT) / FUNDS AT 31 JULY		<u>(129)</u>	<u>907</u>

Coulsdon Sixth Form College

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 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), the Accounts Direction for 2014-15 financial statements and in accordance with applicable Accounting Standards.

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, liquidity and borrowings are described in the Financial Statements and accompanying Notes.

As noted on page 6, the College will receive additional in-year funding from the Education Funding Agency as a result of the exceptional growth in student numbers at enrolment in September 2015. The Education Funding Agency has provided the College with letters of comfort for the next two financial years and has agreed to provide additional in-year growth funding based on the projected growth in student numbers. There is every expectation that the projected growth in student numbers will be achieved.

The College currently has £2.5m of loans outstanding with bankers on terms negotiated in 2008. The terms of the existing agreement are for up to another 14 years ending in 2028. The College's forecasts and financial projections indicate that it will be able to operate within this existing facility and covenants for the foreseeable future.

Accordingly the College has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future, and for this reason will continue to adopt the going concern basis in the preparation of its Financial Statements.

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 achievement of the Adult Skills Budget is adjusted for and reflected in the level of recurrent grant recognised in the income and expenditure account. The final grant income is normally determined with the conclusion of the year end reconciliation process with the funding body at the end of November following the year end. This process may involve negotiations in respect of over achievement or adjustment to clawback in respect of underachievement, however where negotiations are subsequent to the year end, they are not reflected in the income recognised. 16-18 learner-responsive funding is not normally subject to reconciliation and is therefore not subject to contract adjustments; the income recognised is the allocation for the year.

Non-recurrent grants from funding bodies 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.

Coulsdon Sixth Form College

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2015

RECOGNITION OF INCOME (CONTINUED)

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

Income from grants, contracts and other services rendered is included to the extent the conditions of the funding have been met or 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.

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) (until April 2016) and the assets are held separately from those of the College.

The TPS is an unfunded scheme and 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 the Government Actuary on the basis of quadrennial valuations using a prospective benefit method. As stated in note 22, 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 defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the College in separate trustee administered funds. 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.

TANGIBLE FIXED ASSETS

Land and buildings

Land and buildings inherited from the Local Education Authority 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. Building improvements made since incorporation are included in the balance sheet at cost. Freehold land is not depreciated. Freehold and Leasehold buildings are depreciated over their expected useful economic life to the College of between 10 and 50 years. The College has a policy of depreciating major adaptations to buildings over the period of their useful economic life of between 10 and 50 years.

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

Coulsdon Sixth Form College

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2015

TANGIBLE FIXED ASSETS (CONTINUED)

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. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the income and expenditure account.

On adoption of FRS 15, the College followed the transitional provision to retain the book value of land and buildings, which were re-valued on incorporation, 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.

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

Equipment

Single items costing £1,000 or more (including VAT, delivery and installation) or items costing less than £1,000 but forming part of a set or a capital project costing £1,000 or more are capitalised in the annual accounts. All other equipment costing less than £1,000 per individual item is written off to the income and expenditure account in the period of acquisition. All other equipment is capitalised at cost. Equipment inherited from the Local Education Authority is stated in the balance sheet at valuation on incorporation.

Inherited equipment has been depreciated on a straight-line basis over its remaining useful economic life to the College of five years from incorporation and is now fully depreciated.

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

Buildings and improvements	-	Over 10 - 50 years
Motor vehicles	-	Over 5 years
Computer equipment	-	Over 3 years
General equipment	-	Over 5 years
Fixtures and fittings	-	Over 5 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.

Maintenance of Premises

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

Coulsdon Sixth Form College

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2015

TANGIBLE FIXED ASSETS (CONTINUED)

LEASED ASSETS

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

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. Capital costs and non-pay expenditure are 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. 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 Discretionary Support Funds. Related payments received from the funding bodies and subsequent disbursements are therefore excluded from the Income and Expenditure account and are shown separately in Note 25, except for the 5 per cent 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 GRANTS	Year ended 31 July 2015 £000	Year ended 31 July 2014 £000
EFA recurrent grant	4,262	5,605
EFA non recurrent grant	31	31
Releases of deferred capital grants (note 16)	849	1,135
Total	5,142	6,771

