

POLICY & RESOURCES COMMITTEE

AGENDA

A meeting of the Policy & Resources Committee will be held at 1400 hours on Wednesday, 26 August 2015 in the Boardroom, Milton Road Campus.

		Lead Speaker	Paper
1	WELCOME & APOLOGIES	Chair	
2	DECLARATIONS OF INTEREST	Chair	
3	MINUTES OF PREVIOUS MEETING	Chair	
3.1	Policy & Resources Committee 03.06.15 <i>for approval</i>		A
3.2	Capital & Infrastructure Committee 09.06.15		B
4	MATTERS ARISING	Chair	
4.1	Matters Arising Report		C
4.2	Review of Committee Operation <i>for approval</i>		D
5	TERMS OF REFERENCE	Chair	E
6	PROJECT DEVELOPMENT REPORT		
6.1	Development Plan Report	C Wilson	F
<i>Item 6.1 presently exempt from publication under the Freedom of Information (Scotland) Act 2002, Section 30, Prejudice to the Effective Conduct of Public Affairs</i>			
7	HUMAN RESOURCES REPORT	C Wilson	G
<i>Item 7 presently exempt from publication under the Freedom of Information (Scotland) Act 2002, Section 30, Prejudice to the Effective Conduct of Public Affairs</i>			
8	CAPITAL AND INFRASTRUCTURE REPORT	A Williamson	H
<i>Item 8 presently exempt from publication under the Freedom of Information (Scotland) Act 2002, Section 30, Prejudice to the Effective Conduct of Public Affairs</i>			
9	FINANCIAL REPORT		
9.1	Management Accounts to June 2015 attached	A Williamson	I
9.2	Financial Performance Monitoring Template	A Williamson	J

9.3 [Draft Budget 2015/16¹](#) *for approval*

A Williamson K

10 ANY OTHER COMPETENT BUSINESS

11 DATE OF NEXT MEETING: 26 November 2015

¹ The College Budget 2015/16 is published online under the Board of Management 'Papers' for 22 September 2015 (Paper K).

MANAGEMENT ACCOUNTS TO JUNE 2015
Introduction

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

Action Required

For information.

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 Status	N/A	



FINANCIAL REPORT

11 MONTHS TO JUNE 2015

CONTENTS

Report from Chief Operating Officer

1. Financial Summary
2. Income Analysis – Year to Date
3. Expenditure Analysis – Year to Date
4. Cashflow
5. Balance Sheet
6. KPIs (including the revised Student Support Funds contribution of £0.15m)

Appendices:

