

POLICY & RESOURCES COMMITTEE

AGENDA

A meeting of the Policy & Resources Committee will be held at 14:00 hours on Tuesday, 29 March 2016 in the Boardroom, Milton Road.

		Lead Speaker	Paper
1	WELCOME & APOLOGIES	Chair	
2	DECLARATIONS OF INTEREST	Chair	
3	MINUTES OF PREVIOUS MEETING <i>for approval</i>	Chair	A
4	MATTERS ARISING	Chair	B
5	BUSINESS TRANSFORMATION PLAN		
	5.1 Working Group Minutes 18.02.16 & 21.03.16	S Cairncross	C
	5.2 PBB Options Review Update	A Williamson	Verbal
	5.3 Business Transformation Plan Proposal <i>for approval</i>	A Bruton	D
<i>Item 5.3 is presently exempt from publication under the Freedom of Information (Scotland) Act 2002, Section 27, Information Intended for Future Publication.</i>			
6	DRAFT REGIONAL OUTCOME AGREEMENT 2016/17 ¹ <i>for approval</i>	S-J Linton	E
7	FINANCE REPORT	A Williamson	
	7.1 Finance Report		F
	7.2 Management Accounts to January 2016 attached		G
	7.3 College Budget Bi-Annual Review ²		H
	7.4 International Fees 2016/17		I
	7.5 Lothian Pension Scheme Discretions Policy Document		J
	7.6 Procurement Reform Act		K
8	ORGANISATIONAL & STAFFING REPORT	B Dickson	
	8.1 Human Resources Report		L
	8.2 College Staffing Report		M

Item 8 is presently exempt from publication under the Freedom of Information (Scotland) Act 2002, Section 30, Prejudice to the Effective Conduct of Public Affairs.

¹ A refreshed version of the Edinburgh College Regional Outcome Agreement will be published online shortly.

² The College Budget Bi-Annual Review can be viewed under Board of Management 'Papers' 19 April 2016 (Paper E).

9 CAPITAL AND INFRASTRUCTURE REPORT

C McDougall N

Item 9 is presently exempt from publication under the Freedom of Information (Scotland) Act 2002, Section 30, Prejudice to the Effective Conduct of Public Affairs.

10 LEGISLATION & COMPLIANCE

P Davis

10.1 Community Empowerment (Scotland) Act 2015 Briefing O

10.2 General Data Protection Regulations P

10.3 Scottish Government Task Group Briefing Q

11 ANY OTHER COMPETENT BUSINESS

12 DATE OF NEXT MEETING: 14 June 2016

MANAGEMENT ACCOUNTS TO JANUARY 2016

Introduction

To provide the Policy & Resources Committee with an update on the financial performance of the College.

Action Required

Members are asked to DISCUSS and NOTE the management accounts.

Strategic Implications

Risk	Yes \ No	Details
Governance \ legal	Yes	The Board is responsible for the financial sustainability of the College. Good practice to monitor all areas of performance that can impact on the College's viability.
Financial	Yes	Good practice to monitor areas of activity that can impact on the College's funding and financial performance.
Executive Approval	Yes \ No	Details
Reviewed by Executive	Yes	
Other	Yes \ No	Details
Equality Impact	No	



FINANCIAL REPORT

6 MONTHS TO JANUARY 2016

CONTENTS

Report from Chief Operating Officer

1. Financial Performance Monitoring Template
2. Financial Summary
3. Income Analysis – Year to Date
4. Expenditure Analysis – Year to Date
5. Trading Departments – Year to Date
6. Cashflow
7. Balance Sheet
8. KPIs

Appendices:

1. Income and Expenditure Account Summary and Detail.
2. Balance Sheet
3. Cashflow

DISTRIBUTION

Executive Team
Board of Management Audit Committee
Senior Management Group

Section 1:

Financial Performance Monitoring Template

	2014/15 Annual Target	2015/16 Annual Target	Revised Annual Target	2015/16 Revised Annual Target	2015/16 YTD Actual	YTD Variance	2014/15 Annual Out-turn	Year End Projection
Wsums	254,687	n/a	n/a	n/a	n/a	n/a	249,833	n/a
Credits	n/a	195,452		186,258	171,451	tbc	n/a	186,258
Credits ESF	n/a	4,806		2,000	-	tbc	n/a	2,000

	2013/14 FTE	2014/15 Average FTE	2014/15 Revised Average FTE	2015/16 Average FTE	2015/16 YTD Average FTE	YTD Variance	2015/16 Year End Projection
Staff Numbers (FTE) section 2.8	1,099	1,175	1,175	1,175	1,162	13	1,167

	2014/15 Annual Budget	2015/16 Annual Budget	Revised Annual Budget	2015/16 YTD Budget	2015/16 YTD Actuals	YTD Variance	Previous YTD	Year End Projection
	£k	£k	£k	£k	£k	£k	£k	£k
Commercial & International Contracts	8,015	5,373	5,375	2,984	2,873	(111)	2,659	5,137
VS Scheme	718	0	0	0	0	0	293	0

Refer sections 2 to 5

Income	67,898	67,730	67,710	33,762	33,144	(618)	35,848	66,372
Expenditure	69,861	68,354	68,334	34,076	33,596	480	36,433	67,664
Operating Surplus / (Deficit)	(1,963)	(624)	(624)	(314)	(452)	(138)	(585)	(1,292)

