

Management accounts to 31 Jan 2018

The accounts attached show the position at the end of Jan. These show that a surplus of £78k has been realised in this period. Over this 6 months we have received about 50% of the income now expected for the year, but have only expended around 45% of the costs anticipated for the year.

Bank and cash balances at the end of Jan were just over £1m.

Outturn Forecast

The outturn forecast for the year does not make very comfortable reading, with an operating deficit now expected of £370k. This is £340k more than per the budget.

This increase is made up of:

loss on the anticipated sale of the building in Lochgilphead of £135k

additional costs for Helensburgh not in the original budget of £126k

additional support salary costs of £30k for £425 per person payrise imposed

loss anticipated in Nursery of just under £19k when a surplus of £16k was originally budgeted for teaching salary costs much higher due to NRPA

Whilst income has also increased for NRPA, additional teaching contracts taken on for the Council, some additional capital grant funding, and a forecast of additional RAM funding for HE, this has just not been enough to cover the reality of the increases which NRPA has meant for our teaching costs.

Partly, this is because we have so many tutors on a part-time basis and their hours can vary quite considerably from one year to the next depending what classes the College gets student numbers for. We also pay most of these staff for holidays as opposed to them taking the time off, and we had a range of hourly rates previously but now every teaching member of staff has had to be put on the same rate, a rate which could not be less than the highest rate we paid previously. We are also having to look at additional hours for our Curriculum Leads, roles which assist the Heads of Curriculum in the new structure. All of these factors have meant teaching salary costs are higher than expected.

With changes proposed to curriculum and a slightly clearer picture of what the NRPA situation is than we had when previously preparing budgets, more accurate forecasts for 2018/19 should be possible.

The Detailed I & E details where changes to budget have been forecast. Some costs are within our ability to control up to a point - ICT and purchase on non-capital fixed assets for example, but most of our other costs are not, without taking the decision to eg close centres.

I have highlighted in yellow areas where there may be some degree of flexibility, but it is difficult because of the previously well discussed vagaries of HE funding to make a confident prediction of what the final figures for Ram and MicroRam will be. There is as much possibility of it being lower than predicted, than of it being higher.

Budgets for next year need to be finalised over the next 2 months to allow us to identify early what steps may need to be taken to prevent future deficits being realised.

Ailsa E Close 16/02/2018

Argyll College UHI Ltd

Summary I & E 31 Jan 2018

	Jan Actual 2017/18	Approved Budget 2017/18	Reforecast Outturn 2017/18	DIFFERENCE FROM ORIGINAL BUDGET
Credits	6,617	6,617	6,617	0
HE numbers	179.4	189.1	220	30.9
INCOME				
SFEFC SUMs Income	1,370,296	2,500,000	2,513,619	13,619
SFEFC SUM's Income - ESOL	10,000	0	19,711	19,711
UHI Income - RAM, SSC, PGDE	317,531	681,091	617,833	(63,258)
Other grant income	118,475	486,427	587,605	101,178
Maintenance Grant income	70,615	127,131	117,519	(9,612)
Bank Interest Received	1,000	3,000	3,000	0
Student/commercial training fees	125,377	134,000	163,500	29,500
Nursery income	107,438	236,500	218,635	(17,865)
Property/hairdressing/catering income	20,910	41,200	29,750	(11,450)
Feed-In Tariff	3,703	5,000	5,000	0
Other Income (SFC)	47,759	9,000	139,367	130,367
Miscellaneous	1,712	900	2,300	1,400
	2,194,816	4,224,249	4,417,839	193,590
EXPENDITURE				
MicroRam	0	150,000	205,000	(55,000)
Staff costs - Support	794,060	1,538,805	1,603,467	(64,662)
Staff costs - Teaching	825,404	1,384,626	1,675,217	(290,591)
Payments to Subcontractors	29,594	35,000	60,000	(25,000)
Student/awarding body related costs	53,698	178,688	143,521	35,167
Marketing and Promotion	10,446	40,000	40,000	0
Health and Safety Costs	11,597	20,000	20,000	0
Non Chargeable Catering Costs	1,821	0	4,000	(4,000)
Property and equipment costs	200,070	451,635	481,765	(30,130)
Vehicle costs	14,473	40,941	40,941	0
Office costs & subscriptions	38,768	83,475	85,815	(2,340)
Professional fees	8,163	30,000	30,000	0
Payments To/On Behalf of Students	14,753	19,500	22,500	(3,000)
Governance Costs	557	1,600	1,600	0
Bank charges & interest	168	4,495	4,495	0
Other costs (hairdressing, vending, catering)	16,672	39,850	33,850	6,000
	2,020,244	4,018,615	4,452,171	(378,556)
Operating surplus	174,573	205,634	(34,332)	(239,966)
Non Capital Fixed Assets	7,437	35,565	15,000	20,565
Depreciation	89,053	210,000	185,000	25,000
Loss on sale of asset	0	0	135,442	
Net (Deficit) for the year	78,083	(39,931)	(369,774)	(329,843)
Funding Carried Forward but to be utilised in 2017/18:				
Capital reserve	170,846	5,000	341,691	336,691
Beam Suntory	0	4,803	2,000	(2,803)
Transport Scotland	12,709	26,922	25,418	(1,504)
Muir of Laurieston Trust/Other	974	4,235	1,948	(2,287)
	184,528	40,960	371,057	330,097
Net surplus/(deficit) forecast after adjustments	262,611	1,029	1,283	254