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

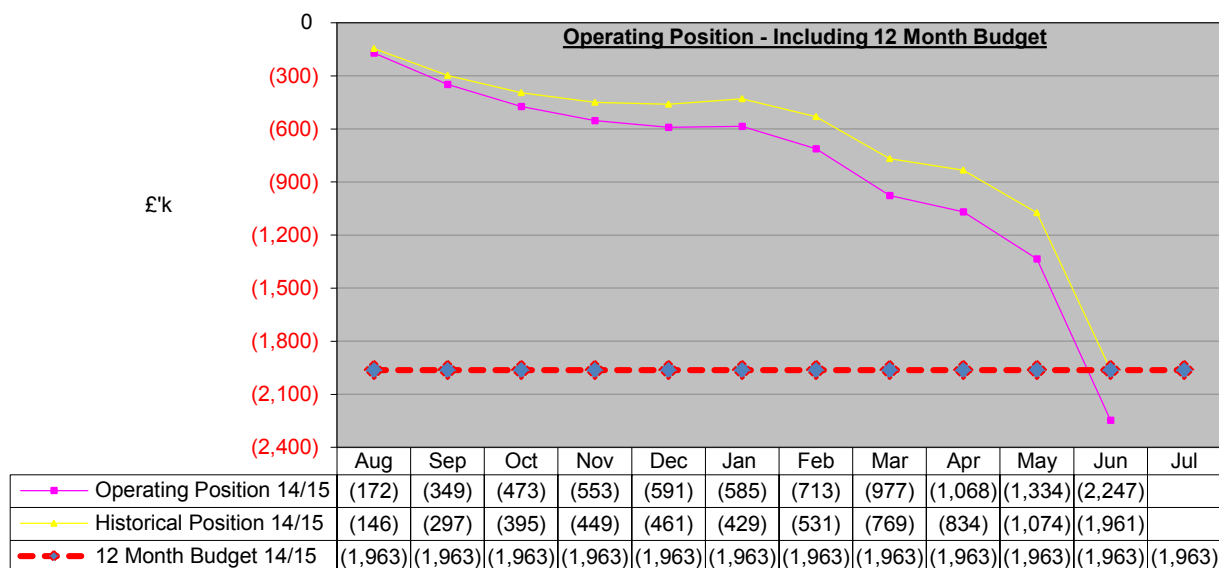
DISTRIBUTION

Executive Team
Board of Management Audit Committee
Leadership Team

FINANCIAL COMMENTARY ON THE MANAGEMENT ACCOUNTS

11 MONTHS TO JUNE 2015

Section 1: Financial Summary



1

- 1.1 The following report provides an update on the financial position of Edinburgh College at 30 June 2015.
- 1.2 For the year to date, our financial position shows a deficit of £2,247k (£913k more than last month) and £465k adverse to date; compared to a deficit of £1,576k in 2013/14. The historical deficit position is £1,961k (2013/14 - £1,289k). The deficit of £2,247k includes the positive effect of £884k savings achieved to date
- 1.3 Total income is £63.1m, showing a positive variance of £77k. However, within this positive variance, budgeted tuition fees, commercial and other income is adverse by £924k due to lower student numbers. This adverse position is off-set by positive movements in net deferred income (£561k), and SFC grants (net £440k).
- 1.4 Total expenditure is £65.3m showing an adverse variance of £542k. Staff expenditure is currently overspent by £138k. Through the course of the year, discrepancies emerged between the staffing budget originally set and agreed, and the level of resource required to achieve the activity targets, latterly for semester 2 courses.
- 1.5 Non pay expenditure is £404k adverse to date which includes a charge for student support applications (£150k), non-releasable efficiency savings and budget overspends (£539k), budget underspends (£114k), and a £353k credit (non cash) in relation to an increase in accommodation occupancy at Granton from an average of 65% to 95%, thereby reducing the contract liability. Our focus on tightening expenditure shows approx £150k of costs avoided.
- 1.6 Following a detailed review of the year-end forecast, it was identified in May that the projected deficit had increased by £0.7m to £2.5m. The main reasons behind this increase is related to:

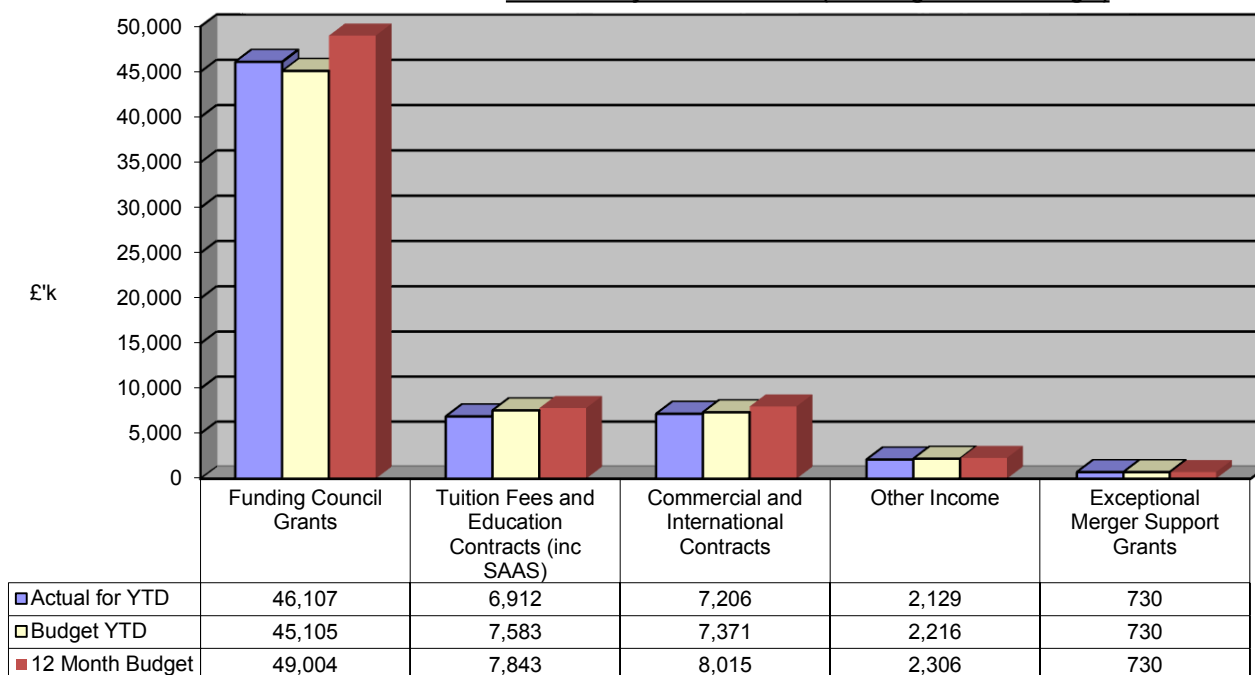
	£'m	Reason
Original projected out-turn	1.8	
Further identified shortfall within SAAS income	0.2	Associate degree income coded to SAAS, whilst Associate degree income projected to come in close to budget.
Further identified shortfalls within bespoke / non-bespoke income	0.1	A detailed review of commercial income revealed a gap in overall anticipated income.
Further identified shortfalls within other tuition fee income	0.2	A detailed review of p/t self payer and other income generating activities revealed a further gap in overall anticipated income.
Additional cost of staff requirements	0.2	Anticipated benefits of efficiency savings from VS scheme overshadowed by cost of additional staff for semester 2, sick leave etc
	2.5	

¹ Our 2014/15 academic year (12 months) budget shows an operational deficit of £1,963k which was approved by the College's Board of Management.

