

Management accounts to 31 July 2018

The accounts attached show the draft position at the financial year end. These show a deficit for the year of £36.5k. Our original budget for the year was a deficit of £40k. It should be noted that these figures are pre audit and that a number of accruals may yet have to be taken into account, so the actual position may show a higher deficit. However, even with further adjustments for heat & light and rent costs, given that during the year we have been forecasting a significantly higher expected deficit this is a better than expected position. The main reason for this is the fact that the building in Lochgilphead has not been sold in the year, so the expected loss of £145k from this has not been realised. This does however mean that if the building sells in 2018/19 as we expect it to, the loss will be borne in this current year's accounts. We have also been notified that our application to UHI for funding for Helensburgh has been approved, so income of £70k has been accrued in for that.

Income

The huge difference made by NRPA in our salary costs has been offset by funding of £153k from SFC through North Highland College towards national bargaining costs, but also partially by the higher HE numbers, which brought in additional income of £114k from RAM and £74k from SAAS, as well as additional fee income from students. There were also projects such as the project for Syrians in Rothesay funded by the Council which brought in income of £40k which was not budgeted.

In total, we have received £538k in excess of budgeted income.

Expenditure

In terms of expenditure, Microram was lower than we had budgeted despite the higher HE numbers. My concern is that this too will impact on next year's accounts as UHI EO appear to calculate the Microram figures based on numbers and information from the previous year. This will be further investigated to ensure that reforecasts for 2018/19 are able to have a reasonably accurate figure for this.

Salary costs have exceeded budgeted figures by around £500k. This is mainly due to NB costs, but also due to additional teaching and other resources required due to higher students number, and also to staff sickness, with at least 2 key posts on sick leave for a number of months. This also means we have had to accrue holiday pay costs for the Principal on the basis that he may not use his holiday entitlement before his leaving date. This is quite a significant cost to the organisation.

The detailed Income and Expenditure account shows some comments on each of the significant variances.

Bank and Cash

Bank and cash balances at the end of July were standing at £1.1m. In comparison to last year, this is down around £100k.

Ailsa E Close 23/08/2018

Argyll College UHI Ltd

Summary I & E 31 Jul 2018

	Jul Actual 2017/18	Approved Budget 2017/18	DIFFERENCE FROM ORIGINAL BUDGET
Credits	6,617	6,617	0
HE numbers	220.0	189.1	30.9
INCOME			
SFEFC SUMs Income	2,513,619	2,500,000	13,619
SFEFC SUM's Income - ESOL	19,711	0	19,711
UHI Income - RAM, SSC, PGDE	890,324	681,091	209,233
Other grant income	578,209	486,427	91,782
Maintenance Grant income	115,158	127,131	(11,973)
Bank Interest Received	1,005	3,000	(1,995)
Student/commercial training fees	214,409	134,000	80,409
Nursery income	219,572	236,500	(16,928)
Property/hairdressing/catering income	42,330	41,200	1,130
Feed-In Tariff	3,703	5,000	(1,297)
Other Income (SFC)	162,524	9,000	153,524
Miscellaneous	1,282	900	382
	4,761,846	4,224,249	537,597
EXPENDITURE			
MicroRam	135,548	150,000	(14,452)
Staff costs - Support	1,705,447	1,538,805	166,642
Staff costs - Teaching	1,828,868	1,384,626	444,242
Payments to Subcontractors	73,800	35,000	38,800
Student/awarding body related costs	150,926	178,688	(27,762)
Marketing and Promotion	29,351	40,000	(10,649)
Health and Safety Costs	32,133	20,000	12,133
Non Chargeable Catering Costs	3,572	0	3,572
Property and equipment costs	425,453	451,635	(26,182)
Vehicle costs	48,262	40,941	7,321
Office costs & subscriptions	77,757	83,475	(5,718)
Professional fees	34,531	30,000	4,531
Payments To/On Behalf of Students	27,084	19,500	7,584
Governance Costs	1,350	1,600	(250)
Bank charges & interest	3,445	4,495	(1,050)
Other costs (hairdressing, vending, catering)	32,083	39,850	(7,767)
	4,609,610	4,018,615	605,447
Operating surplus	152,236	205,634	(53,398)
Non Capital Fixed Assets	8,301	35,565	(27,264)
Depreciation	180,357	210,000	(29,643)
Loss on sale of asset	0	0	
Net (Deficit) for the year	(36,422)	(39,931)	3,509
Funding Carried Forward but to be utilised in 2017/18:			
Capital reserve	115,989	5,000	
Beam Suntory	2,000	4,803	
Transport Scotland	28,215	26,922	
Muir of Laurieston Trust/Other	1,947	4,235	
	148,151	40,960	
Net surplus/(deficit) forecast after adjustments	111,729	1,029	3,509