Detailed I & E at 31 Jan 2018

Argyll College UHI Ltd

	Jan Actual 2017/18	Approved Budget 2017/18	Expected Outturn 2017/18	
INCOME				
SFEFC SUMs Income	1,370,296	2,500,000	2,513,619	
SFEFC SUM's Income - ESOL	10,000	0	19,711	Confirmed
UHI Income - RAM	243,682	546,491	561,398	Added £38k to approved UHI budget, but may be less
UHI Income - PGDE	25,960	0	56,435	Per UHI
UHI Income - Other	47,889	134,600	128,200	Curric devlpt £25.5k, flat rate £20k, SSC £82.7k,
SAAS Income	2,380	240,000	284,515	Now recd from SAAS
ILA Income	1,679	5,000	3,000	
DYW income	60,000	132,585	126,890	See attached sheet
Bursary Income/Student support	34,859	35,000	45,000	Extra costs included below
Other PPE reimbursement/CITB/Fdn Apprenticeships	19,558	73,842	30,000	
Maintenance/Capital Grant income	70,615	127,131	87,519	Addnl funding of £20k rec'd, £63k capitalised
Bank Interest Received	1,000	3,000	3,000	
FE Student Fees	100,493	70,000	105,000	Includes £40k for Syrian refugees in Rothesay
HE Student Fees - Taught	9,467	25,000	24,500	
HE Student Fees - Hosted	1,865	0	2,000	
Commercial Training Activity	10,089	39,000	25,000	Figures to date not suggesting that target will be achieved
Commercial Training Activity - CSCS Income	3,463	0	7,000	
Nursery Income - Fees	107,438	236,500	218,635	See attached sheet
Nursery Income - Other	0	0	0	
Property Lease Income	2,875	11,500	0	Tenant now unlikely to be able to pay any rent
Room/Facility Hire - With Own Insurance	1,340	0	2,500	
Room/Facility Hire - Without Own Insurance	50	100	100	
Vending Machine Income	3,870	10,000	7,000	Couple of vending machines have been scrapped
Hairdressing Income - General	4,822	9,100	9,100	
Hairdressing Income - Retail	0	0	450	
Hairdressing Income - Other	91	0	100	
Catering Income	7,862	10,500	10,500	
Feed-In Tariff	3,703	5,000	5,000	
Other income	682	0	1,000	
Grant funding	47,759	9,000	139,367	Transport Scotland £9k, NRPA £96k, other £34k
Income from Staff	108	500	200	
Graduation Income	330	400	400	
Branded clothing income	592	0	700	
	2,194,816	4,224,249	4,417,839	
LESS: EXPENDITURE				
MicroRam	0	150,000	205,000	Potential for variance up or down
Staffing Costs - Salaries	651,371	1,212,218	1,297,943	Addnl NRPA costs, addn'l H'burgh
Staffing Costs - Employer's NI	55,548	96,104	108,432	NRPA
Staffing Costs - Employer's Pension	75,950	169,634	168,214	Rise in contrbns from 1 Apr by 2.3%
Staffing Costs - Maternity Pay	0	1,000	0	
Staffing Costs - Sick Pay	0	6,000	0	