Refer sections 6 to 7

Net Cash Inflow / (Outflow)	(3,895)	941	941	3,701	4,588	887	1,541	(113)
Bank Balance	4,441	4,052	4,052	6,813	7,700	887	9,878	2,998

Fixed Assets	155,436	150,716	150,716	153,581	153,156	(395)	140,079	150,716
Net Current assets / (liabilities)	(80)	631	631	174	(278)	(452)	2,873	363
Creditors and Provisions	(40,937)	(39,662)	(39,662)	(40,177)	(40,177)	-	(33,969)	(39,662)
Net Assets	114,419	111,685	111,685	113,578	112,701	(877)	108,983	111,417

Pay costs % of Income	%	65.6	66.6	66.6	66.5	66.7	(0.2)	63.0	67.6
Current Ratio		1.1	1.1	1.1	1.01	0.98	(0.03)	1.26	1.04
Cash Days in Hand		5	4	4	1	(2)	(3)	17	2
Borrowings as % of reserves	%	9.9	10.0	10.0	9.9	9.9	-	10.6	9.9

Govt Resource Accounting to 31 March 2016

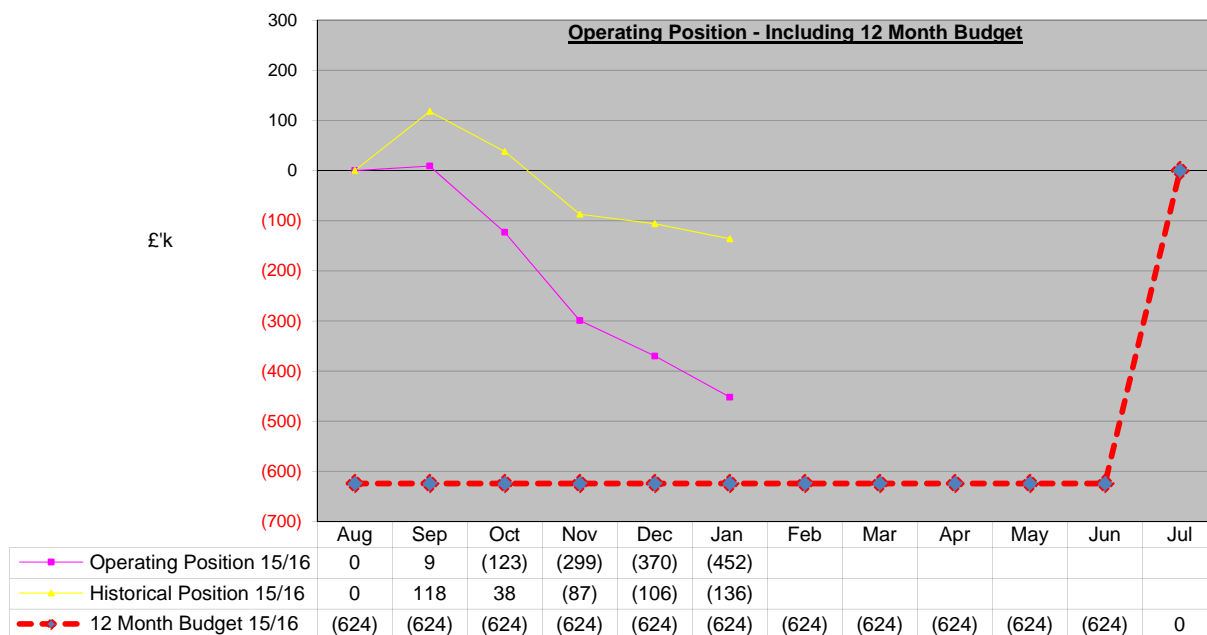
	Previous Year	Annual Budget	Revised Annual Budget	YTD Budget	YTD Actuals	YTD Variance	Previous YTD	Year End Projection	
RDEL	£k	7	732	28	565	4,976	4,411	334	(1,815)
AME	£k	(8,185)	0	0	0	0	0	0	0
CDEL	£k	0	0	0	0	46	46	1,012	0

FINANCIAL COMMENTARY ON THE MANAGEMENT ACCOUNTS

6 MONTHS TO JANUARY 2016

Section 2:

Financial Summary



- 2.1 The following report provides an update on the financial position of Edinburgh College at 31st January 2016.
- 2.2 Our 2015/16 academic year shows a starting deficit budget of £0.6m which was approved by the College's Board of Management on the basis that we would work towards a year-end breakeven position.
- 2.3 As previously reported, the College has not attained its student numbers, due to low student recruitment and retention, and a change in policy which reduced the number of additional credits allowable per student. As a result, the College will underachieve its current full year target of 200,258 credits by in excess of 12,000 credits; YTD actuals are 171,451 credits. However, the SFC have recently indicated there will be a clawback of grant-in-aid, ESF and associated student support funds totalling £2.6m, for the academic year 2015/16 aligned to the current year activity shortfall of (a minimum) 12,000 credits (pro-rata £1.7m for the financial year to 31 March 2016).
- Discussions with the SFC regarding off-setting transitional arrangements, for the current year clawback, remain on-going and are subject to a robust transformation plan
- In relation to prior year transitional financial arrangements, the SFC have confirmed that the 2014/15 clawback of £0.8m will be supported.
- 2.4 The January year to date operating position shows a deficit of £452k (up from last month's deficit of £370k) compared to a year to date budget deficit of £314k, which equates to a total adverse variance of £138k in comparison to the profiled budget to date. The historical position shows a deficit of £136k following a release of £316k from the revaluation reserve.
- 2.5 Following a detailed analysis of Semester 2 planned courses, target student numbers, and enrolled students, combined with recent student withdrawals from both FE and HE courses, mid-year forecasts reveal that tuition fee income will settle the year £1.1m lower than full-year targets, £0.3m more adverse than reported in December which covered Semester 1 shortfalls. This is due to lower student numbers, and late planning of other course offerings. Also included is a new SFC DYWF grant of £127k for which most of the cost has already been incurred. The net adverse monthly forecast income movement is £0.2m
- 2.6 The largest movement on the expenditure side has been in staffing, showing an annual net increase of £0.3m related to the pay award (£0.6m) of 1% or £300 whichever is the greater. There is also a forecast saving of