- 1.7 With a view to mitigating the 2014/15 budget issues, the following actions for 2015/16 have proceeded:
- 1.7.1 Our recruitment and enrolment process has changed, and at this point in time we are seeing the benefits of being well ahead in dealing with applications compared to prior years. Our focus is now on converting and retaining students, thereby increasing student numbers and associated income.
 - 1.7.2 Staff pay anomalies should be avoided as staffing levels have been zero based and aligned to the level of credits plus a contingency (currently 10,000 credits).
 - 1.7.3 Staff have also been undertaking contract reviews, and following this work guaranteed contractual savings of £0.5m have been confirmed. There will also be a more rigorous financial control framework and increased levels of accountability.
- 1.8 Within the management accounts pack is a 16 month income/expenditure projection, the period of our current annual accounts statement. The 16 month period shows a forecast deficit of £3.5m, which includes our current academic year forecast of £2.5m, plus a £1m deficit for the period 1st April 2014 to 31 July 2014. This reverts to a normal 12 month academic accounting year from 1st August 2015.

Section 2: Income Analysis – Year-to-Date

Income Analysis - Year to date (Including 12 Month Budget)



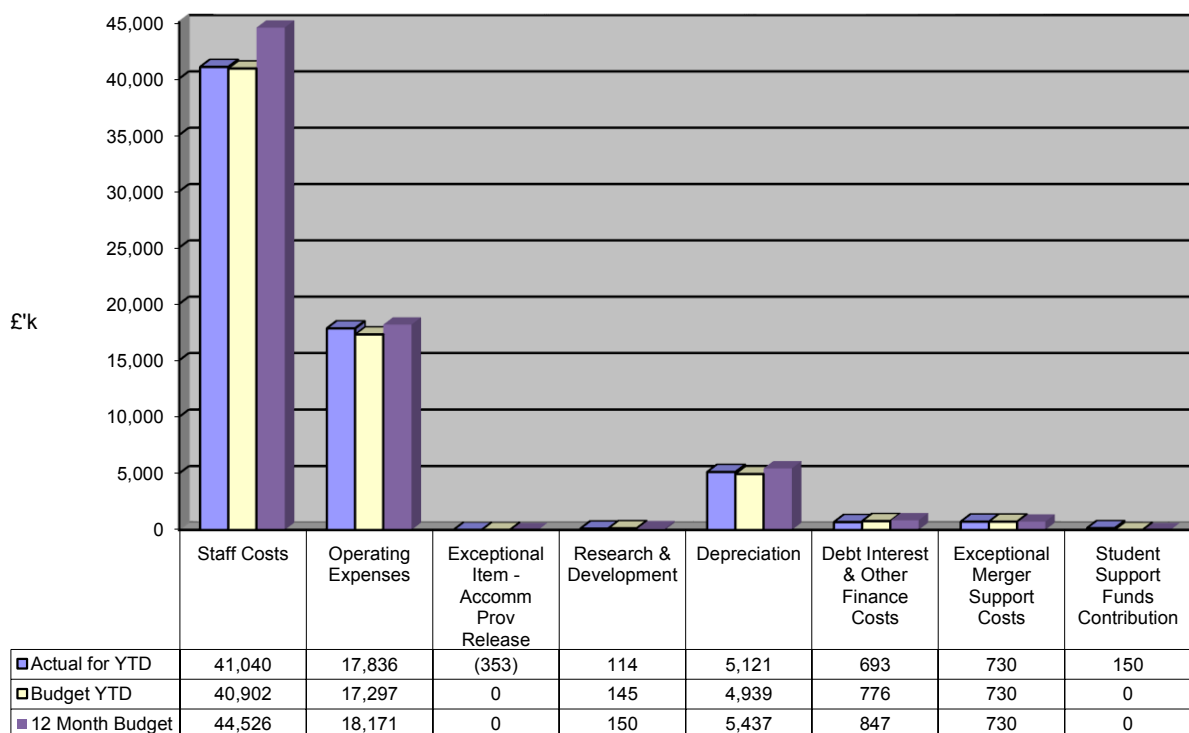
- 2.1 Our income budget for the year stands at £67.9m (starting budget £66.3m). Actual income to date is £63.1m, with a favourable variance of £77k on the year to date budget of £63m.
- 2.2 SFC grants are currently £1m ahead of budget due to the positive impact of additional capital maintenance grants deferred from prior years (totalling £0.4m for the year), together with a 'catch-up' release of deferred capital grants aligned to campus redevelopment, also totalling £0.4m for the year, plus an increase in specific grants (£0.2m).
- 2.3 Within tuition fees, SAAS fees are adverse by £416k, FE/HE tuition fees adverse by £180k, and Self-Payer income adverse by £67k, and will not recover by the year-end. Latest forecasts suggest that SAAS fees will settle approximately £454k short of full year budget, whilst all other tuition fees in total are expected to settle the year £283k behind budget.
- 2.4 Within Commercial and International, positive performances continue to be noted within managing agents (£83k), SDS (£70k) and residencies (£65k), although 'other bespoke' revenue streams remain materially below budget (by £347k to date), mainly due to an inadequate business development structure and competitive trading conditions. However, Summer School activity will help to improve our position during the last month of the year. International income is currently on target at £1.3m achieved to date against a £1.4m full year budget.
- 2.5 Income from Milton Road 'Club' activities remains steady, with the Bliss Spa, gym & leisure memberships, EH15 restaurant and residencies generating £1m of income to date, ahead of their overall targets by £130k in total. Nursery activity is currently £92k behind its year to date target, with forecasts reflecting a shortfall for the year