Detailed I & E at 31 Jan 2018

Argyll College UHI Ltd

	Jan Actual	Approved Budget	Expected Outturn	
Staffing Costs - Travel and Subsistence	4,933	40,250	20,000	
Staffing Costs - Training	2,527	11,100	5,000	
Staffing Costs - Disclosure	560	500	500	
Staffing Costs - Recruitment	3,170	2,000	3,378	Addn'l H'burgh
Staffing Costs - Other	0	0	0	
Teaching Staff Costs - Salaries	739,410	1,217,374	1,477,247	See Report on Accounts
Teaching Staff Costs - Employer's NI	53,262	83,472	109,190	
Teaching Staff Costs - Employer's Pension	18,948	47,105	47,105	
Teaching Staff Costs - Maternity Pay	0	1,000	1,000	
Teaching Staff Costs - Sick Pay	0	12,000	10,000	
Teaching Staff Costs - Travel and Subsistence	4,951	11,375	11,375	
Teaching Staff Costs - Training Other	6,188	8,000	12,000	Increased in line with actual to date
Teaching Staff Costs - Disclosure	570	1,300	1,300	
Teaching Staff Costs - Recruitment	0	3,000	3,000	
Teaching Staff Costs - Other	2,075	0	3,000	
Payments to Subcontractors	29,594	35,000	60,000	Plus ESOL costs
Learning Resources/Matls	38,687	77,438	71,021	Reduction in outgoings from DYW
Student PPE/Kit	10,521	21,000	15,000	
Payments to Awarding Bodies - SQA	679	57,750	45,000	Large bill for year comes in in April
Payments to Awarding Bodies - CITB	2,526	5,000	5,000	
Payments to Awarding Bodies - BCS	764	14,000	4,000	
Payments to Awarding Bodies - Activ Training	0	3,000	3,000	
Payments to Awarding Bodies - Other	520	500	500	
Marketing and Promotion	10,446	40,000	40,000	
Health and Safety Costs	11,597	20,000	20,000	
Non Chargeable Catering Costs	1,821	0	4,000	Commercial course costs
Property Costs - General maintenance	6,288	56,000	61,000	Addn'l H'burgh
Property Costs - Lease Costs	25,449	66,186	71,786	Addnl lease costs in Rothesay for ESOL
Property Costs - Venue Costs	4,642	700	10,000	Addnl venues reqd due to space limitations
Property Costs - Rates and Water Charges	119	13,886	16,386	Addn'l H'burgh
Property Costs - Utilities	38,702	90,200	95,200	Addn'l H'burgh (none paid to date)
Property Costs - Cleaning	7,911	20,600	26,130	Addn'l H'burgh
Property Costs - Other Property Costs	7,011	3,800	10,000	Removal costs for the Nursery refurb
Insurance	29,697	22,875	30,875	Addn'l H'burgh
ICT Maintenance and Support	56,255	117,000	100,000	Reduced and costs will have to be controlled at this level
Equipment repairs	3,352	9,824	9,824	
Equipment Lease Costs	20,645	50,564	50,564	
Company Vehicle Costs - Fuel	3,355	8,000	8,000	
Company Vehicle Costs - Repairs and Maintenance	4,093	6,000	6,000	
Company Vehicle Costs - Road Tax	70	1,050	1,050	
Company Vehicle Costs - Other	6,954	25,891	25,891	Lease costs for Electric vehicles
Supplies and Copying	9,669	21,650	21,650	
Postage	5,598	8,000	12,000	Higher postage cost rates