Coulsdon Sixth Form College

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2015

3 OTHER INCOME	Year ended 31 July 2015 £000	Year ended 31 July 2014 £000
Residencies, catering and conferences	150	166
Other income generating activities	38	30
Other grants and contracts	34	53
Donation in kind	-	84
Total	222	333

4 INVESTMENT INCOME	Year ended 31 July 2015 £000	Year ended 31 July 2014 £000
Other investment income	16	21

5 STAFF COSTS

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

	Year ended 31 July 2015 No.	Year ended 31 July 2014 No.
Teaching staff	51	56
Non teaching staff	47	50
	98	106

STAFF COSTS FOR THE ABOVE PERSONS:

	Year ended 31 July 2015 £000	Year ended 31 July 2014 £000
Wages and salaries	3,186	3,608
Restructuring costs	29	65
Social security costs	252	246
Other pension costs (including FRS17 charge of £35k (2014: £33k))	515	520
	3,982	4,439

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

	Senior post-holders		Other Staff	
	2015 No.	2014 No.	2015 No.	2014 No.
£10,001 to £20,000	1	1	-	-
£50,001 to £60,000	-	1	-	-
£60,001 to £70,000	-	-	1	-
£90,001 to £100,000	1	-	-	-
	2	2	-	-

Coulsdon Sixth Form College

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2015

6 SENIOR POST-HOLDERS' EMOLUMENTS

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

	No. 2015	No. 2014
The number of senior post-holders including the Accounting Officer and Principal was:	2	2
Senior post-holders' emoluments are made up as follows:	2015	2014
	£000	£000
Salaries	103	63
Benefits in kind	-	-
Pension contributions	15	9
TOTAL EMOLUMENTS	118	72

The above emoluments include amounts payable to the Accounting Officer.

	2015 £000	2014 £000
Accounting Officer and Executive Principal		
Salary	12	12
Benefits in kind	-	-
	12	12
Pension contributions	2	2
Principal	2015	2014
	£000	£000
Salary	91	51
Benefits in kind	-	-
	91	51
Pension contributions	13	7

The pension contributions in respect of the Accounting Officer 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 Accounting Officer and the staff member did not receive any payment from the institution other than the reimbursement of travel and subsistence expenses incurred in the course of their duties. These are set out in note 24.

Coulsdon Sixth Form College

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2015

7 OTHER OPERATING EXPENSES	Year ended 31 July 2015 £000	Year ended 31 July 2014 £000
Teaching costs	78	93
Non teaching costs	733	696
Premises costs	486	476
TOTAL	1,297	1,265

OTHER OPERATING EXPENSES INCLUDE:	Year ended 31 July 2015 £000	Year ended 31 July 2014 £000
Auditors' remuneration:		
Financial statements audit and Regularity assurance work (ex VAT)	16	16
Internal audit (ex VAT)	7	6
Other services provided by the financial statements auditors (ex VAT)	2	-

8 INTEREST AND OTHER FINANCE COSTS	Year ended 31 July 2015 £000	Year ended 31 July 2014 £000
On bank loans, overdrafts and other loans:		
Repayable within five years, by installments	75	83
Repayable wholly or partly in more than five years	8	10
	83	93
Pension finance costs (note 22)	40	38
Total	123	131

9 TAXATION

The College is not liable for any Corporation tax arising out of its activities during this period.

Coulsdon Sixth Form College
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2015

10 TANGIBLE FIXED ASSETS

	Land and Buildings Freehold	Motor Vehicles, Equipment & Fixtures & Fittings	Total
	£000	£000	£000
COST OR VALUATION			
At 1 August 2014	35,500	3,575	39,075
Additions	3	86	89
Disposals	-	(4)	(4)
AT 31 JULY 2015	35,503	3,657	39,160
DEPRECIATION			
At 1 August 2014	3,011	2,942	5,953
Charge for year	690	294	984
Elimination in respect of disposals	-	(4)	(4)
AT 31 JULY 2015	3,701	3,232	6,933
NET BOOK VALUE			
AT 31 JULY 2015	31,802	425	32,227
AT 31 JULY 2014	32,489	633	33,122

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.