£0.07m on energy costs related to sustainability measures, and a price drop due from April. The net adverse monthly forecast cost movement is £0.2m.

Therefore December's year-end projection of a £0.95m operating deficit, has increased to an operating deficit for the year of £1.5m, which overall represents the £0.55m related to the pay award. However, there continues to be significant effort in reducing expenditure, and an "essential spend" approach will be introduced in March.

Should the SFC not agree to support the College with transitional funding, the forecast annual deficit will increase by £2.3m to £3.8m.

- 2.7 Total income to date is £33.1m, is showing an adverse variance of £0.6m on the year to date budget of £33.8m. As previously reported the adverse position relates to SAAS fees, FT & PT tuition fees, associate degree programmes, bespoke contracts and scheduled short courses. This variance reflects mainly semester 1 activity, whereas the impact of semester 2 will be shown from next month.

However, these adverse variances are partly offset by a positive variance within SFC grant income of £0.1m (development plan match funding).

- 2.8 Total expenditure to date is £33.6m, showing a favourable variance of £0.5m on the year to date budget of £34.1m. This is largely due to favourable variances within staff costs of £0.3m, and debt servicing £0.07m, owing to LIBOR projections continuing to track historic lows. All expenditure budgets continue to be reviewed and resolutions sought from Budget Managers at their monthly finance meetings.

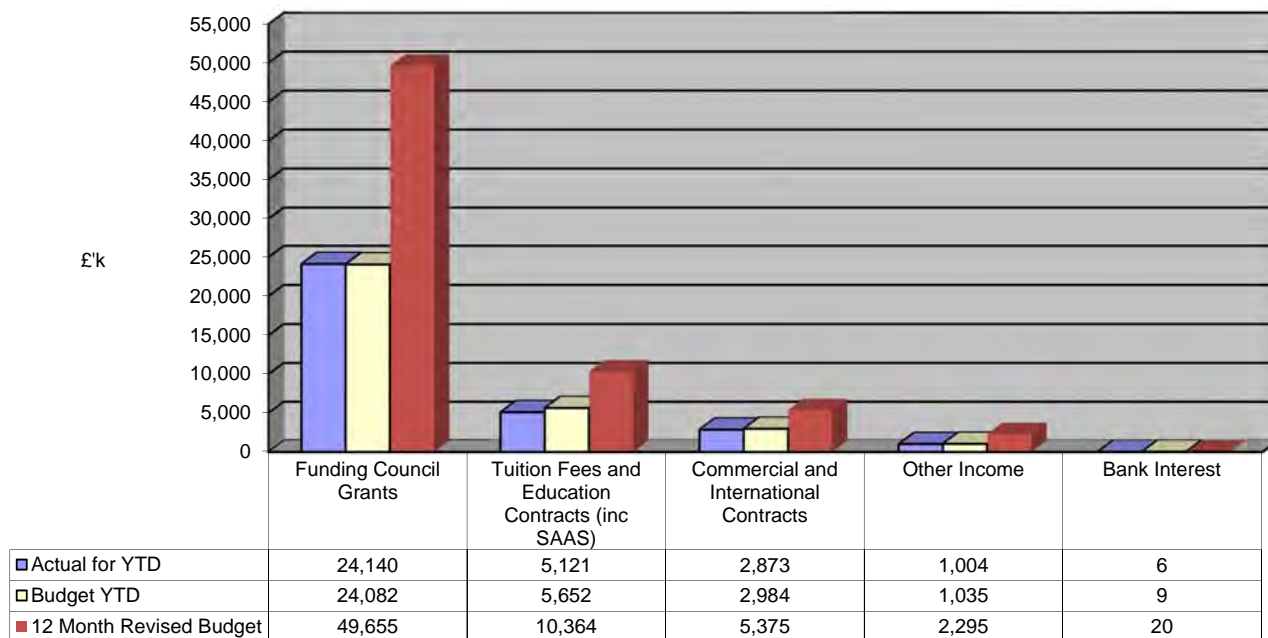
- 2.9 Staff numbers (FTE) YTD average of 1,162 is lower than the budget of 1,175 due to slower recruitment of existing vacancies and non-filling of certain posts. There has been an increase of 8.3 FTE between December 15 and January 16, which has increased the YTD average by 2.2 FTE. The majority of this increase has been teaching staff, with an increase of 5.81 FTE as recruitment has been made to posts required to teach in semester 2.