Detailed I & E at 31 Jan 2018

Argyll College UHI Ltd

	Jan Actual	Approved Budget	Expected Outturn	
Telecoms	9,946	31,310	22,000	Reduced based on actual to date
Other expenses	1,934	350	4,000	
Subscriptions	11,620	22,165	26,165	HISA increased from prev yr by £4k
Professional Fees - Audit and Accountancy	2,628	13,000	13,000	
Professional Fees - Legal	2,721	12,000	12,000	
Professional Fees - Other	2,814	5,000	5,000	
Payments To/On Behalf of Students - Travel & Subsistence	252	3,000	500	
Payments To/On Behalf of Students - Hardship	5,470	5,000	8,000	Addnl costs, but also addnl income
Payments To/On Behalf of Students - Disclosure	2,512	5,500	5,500	
Payments To/On Behalf of Students - Graduation	3,453	5,000	5,000	
Payments To/On Behalf of Students - Other	3,067	1,000	3,500	Addnl costs, but also addnl income
Governance Costs - Travel & Subsistence	557	1,500	1,500	
Governance Costs - Other SFC funded	0	100	100	
Bank Charges	168	250	250	
Loan Interest - BoS Fixed Rate	0	2,745	2,745	
Bad debts	0	1,500	1,500	
Vending Machine Costs	670	4,350	4,350	
Hairdressing Supplies - General	6,136	8,500	8,500	
Hairdressing Supplies - Retail	442	600	600	
Hairdressing Costs - Other	264	400	400	
Food Purchases	9,075	26,000	20,000	Reduced based on actual to date
Clothing Costs	84	0	0	
	2,020,244	4,018,615	4,452,171	
Operating surplus	174,573	205,634	(34,332)	
Non Capital Fixed Assets	7,437	35,565	15,000	Going to have to reduce this significantly from budget
Loss on sale of asset (building)			135,442	Riverside Building in Lochgilphead
Depreciation	89,053	210,000	185,000	Taking out the building, no of other assets now fully w/o
Net surplus/(deficit) for the year	78,083	(39,931)	(369,774)	
Funding Carried Forward but to be utilised in 2017/18:				
Capital reserve	170,846	5,000	341,691	
Beam Suntory	0	4,803	2,000	
Transport Scotland	12,709	26,922	25,418	
Muir of Laurieston Trust/Other	974	4,235	1,948	
	184,528	40,960	371,057	
Net surplus/(deficit) after adjustments	262,611	1,029	1,283	

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

	Actual 31 Jan 2018	Forecast As at 31 July 2018	Audited figures 31 July 2017
£	£	£	£
Fixed Assets			
Heritable Property	2,656,907	2,422,748	2,665,939.00
Leasehold Property	1,245,854	1,241,307	1,277,588.00
Furniture & plant	138,090	121,737	145,177.00
ICT Equipment	15,414	13,908	1,592.00
Motor vehicles	(5,000)	40,000	0.00
	<u>4,051,265</u>	<u>3,839,700</u>	<u>4,090,296</u>
Current Assets			
Trade Debtors	102,105	102,105	45,516
Sundry Debtors	35,245	55,807	154,266
Deposits	903,431	853,431	1,123,431
Cash	4,791	1,713	1,987
Bank Account	<u>177,762</u>	<u>74,403</u>	<u>122,064</u>
	1,223,335	1,087,459	1,447,264
Current Liabilities			
Trade Creditors	(18,677)	(70,071)	(70,071)
Sundry Creditors	(115,820)	(173,302)	(395,143)
Special Circumstances Fund	(99)	0	(323)
PAYE	(56,312)	(60,000)	(54,187)
Pension	<u>(20,476)</u>	<u>(20,558)</u>	<u>(20,558)</u>
	(211,384)	(323,931)	(540,282)
Current Assets less Current Liabilities	<u>1,011,951</u>	<u>763,528</u>	<u>906,982</u>
Total Assets less Current Liabilities	5,063,216	4,603,228	4,997,278
Long Term Liabilities			
Loan	(46,039)	(33,905)	(58,181)
Total Assets less Total Liabilities	<u>5,017,177</u>	<u>4,569,323</u>	<u>4,939,097</u>
Funds			
Unrestricted Funds	1,821,125	2,007,655	1,710,547
Restricted Funds	3,117,971	2,931,442	3,228,550
P&L Account	<u>78,083</u>	<u>(369,774)</u>	
	<u>5,017,179</u>	<u>4,569,323</u>	<u>4,939,097</u>

