United Colleges Group

formerly

City of Westminster College

Financial Statements
For the Year Ended 31 July 2017

Key Management Personnel, Board of Governors and Professional advisers

Key management personnel

Key management personnel are defined as members of the College Leadership Team and were represented by the following in 2016-17:

Mr. Keith Cowell	Principal and CEO; Accounting Officer
Mrs. Amanda Thorneycroft	Vice-Principal Finance and Corporate Services
Mr. David Pigden	Deputy Principal Capital Projects
Dr. Patricia Squires	Deputy Principal Curriculum and Quality

Board of Governors

A full list of Governors is given on page 16 of these financial statements.

Ms. Christina Price acted as Clerk to the Corporation throughout the period.

Professional advisers

Financial statements and regularity auditor:
Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Internal auditor:
BDO LLP
55 Baker Street
London
W1U 7EU

Bankers:
Natwest Bank PLC
298 Elgin Avenue
London
W9 1JT

Barclays Commercial Bank
1 Churchill Place
London
E14 5HP

Solicitors:
Eversheds
Senator House
85 Queen Victoria Street
London
EC4 4JL

Contents

Report of the Governing Body

NATURE, OBJECTIVES AND STRATEGIES:

The members of the Corporation present their report and the audited financial statements for the year ended 31 July 2017.

Legal status

The Corporation was established under The Further and Higher Education Act 1992. The College is an exempt charity for the purposes of Part 3 of the Charities Act 2011.

On 1 August 2017, following public consultation, the Corporation of City of Westminster College merged with the College of North West London under a Type B Merger. On this date, the Corporation of the College of North West London was dissolved with all its assets and liabilities transferring to City of Westminster College. Also on 1 August 2017, the Corporation of City of Westminster College was renamed to United Colleges Group. This report, and the financial statements that follow, are made by the Board of United Colleges Group with respect to City of Westminster College.

Mission

The College's mission, as approved by the Corporation Members, is:

"City of Westminster College will provide outstanding education and training to enable our learners to achieve their full potential."

Public Benefit

City of Westminster College is an exempt charity under Part 3 of the Charities Act 2011 and following the Machinery of Government changes in July 2016 is regulated by the Secretary of State for Education. The members of the Corporation, who are trustees of the charity, are disclosed on page 16.

In setting and reviewing the College's strategic objectives, the Corporation 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:

- Delivery of outstanding teaching, learning and assessment.
- Provision of a broad and enriching programme of learning opportunities focussed on helping students acquire essential work experience and employability skills.
- Embracing of the diversity and achievement of every individual to ensure that they are valued and respected.
- Responding to the needs of our local communities to bridge the gap to employment for adults and NEETs (Not in Education, Employment or Training).
- Promotion and active support of volunteering in the local community.

Strategic aims

The Corporation approves strategic aims for the College which are supported by a detailed business plan which is reviewed and updated annually. The Corporation monitors the performance of the College against these plans. The College's strategic aims, which were updated in June 2016 are:

- To ensure that learners achieve success rates that will place the College consistently in the top 10% of colleges nationally;

Report of the Governing Body (continued)

- To maintain and promote a culture of continuous improvement to enable all staff and learners to be aligned on achieving outstanding performance and realising their individual potential and aspirations;
- To actively promote equality and diversity and oppose discrimination;
- To maintain a strong financial position, safeguarding the assets of the College;
- For the College to have highly motivated staff who are ambitious for the College's future;
- To actively engage with and add value to the wider community, forming appropriate partnerships to this end.

The College has had another successful year in 2016-17 and is well on the way to achieving many of the objectives which support these aims.

Specifically in relation to the College's financial objectives:

- **To ensure that the College has sufficient financial resources to complete the growth strategy.**

  The College has historically delivered an underlying operating surplus and continues to do so in 2016-17. Adding back merger and FRS 102 pension related income and expenditure, the Group generated an underlying surplus of £582,000 (2015-16 £102,000).

  In addition, the College has generated significant cash balances which have been used to fund the ongoing redevelopment of its Maida Vale site. The College still retains a £9.5m revolving credit facility and at 31 July 2017 £3.750m had been drawn against this facility.

  The College has now completed its three year growth strategy and student recruitment at September 2017 is in line with expectations. As a result the College has successfully grown its funding for 16-18 year olds over the growth period and expects to reach its final target with the funding allocations for 2017-18.

- **To grow alternative sources of income.**

  The College continues to explore and secure other income streams with a view to reducing dependence on revenue from the Education and Skills Funding Agency (ESFA). The College continues to reassess and develop its set of short courses aimed at both the leisure and business market. Commercial interest continues in the letting of rooms in the College for events, sports and business meetings. The provision of this space does not conflict with curriculum delivery, allowing revenue opportunities to be maximised.

  Following the relocation of its performing arts teaching to the new College theatre on the Paddington Green Campus, the College has run its Cockpit Theatre on a commercial basis providing a performance venue for a variety of different productions and introducing a successful monthly Jazz night. Income from the theatre continues to grow.

Report of the Governing Body (continued)

- **To ensure that the Maida Vale building project is delivered within the agreed budget.**

  The Maida Vale refurbishment project has now completed and delivery of provision began there in September 2017. Early in the project the need for additional asbestos works was identified, the costs of which were not included in the original budget and resulted in spend on the project exceeding the original budget.

- **To closely manage cash flow to ensure cash is available when required.**

  The College has generated substantial cash flow from operating activities over the year 2016-17 which it has used to service the interest on its loans, make £466,000 of capital repayments on long term loans and invest in fixed assets. The College has managed to meet all its capital expenditure obligations, including those on the Maida Vale Campus refurbishment.

  Cash flow is monitored daily and the College has consistently kept within the 'cash in hand' target set in the financial KPIs.

- **Investigate all options to ensure that the best return is realised from any potential sale or release of College property.**

  No decisions have yet been made regarding the disposal of College property.

Performance indicators

The College is committed to observing the importance of sector measures and indicators and uses the FE Choices website which looks at measures such as success rates. The College also undertakes sector benchmarking analysis, particularly against other large urban and London Colleges, every two years. The College is required to complete the annual Finance Record for the Education and Skills Funding Agency (ESFA). The Finance Record produces a financial health grading. The current rating for the College, post-merger, is 'Outstanding'. In addition the Corporation has additional targets for the College which are monitored during the year.

FINANCIAL POSITION:

Financial results

The Group generated a deficit before other gains and losses of £607,000 for the year (2015-16 deficit £404,000), with a total comprehensive surplus of £2.216m (2015-16 comprehensive loss of £4.947m).

At 31 July 2017, the Group had positive accumulated income and expenditure reserves of £6.967m (excluding the LGPS defined benefit pension scheme obligations) compared with £6.406m at 31 July 2016.

Tangible fixed asset additions during the year amounted to £5.445m which consisted of planned refurbishment of the College's Maida Vale site along with equipment purchases across the College.

Report of the Governing Body (continued)

The College has significant reliance on the education sector funding bodies for its principal funding source, largely from recurrent grants. In 2016-17, the funding bodies provided 89% of the College's total income (2015-16 90%).