Budget Movements

During the month there have been a small number of budget virements within income and expenditure categories to eliminate timing variances and miscodings. Our opening budget deficit position of £0.6m remains unaffected by these adjustments.

Section 3: Income Analysis – Year-to-Date

Income Analysis - Year to date (Incorporating 12 Month Revised Budget)

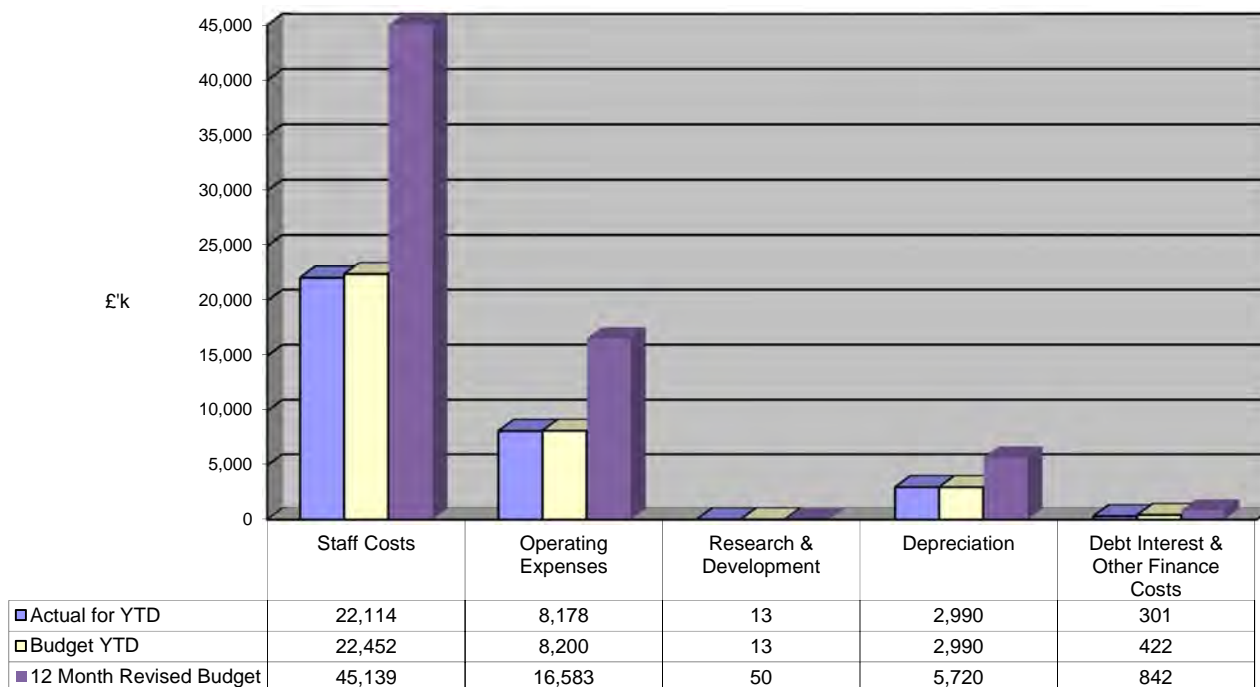


- 3.1 Our total income budget for the year stands at £67.7m (unchanged from last month). Total income for the year to date is £33.1m, which is £0.6m lower than the profiled budget of £33.8m.

- 3.2 Total SFC grant income (excluding deferred capital releases) stands at £22.5m, which is slightly ahead of its year to date budget by a net £58k, due to a partial release from the development grant to fund corresponding expenditure.
- 3.3 Net tuition fees and educational contracts (primarily SAAS, HE/PT courses, associate degrees, and self-payers) are currently £0.5m behind their year to date target, and will not recover, although much work is being performed to attract part-time, day and evening course students onto our range of Semester 2 courses. Mid-year forecasts indicate that SAAS fees will settle approximately £0.4m short of full-year budget, an improvement of £0.05m. The revised forecast for tuition fee income including Semester 2 now shows a shortfall of £1.1m, a further deterioration of £0.3m from last month's adverse position, which is spread across a number of Centres.
- 3.4 Total Commercial & International income to date stands at £2.9m, which is £0.1m lower than its year to date profiled budget. The adverse position is largely due to weakness within 'other bespoke' contracts and scheduled short courses, coupled with lower in-take of students than originally planned.
- Latest projections suggest a full year commercial income shortfall of £0.25m although further opportunities exist within tailored short courses. However, the Business and International Development teams continue to prepare and submit fresh commercial bids, whilst expenditure budgets continue to be closely reviewed for mitigating savings.
- 3.5 International income is currently in line with budget, at £0.8m achieved to date and current forecasts suggest it will achieve its full year income target of £1.35m.
- 3.6 During the month, the deferred income release was £0.3m (cumulative £1.6m), which is in line with forecast and is matched against associated depreciation charges.
- 3.7 We are currently forecasting year-end total income of £66.5m, approximately £1.2m below budget level.