of £100k in total. However, the overall nursery position remains positive to date (net £50k) through tighter cost management.

- 2.6 Cross-campus catering is recording total revenues to date of £1.8m, and is on target to achieve its full year income budget of £1.9m despite a slowdown in current activity due to student holidays. However, this good performance in the first year of in-house catering provision across all 4 campus sites has been dampened by higher curriculum catering costs.
- 2.7 During the month our deferred income release was £610k at a cumulative £3,082k (£561k higher than forecast), which includes £379k of 'catch-up' deferred grant releases as mentioned above, together with £182k of higher than forecast grants matched against associated in-year depreciation charges.
- 2.8 Our forecast outturn shows total income of £68m, approximately £0.1m higher than our current budget.

Section 3: Expenditure Analysis – Year-to-Date

Expenditure Analysis - Year to date (Including 12 Month Budget)



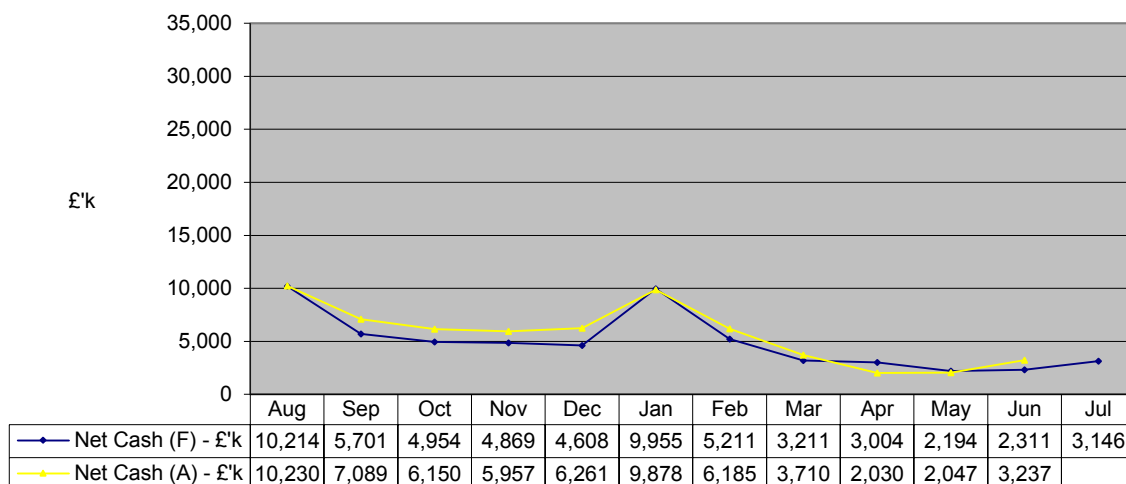
- 3.1 Our expenditure budget for the year stands at £69.9m (starting budget £68.3m). Actual expenditure to date is £65.3m, with an adverse variance of £542k on the year to date budget of £64.8m. This includes a net overspend of £138k within staff costs (primarily temporary & agency staffing, overtime and additional hours) to cover absence and to deliver additional semester 2 requirements, together with low vacancy churn).
- 3.2 The total overspend within other operational expenditure (including the student funds contribution) is £689k to date. This is largely due to additional costs within premises, which includes energy (adverse £197k, due to non-achieved efficiency savings), catering provisions (adverse £193k, mainly due to academic teaching costs), teaching activities (adverse £141k), student support £150k (an improvement of £117k from last month due to support staff constantly working on register protocol with teaching teams and tutors), and exam fees (adverse £89k, due to the identification of unbudgeted costs and the cost of adding new units onto course frameworks). whilst depreciation charges are currently £182k higher than budget, although this is off-set by higher net corresponding deferred income. These overspends are partly offset by underspends of £83k within debt interest & other finance costs and £31k within research & development, coupled with the accommodation provision release of £353k.
- 3.3 These cost over-runs are partly offset by underspends within professional fees (£182k), ICT (£68k) and marketing costs (£42k). However, planned savings within the premises costs of £301k will not be achieved in the current year.