Detailed I & E at 31 Jul 2018

Argyll College UHI Ltd

	Jul Actual 2017/18	Approved Budget 2017/18	Difference from Original Budget	
INCOME				
SFEFC SUMs Income	2,513,619	2,500,000	13,619	Slight increase in Credit rates
SFEFC SUM's Income - ESOL	19,711	0	19,711	ESOL all paid to Council
UHI Income - RAM	660,370	546,491	113,879	Extra 30 HE students in year
UHI Income - PGDE	56,435	0	56,435	Per UHI
UHI Income - Other	173,519	134,600	38,919	Flatrate£20k, SSC£74k, Wforce dev£9.6k, H'burgh £70k
SAAS Income	313,825	240,000	73,825	Higher HE numbers
ILA Income	10,958	5,000	5,958	Higher student numbers
DYW income	120,396	132,585	(12,189)	Lower staff nos than budget so less income
Bursary Income/Student support	75,385	35,000	40,385	Extra costs included below
Other PPE reimbursement/CITB/Fdn Apprenticeships	57,645	73,842	(16,197)	Lower expenditure on PPE so less income
Maintenance/Capital Grant income	115,158	127,131	(11,973)	£30k capitalised, addn! £20k recd in year from UHI
Bank Interest Received	1,005	3,000	(1,995)	Interest rates remain poor
FE Student Fees	141,980	70,000	71,980	Includes £40k for Syrian refugees course, more leisure classes
HE Student Fees - Taught	19,099	25,000	(5,901)	Reallocation of fees probably required with FE fees
HE Student Fees - Hosted	0	0	0	
Commercial Training Activity	32,774	39,000	(6,226)	Moving towards higher income from this
Commercial Training Activity - CSCS Income	20,556	0	20,556	
Nursery Income - Fees	219,572	236,500	(16,928)	Documented elsewhere
Nursery Income - Other	0	0	0	
Property Lease Income	8,625	11,500	(2,875)	CAB rent reduced
Room/Facility Hire - With Own Insurance	6,149	0	6,149	
Room/Facility Hire - Without Own Insurance	100	100	0	
Vending Machine Income	6,418	10,000	(3,582)	Couple of vending machines have been scrapped
Hairdressing Income - General	9,621	9,100	521	
Hairdressing Income - Retail	0	0	0	
Hairdressing Income - Other	91	0	91	
Catering Income	11,327	10,500	827	
Feed-In Tariff	3,703	5,000	(1,297)	
Other income	0	0	0	
Grant funding	162,524	9,000	153,524	National bargaining income
Income from Staff	274	500	(226)	
Graduation Income	350	400	(50)	
Branded clothing income	658	0	658	
	4,761,846	4,224,249	537,597	
LESS: EXPENDITURE				
MicroRam	135,548	150,000	(14,452)	Varies from year to year depending on student nos hosted
Staffing Costs - Salaries	1,366,385	1,212,218	154,167	Addnl NRPA costs, addnl H'burgh
Staffing Costs - Employer's NI	110,129	96,104	14,026	NRPA
Staffing Costs - Employer's Pension	157,666	169,634	(11,968)	Rise in contrbns from 1 Apr by 2.3%, but lower uptake than budget
Staffing Costs - Maternity Pay	(8,051)	1,000	(9,051)	
Staffing Costs - Sick Pay	0	6,000	(6,000)	Sick pay still to be analysed