Argyll College

Dept 10 Nursery

Income & Expenditure Account

Period to	Actual to date	Budget for year	Outturn for year
31-Jan-18			
INCOME			
Nursery Income - Fees	78,802	200,000	160,000
Nursery Income - Other	28,635	36,500	58,635
	107,437	236,500	218,635
EXPENDITURE			
Staffing Costs - Salaries	90,398	166,280	181,000
Staffing Costs - Employer's NI	5,071	10,634	10,634
Staffing Costs - Employer's Pension	4,975	10,123	10,123
Staffing Costs - Maternity Pay	0	0	0
Staffing Costs - Sick Pay	0	0	0
Staffing Costs - Travel and Subsistence	0	125	125
Staffing Costs - Training Other	1,200	600	1,200
Staffing Costs - Disclosure	0	0	0
Staffing Costs - Recruitment	0	300	300
Staffing Costs - Other	0	0	0
Learning Resources	855	7,000	3,000
Payments to Awarding Bodies - Other	0	0	0
Marketing and Promotion	0	200	200
Health and Safety Costs	505	0	1,000
Non Chargeable Catering Costs	0	0	0
Property Costs - General maintenance	4,351	3,000	6,000
Property Costs - Lease Costs	375	500	500
Property Costs - Venue Costs	0	0	0
Property Costs - Rates and Water Charges	0	1,402	1,402
Property Costs - Utilities	2,583	6,000	6,000
Property Costs - Cleaning	2,537	6,000	6,000
Supplies and Copying	1,561	1,000	3,000
Subscriptions	514	165	813
Professional Fees - Audit and Accountancy	0	0	0
Professional Fees - Legal	0	0	0
Professional Fees - Other	0	0	0
Food Purchases	2,600	7,000	6,000
	117,525	220,329	237,297
			New compressor for heating
			Oban centre doing meals
NET SURPLUS/(DEFICIT)	(10,088)	16,171	(18,662)

Helensburgh

		Period to 31/01/18	2017/18
Local management costs	1 Full-time Centre Manager/PAT Plus role	19,291	38,581
Admin support staff	2 25 hour posts for centre cover	15,018	30,035
Recruitment		1,378	1,378
Cleaning	Contract with A & BC for 1 year	2,765	5,530
Grounds maintenance	Contract with A & BC for 1 year	2,500	5,000
Electricity	Estimate	2,778	5,555
Water	Estimate	0	2,500
Insurance	Estimate	0	8,000
Stationery, phone, other	Estimate	771	3,500
Marketing		6,000	9,000
Non capital fixed assets		10,984	10,984
Depreciation		2,945	5,889
Total		64,428	125,952
Capital expenditure required			
IT equipment	Additional depn of £5,889 (see above)	17,666	17,666
Rewiring			25,000
New heating system	Possibility of link with AliEnergy?		25,000
Painting external			13,000
Painting internal			12,000
		17,666	92,666