Section 4: Expenditure Analysis – Year-to-Date

Expenditure Analysis - Year to date (Incorporating 12 Month Revised Budget)



- 4.1 Our total expenditure budget for the year stands at £68.3m (unchanged from last month). Total expenditure for the year to date is £33.6m, which is £0.5m lower than the profiled budget of £34.1m.
- 4.2 The positive variance to date is largely due to a net underspend of £0.3m within staff costs (primarily due to vacancy churn, delayed recruitment, and unfilled vacant posts) together with a favourable variance of £66k for debt interest payments (which is likely to accumulate to £0.13m by year-end), and £54k for other finance

charges (currency movements). These favourable variances have been supplemented by a small underspends to date of £22k within other operating expenditure (an improvement of £104k, in total, from last month), illustrating our focus on managing expenditure.

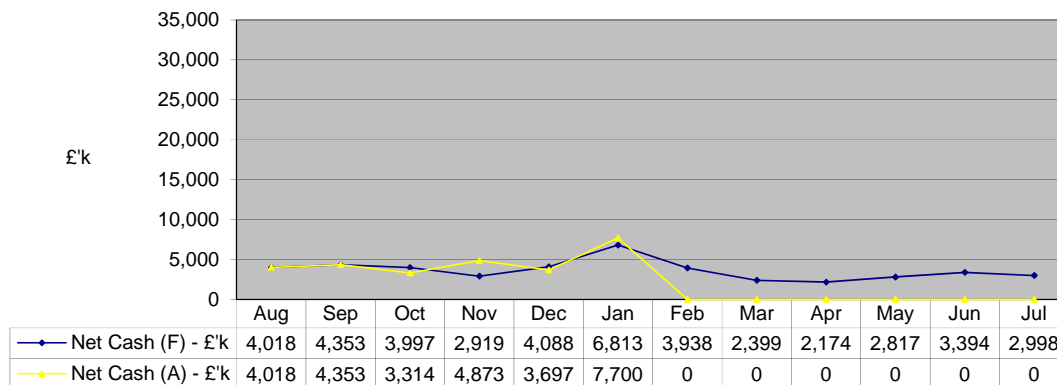
- 4.3 Staff costs are now forecast to be £0.1m lower than the full year budget (having incorporated the effects of the national pay award net £0.6m). Staff vacancies continue to be scrutinised and there will be opportunities to increase savings further.
- 4.4 Within operating expenditure, the current favourable variance of £22k is largely due to net underspends within ICT expenditure of £0.1m (licences and leasing agreements) which are expected to steadily accumulate as we progress towards the year-end. Most other expenditure areas remain managed within budget.
- 4.5 Following a high level review of forecast energy costs, the full year forecast for other operating expenditure is now anticipated to settle £70k lower than previously forecast due to increased use of our energy management systems, sustainable approaches and upcoming tariff reductions from April. We anticipate that many areas will close-in towards target and release further savings as the year progresses, whilst any currently overspent areas to date remain under scrutiny for correction.
- 4.6 In the year to date, depreciation charges of £3m (2014/15 y/e: £2.7m) have been released from our fixed assets to reflect their economic use.
- 4.7 We are currently forecasting year-end total expenditure of £68m, approximately £0.3m below budget.

Section 5: Catering and Nursery Trading Departments – Year-to-Date

- 5.1 The following information provides an overview of the year to date trading positions of the catering and nursery departments.
- 5.2 The cross-campus catering facilities have generated total revenue to date of £0.9m, resulting in a gross operating profit of £0.5m and a net operating profit of £0.02m, which is in line with expectations. The net operating position has been adversely impacted by the costs following job evaluation. Increasing sales and the containment of costs remains a key priority.
- 5.3 The Nursery function currently shows a net operating loss of £0.06m, which is due to lower than planned recruitment, and the continued use of agency staff (adverse net cost to date of £50k) to cover staff absences, thereby maintaining mandatory staff to children ratios. A further marketing drive remains ongoing to increase our current in-take.

Section 6: Cashflow

Cash Position - Forecast versus Actuals to January 2016



- 6.1 Our cash position shows a balance of £7.7m, ahead of our rolling forecast owing to the timing of operating expenditure and student support out-flows. The cash balance includes recent receipt of SAAS fees (£3.8m), net SFC grants, student support funds, cash brought forward and current year working capital.

- 6.2 Our cash balance is projected to return to previous levels in February and to subsequently fluctuate within a narrow range for the foreseeable future. We are paying an average of 5.69% on our debt borrowing (prior year 5.68%).
- 6.3 Our underlying interest related borrowings stand at £11.2m and our Lennartz VAT liability is £2.1m. Our latest Lennartz payment (a net £180k) was settled in December with the next quarterly payment due in March 2016.
- 6.4 We forecast an end of year bank balance of £3m (rolling target £4.5m), an adverse movement of £0.8m on last month's forecast year-end balance (£3.8m) and the revised forecast balance equates to a negative cash movement for the year of £0.1m. The adverse movement in the month follows the inclusion of the cashflow effects of the national pay award (£0.6m), a reduction in net student funds in-flows of £0.3m and a reduction in net tuition fee income of £0.3m, partly offset by the inclusion of recently secured DYWF SFC grants of £0.1m (with associated expenditure largely factored into existing projections). However, our continual focus on containing expenditure and, where possible, extracting further savings as the session progresses will have a positive impact on our final cash out-turn.
- 6.5 In January, we drew down from the SFC £41k of our 2015/16 capital allocation (April 15 to March 16) to fund ICT and Estates projects (£1.2m drawn down in total since April).