Detailed I & E at 31 Jul 2018

Argyll College UHI Ltd

	Jul Actual	Approved Budget	Difference from Original	
Staffing Costs - Travel and Subsistence	19,261	40,250	(20,989)	Evs making a difference? Possibly analytical differences
Staffing Costs - Training	4,820	11,100	(6,280)	
Staffing Costs - Disclosure	647	500	147	
Staffing Costs - Recruitment	3,505	2,000	1,505	Addn'l H'burgh, Principal, Oban LCM, ICT Assistant
Staffing Costs - Other	51,085	0	51,085	Strain on pension & Apprenticeship Levy
Teaching Staff Costs - Salaries	1,631,633	1,217,374	414,259	NRPA
Teaching Staff Costs - Employer's NI	119,284	83,472	35,812	NRPA
Teaching Staff Costs - Employer's Pension	53,359	47,105	6,254	NRPA
Teaching Staff Costs - Maternity Pay	(6,443)	1,000	(7,443)	
Teaching Staff Costs - Sick Pay	0	12,000	(12,000)	Sick pay still to be analysed
Teaching Staff Costs - Travel and Subsistence	13,323	11,375	1,948	
Teaching Staff Costs - Training Other	7,805	8,000	(195)	
Teaching Staff Costs - Disclosure	1,322	1,300	22	
Teaching Staff Costs - Recruitment	2,500	3,000	(500)	
Teaching Staff Costs - Other	6,085	0	6,085	
Payments to Subcontractors	73,800	35,000	38,800	ESOL costs, subcontractors for training
Learning Resources/Matls	68,498	77,438	(8,940)	Reduction in outgoings from DYW
Student PPE/Kit	12,782	21,000	(8,218)	Controlled, and reuse through Centre management
Payments to Awarding Bodies - SQA	60,822	57,750	3,072	Higher student nos
Payments to Awarding Bodies - CITB	5,589	5,000	589	
Payments to Awarding Bodies - BCS	2,651	14,000	(11,349)	Incorrect budget
Payments to Awarding Bodies - Activ Training	0	3,000	(3,000)	Not used any more
Payments to Awarding Bodies - Other	583	500	83	
Marketing and Promotion	29,351	40,000	(10,649)	May still be marketing costs to be accrued
Health and Safety Costs	32,133	20,000	12,133	More consultant days required than budgeted for
Non Chargeable Catering Costs	3,572	0	3,572	Commercial course costs
Property Costs - General maintenance	49,385	56,000	(6,615)	Controlled
Property Costs - Lease Costs	45,690	66,186	(20,496)	Needs analysed, may still have some rent to be accrued
Property Costs - Venue Costs	7,674	700	6,974	Addnl venues reqd due to space limitations
Property Costs - Rates and Water Charges	12,448	13,886	(1,438)	
Property Costs - Utilities	83,683	90,200	(6,517)	May need further accrual for Helensburgh
Property Costs - Cleaning	25,105	20,600	4,505	Addn'l H'burgh & Nursery
Property Costs - Other Property Costs	10,363	3,800	6,563	Removal costs for the Nursery refurb
Insurance	31,814	22,875	8,939	Addnl H'burgh/boats/cars
ICT Maintenance and Support	127,054	117,000	10,054	Addnl Helensburgh
Equipment repairs	0	9,824	(9,824)	
Equipment Lease Costs	32,238	50,564	(18,326)	Reduction in lease costs for printers
Company Vehicle Costs - Fuel	6,179	8,000	(1,821)	Evs
Company Vehicle Costs - Repairs and Maintenance	5,846	6,000	(154)	New evs, scrapping of old cars
Company Vehicle Costs - Road Tax	100	1,050	(950)	
Company Vehicle Costs - Other	36,136	25,891	10,245	Lease costs for Electric vehicles
Supplies and Copying	20,728	21,650	(922)	
Postage	9,892	8,000	1,892	Higher postage cost rates