The College has a wholly owned subsidiary company, CWC Enterprises Limited. The principal activities of CWC Enterprises Limited are the management of the College's lettings revenues and the running of commercial activities of the College's Cockpit Theatre. Any surplus generated by the subsidiary is transferred to the College under Gift Aid. In the current year CWC Enterprises Limited generated a deficit of £70,000, whilst in the previous year a surplus before gift aid of £31,000 was generated

Staff restructuring

The College continues to respond to changing Government funding by driving down payroll costs and creating efficiencies in both teaching and support service delivery. This year rationalisation and efficiencies resulted in the loss of 13 staff and redundancy costs amounting to £219,000 (2015-16 loss of 6 staff at a cost of £69,000).

Treasury policies and objectives

Treasury management is the management of the College's cashflows, 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 has a separate treasury management policy in place. Short term borrowing for working capital purposes is authorised by the CEO. All other borrowing requires the approval of the Corporation and complies with the requirements of the Financial Memorandum.

Cash flows

The operating cash inflow for the College at £2.697m for the year (2015-16 £2.662m) was strong. Major cash outflows consisted of the servicing of the College's long term loan and capital expenditure on the refurbishment project at the College's Maida Vale site.

Liquidity

At the end of the year the College had the following loan in place relating to the building of the Paddington Green Campus:

- £16m long term loan repayable over 25 years. The balance on this loan at 31 July 2017 was £13.726m.

In addition to this, in August 2014, the College signed a new facility with Barclays Bank for a £9.5m rolling credit facility to be available to the College until August 2019. £3.750m had been drawn down on this loan as at 31 July 2017.

All borrowings have been authorised by the Corporation and were agreed by the LSC or ESFA where appropriate and are in accordance with the requirements of the ESFA Financial Memorandum.

Report of the Governing Body (continued)

The size of the College's total borrowing and its approach to interest rates has been calculated to ensure a reasonable cushion between the total cost of servicing debt and operating cashflow.

Reserves

Whilst in the long term the College has the aim of strengthening its income and expenditure reserves, the short term strategy of managed growth involves investment ahead of income due to the lagged learner effect of ESFA funding. As at the 31 July 2017 the College has accumulated deficits (including pension deficits) of £7.749m in its income and expenditure account.

Going concern

The College's forecast and financial projections, through to 2019-20, indicate that it will be able to operate within its existing available bank facilities, including the rolling facility approved in August 2014. Accordingly the College has a reasonable expectation that it has adequate resources to continue in operational existence through this period. For this reason the College continues to adopt the going concern basis in the preparation of its financial statements.

Merger

On 1 August 2017 City of Westminster College merged with the College of North West London. On this date the assets, liabilities, students and staff migrated from the College of North West London to City of Westminster College. The Corporation of the College of North West London was dissolved and the City of Westminster College continued as the successor Corporation. As part of this process, City of Westminster College was renamed United Colleges Group.

The merger will improve the education and training opportunities for learners, employers and the communities they serve. It will build on the combined strengths of each former college to establish strategic advantage and competitive edge.

The vision is to deliver the highest quality education and training opportunities for students and employers across West and Central London, and beyond. The grouping will enhance the curriculum on offer allowing more learners to benefit from vocational specialisms. It contributes to moving the Further Education agenda forward to deliver educational and social advantages. It will create a college group that secures the best provision and choice for students in West and Central London and will strengthen the offer to a broader London client base. The constituent colleges will retain and operate with their current names and identities, which have a strong value within their respective communities.

CURRENT AND FUTURE DEVELOPMENTS AND PERFORMANCE:

Ofsted

The last Ofsted inspection for the College was in June 2013 and the College was graded as Good. The College has self-assessed for 2016-17 as Good (Grade 2) in all the Key Judgement areas. These are:

- Overall Effectiveness
- Effectiveness of leadership and management
- Quality of teaching, learning and assessment
- Personal development, behaviour and welfare
- Outcomes for learners

Report of the Governing Body (continued)

Learner numbers

In 2016-17 the College has 2,848 16-18 learners (2,792 in 2015-16). There were 2,265 funded adult learners (down from 2,448 in 2015-16) and a further 314 students in HE programmes, remaining the same as 2015-16 (315).

There were 1,947 24+ apprentices (1,518 in 2015-16), 423 19-23 apprentices (351 in 2015-16) and 84 16-18 apprentices (56 in 2015-16).

Learner achievements

The College has continued to be a highly performing college for adult learners and timely Apprenticeships. There have been significant improvements in English and Maths with the former reaching an achievement rate of 81.1% and improvement of 17%. Maths also improved from a lower base. The A Level offer reached 99% achievement. There have been small improvements in Business (BFS), Creative Industries (CID) and Science (SCI) and a significant improvement in Leisure, Public Services and Health from 78.4% to 90%.

	2011-12	**2012-13**	**2013-14**	**2014-15**	**2015-16**	**2016-17 (tbc)**
All qualifications	83.6%	87.4%	84.6%	85.1%	85.4%	85.5%
16 - 18	78.9%	81.7%	78.2%	79.1%	79.9%	78%
19+	88.8%	91.9%	90.1%	90.1%	92.3%	92.6%

The College has continued to focus on employability with an increased take-up of work experience places 90% (2015-16 62%) and a wider focus on events such as employer talks, visits and projects related to enterprise skills. Employer talks included Lloyds, PwC, E&Y, WSP and Santander.

Attendance and punctuality is also an employability skill and the College invested in a team of Attendance Support workers who worked with tutors to improve the timely marking of registers and attendance. Two additional enrichment staff were appointed contributing to the mentoring support provided to students. There was an increased range of sport activities including a girls' football session. There were a number of themed interest groups including chess, debate and music and the snap general election encouraged a great deal of work around British Values.

Curriculum developments

There were Ofqual changes to a large range of subjects based on the requirement to have more examination based testing and a reduction in course work or controlled assessments. These included moving A Levels back to a 2 year programme, introducing more rigorous testing in English and Maths GCSE and the introduction of exams in Level 2 BTEC programmes. The Creative Industries area started to move its offer from Pearson's to the more industry related UAL and this has had a positive impact on achievements at Level 2.

There were also changes in awarding bodies in ESOL and this area continues to have high achievement rates in both its 16-18 and adult offer (88.1% and 88.5%). Our LDD offer has also continued with high achievement 98.4% an improvement of 1.4%. The mini job project, providing paid work experience for disabled students, has continued to be very effective.

Report of the Governing Body (continued)

The College increased its Fresh Start programme, moving from its original base in Personal and Social Development to offers in Digital Business and preparation for A Levels.

Access to HE courses have improved in the quality process required by OCN with continued positive reports from moderators. Because of the removal of the cap, universities are expanding and as a result the College HE courses have failed to recruit sufficient numbers in Photography and Music although numbers are holding up in other curriculum areas.

Payment performance

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 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 out by the Treasury for payment to suppliers within 30 days is 95 per cent. During the accounting period 1 August 2016 to 31 July 2017, the College comfortably met this target. The College incurred no interest charges in respect of late payments for this period.