Land was valued in December 1992 at depreciated replacement cost (£960k) by a firm of independent chartered surveyors. If inherited land and buildings had not been valued they would have been included at nil cost, nil aggregate depreciation and nil net book value.

Land and buildings and equipment with a net book value of £27.0 million have been financed by exchequer funds through for example the receipt of capital grants. Should these assets be sold, the College may be liable, under the terms of the Finance Memorandum with the Education Funding Agency, to surrender the proceeds.

11 DEBTORS

	Year ended 31 July 2015 £000	Year ended 31 July 2014 £000
Amounts falling due within one year:		
Trade debtors	26	5
Prepayments and accrued income	173	90
Total	199	95

Coulsdon Sixth Form College
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2015

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Year ended 31 July 2015 £000	Year ended 31 July 2014 £000
Bank loans due in one year or less	157	153
Trade creditors	85	82
Other creditors	120	123
Other taxation and social security	122	133
Accruals	181	174
Amounts owed to the funding bodies	80	125
	<u>745</u>	<u>790</u>

Included within other taxation and social security are outstanding pension contributions of £58k (2014:£63k)

13 CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	Year ended 31 July 2015 £000	Year ended 31 July 2014 £000
Bank loans:		
Between one and two years	161	157
Between two and five years	1,611	1,706
Bank loans payable in five years or more	538	604
	<u>2,310</u>	<u>2,467</u>

The outstanding bank loans comprise of one loan of £865k with interest charged at the LIBOR rate and repayable on a straight line basis until 2028; and one loan of £1,602k with interest charged at a fixed interest rate (4.735%) and repayable by 2019.

14 DEFERRED CAPITAL GRANTS

	Funding Body Grants £000
AT 1 AUGUST 2014	27,907
Released to income and expenditure account	(849)
TOTAL AT 31 JULY 2015	<u>27,508</u>

Coulston Sixth Form College
NOTES TO THE FINANCIAL STATEMENTS
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15 REVALUATION RESERVE

	Year ended 31 July 2015 £000	Year ended 31 July 2014 £000
AT 1 AUGUST	960	960
Transfer from revaluation reserve to general reserve in respect of depreciation on revalued assets	-	-
AT 31 JULY	<u>960</u>	<u>960</u>

16 MOVEMENT ON GENERAL RESERVES

	Year ended 31 July 2015 £000	Year ended 31 July 2014 £000
INCOME AND EXPENDITURE ACCOUNT RESERVE		
AT 1 AUGUST	2,509	3,052
(Loss) / surplus retained for the year	(1,004)	23
Actuarial gain / (loss) in respect of pension scheme	(295)	(566)
AT 31 JULY	<u>1,210</u>	<u>2,509</u>
Balance represented by:		
Income and expenditure account reserve excluding pension reserve	3,691	4,620
Pension reserve	(2,481)	(2,111)
AT 31 JULY	<u>1,210</u>	<u>2,509</u>

17 RECONCILIATION OF OPERATING (DEFICIT) / SURPLUS TO NET CASH (OUTFLOW) / INFLOW FROM OPERATING ACTIVITIES

	Year ended 31 July 2015 £000	Year ended 31 July 2014 £000
(Loss) / surplus on continuing operations after depreciation of assets at valuation	(1,004)	23
Depreciation (note 10)	984	1,267
Deferred capital grants released to income (note 14)	(849)	(1,135)
Surplus from disposal of fixed assets	(2)	-
Interest payable and debt service costs (note 8)	83	93
Interest receivable (note 4)	(16)	(21)
FRS17 pension finance costs	40	38
FRS17 pension cost less contributions payable	35	33
Increase in debtors	(104)	(16)
Decrease in creditors	(49)	(51)
NET CASH (OUTFLOW) / INFLOW FROM OPERATING ACTIVITIES	<u>(882)</u>	<u>231</u>

Coulson Sixth Form College
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18 RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	Year ended 31 July 2015 £000	Year ended 31 July 2014 £000
Other interest received (note 4)	16	21
Interest paid (note 8)	(83)	(93)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENT AND SERVICING OF FINANCE	(67)	(72)

19 CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	Year ended 31 July 2015 £000	Year ended 31 July 2014 £000
Purchase of tangible fixed assets	(89)	(636)
Sale of tangible fixed assets	2	-
Deferred capital grants received (note 14)	-	1,084
NET CASH (OUTFLOW) / INFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	(87)	448