- 3.4 In the year to date, depreciation charges of £5.1m (2013/14: £5.6m) have been released from our fixed assets to reflect their economic use.
- 3.5 Our forecast outturn shows total expenditure of £70.4m (including student support funds costs of £150k), approximately £0.6m higher than our current budget.

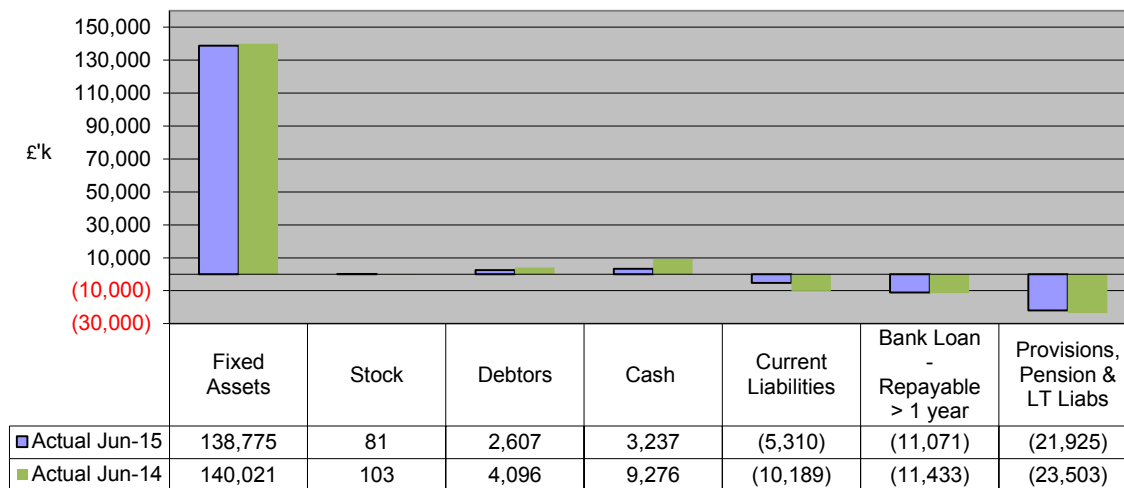
Section 4

Cashflow

Cash Position - Forecast versus Actuals to June 2015



- 4.1 Our cash position is currently at £3.2m due to the timing of staffing and other operational expenditure cash flows.
- 4.2 Our net cash balance is projected to remain within a narrow range for the foreseeable future and, in view of this, we have refrained from tying up funds in a short or medium term fixed account due to breakage charges for early withdrawals and working capital requirements. We are paying an average of 5.72% on our debt borrowing (prior year 5.66%).
- 4.3 Our underlying interest related borrowings stand at £11.4m and our Lennartz VAT liability is £2.9m. Our latest payment (a net £222k) was settled in May with the next quarterly payment due in August 2015.
- 4.4 Based on estimated cash flow movements, we forecast an end of session bank balance of £3.1m and a current year adverse cash movement of £5.2m (largely related to the timing of capital grant receipts and corresponding expenditure (£3.2m) across different financial years). However, we will continue to contain expenditure towards year end. Working capital continues to be carefully monitored and managed in view of the financial restrictions under ONS reporting.
- 4.5 In June, £11k of our capital allocation was drawn down to fund new Estates projects (£2.7m drawn down to date).