Argyll College UHI Ltd
 Restricted Fund movements
 For the period to 31 Jan 2018

	Balance at 1 Aug 2017 £	Incoming resources £	Resources expended £	Balance at 31 Jan 2018 £	Forecast exp for year
Capital Reserve	3,177,350	62,949	170,846	3,069,454	341,691
Beam Suntory - Training in Islay	9,206	0	0	9,206	2,000
Princes Trust	10,000	0	0	10,000	0
Scottish Govt Greenfleet - Leased electric vehs	14,418	11,000	12,709	12,709	25,418
Foundation Scotland - Islay	2,000	0	0	2,000	0
Muir of Laurieston Trust - Tractor	15,576	0	974	14,603	1,948
	<u>3,228,550</u>	<u>73,949</u>	<u>184,528</u>	<u>3,117,971</u>	<u>371,057</u>

Argyll College UHI Ltd

Cash Flow Forecast

At 31 Jan 2018

For year ending 31 July 2018

	Actual Aug £	Actual Sep £	Actual Oct £	Actual Nov £	Actual Dec £	Actual Jan £	Forecast Feb £	Forecast Mar £	Forecast Apr £	Forecast May £	Forecast Jun £	Forecast Jul £	2018 £
Income													
Credits	239,856	252,739	226,088	226,088	199,437	226,088	92,835	92,835	332,691	199,437	226,088	199,437	2,513,619
UHI & SAAS	0	0	5,006	47,845	44,182	47,432	328,947	47,432	59,290	56,290	59,290	47,432	743,146
Capital/Maintenance grants	0	0	10,623	22,595	59,992	0	19,862	54,681	0	0	5,311	0	173,064
NRPA, ESOL, Curric Devlpt	33,225	13,768	13,768	13,768	23,768	13,768	13,768	23,479	13,768	13,768	13,768	13,768	204,384
DYW					60,000				30,000				90,000
Other income	12,833	42,250	42,250	19,655	57,441	42,250	30,000	30,000	30,000	30,000	30,000	30,000	396,679
	285,914	308,757	297,735	329,951	444,820	329,538	485,412	248,427	465,749	299,495	334,457	290,637	4,120,892
Payments													
Staff costs	219,463	232,013	251,063	332,321	348,370	287,621	295,000	295,000	295,000	295,000	295,000	295,000	3,440,851
Other costs	48,067	32,860	83,248	25,882	161,267	79,427	80,000	80,000	80,000	80,000	80,000	80,000	910,751
Loan	2,023	2,023	2,023	2,023	2,023	2,023	2,023	2,023	2,023	2,023	2,023	2,023	24,276
Capital costs	0	20,685	17,866		9,000			0	-40,000	14,000	0	41,398	62,949
	269,553	287,581	354,200	360,226	520,660	369,071	377,023	377,023	337,023	391,023	377,023	418,421	4,438,827
Excess of income over expenditure	16,361	21,176	(56,465)	(30,275)	(75,840)	(39,533)	108,389	(128,596)	128,726	(91,528)	(42,566)	(127,784)	(317,935)
OPENING BALANCE	1,247,482	1,263,843	1,285,019	1,228,554	1,198,279	1,122,439	1,082,906	1,191,295	1,062,699	1,191,425	1,099,897	1,057,331	1,247,482
CLOSING BALANCE	1,263,843	1,285,019	1,228,554	1,198,279	1,122,439	1,082,906	1,191,295	1,062,699	1,191,425	1,099,897	1,057,331	929,547	929,547

Closing Balances:

Current Account	138,699	159,875	203,410	273,135	217,295	177,762	86,151	57,555	183,203	94,753	52,187	74,403
Deposit Account	123,431	123,431	23,431	23,431	3,431	3,431	203,431	103,431	103,431	103,431	103,431	103,431
Notice accounts	1,000,000	1,000,000	1,000,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	750,000
Petty cash	1,713	1,713	1,713	1,713	1,713	1,713	1,713	1,713	4,791	1,713	1,713	1,713
	1,263,843	1,285,019	1,228,554	1,198,279	1,122,439	1,082,906	1,191,295	1,062,699	1,191,425	1,099,897	1,057,331	929,547