Future developments

In October and December 2013 the Governors approved a growth plan for the College with targets for growth in 16-18 year old students, HE students, Apprenticeships and International Students phased in over a four year period. Following excellent enrolment in September 2014, 2015, 2016 and again in 2017 the College has achieved its target growth in 16-18 year old students and apprenticeships.

The Governing Body reviewed its strategic aims during an Away Day on 11 June 2016 and agreed that no changes were required.

The Governors of the newly merged college (United Colleges Group) held an Away Day on 14 October 2017 to review the strategy going forward.

The College is also continuing its aim of reducing dependency on direct ESFA funding and is building commercial opportunities.

RESOURCES:

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

Tangible resources include the main College campus at Paddington Green, centres at Queen's Park and Maida Vale along with the Cockpit Theatre in Gateforth Street, all of which are in London.

Financial
As at 31 July 2017 the Group had £4.585m of net assets after a £14.716m pension liability (2015-16 £2.369m net liabilities after a £16.692m pension liability) and long term creditors of £88.665m (2015-16 £86.338m).

People
In 2016-17 the College employed 381 people (expressed as full time equivalents; 2015-16 399), of whom 252 were teaching staff (2015-16 272).

Reputation
The College has a good reputation locally and nationally. Maintaining a quality brand is essential for the College's success in attracting students and external relationships. The College's Paddington Green Campus, with its modern facilities and state of the art design matched by the newly refurbished Maida Vale Campus enhances that reputation.

Report of the Governing Body (continued)

PRINCIPAL RISKS AND UNCERTAINTIES:

The College has a comprehensive Risk Management Policy, which is reviewed at least annually by the Corporation. There are well established procedures for the annual preparation and review of the College's Risk Register.

The Risk Register is reviewed on a regular basis by the Risk Management Group which comprises members of the College's Senior Management Team (SMT). The Risk Register normally comprises nine categories of business risk and the College has designated a Lead Assessor, Reference Group and Monitoring Group for each area of business risk. A tenth area of business risk relating to the major building work undertaken at the College's Maida Vale site was also monitored throughout 2016-17 and a merger risk category, specific to the progress of the College merger with College of North West London, was also established.

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 which is set out in the Risk Management Policy. Internal controls are then implemented and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions. The Risk Management Group also considers any new risks which may arise as a result of a new area of work being undertaken by the College or other changes.

The Audit Committee receives termly reports on risk management, including monitoring reports on all risks rated as high priority risks. The Risk Register is reviewed by the Corporation at least once every academic year and more frequently where necessary. The Corporation most recently reviewed the Risk Register in December 2017.

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. Government funding

The College has considerable reliance on continued government funding through the ESFA. In 2016-17, 89% (2015-16 90%) of the College's revenue was ultimately public funded and this level of requirement, although targeted to reduce, will still be substantial in the coming years.

The College is aware of the issues which impact on future funding and the pressures affecting the funding available both for 16-18 year olds and adults.

The risk is mitigated in a number of ways:

- An enhanced reputation and profile as a result of excellent achievement rates;
- Continued investment in College properties to provide a first class environment for students;
- Funding is derived through a number of direct and indirect contractual arrangements;
- By ensuring the College is rigorous in delivering high quality education and training;
- Considerable focus on and investment in maintaining and managing relationships with the various funding bodies;
- Ensuring the College is focused on those priority sectors which will continue to benefit from public funding;
- Developing an appropriate curriculum for full cost recovery work;
- Continuing to grow the other commercial income of the College;
- Regular dialogue with funding bodies.

Report of the Governing Body (continued)

2. Failure to achieve planned learner numbers

With 89% of College income arising from grant funding, it is essential that the College recruits and delivers against its funding allocation. The College has a long history of meeting and exceeding its ESFA allocations.

The risk of under recruitment and delivery is mitigated in a number of ways:

- By ensuring the College is rigorous in delivering high quality education and training, thus ensuring value for money for students;
- Close monitoring of the demand for courses and building of flexibility into curriculum planning;
- Impact assessments carried out of ESFA funding reforms;
- Formulation of an Enrolment Action plan and marketing strategy;
- Early identification of potential over/under recruitment with intervention strategies in place to respond.

3. Maintain adequate funding of pension liabilities

The financial statements report the College's share of the Local Government Pension Scheme deficit on the College's balance sheet in line with the requirements of FRS 102.

STAKEHOLDER RELATIONSHIPS:

In line with other colleges and with universities, City of Westminster College has many stakeholders. These include:

- Students;
- Education Sector funding bodies;
- Staff;
- Local and national employers (with specific links);
- Local Authorities;
- Greater London Authority;
- Government Offices / Regional Development Agencies;
- The local community including residents associations;
- Other FE institutions and Universities;
- Trade Unions;
- Professional bodies;
- Private training providers;
- Regeneration Agencies.

The College recognises the importance of these relationships and engages in regular communication with them by meetings, written communications, mailings and through the College's Internet site, staff-net and student-net sites as appropriate.

Report of the Governing Body (continued)

Equal opportunities and employment of disabled persons

City of Westminster College is committed to ensuring equality of opportunity for all who learn and work here. We respect and value positively diversity in ethnicity, gender, sexual orientation, ability, religion and age. We strive vigorously to remove conditions which place people at a disadvantage and we will actively combat bigotry. The College's Equal Opportunities policy is resourced, implemented and monitored on a planned basis.

The College's Equal Opportunities Policy is published on the College's Internet site.

The College considers all applications from disabled persons, guaranteeing an interview where selection criteria are met. 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 are, as far as possible, identical to those for other employees.

Disability statement

The College seeks to achieve the objectives set down in the Disability Discrimination Act 1995 and the Equalities Act 2010.

a) As part of its property strategy the College updated its access audit. During 2006-07 experts in this field conducted a full access audit of all the College's sites, the results of which formed the basis of a successful bid in 2007-08 to the LSC for funding capital projects aimed at improving access. In addition, disabled access was fully taken into account in terms of both space allocation and timetabling in planning the move to the College's new Paddington Green Campus and the redevelopment plans of the College's Maida Vale site.

b) The College has appointed a Disability Support Head of School and employs a range of specialist staff to support learners with moderate and severe learning difficulties and/or disabilities (LLDD), who provide information, advice and arrange support where necessary for students with disabilities.

c) There is a list of specialist equipment, such as radio aids, which the College makes available for use by students and a range of assistive technology is available in the learning centres and from the College's Disability Support Team.

d) The admissions policy for all students is described in the College charter. Appeals against a decision not to offer a place are dealt with under the complaints policy.

e) The College has made a significant investment in the appointment of learning support assistants 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.

f) The College has a good reputation for providing discrete specialist programmes, details of which can be obtained from the Disability Support Head of School or through the course advice team.

g) Counselling and welfare services, along with the College's Complaints and Disciplinary procedures, are described in the student diary, which is issued to every student at induction.