Detailed I & E at 31 Jul 2018

Argyll College UHI Ltd

	Jul Actual	Approved Budget	Difference from Original	
Telecoms	20,627	31,310	(10,683)	May be some accruals
Other expenses	2,770	350	2,420	
Subscriptions	23,741	22,165	1,576	
Professional Fees - Audit and Accountancy	15,487	13,000	2,487	Internal audits and reviews
Professional Fees - Legal	7,584	12,000	(4,416)	
Professional Fees - Other	11,459	5,000	6,459	External Board evaluation
Payments To/On Behalf of Students - Travel & Subsistence	5,909	3,000	2,909	
Payments To/On Behalf of Students - Hardship	10,953	5,000	5,953	Addnl costs, but also addnl income
Payments To/On Behalf of Students - Disclosure	2,725	5,500	(2,775)	
Payments To/On Behalf of Students - Graduation	3,453	5,000	(1,547)	
Payments To/On Behalf of Students - Other	4,045	1,000	3,045	Addnl costs, but also addnl income
Governance Costs - Travel & Subsistence	1,350	1,500	(150)	
Governance Costs - Other SFC funded	0	100	(100)	
Bank Charges	700	250	450	
Loan Interest - BoS Fixed Rate	2,745	2,745	0	
Bad debts	0	1,500	(1,500)	This still to be reviewed
Vending Machine Costs	1,029	4,350	(3,321)	
Hairdressing Supplies - General	10,990	8,500	2,490	
Hairdressing Supplies - Retail	442	600	(158)	
Hairdressing Costs - Other	273	400	(127)	
Food Purchases	19,224	26,000	(6,776)	Fewer nursery lunch purchases?
Clothing Costs	126	0	126	
	4,609,610	4,018,615	590,995	
Operating surplus	152,236	205,634	(53,398)	
Non Capital Fixed Assets	8,301	35,565	(27,264)	
Loss on sale of asset (building)				Riverside Building in Lochgilphead not sold in year
Depreciation	180,357	210,000	(29,643)	Fewer assets purchased in year than budget
Net surplus/(deficit) for the year	(36,422)	(39,931)	3,509	
Funding Carried Forward but to be utilised in 2017/18:				
Capital reserve	115,989	5,000		
Beam Sundry	2,000	4,803		
Transport Scotland	28,215	26,922		
Muir of Loirston Trust/Other	1,947	4,235		
	148,151	40,960		
Net surplus/(deficit) after adjustments	111,729	1,029		

Argyll College UHI Ltd**Balance Sheet****as at 31 Jul 2018**

	Actual 31 Jul 2018	Audited figures 31 July 2017
£	£	£
Fixed Assets		
Heritable Property	2,620,708	2,665,939.00
Leasehold Property	1,212,532	1,277,588.00
Furniture & plant	125,354	145,177.00
ICT Equipment	13,886	1,592.00
Motor vehicles	21,114	0.00
	<u>3,993,594</u>	<u>4,090,296</u>
Current Assets		
Trade Debtors	35,943	45,516
Sundry Debtors	190,332	154,266
Deposits	1,053,436	1,123,431
Cash	3,877	1,987
Bank Account	64,639	122,064
	<u>1,348,228</u>	<u>1,447,264</u>
Current Liabilities		
Trade Creditors	(30,066)	(70,071)
Sundry Creditors	(220,256)	(395,143)
Special Circumstances Fund	(99)	(323)
PAYE	(63,471)	(54,187)
Pension	(27,539)	(20,558)
	<u>(341,431)</u>	<u>(540,282)</u>
Current Assets less Current Liabilities	<u>1,006,797</u>	<u>906,982</u>
Total Assets less Current Liabilities	<u>5,000,391</u>	<u>4,997,278</u>
Long Term Liabilities		
Loan	(36,643)	(58,181)
	<u>(36,643)</u>	<u>(58,181)</u>
Total Assets less Total Liabilities	<u>4,963,747</u>	<u>4,939,097</u>
Funds		
Unrestricted Funds	1,823,947	1,710,547
Restricted Funds	3,176,223	3,228,550
P&L Account	(36,422)	
	<u>4,963,748</u>	<u>4,939,097</u>

Argyll College UHI Ltd
 Restricted Fund movements
 For the period to 30 Apr 2018

	Balance at 1 Aug 2017 £	Incoming resources £	Resources expended £	Balance at 31 Jul 2018 £
Capital Reserve	3,177,350	50,949	115,989	3,112,310
Beam Suntory - Training in Islay	9,206	0	2,000	7,206
Princes Trust	10,000	0	0	10,000
Scottish Govt Greenfleet - Leased electric vehs	14,418	44,875	28,215	31,078
Foundation Scotland - Islay	2,000	0	0	2,000
Muir of Loirston Trust - Tractor	15,576	0	1,947	13,629
	<u>3,228,550</u>	<u>95,824</u>	<u>148,151</u>	<u>3,176,223</u>