SFC / GOVERNMENT RETURNS

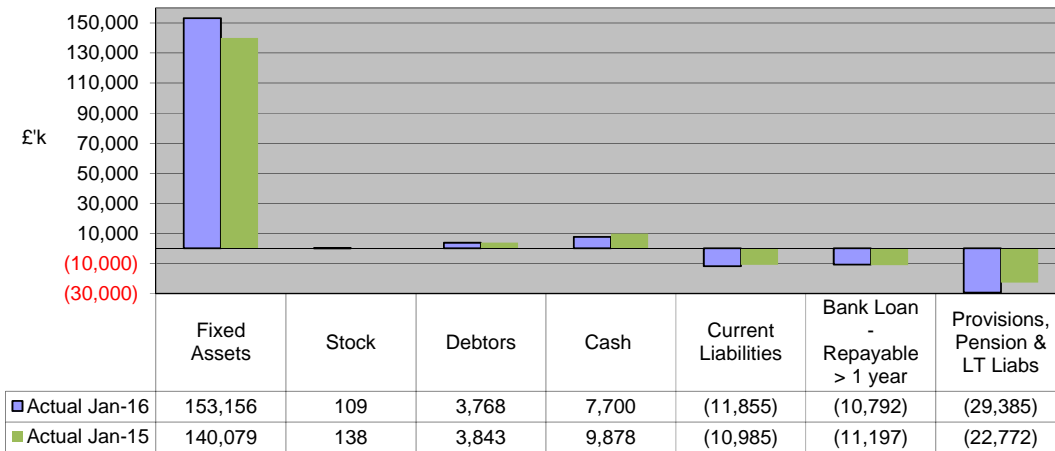
- 6.6 The RDEL (Resource Departmental Expenditure Limit) refers to an under or overspend for the financial year to 31 March 2016. The Financial Performance Monitoring template shows a forecast overspend of £1,815k to 31 March 2016 following communication with the SFC. The Return now includes the effects of a net clawback of grant-in-aid of £1.1m in total (which is the proportion due for the financial year 2015/16 - £1.6m is due in total for the academic year 2015/16) and is aligned to the reduction in current year activity of 12,000 credits (discussions with the SFC with regards to offsetting transitional funding remains on-going). This excludes the ESF grant income as the SFC have not yet received confirmation from the Scottish Government of their allocation. This is offset by an additional £0.3m of student support funds received in the annual in year redistribution exercise.

The forecast overspend of £1,815k also includes the effect of the 1% national pay award (net £0.4m) and a further forecast reduction in tuition fee income streams (for prudence) of £0.4m, mainly related to semester 2 activity. These adverse movements are partly offset by savings of £0.3m in staff costs and forecast net savings of £0.2m identified within other operating costs based on an analysis of the ytd January 2016 spending profile, and as a by-product of the forecast reduction in fee income.

For the year to 31 March 2016 a budgeted underspend of £0.7m was originally forecast at April 2015 and has since been revised to a year end projected overspend of £1.8m, with the adverse movement of £2.5m due to the actual financial results to 31 July 2015, the net effects of the grant in aid (and student funds) clawback, the impact of the national pay-award, and the current projected deficit of £1,494k for the 2015/16 academic year.

This overspent position naturally remains under focus for improvement (in line with the target improvement of our current I/E forecast deficit of £1,494k) and we continue to look for ways to generate more income and reduce our expenditure base, whilst keeping core operational spends to a minimum.

- 6.7 The AME (Annually Managed Expenditure) refers to the revaluation of pension liabilities, including the FRS17 deficit; as a result, neither budgets nor projections have been provided at this stage due to the uncertainty of future movements. The previous year figure of (£8,185k) refers to the actuarial valuation of the LPF scheme (£7,782k) and the revaluation of the early retirement provision (£403k). The figures do not include any impact of the revaluation of land and buildings and the restatement of prior year figures, following receipt of guidance from the SFC that these revaluations are outside of the scope of resource return reporting.
- 6.8 The CDEL (Capital Departmental Expenditure Limit) refers to the difference between the capital grant received and the expenditure on fixed assets. There is an underspend, for the year to date, of £46k, as a result of net capital grants being drawn down (in January) in advance of associated capital expenditure payments, which have fallen into February due to timing.

Section 7:
Balance Sheet
Assets and Liabilities


- 7.1 In the year to date our capitalised expenditure is £0.7m, of which £0.3m was incurred on ICT desktop & deployment works, whilst £0.3m was incurred on Estates projects. Assets under construction, awaiting to be brought into use and then capitalised, total £0.1m for the year to date.
- 7.2 Our net current liabilities stand at minus £0.3m due to a net decrease in our cash deposits and equates to negative (-2 days) of working capital reserves. At the end of January, debtors include trade £1m and £2.8m of prepayments and accrued income. We received the majority of funds owed to us by SAAS (£3.8m) at the end of January, with a small balance due for payment in March.
- 7.3 Year on year provisions (excluding pension liabilities) have decreased by £0.4m to £4.9m (academic y/e £5m) following movements in relation to our student accommodation contract and enhanced pension provision scheme. Our support staff pension liability stands at £23.2m, whilst our current bank debt level is £11.2m.
- 7.4 The main (net) year on year movement in current liabilities is within net accruals and deferred income (£1.1m). The amount held in deferred grant liabilities at the month-end (£4.9m) represents SFC funds largely in respect of grant-in-aid, ESOL, student support, capital formula grants and debt support. During the month, a further tranche (£41k) of our capital allocation was drawn down (£1.2m drawn down in total to date) to fund new capital works. We currently show £12.1m of liabilities as repayable in more than 1 year.
- 7.5 Deferred grants and specific reserves, less pension reserve, have decreased by 2.3% to £67.8m (academic y/e 2014/15: £69.4m), following the capitalisations detailed above, whilst the income and expenditure reserve is currently £44.9m (academic y/e 2014/15: £45m).