Report of the Governing Body (continued)

Disclosure of information to the auditor

The members of the Corporation 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 auditor is 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 13 December 2017 and signed on their behalf by:

Tony Johnston
Chair of Governors

Statement of Corporate Governance and Internal Control

The following Statement is provided to enable readers of the annual report and financial statements of the College to obtain a better understanding of its governance and legal structure.

The College endeavours to conduct its business:

- In accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership);
- In full accordance with the guidance to colleges from the Association of Colleges in 'The Code of Good Governance for English Colleges' ('the Code'); and
- Having due regard to the UK Corporate Governance Code 2016 insofar as it is applicable to the further education sector.

The College is committed to exhibiting best practice in all aspects of corporate governance and in particular the College has adopted and complied with the Code with the exception of the recommendation that Governors should not normally serve for more than two terms (or a maximum of eight years). The Corporation recognises the need for an appropriate balance of skills, experience and knowledge to enable it to discharge its duties and responsibilities effectively and, for this reason, the maximum of two terms is not an absolute limit on the number of terms a Governor can serve.

We have not adopted and therefore do not apply the UK Corporate Governance Code. However, we have reported on our Corporate Governance arrangements by drawing upon best practice available, including those aspects of the UK Corporate Governance Code considered to be relevant to the further education sector and best practice.

In the opinion of the members of the Corporation, the College complies with all the provisions of the Code, and it has complied throughout the year ended 31 July 2017, subject to the exception above. The Corporation 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. In carrying out its responsibilities, it takes full account The Code of Good Governance for English Colleges issued by the Association of Colleges in March 2015, which it formally adopted with effect from 1 August 2015.

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

Name	Date of appointment	Term of office	Date of resignation	Status of appointment	Committees served (meetings attended / held)	Corporation meetings (attended / held)	OVERALL ATTENDANCE CORPORATION & COMMITTEE MEETINGS		
							Scheduled meetings (attended / held)	Short notice / rescheduled meetings (attended / held)	Total meetings (attended / held)
Ian Adams*	25 May 2010	4 years		External Governor	• Member of Finance & General Purposes Committee (2/3)	4/5 (80%)	5/6 (83.3%)	1/2 (50%)	6/8 (75%)
Glenys Arthur	14 January 2004	4 years		External Governor	• Member of Quality, Standards & Student Affairs Committee (3/4)	7/7 (100%)	6/7 (85.7%)	4/4 (100%)	10/11 (90.9%)
Afsana Begum-Mirza	13 May 2015	4 years		Staff Governor (Academic)	• Member of Quality, Standards & Student Affairs Committee (2/4)	6/7 (85.7%)	5/7 (71.4%)	3/4 (75%	8/11 (72.7%)

Name	Date of appointment	Term of office	Date of resignation	Status of appointment	Committees served (meetings attended / held)	Corporation meetings (attended / held)	OVERALL ATTENDANCE CORPORATION & COMMITTEE MEETINGS		
							Scheduled meetings (attended / held)	Short notice / rescheduled meetings (attended / held)	Total meetings (attended / held)
Keith Cowell	26 October 2009			CEO	• Member of Finance & General Purposes Committee (4/4) • Member of Quality, Standards & Student Affairs Committee (4/4) • Member of Search & Governance Committee (1/1) • Member of Strategy & Estates Committee (2/2)	7/7 (100%)	9/9 (100%)	9/9 (100%)	18/18 (100%)
Mary Elliott	13 May 2015	4 years		External Governor	• Member of Quality, Standards & Student Affairs Committee (4/4)	5/7 (71.4%)	6/7 (85.7%)	3/4 (75%)	9/11 (81.8%)
Alexandra Fyfe	3 December 2003	4 years		External Governor	• Vice Chair of Corporation from 1 August 2016 • Member of Finance & General Purposes Committee (Chair) (4/4) • Member of Remuneration Committee (3/3) • Member of Search & Governance Committee (3/3) • Member of Strategy & Estates Committee (2/2)	7/7 (100%)	9/9 (100%)	8/8 (100%)	17/17 (100%)
Brenda Goring Moore	6 December 2000	4 years		External Governor	• Member of Audit Committee (Chair) (3/3) • Member of Search & Governance Committee (1/1) • Member of Strategy & Estates Committee (2/2)	7/7 (100%)	8/8 (100%)	5/5 (100%)	13/13 (100%)
Simon Haben	25 May 2011	4 years		External Governor	• Member of Finance & General Purposes Committee (4/4) • Member of Remuneration Committee (3/3) • Member of Search & Governance Committee (1/1) • Member of Strategy & Estates Committee from 13 October 2016 (1/2)	6/7 (85.7%)	8/8 (100%)	7/8 (87.5%)	15/16 (94.1%)

Name	Date of appointment	Term of office	Date of resignation	Status of appointment	Committees served (meetings attended / held)	Corporation meetings (attended / held)	OVERALL ATTENDANCE CORPORATION & COMMITTEE MEETINGS		
							Scheduled meetings (attended / held)	Short notice / rescheduled meetings (attended / held)	Total meetings (attended / held)
Keith Hutton	11 October 2006	4 years	12 October 2016	External Governor	• Member of Quality, Standards & Student Affairs Committee (Chair to 12 October 2016) (1/1) • Member of Remuneration Committee to 12 October 2016 (0/0) • Member of Strategy & Estates Committee to 12 October 2016 (0/0)	1/1 (100%)	2/2 (100%)	0/0 (n/a)	2/2 (100%)
Michael Khanye	12 October 2016	At the end of the student's final academic year, or at such time in the year after ceasing to be a student as the Corporation my decide (max. term 4 years)	12 July 2016 (end of academic year)	Student Governor	• Member of Quality, Standards & Student Affairs Committee from 12 October 2016 to 12 July 2017 (2/3)	4/6 (66.7%)	5/6 (83.3%)	1/3 (33.3%)	6/9 (66.7%)
Nick Martin	25 May 2011	4 years	12 June 2017	External Governor	• Chair of Corporation to 12 June 2017 • Member of Finance & General Purposes Committee (3/3) • Member of Remuneration Committee (Chair) to 12 June 2017 (1/1) • Member of Search & Governance Committee (Chair) to 12 June 2017 (1/1) • Member of Strategy & Estates Committee (Chair) to 12 June 2017 (2/2)	5/5 (100%)	7/7 (100%)	5/5 (100%)	12/12 (100%)
Simon Neville	11 October 2006	4 years		External Governor	• Member of Audit Committee (2/3) • Member of Strategy & Estates Committee (1/2) • Member of Remuneration Committee from 13 October 2016 (3/3)	3/7 (42.9%)	4/7 (57.1%)	5/8 (62.5%)	9/15 (60%)
Ken O'Connell	13 February 2013	4 years	31 July 2017	Staff Governor (Support)	• Member of Finance & General Purposes Committee (4/4)	6/7 (85.7%)	7/8 (87.5%)	3/3 (100%)	10/11 (90.9%)