Section 5:
Balance Sheet
Assets and Liabilities


- 5.1 In the year to date our capital expenditure is £4.7m (funded by £2.8m of supporting grants brought forward from academic year 2013/14, with the balance received from August 2014). Costs have been incurred on ICT (£3.5m) and Estates (£1.2m).
- 5.2 Our net current assets have decreased to £0.6m (academic y/e 2013/14: £2.5m) due to a net decrease in our cash deposits, and equates to 3 days of working capital reserves. At the end of June, debtors include trade £0.9m and £5m of prepayments and accrued income. We continue to chase all outstanding payments.
- 5.3 Year on year provisions excluding pension liabilities have decreased by £0.7m to £4.8m (2013/14 academic y/e £5.5m) and includes a release of £0.3m (from a £1.7m starting position) in relation to the net liability of our Granton student accommodation contract to 2025. In completing the SFC year-end Resource Return (at 31 March 2015), there was an additional charge of £0.3m under SSAP24 in relation to the revaluation of our enhanced pension provision (staff leaving in 1995 with enhanced pension rights). This cost has not been included in our year-end forecast, as the final figure will not be known with any degree of certainty until the the year-end.
- 5.4 The main (net) year on year movement in current liabilities is within net accruals and deferred income (£3.1m). The amount held in accruals and deferred grant liabilities at the month-end (£0.7m) represents SFC funds primarily held to support capital expenditure, student funds, payments to partners and debt obligations. During the month, a further tranche (£11k) of our 2014/15 capital allocation was drawn down (£2.7m drawn down in total to date) to fund new capital and maintenance works. We currently show £12.9m of liabilities as repayable in more than 1 year.
- 5.5 Our support staff pension liability stands at £15.3m, whilst our current bank debt level is £11.4m.
- 5.6 Deferred grants and specific reserves, less pension reserve, have increased by 1.8% to £54m (academic y/e 2013/14: £53.1m), following the capitalisations detailed above, while the income and expenditure reserve is currently £52.4m (academic y/e 2013/14: £54.6m).

Section 6: KPIs (including the revised Student Support Funds contribution of £0.15m)
6.1 KPIs (including the revised Student Support Funds contribution of £0.15m)

<ul style="list-style-type: none"> Forecast out-turn: £2.5m (Target: £1.8m). 	<ul style="list-style-type: none"> Current cash burn rate at -£452k (due to high capital and operational costs). (Target based on profile: -£335k)
<ul style="list-style-type: none"> Year-end cash balance: £3.1m (Target: £4.3m). 	<ul style="list-style-type: none"> Net Current Assets: £0.6m (3 days) – (target: £3.3m (19 days)).
<ul style="list-style-type: none"> Current Ratio: 1:1.12 (Target 1:1.44). 	<ul style="list-style-type: none"> Pay costs as % of Total Income (ex merger support): 65.8% (Target: 66.1%)
<ul style="list-style-type: none"> Borrowings as % of reserves: 10.7% (Target: 10.7%). 	<ul style="list-style-type: none"> WSUMs currently sit at 254,890 against our full year target of 254,687 Wsums.

	<u>Original Annual Budget</u> £000s	<u>Revised Annual Budget</u> £000s	<u>YTD Budget</u> £000s	<u>YTD Actuals</u> £000s	<u>YTD Variance</u> £000s	<u>Previous YTD</u> £000s	<u>Year End Projection</u> £000s
Funding Council Grants	44,834	45,418	41,852	42,393	541	43,094	46,007
Deferred Capital Grant Releases	2,786	2,786	2,520	3,082	561	2,452	3,398
Debt Support Grant	800	800	733	632	(101)	619	690
Tuition Fees and Education Contracts (inc SAAS)	7,786	7,843	7,583	6,912	(671)	6,465	7,106
Commercial and International Contracts	7,817	8,015	7,371	7,206	(166)	7,275	7,833
Other Income	2,294	2,306	2,216	2,129	(87)	1,219	2,210
Exceptional Merger Support Grants	0	730	730	730	0	140	730
Total Income	66,319	67,898	63,007	63,084	77	61,263	67,975
Staff Costs	44,046	44,526	40,902	41,040	(138)	39,328	44,688
Other Operating Expenses	17,756	18,171	17,297	17,836	(539)	17,939	18,748
Student Support Funds Contribution	0	0	0	150	(150)	0	150
Exceptional Item - Accommodation Provision Release	0	0	0	(353)	353	(239)	(380)
Depreciation	5,437	5,437	4,939	5,121	(182)	4,791	5,636
Debt Interest & Other Finance Costs	843	847	776	693	83	721	755
Research & Development	200	150	145	114	31	159	116
Exceptional Merger Support Costs	0	730	730	730	0	140	730
Total Expenditure	68,282	69,861	64,789	65,331	(542)	62,839	70,444
Operating Surplus / (Deficit)	(1,963)	(1,963)	(1,782)	(2,247)	(465)	(1,576)	(2,469)
Statement of Historical Cost Surpluses and Deficits for the 11 Months to 30th June 2015							
Operating Surplus / (Deficit)	(1,963)	(1,963)	(1,782)	(2,247)	(465)	(1,576)	(2,469)
Difference between historical cost depreciation and actual revaluation charge for the period	313	313	286	286	(0)	287	313
Historical Cost Surplus / (Deficit)	(1,650)	(1,650)	(1,496)	(1,961)	(465)	(1,289)	(2,156)