Section 8: KPIs
8.1 KPIs

<ul style="list-style-type: none"> Out-turn: (£452k) deficit Target: Breakeven Forecast out-turn: (£1,494k) deficit 	<ul style="list-style-type: none"> Cash (burn) / generation rate at +£669k (due to lower salary costs and SAAS receipts). Target rolling monthly average generation rate: +£115k.
<ul style="list-style-type: none"> YTD cash balance: £7.7m Rolling target: £4.5m 	<ul style="list-style-type: none"> Net Current Assets/(Liabilities): (£0.3m) (-2 days) Target: £3.3m (19 days)
<ul style="list-style-type: none"> Current Ratio: 1:0.98 Target: 1:1.15 	<ul style="list-style-type: none"> Pay Costs as % of Total Income: 66.7% Target: 66.7%
<ul style="list-style-type: none"> Borrowings as % of reserves: 9.9% Target: 9.9% 	<ul style="list-style-type: none"> Current credits: 171,451 Target credits: 188,258

	<u>Original</u> <u>Annual</u> <u>Budget</u> <u>£000s</u>	<u>Revised</u> <u>Annual</u> <u>Budget</u> <u>£000s</u>	<u>YTD</u> <u>Budget</u> <u>£000s</u>	<u>YTD</u> <u>Actuals</u> <u>£000s</u>	<u>YTD</u> <u>Variance</u> <u>£000s</u>	<u>Previous</u> <u>YTD</u> <u>£000s</u>	<u>Year End</u> <u>Projection</u> <u>£000s</u>
Funding Council Grants	45,786	45,786	22,048	22,106	58	24,415	45,969
Deferred Capital Grant Releases	3,069	3,069	1,634	1,634	0	1,527	3,069
Debt Support Grant	800	800	400	400	0	332	800
Tuition Fees and Education Contracts (inc SAAS)	10,366	10,364	5,652	5,121	(531)	5,379	9,294
Commercial and International Contracts	5,373	5,375	2,984	2,873	(111)	2,659	5,137
Other Income	2,337	2,315	1,044	1,010	(34)	1,245	2,229
Exceptional Merger Support Grants	0	0	0	0	0	293	0
Total Income	67,730	67,710	33,762	33,144	(618)	35,848	66,499
Staff Costs	45,139	45,139	22,452	22,114	338	22,406	45,000
Other Operating Expenses	16,603	16,583	8,200	8,178	22	10,540	16,513
Depreciation	5,720	5,720	2,990	2,990	0	2,727	5,720
Debt Interest & Other Finance Costs	842	842	422	301	121	368	710
Research & Development	50	50	13	13	0	99	50
Exceptional Merger Support Costs	0	0	0	0	0	293	0
Total Expenditure	68,354	68,334	34,076	33,596	480	36,433	67,993
Operating Surplus / (Deficit)	(624)	(624)	(314)	(452)	(138)	(585)	(1,494)
Statement of Historical Cost Surpluses and Deficits for the 6 Months to 31st January 2016							
Operating Surplus / (Deficit)	(624)	(624)	(314)	(452)	(138)	(585)	(1,494)
Difference between historical cost depreciation and actual revaluation charge for the period	313	612	316	316	0	156	612
Historical Cost Surplus / (Deficit)	(311)	(12)	2	(136)	(138)	(429)	(882)