Name	Date of appointment	Term of office	Date of resignation	Status of appointment	Committees served (meetings attended / held)	Corporation meetings (attended / held)	OVERALL ATTENDANCE CORPORATION & COMMITTEE MEETINGS		
							Scheduled meetings (attended / held)	Short notice / rescheduled meetings (attended / held)	Total meetings (attended / held)
Barbara Pedro	12 October 2016	At the end of the student's final academic year, or such time in the year after ceasing to be a student as the Corporation may decide (max. term 4 years)	12 July 2017 (end of academic year)	Staff Governor (Support)	• Member of Quality, Standards & Student Affairs Committee from 12 October 2016 to 12 July 2017 (0/3)	1/6 (16.7%)	1/5 (20%)	0/4 (0%)	1/9 (11.1%)
John Petrie	25 May 2010	4 years		External Governor	• Member of Audit Committee (2/3)	4/7 (57.1%)	4/7 (57.1%)	2/3 (66.7%)	6/10 (60%)
Christopher Robinson	26 February 2014	4 years	31 January 2017	External Governor	• Member of Quality, Standards & Student Affairs Committee (Chair from 2016 to 31 January 2017) (1/2)	0/3 (0%)	1/3 (33.3%)	0/2 (0%)	1/5 (20%)

** Ian Adams is on sabbatical leave for one year with effect from 25 May 2017.*

The Corporation has appointed the following co-optee to committees who is not a member of the Corporation:

Name	Date of appointment	Term of office	Date of resignation	Status of appointment	Committees served	OVERALL ATTENDANCE COMMITTEE MEETINGS		
						Scheduled meetings (attended / held)	Short notice /rescheduled meetings (attended / held)	Total meetings (attended / held)
Lucy Arnold	23 May 2017	2 months	31 July 2017	Co-optee to Committee	• Member of Quality, Standards & Student Affairs Committee (1/1)	1/1 (100%)	0/0 (n/a)	1/1 (100%)
Keith Hutton	13 October 2016	2 months	16 December 2016	Co-optee to Committee	• Member of Quality, Standards & Student Affairs Committee (0/1)	0/0 (n/a)	0/1 (0%)	0/1 (0%)
Amish Nathwanii	12 October 2016	9 months	31 July 2017	Co-optee to Committees	• Member of Audit Committee (2/3)	2/3 (66.7%)	0/0 (n/a)	2/3 (66.7%)

Christina Price acts as the Clerk to the Corporation.

Statement of Corporate Governance and Internal Control (continued)

The standard length of a term of office of a Governor, except for a Student Governor, is four years, although the Corporation reserves the right, where considered appropriate, to appoint for a shorter period. In accordance with the recommendations of the Nolan Committee, as a general rule it is recommended that Governors should not serve more than two consecutive terms in office. However, in recognition that a balance needs to be stuck between retaining good existing members and ensuring a managed turnover to introduce new blood, this is not an absolute limit on the number of terms a Governor can serve.

On 12 October 2016, the Governing Body noted Governors' terms of office which were due to end in early 2017 and the context that applied at that time in terms of the likelihood of merger in the short term and the potential difficulty in attracting new Governors for what would most likely be a brief tenure. After due consideration and on the recommendation of the Search and Governance Committee, the Governing Body approved the re-appointments of Glenys Arthur, Alexandra Fyfe and Brenda Goring Moore until 31 July 2017. It was noted that these Governors had already exceeded the normal two terms of office and the re-appointments were due to the exceptional circumstances noted above. For similar reasons, the term of office of Ken O'Connell, Staff Governor, was extended to 31 July 2017.

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 student achievement data and quality improvement plans, performance against funding targets, capital expenditure including any relating to the College estates, quality matters, issues relating to learner voice and HR-related matters such as equality and diversity, safeguarding learners, health and safety and environmental issues. The Corporation meets at least once each term and, during the 2016-17 academic year, seven Corporation meetings were held and one strategic planning day in January 2017.

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 & General Purposes (F&GP) Committee
- Quality, Standards & Student Affairs (QSSA) Committee
- Remuneration Committee
- Search & Governance Committee
- Audit Committee
- Strategy & Estates Committee

Minutes of all meetings, except those deemed to be confidential by the Corporation, are available from the Clerk to the Corporation at the following address or can be downloaded from the College's website – www.cwc.ac.uk:

The City of Westminster College
Paddington Green Campus
25 Paddington Green
London
W2 1NB

The Clerk to the Corporation maintains a register of financial and personal interests of the members of the Corporation and senior managers. This register is reviewed at least annually and is available for inspection at the above address. The Corporation's Standing Orders are reviewed every year. Each committee of the Corporation has terms of reference, which are also reviewed for effectiveness each year.

The Clerk works full time for the Corporation and has no other post in the College. The role is fully independent from the College management structure as the Clerk reports directly to the Corporation via the Chair. The appointment, evaluation and removal of the Clerk are matters for the Corporation as a whole.

Statement of Corporate Governance and Internal Control (continued)

All members of the Corporation have the right to take advice from the Corporation's advisers; or if necessary, at the Corporation's expense, independent professional advisers on any matter concerning the exercise of their powers and responsibilities; and have access to the Clerk to the Corporation, who is responsible to the Corporation for ensuring that all applicable procedures and regulations are complied with.

The roles of the Chair of the Corporation and the CEO as Accounting Officer are separate and this provides a clear division of responsibility. The Clerk to the Corporation maintains a schedule of planned Corporation and Committee business, which ensures that key issues are considered at an appropriate time and in sequence. Formal agendas, papers and reports are supplied to members of the Corporation in a timely manner, prior to Corporation meetings. Briefings are also provided on an ad-hoc basis and, where appropriate, seminars are arranged for members of the Corporation on relevant topics. The Corporation undertakes an annual self-assessment exercise to identify any areas for further development and to identify the priorities for the coming year, which is used to inform the schedule of planned Corporation business. It has set itself a number of key performance indicators to measure its own performance and these are reviewed throughout the year and the targets are reviewed on an annual basis.

The Corporation has a strong and independent non-executive element and no individual or group dominates its decision-making process. It considers that all of its members are 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 the Accounting Officer are separate.

Appointments to the Corporation

Any new appointments to the Corporation are a matter for the consideration of the Corporation as a whole. The Corporation has a Search and Governance Committee comprising the Chair, the CEO and three governors who are responsible for the selection and nomination of any new independent member for the Corporation’s consideration. The Search and Governance Committee regularly reviews the composition and expertise of the Corporation and conducts a skills audit at least annually, which is used in the nomination of any appointments or reappointments. The Corporation is responsible for ensuring that appropriate training is provided as required and all new governors are provided with a mentor as part of a formal induction programme. At the time of writing this report, the Corporation had one vacant position for a staff governor.

Remuneration Committee

The College’s Remuneration Committee comprises five members of the Corporation (the Chair and four other governors, excluding the CEO and staff and student members). The Committee’s responsibilities are to make recommendations to the Corporation on the remuneration and benefits of the CEO and other senior post holders and to act as the administrator / review body in terms of any Area Review related activity undertaken / to be undertaken by the Chair of the Corporation.