	<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>	<u>Y/E Projection £000s</u>
INCOME							
Funding Council Grants							
Recurrent Grant Inc Fee Waiver	42,196	42,196	38,917	38,985	68	39,674	42,271
Childcare Funds	1,331	1,487	1,487	1,488	1	1,771	1,488
Deferred Capital Grants	2,786	2,786	2,520	3,082	561	2,452	3,398
Debt Support Grants	800	800	733	632	(101)	619	690
Other SFC Grants	1,307	1,734	1,448	1,920	471	1,649	2,248
	48,420	49,003	45,106	46,107	1,001	46,165	50,095
Tuition Fees & Education Contracts							
FE - UK & EU	1,529	1,329	1,260	1,040	(221)	1,203	1,086
HE - UK & EU	1,549	1,969	1,896	1,928	33	169	2,004
PT Self Payers	278	115	106	39	(67)	909	40
SAAS	4,430	4,430	4,322	3,905	(416)	4,183	3,976
	7,786	7,843	7,583	6,912	(671)	6,465	7,106
Commercial & International							
International	1,350	1,350	1,253	1,253	0	1,203	1,350
SDS	195	367	356	425	70	481	444
EH15 Restaurant	115	115	110	116	6	71	121
Bliss SPA and Employability Salons	128	128	122	147	25	171	153
Gym	275	299	263	297	34	225	335
Nursery	1,050	1,050	987	895	(92)	988	950
Residences	515	555	415	480	65	434	626
Edinburgh Council - Pre Emp Contract	1,430	1,430	1,305	1,264	(41)	1,232	1,385
Access Centre Provision	125	125	125	139	14	149	143
Managing Agents	946	1,380	1,304	1,386	83	1,023	1,470
Bespoke and Non Bespoke Training / Educational Contracts / Other Contracts	1,615	1,169	1,105	758	(347)	986	789
Other European Income	47	47	27	46	19	292	67
Assessment Fees	26	0	0		(0)	19	
	7,817	8,015	7,371	7,206	(166)	7,275	7,833
Other Income							
Catering	1,916	1,916	1,845	1,841	(4)	467	1,912
Other Income Generating Activities	339	351	336	270	(66)	391	279
	2,255	2,268	2,181	2,111	(70)	858	2,191
Endowment & Investment							
Bank Interest	39	39	35	18	(17)	30	19
Pension Finance Income (FRS17)						332	
	39	39	35	18	(17)	362	19
Exceptional Merger Support Grants							
		730	730	730		140	730
TOTAL INCOME	66,319	67,898	63,007	63,084	77	61,263	67,975
EXPENDITURE							
Staff Costs							
Senior Management	2,136	2,159	1,979	1,994	(15)	1,874	2,175
Academic Departments	22,765	22,794	20,941	20,689	252	20,350	22,519
Academic Services	1,937	1,886	1,730	1,729	1	2,853	1,886
Admin & Central Services	13,947	14,353	13,173	12,870	303	9,725	14,032
FRS 17 Adjustment						213	
Premises	1,450	1,450	1,329	1,318	11	1,240	1,438
Catering & Residences	865	865	802	798	4	548	861
Temporary & Agency Staff Costs		490	449	1,054	(605)	1,686	1,151
Other Staffing Expenditure	945	528	498	588	(89)	838	626
	44,046	44,526	40,902	41,040	(138)	39,328	44,688
Other Operating Expenses							
Premises	5,160	5,070	4,676	5,016	(340)	4,630	5,454
Teaching Activity & Support	1,298	1,318	1,274	1,415	(141)	1,363	1,470
Childcare Costs	1,331	1,487	1,487	1,488	(1)	1,771	1,488
Transport Costs	286	270	260	275	(15)	271	285
IT Costs	1,789	1,492	1,430	1,362	68	1,661	1,419
Telecomms Costs	158	178	170	179	(8)	134	186
Equipment	110	59	57	80	(23)	134	84
Fixtures & Fittings	9	6	6	6	(1)	3	7
Health & Safety	134	93	90	100	(10)	138	105
Travel & Subsistence	344	463	437	482	(45)	387	514
Admin Costs	339	268	258	251	6	436	260
Student Support Funds Contribution				150	(150)		150
Corporate, Consultancy, Professional	1,037	1,573	1,495	1,314	182	1,746	1,369
Staff Welfare	22	22	20	22	(2)	17	24
Catering	1,261	1,289	1,244	1,437	(193)	560	1,500
Training & Development	230	250	237	202	35	175	211
VAT	1,738	1,738	1,630	1,666	(36)	1,777	1,777
Marketing & PR	259	249	236	194	42	285	204
Partnership Costs	730	730	693	652	41	824	685
Overseas Agents Commission	165	253	252	244	8	116	244
Registration & Exam Fees	1,308	1,317	1,314	1,403	(89)	1,399	1,414
Bad Debts	48	48	31	48	(17)	113	48
	17,756	18,171	17,297	17,986	(689)	17,939	18,898
Exceptional item - Accommodation Provision Release							
				(353)	353	(239)	(380)
Depreciation for the year							
	5,437	5,437	4,939	5,121	(182)	4,791	5,636
Debt Interest & Other Finance Costs							
Interest On Bank Loans	800	800	733	632	101	619	690
Net Interest in Enhanced Pension Provision						67	
Other Finance Charges	43	47	43	61	(18)	35	65
	843	847	776	693	83	721	755
Research & Development							
	200	150	145	114	31	159	116
Exceptional Merger Support Costs							
		730	730	730		140	730
TOTAL EXPENDITURE	68,282	69,861	64,789	65,331	(542)	62,839	70,444
NET INCOME / (EXPENDITURE)	(1,963)	(1,963)	(1,782)	(2,247)	(465)	(1,576)	(2,469)