	<u>Original Annual Budget £000s</u>	<u>Revised Annual Budget £000s</u>	<u>YTD Budget £000s</u>	<u>YTD Actuals £000s</u>	<u>YTD Variance £000s</u>	<u>Previous YTD £000s</u>
INCOME						
Funding Council Grants						
Recurrent Grant Inc Fee Waiver	41,074	41,074	19,562	19,553	(9)	22,503
Childcare Funds	1,545	1,545	816	816	(0)	947
Deferred Capital Grants	3,069	3,069	1,634	1,634		1,527
Debt Support Grants	800	800	400	400		332
Other SFC Grants	3,166	3,166	1,670	1,736	67	965
	49,655	49,655	24,083	24,140	58	26,274
Tuition Fees & Education Contracts						
FE - UK & EU	102	62	14	61	46	767
HE - UK & EU	996	817	521	402	(119)	413
PT Self Payers	906	1,139	797	627	(170)	22
Examination Fee Income	21	7	0	5	5	
SAAS	4,280	4,280	2,206	1,991	(215)	2,090
Associate Degree Fees	1,250	1,250	667	602	(65)	666
Managing Agents	1,380	1,380	709	698	(10)	719
Edinburgh Council - Pre Emp Contract	1,430	1,430	737	734	(4)	702
	10,366	10,364	5,652	5,121	(531)	5,379
Commercial & International						
International	1,350	1,350	842	833	(9)	778
SDS	517	517	249	249	(0)	227
EH15 and The Apprentice Restaurants	47	97	55	60	5	60
Bliss SPA and Employability Salons	148	123	69	62	(7)	87
Gym	335	312	158	158	(0)	152
Nursery	1,075	1,075	544	507	(38)	460
Residences	595	595	246	247	0	255
Access Centre Provision	130	130	49	49	(0)	69
Bespoke Contracts for Employers	1,175	693	407	353	(54)	546
Scheduled Short Courses		483	363	336	(27)	
Other European Income				18	18	25
	5,373	5,375	2,984	2,873	(111)	2,659
Other Income						
Catering	2,085	2,085	923	884	(39)	1,055
Other Income Generating Activities	232	211	111	120	8	177
	2,317	2,295	1,035	1,004	(31)	1,233
Endowment & Investment						
Bank Interest	20	20	9	6	(3)	12
	20	20	9	6	(3)	12
Exceptional Merger Support Grants						
						293
TOTAL INCOME	67,730	67,710	33,762	33,144	(618)	35,848
EXPENDITURE						
Staff Costs						
Senior Management	1,862	1,909	992	982	10	1,079
Academic Departments	23,281	23,282	11,486	11,228	258	11,462
Academic Services	4,428	4,439	2,191	2,119	71	941
Admin & Central Services	12,145	12,278	6,115	5,978	137	7,035
Premises	1,146	1,148	582	584	(2)	718
Catering & Residences	856	926	454	415	39	424
Temporary & Agency Staff Costs	754	784	380	555	(176)	383
Other Staffing Expenditure	668	373	252	252	(0)	364
	45,139	45,139	22,452	22,114	338	22,406
Other Operating Expenses						
Premises	5,094	5,097	2,643	2,645	(2)	2,677
Teaching Activity & Support	1,033	1,015	517	526	(9)	1,000
Childcare Costs	1,545	1,545	816	816	0	947
Transport Costs	42	42	24	31	(7)	154
IT Costs	1,427	1,345	711	606	105	807
Telecomms Costs	145	194	101	101	(0)	93
Equipment	41	41	21	20	1	44
Health & Safety	92	93	35	40	(5)	51
Travel & Subsistence	547	548	340	338	2	299
Admin Costs	295	333	115	124	(9)	156
Corporate, Consultancy, Professional	864	834	411	483	(72)	847
Staff Welfare	17	9	5	5		4
Catering	1,401	1,420	643	619	25	754
Training & Development	183	183	44	45	(0)	91
VAT	1,546	1,546	850	860	(10)	1,084
Marketing & PR	243	241	141	141	0	109
Partnership Costs	616	616	329	325	3	458
Overseas Agents Commission	158	158	54	50	4	210
Registration & Exam Fees	1,266	1,277	398	400	(2)	724
Bad Debts	48	48	1	1	(0)	30
	16,603	16,583	8,200	8,178	22	10,540
Depreciation for the year	5,720	5,720	2,990	2,990		2,727
Debt Interest & Other Finance Costs						
Interest On Bank Loans	800	800	400	334	66	332
Other Finance Charges	42	42	22	(32)	54	36
	842	842	422	301	121	368
Research & Development	50	50	13	13	0	99
Exceptional Merger Support Costs						293
TOTAL EXPENDITURE	68,354	68,334	34,076	33,596	480	36,433
	(624)	(624)	(314)	(452)	(138)	(585)

Balance Sheet
For the 6 Months to 31st January 2016

	<u>2015/2016</u> <u>YTD Actuals</u> <u>£000s</u>	<u>2014/15</u> <u>Year End</u> <u>£000s</u>	<u>2014/2015</u> <u>Previous YTD</u> <u>£000s</u>
Fixed Assets			
L&B	144,089	145,731	130,500
FFE	9,067	9,705	9,579
	153,156	155,436	140,079
Current Assets			
Stock	109	137	138
Debtors	3,768	3,853	3,843
Cash	7,700	3,111	9,878
	11,577	7,101	13,858
Creditors < 1yr			
Loans	(386)	(386)	(357)
Payments received in advance	(614)	(281)	(799)
Trade creditors	(925)	(1,761)	(767)
Taxes & social sec	(904)	(1,024)	(1,136)
Accruals, Def Inc & Other Creditors	(4,134)	(3,695)	(4,750)
Amounts owed to SFC	(4,891)	(34)	(3,177)
	(11,855)	(7,181)	(10,985)
Net current assets / (liabilities)	(278)	(80)	2,873
Total assets less current liabilities	152,878	155,356	142,953
Creditors > 1yr			
Bank loans	(10,792)	(10,982)	(11,197)
Lennartz VAT	(1,301)	(1,699)	(2,179)
	(12,093)	(12,681)	(13,376)
Provisions			
Early retirement	(4,828)	(4,975)	(4,643)
Other	(40)	(65)	(607)
	(4,868)	(5,040)	(5,249)
Net pension asset / (liability)	(23,216)	(23,216)	(15,344)
NET ASSETS	112,701	114,419	108,983
Deferred capital grants			
SFC	62,013	63,273	63,407
Other	557	564	576
	62,570	63,837	63,983
Reserves			
I&E account	44,898	45,034	54,010
Pension reserve	(23,216)	(23,216)	(15,344)
Revaluation reserve	28,448	28,764	6,334
	50,131	50,583	45,000
CAPITAL & RESERVES	112,701	114,419	108,983