Details of remuneration for the year ended 31 July 2017 are set out in note 6 to the financial statements.

Audit Committee

The Audit Committee comprises at least four members of the Corporation (excluding the CEO and Chair). The Committee operates in accordance with written terms of reference approved by the Corporation and in accordance with the requirements of the Post-16 Audit Code of Practice.

Statement of Corporate Governance and Internal Control (continued)

The Audit Committee meets on a termly basis and provides a forum for reporting by the College's internal, reporting accountants 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 funding bodies as they affect the College's business.

The College's internal auditors monitor 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 audit 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, reporting accountants 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 CEO, 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 between the 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 the College for the year ended 31 July 2017 and up to the date of approval of the annual report and financial statements.

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 ended 31 July 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Corporation.

Statement of Corporate Governance and Internal Control (continued)

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 Corporation;
- regular reviews by the Corporation 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.

The College has an internal audit service, which operates in accordance with the requirements of the ESFA's Post-16 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 Internal Audit Service provides the Corporation with a report on internal audit activity in the College.

The report includes the auditor's independent opinion on the adequacy and effectiveness of the College's system of risk management controls and governance processes. The report on internal audit activity for 2016-17 was scrutinised by the Corporation at its meeting on 13 December 2017 after review by the Audit Committee at its meeting on 6 December 2017.

Review of effectiveness

As Accounting Officer, the CEO 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 auditor, the reporting accountant for regularity assurance, the appointed funding auditors (when applicable) in their management letters and other reports.

The CEO 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. 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, 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 reporting by exception.

Based on the advice of the Audit Committee and the CEO 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.'

Statement of Corporate Governance and Internal Control (continued)

Going concern

After making appropriate enquiries, the Corporation considers that the College has adequate resources available to it to continue in operational existence for the foreseeable future. They therefore continue to adopt the going concern basis in preparing the financial statements.

The College has a history of delivering operating profits before pension adjustments arising from actuarial valuations, and has every belief that this will continue in the foreseeable future. As at 31 July 2017 the College had a rolling credit facility of £9.5m, of which £5.75m was available, until August 2019. Given the adequate nature of these College financial resources the Corporation believes the College will be able to continue in operation, and meet its liabilities as they fall due, for a period well beyond 12 months from the date of approval of these accounts.

Approved by order of the members of the Corporation on 13 December 2017 and signed on their behalf by:

Tony Johnston
Chair of Governors

Keith Cowell
CEO, Accounting Officer

Corporation's statement on the College's regularity, propriety and compliance with the funding body terms and conditions of funding

The Corporation has considered its responsibility to notify the ESFA of material irregularity, impropriety and non-compliance with terms and conditions of funding, under the Financial Memorandum in place between the College and the ESFA. As part of its consideration the Corporation has had due regard to the requirements of the Financial Memorandum.

We confirm on behalf of the Corporation, that to the best of its knowledge, the Corporation believes it is able to identify any material irregular or improper use of funds by the College, or material non-compliance with the ESFA 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 ESFA.

Approved by order of the members of the Corporation on 13 December 2017 and signed on their behalf by:

Tony Johnston	**Keith Cowell**
Chair of Governors	CEO, Accounting Officer

Statement of the Responsibilities of the Members of the Corporation

The members of the Corporation are required to present audited financial statements for each financial year.

Within the terms and conditions of the Financial Memorandum agreed between the ESFA 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 2015 *Statement of Recommended Practice – Accounting for Further and Higher Education Institutions* and with the College Accounts Direction for 2016-17 issued by the ESFA 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 UK 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 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 relevant legislation of incorporation 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 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 ESFA are used only in accordance with the Financial Memorandum with the ESFA 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 by the ESFA are not put at risk.

Approved by order of the members of the Corporation on 13 December 2017 and signed on their behalf by:

Tony Johnston
Chair of Governors

Independent auditor's report to the Corporation of United Colleges Group

Opinion

We have audited the financial statements of United Colleges Group (the 'college') and its subsidiaries (the 'group') for the year ended 31 July 2017 which comprise the group statement of comprehensive income, the group statement of changes in reserves and balance sheets, the group statement of cash flows, the principal accounting policies, and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Corporation, as a body, in accordance with the College's Articles of Government. Our audit work has been undertaken so that we might state to the Corporation those matters we are required 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 college and the Corporation as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the college's affairs as at 31 July 2017 and of the group'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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you, where:

- the Corporation's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Corporation has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and the college's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Corporation is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Independent auditor's report to the Corporation of United Colleges Group (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Post 16 Code of Practice issued by the Education and Skills Funding Agency requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the college; or
- the college financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Corporation

As explained more fully in the statement of responsibilities of members of the Corporation, the Corporation is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Corporation determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Corporation is responsible for assessing the group's and the college's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Corporation either intends to liquidate the group or the college or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Buzzacott LLP | 19 December 2017

BUZZACOTT LLP
Chartered Accountants and Registered Auditor
130 Wood Street London EC2V 6DL

DATE

Reporting Accountant's Assurance Report on Regularity to the Corporation of United Colleges Group and Secretary of State for Education acting through the Department for Education ("the Department")

In accordance with the terms of our engagement letter and further to the requirements of the funding agreement with Education and Skills Funding Agency, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest that in all material respects the expenditure disbursed and income received by City of Westminster College during the period 1 August 2016 to 31 July 2017 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

The framework that has been applied is set out in the Post 16 Audit Code of Practice ("the Code") issued by the Department. 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 Department has other assurance arrangements in place.

This report is made solely to the corporation of United Colleges Group and Department in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the corporation of United Colleges Group and the Department 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 United Colleges Group and the Department for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of United Colleges Group and the reporting accountant

The corporation of United Colleges Group is responsible, under 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 Code. 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 2016 to 31 July 2017 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 Code issued jointly by the Department. We performed a limited assurance engagement as defined in that framework.

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.

Reporting Accountant's Assurance Report on Regularity to the Corporation of United Colleges Group and Secretary of State for Business Innovation and Skills acting through the Skills Funding Agency (continued)

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material irregularity and impropriety across all of the College's activities;
- Further testing and review of self-assessment questionnaire including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

Conclusion

In the course of our work nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 August 2016 to 31 July 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Buzzacott LLP

BUZZACOTT LLP
Chartered Accountants and Registered Auditor
130 Wood Street London EC2V 6DL