20 FINANCING

	Year ended 31 July 2015 £000	Year ended 31 July 2014 £000
Debt due within 1 year:		
Capital repayment of amounts borrowed	(153)	(149)
NET CASH OUTFLOW FROM FINANCING	(153)	(149)

21 ANALYSIS OF CHANGE IN NET FUNDS

	At 1 August 2014 £000	Cash flows £000	Other changes £000	At 31 July 2015 £000
Cash in hand and at bank	3,527	(1,189)	-	2,338
	3,527	(1,189)	-	2,338
Debt due within 1 year	(153)	(4)	-	(157)
Debt due after 1 year	(2,467)	157	-	(2,310)
Total	907	(1,036)	-	(129)

Coulsdon Sixth Form College

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2015

22 PENSIONS AND SIMILAR OBLIGATIONS

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

Total pension cost for the year	Year ended 31 July 2015 £000	Year ended 31 July 2014 £000
Teachers Pension Scheme: contributions paid	263	285
Local Government Pension Scheme:		
Contributions paid	206	202
FRS 17 charge	35	33
Total pension cost for the year	504	520

The pension costs are assessed with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £58k (2014 £63k) were payable to the schemes at 31st July and are included within creditors.

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.

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.

Coulston Sixth Form College

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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 are:

- employer contribution rates were set at 16.4% of pensionable pay;
- 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.

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

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website at the following location:

<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx>

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 £263,000 (2014: £285,000)

FRS 17

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

Accordingly, the College has taken advantage of the exemption 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 scheme and the implications for the College in terms of the anticipated contribution rates.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2015

LOCAL GOVERNMENT PENSION SCHEME

The LGPS is a funded defined-benefit scheme, with the assets held in separate funds administered by Croydon Council. The total contribution made for the year ended 31 July 2015 was £261k of which employers contributions totaled £206k and employees' contributions totaled £55k. The present agreed contribution is 14.1% for employers from April 2015, rising to 15.1% from April 2016, plus deficit funding of £84k per annum for two years from April 2014. Employees' contributions range from 5.5% to 6.8%, depending on salary.

FRS 17

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2013 updated to 31 July 2015 by a qualified independent actuary.

	Year ended 31 July 2015	Year ended 31 July 2014
Rate of increase in salaries	3.5%	3.5%
Rate of increase for pensions in payment / inflation	2.6%	2.7%
Discount rate for scheme liabilities	3.6%	4.0%
Commutation of pensions to lump sums		
Pre-April 2008 service	50%	50%
Post-April 2008 service	75%	75%

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

	Year ended 31 July 2015 Years	Year ended 31 July 2014 Years
Retiring today		
Males	22.3	22.3
Females	24.4	24.4
Retiring in 20 years		
Males	24.4	24.4
Females	26.7	26.7

The College's share of the assets and liabilities 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	Long-term rate of return expected at 31 July 2014	Value at 31 July 2014 £000
Equities	3.6%	1,845	6.7%	1,545
Bonds	3.6%	596	4.1%	564
Property	3.6%	369	4.7%	196
Cash	3.6%	28	3.6%	147
Total market value of assets		2,838		2,452
Present value of scheme liabilities				
-Funded		(5,319)		(4,563)
-Unfunded		-		-
Deficit in the scheme		(2,481)		(2,111)

Coulson Sixth Form College
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FRS 17 (CONTINUED)

Analysis of the amount charged to the Income and Expenditure account

	31 July 2015 £000	31 July 2014 £000
Employer service cost (net of employee contributions)	241	227
Past service cost	-	-
Total operating charge	241	227

Analysis of pension finance income / (costs)

Expected return on pension scheme assets	146	155
Interest on pension liabilities	(186)	(193)
Pension finance costs	(40)	(38)

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

	31 July 2015 £000	31 July 2015 £000
Actuarial losses/(gains) on pension scheme assets	(76)	500
Actuarial losses on pension scheme liabilities	371	66
Actuarial loss/(gain) recognised in STRGL	295	566