I&E Account

	<u>Actuals (15 months)</u>		<u>Projection (1 month)</u>	<u>16 Month Projection</u>
	<u>Apr-Jul 2014</u> <u>£000s</u>	<u>Aug 2014 - YTD</u> <u>Jun 2015</u> <u>£000s</u>	<u>Jul-15</u> <u>£000s</u>	<u>Apr 2014 - July</u> <u>2015</u> <u>£000s</u>
Funding Council Grants	15,775	42,393	3,614	61,782
Deferred Capital Grant Releases	943	3,082	316	4,341
Debt Support Grant	225	632	58	915
Tuition Fees and Education Contracts (inc SAAS)	1,959	6,912	194	9,065
Commercial and International Contracts	2,471	7,206	627	10,304
Other Income	365	2,129	81	2,575
Exceptional Merger Support Grants	459	730	0	1,189
Total Income	22,196	63,084	4,891	90,170
Staff Costs	15,755	41,040	3,648	60,443
Other Operating Expenses	4,943	17,836	912	23,691
Student Support Funds Contribution		150	0	150
Exceptional Item - Accommodation Provision Release	(0)	(353)	(27)	(380)
Depreciation	1,733	5,121	515	7,369
Debt Interest & Other Finance Costs	267	693	62	1,022
Research & Development	101	114	2	217
Exceptional Merger Support Costs	468	730	0	1,198
Total Expenditure	23,267	65,331	5,113	93,710
Operating Surplus / (Deficit)	(1,070)	(2,247)	(222)	(3,539)
Statement of Historical Cost Surpluses and Deficits				
Operating Surplus / (Deficit)	(1,070)	(2,247)	(222)	(3,539)
Difference between historical cost depreciation and actual revaluation charge for the period	105	286	27	418
Historical Cost Surplus / (Deficit)	(965)	(1,961)	(195)	(3,121)

Balance Sheet
For the 11 Months to 30th June 2015

	<u>2014/2015</u>	<u>2013/2014</u>	<u>2013/2014</u>
	<u>YTD Actuals</u>	<u>Academic Year End</u>	<u>Previous YTD</u>
	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
Fixed Assets			
L&B	129,226	131,915	132,166
FFE	9,549	8,080	7,855
	138,775	139,995	140,021
Current Assets			
Stock	81	104	103
Debtors	2,607	2,630	4,096
Cash	3,237	8,336	9,276
	5,925	11,070	13,475
Creditors < 1yr			
Loans	(357)	(357)	(357)
Payments received in advance	(457)	(725)	(1,101)
Trade creditors	(470)	(158)	(1,148)
Taxes & social sec	(874)	(1,005)	(1,301)
Accruals, Def Inc & Other Creditors	(2,437)	(1,992)	(2,235)
Amounts owed to SFC	(715)	(4,372)	(4,047)
	(5,310)	(8,608)	(10,189)
Net current assets / (liabilities)	615	2,462	3,286
Total assets less current liabilities	139,391	142,457	143,307
Creditors > 1yr			
Bank loans	(11,071)	(11,378)	(11,433)
Lennartz VAT	(1,808)	(2,615)	(2,693)
	(12,879)	(13,993)	(14,126)
Provisions			
Early retirement	(4,519)	(4,795)	(4,795)
Other	(254)	(671)	(671)
	(4,773)	(5,466)	(5,466)
Net pension asset / (liability)	(15,344)	(15,344)	(15,344)
NET ASSETS	106,395	107,655	108,371
Deferred capital grants			
SFC	62,612	61,368	61,603
Other	572	582	583
	63,184	61,950	62,186
Reserves			
I&E account	52,351	54,559	55,013
Pension reserve	(15,344)	(15,344)	(15,344)
Revaluation reserve	6,204	6,490	6,516
	43,211	45,706	46,185
CAPITAL & RESERVES	106,395	107,655	108,371