19 December 2017

DATE

Consolidated Statement of Comprehensive Income

	Note	Year ended 31 July 2017		Year ended 31 July 2016	
		Group	College	Group	College
		£'000	£'000	£'000	£'000
INCOME					
Funding body grants	2	26,461	26,461	24,827	24,829
Tuition fees and education contracts	3	2,361	2,360	2,157	2,156
Other income	4	1,267	755	1,259	719
Investment income	5	3	3	26	26
Total income		**30,092**	**29,579**	**28,269**	**27,730**
EXPENDITURE					
Staff costs	6	15,379	15,379	15,200	15,200
Fundamental restructuring costs	6	219	219	69	69
Other operating expenses	7	10,272	9,690	8,428	7,913
Depreciation	10	3,574	3,572	3,688	3,687
Interest and other finance costs	8	1,255	1,255	1,288	1,288
Total expenditure		**30,699**	**30,115**	**28,673**	**28,157**
Deficit before other gains and losses		**(607)**	**(536)**	**(404)**	**(427)**
Loss on the disposal of assets		-	-	-	-
Deficit before tax		**(607)**	**(536)**	**(404)**	**(427)**
Taxation		-	-	-	-
Deficit for the year	9	**(607)**	**(536)**	**(404)**	**(427)**
Actuarial gain/(loss) in respect of pension schemes	25	2,823	2,823	(4,543)	(4,543)
Total comprehensive income for the year		**2,216**	**2,287**	**(4,947)**	**(4,970)**
Represented by:					
Restricted comprehensive income		(271)	(271)	271	271
Unrestricted comprehensive income		2,487	2,558	(5,218)	(5,241)
		2,216	**2,287**	**(4,947)**	**(4,970)**

		Note	Year ended 31 July 2017		Year ended 31 July 2016	
			Group	College	Group	College
			£'000	£'000	£'000	£'000
Deficit for the year after exceptional items			**(607)**	**(536)**	**(404)**	**(427)**
Exceptional items						
FRS 102 pension adjustments:	- staff costs	6,25	413	413	59	59
	- interest payable	8,25	434	434	445	445
Merger transactions		13	342	342	2	2
Surplus for the year before exceptional items			**582**	**653**	**102**	**79**

Consolidated and College Statement of Changes in Reserves

	Income and expenditure account	Revaluation reserve	Restricted reserve	Total
	£'000	£'000	£'000	£'000
Group				
Balance as at 1 August 2015	(5,118)	12,434	-	**7,316**
Surplus / (deficit) from the income and expenditure account	(675)	-	271	**(404)**
Other comprehensive income	(4,543)	-	-	**(4,543)**
Transfers between revaluation and income and expenditure reserves	50	(50)	-	**-**
	(5,168)	(50)	271	**(4,947)**
Balance at 31 July 2016	(10,286)	12,384	271	**2,369**
Surplus / (deficit) from the income and expenditure account	(336)	-	(271)	**(607)**
Other comprehensive income	2,823	-	-	**2,823**
Transfers between revaluation and income and expenditure reserves	50	(50)	-	**-**
	2,537	(50)	(271)	**2,216**
Balance at 31st July 2017	**(7,749)**	**12,334**	**-**	**4,585**
College				
Balance as at 1 August 2015	(5,097)	12,434	-	**7,337**
Surplus / (deficit) from the income and expenditure account	(698)	-	271	**(427)**
Other comprehensive income	(4,543)	-	-	**(4,543)**
Transfers between revaluation and income and expenditure reserves	50	(50)	-	**-**
	(5,191)	(50)	271	**(4,970)**
Balance at 31 July 2016	(10,288)	12,384	271	**2,367**
Surplus / (deficit) from the income and expenditure account	(265)	-	(271)	**(536)**
Other comprehensive income	2,823	-	-	**2,823**
Transfers between revaluation and income and expenditure reserves	50	(50)	-	**-**
	2,608	**(50)**	(271)	**2,287**
Balance at 31 July 2017	**(7,680)**	**12,334**	**-**	**4,654**

Balance sheets as at 31 July

	Note	2017	2017	2016	2016
		Group	College	Group	College
		£'000	£'000	£'000	£'000
Non current assets					
Tangible fixed assets	10	110,963	110,944	109,092	109,086
Investments	11	-	-	-	-
		110,963	**110,944**	**109,092**	**109,086**
Current assets					
Trade and other receivables	12	1,318	1,433	2,252	2,280
Cash and cash equivalents	19	3,044	3,009	2,416	2,378
		4,362	**4,442**	**4,668**	**4,658**
Less: Creditors - amounts falling due within one year	14	(7,359)	(7,351)	(8,361)	(8,347)
Net current liabilities		**(2,997)**	**(2,909)**	**(3,693)**	**(3,689)**
Total assets less current liabilities		**107,966**	**108,035**	**105,399**	**105,397**
Creditors - amounts falling due after more than one year	15	(88,665)	(88,665)	(86,338)	(86,338)
Provisions					
Defined benefit obligations	20	(14,716)	(14,716)	(16,692)	(16,692)
Total net assets		**4,585**	**4,654**	**2,369**	**2,367**
Restricted reserves					
Free school meals		-	-	271	271
Unresticted reserves					
Income and expenditure account		(7,749)	(7,680)	(10,286)	(10,288)
Revaluation reserve	18	12,334	12,334	12,384	12,384
		4,585	**4,654**	**2,098**	**2,096**
Total reserves		**4,585**	**4,654**	**2,369**	**2,367**

The financial statements on pages 31 to 54 were approved for issue by the Corporation on 13 December 2017 and were signed on its behalf on that date by:

Tony Johnston
Chair

Keith Cowell
CEO

Consolidated Statement of Cash Flows

	Note	2017	2016
		£'000	£'000
Cash flows from operating activities			
Deficit for the year		(607)	(404)
Adjustment for non-cash items			
Depreciation		3,574	3,688
Decrease / (increase) in debtors		934	(1,547)
Decrease in creditors due within one year		(1,941)	(246)
Decrease in creditors due after one year		(928)	(150)
Pension costs less contributions payable		847	504
Adjustment for investing of financing activities			
Investment income		(3)	(26)
Interest payable		821	843
Net cash flow from operating activities		**2,697**	**2,662**
Cash flows from investing activities			
Investment income		3	26
Withdrawal of deposits		-	2,500
Payments made to acquire fixed assets		(5,124)	(3,923)
		(5,121)	**(1,397)**
Cash flows from financing activities			
Interest paid		(821)	(843)
New unsecured loans and overdrafts		7,839	-
Repayments of amounts borrowed		(3,966)	(439)
		3,052	**(1,282)**
Increase / (decrease) in cash and cash equivalents in the year		**628**	**(17)**
Cash and cash equivalents at 1 August	19	2,416	2,433
Cash and cash equivalents at 31 July	19	3,044	2,416

Notes to the Accounts

1 Accounting policies

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 2015* (the 2015 FE HE SORP), the College Accounts Direction for 2016 to 2017 and in accordance with Financial Reporting Standard 102 – "The Financial Reporting Standard applicable in the United Kingdom on Republic of Ireland" (FRS 102). The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

The preparation of financial statements in compliance with FRS 102 required the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the College's accounting policies.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention modified by the revaluation of certain fixed assets.

Basis of consolidation

The consolidated financial statements include the College and its subsidiary, CWC Enterprises Limited. Intra-group transactions are eliminated fully on consolidation. In accordance with FRS 102, the activities of the student union have not been consolidated because the College does not control those activities. All financial statements are made up to 31 July 2017.

Going concern

The activities of the College, together with the factors likely to affect its future development and performance are set out in the Report of the Governing Body. The financial position of the College, its cash-flow, liquidity and borrowings are described in the financial statements and accompanying notes.