Movement in Deficit during year

	31 July 2015 £000	31 July 2014 £000
Deficit in scheme at 1 August	2,111	1,474
Movement in year:		
Employer service cost (net of employee contributions)	241	227
Employer contributions	(206)	(194)
Past service cost	-	-
Net interest/return on asset	40	38
Actuarial loss/(gain)	295	566
Deficit in scheme at 31 July	2,481	2,111

Asset and Liability Reconciliation

	31 July 2015 £000	31 July 2014 £000
Reconciliation of Liabilities		
Liabilities at start of period	4,563	4,106
Service cost	241	227
Interest cost	186	193
Employee contributions	55	51
Experience gains and losses on scheme liabilities	-	-
Actuarial (gain)/loss	371	66
Benefits paid	(97)	(80)
Past service cost	-	-
Curtailments and settlements	-	-
Liabilities at end of period	5,319	4,563

Coulsdon Sixth Form College

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FRS 17 (CONTINUED)

Reconciliation of Assets

Assets at start of period	2,452	2,632
Expected return on assets	146	155
Actuarial gain/(loss)	76	(500)
Employer contributions	206	194
Employee contributions	55	51
Benefits paid	(97)	(80)
Assets at end of period	2,838	2,452

The estimated value of employer contributions for the year ended 31 July 2016 is £219,000.

Deficit contributions

The College has entered into an agreement with the LGPS to make additional contributions of £84,000 per annum in addition to normal funding levels until the next full valuation at which point the situation will be reviewed again.

History of experience gains and losses

	2015 £000	2014 £000	2013 £000	2012 £000	2011 £000
Difference between the expected and actual return on assets:	76	(500)	229	(55)	83
Experience gains and losses on scheme liabilities:	27	(2)	-	(32)	-
Total amount recognised in STRGL:	(295)	(566)	149	(464)	77

23 CAPITAL COMMITMENTS

	Year ended 31 July 2015 £000	Year ended 31 July 2014 £000
Commitments contracted for at 31 July	-	-

24 RELATED PARTY TRANSACTIONS

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

The total expenses paid to or on behalf of the Governors during the year was £nil (2014: £215; 2 governors). No Governor has received any remuneration or waived payments from the College or its subsidiaries during the year (2014: none).

Transactions with the funding bodies are detailed in notes 2, 12 and 14.

Coulsdon Sixth Form College

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2015

25 AMOUNTS DISBURSED AS AGENT

DISCRETIONARY SUPPORT FUNDS	Year ended 31 July 2015 £000	Year ended 31 July 2014 £000
Funding body grants – hardship support	126	182
Disbursed to Students	(112)	(128)
Administration costs	(6)	(9)
Balance unspent as at 31 July, included in creditors	<u>8</u>	<u>45</u>

Discretionary support fund grants are available solely for students; the College acts only as a paying agent. The grants and related disbursements are therefore excluded from the Income and Expenditure Account.

Coulsdon Sixth Form College

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON REGULARITY TO THE CORPORATION OF COULSDON COLLEGE AND THE SECRETARY OF STATE FOR EDUCATION ACTING THROUGH THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 12 November 2015 and further to the requirements of the funding agreement with the Education Funding Agency we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Coulsdon College during the period 1 August 2014 to 31 July 2015 have been applied to the purposes identified by Parliament and the financial transactions 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 Education Funding Agency has other assurance arrangements in place.

This report is made solely to the corporation of Coulsdon College and the Secretary of State for Education acting through the Education 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 Coulsdon College and the Secretary of State for Education acting through the Education 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 Coulsdon College and the Secretary of State for Education acting through the Education Funding Agency for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Coulsdon College and the reporting accountant

The corporation of Coulsdon College is responsible, under the Education Funding Agency funding agreement and 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 and our engagement letter

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.

Coulsdon Sixth Form College

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas where we identified areas where a material irregularity is likely to arise. We undertook detailed testing, based on our identification of the areas where a material irregularity is likely to arise where such areas are in respect of controls, policies and procedures that apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion.

Conclusion

In the course of our work, except for the matters listed below 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.

RSM UK Audit LLP
RSM UK AUDIT LLP
Chartered Accountants
Portland
25 High Street
Crawley
West Sussex
RH10 1BG

Date: 11/03/16