At 31 July 2017, the College had a £13.726m loan outstanding with Barclays Bank PLC and in August 2014 the College signed a £9.5m five-year revolving credit facility, also with Barclays Bank PLC. As at 31 July 2017 the College had drawn £3.750m against this facility. The College's forecasts and financial projections indicate that it will be able to operate within this existing facility for the foreseeable future and make repayments as they fall due.

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.

1 Accounting policies (continued)

Recognition of income

Government revenue grants include funding body recurrent grants and other grants and are accounted for under the accrual model as permitted by FRS 102. Funding Body (ESFA) 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 or over achievement of for the Adult Skills Education Budget is adjusted for and reflected in the level of recurrent grant recognised in the statement of comprehensive income. 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. The employer responsive funding element of the single budget allocation is recognised based on a year-end reconciliation of income claimed and actual delivery. 16-18 learner-responsive funding is not normally subject to reconciliation and is therefore not subject to contract adjustments.

The recurrent grant from HEFCE represents the funding allocations attributable to the current financial year and is credited direct to the statement of comprehensive income.

Where part of a government grant is deferred, the deferred element is recognised as deferred income within creditors and allocated between creditors due within one year and creditors due after one year as appropriate.

Grants from non-government sources are recognised in income when the College is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

Government capital grants are capitalised, held as deferred income and recognised in income over the expected useful life of the asset, under the accrual model as permitted by FRS 102. Other, non-governmental, capital grants are recognised in income when the College is entitled to the funds subject to any performance related conditions being met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the Balance Sheet and released to income as conditions are met.

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

All income from short-term deposits is credited to the income and expenditure account in the period in which it is earned.

The College acts as an agent in the collection and payment of certain discretionary support funds. Related payments received from the funding bodies and subsequent disbursements to students are excluded from the income and expenditure of the College where the College is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

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 Second Pension.

The TPS is an unfunded scheme. 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 qualified actuaries on the basis of quinquennial valuations using a prospective benefit method. As stated in note 25, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

1 Accounting policies (continued)

The LGPS is a funded scheme. The assets of the LGPS are measured using closing fair values. LGPS liabilities are measured using the projected unit credit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Comprehensive Income and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in interest and other finance costs.

Actuarial gains and losses are recognised immediately in actuarial gains and losses.

Short term Employment benefits

Short term employment benefits such as salaries and compensated absences (holiday pay) are recognised as an expense in the year in which the employees render service to the College. Any unused benefits are accrued and measured as the additional amount the College expects to pay as a result of the unused entitlement.

Non-current Assets - Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

Land and buildings

Freehold buildings are depreciated over their expected useful economic life, on a straight line basis, of between 10 and 60 years. The College has a policy of depreciating major adaptations to buildings over the period of their useful economic life of between 10 and 60 years.

Freehold land is not depreciated as it is considered to have infinite useful life.

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 income account within creditors, and are released to the income and expenditure account over the expected useful economic life of the related asset on a systematic basis consistent with the depreciation policy. The deferred income is allocated between creditors due within one year and those due after more than one year.

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.

On adoption of FRS 102, the College followed the transitional provision to retain the book value of land and buildings, which were revalued in 1994, as deemed cost with the exception of the freehold land only of its Queen's Park and Cockpit Theatre sites. These were revalued by Gerald Eve and added £9.65m to the value of College land as at 1 August 2014.

Assets under construction

Assets under construction are accounted for at cost, based on the value of architects' certificates and other direct costs, incurred to 31 July. They are not depreciated until they are brought into use.

1 Accounting policies (continued)

Subsequent expenditure on existing fixed assets

Where significant expenditure is incurred on tangible fixed assets after initial purchase it is charged to income in the period it is incurred, unless it increases the future benefits to the College, in which case it is capitalised and depreciated on the relevant basis.

Equipment

Equipment costing less than £1,000 per individual item is recognised as expenditure in the period of acquisition. All other equipment is capitalised at cost. Capitalised equipment is depreciated on a straight-line basis over its remaining useful economic life as follows:

- Building improvements 10 years
- Technical equipment 10 years
- Motor vehicles 3 years
- Computer equipment 3 to 5 years
- Furniture, fixtures and fittings 10 years

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value 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 Statement of Comprehensive Income and Expenditure.

Borrowing costs

Borrowing costs are recognised as expenditure in the period in which they are incurred. Any borrowing costs which are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised.

Leased assets

Costs in respect of operating leases are charged on a straight-line basis over the lease term to the Statement of Comprehensive Income and Expenditure. Any lease premiums or incentives relating to leases signed after 1 August 2014 are spread over the minimum lease term.

Leasing agreements which transfer to the College substantially all the benefits and risks of ownership of an asset are treated as finance leases.

Assets held under finance leases are recognised initially at the fair value of the leased asset (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Assets held under finance leases are included in tangible fixed assets and depreciated and assessed for impairment losses in the same way as owned assets.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charges are allocated over the period of the lease in proportion to the capital element outstanding.

Investments

Investments in subsidiaries

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

1 Accounting policies (continued)

Cash and cash equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. An investment qualifies as a cash equivalent when it has maturity of 3 months or less from the date of acquisition.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument’s contractual obligations, rather than the financial instrument’s legal form.

All loans, investments and short term deposits held by the Group are classified as basic financial instruments in accordance with FRS 102. These instruments are initially recorded at the transaction price less any transaction costs (historical cost). FRS 102 requires that basic financial instruments are subsequently measured at amortised cost, however the Group has calculated that the difference between the historical cost and amortised cost basis is not material and so these financial instruments are stated on the balance sheet at historical cost. Loans and investments that are payable or receivable within one year are not discounted.

Foreign currency translation

Transactions denominated in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the end of the financial period with all resulting exchange differences being taken to the income and expenditure account in the period in which they arise.

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 sections 478-488 of the 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 is partially exempt in respect of Value Added Tax, so that it can only recover a minor element of VAT charged on its inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

The College’s subsidiary company is subject to corporation tax and VAT in the same way as any commercial organisation.

Provisions and contingent liabilities

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.

1 Accounting policies (continued)

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in the statement of comprehensive income in the period it arises.

A contingent liability arises from a past event that gives the College a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the College. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the balance sheet but are disclosed in the notes to the financial statements.

Agency arrangements

The College acts as an agent in the collection and payment of adult loan bursaries. Related payments received from the ESFA and subsequent disbursements to students are excluded from the income and expenditure of the College and are shown separately in note 27, 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 Discretionary Support Fund applications and payments.

Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, management have made the following judgements:

- Determine whether there are indicators of impairment of the group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- *Tangible fixed assets*

  Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- *Local Government Pension Scheme*

  The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 July 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 Funding body grants

	2017 Group £'000	2017 College £'000	2016 Group £'000	2016 College £'000
Recurrent grants				
Education and Skills Funding Agency - adult	4,715	4,715	4,257	4,257
Education and Skills Funding Agency - 16-18 and ALS income	15,629	15,629	15,351	15,353
Education and Skills Funding Agency - apprenticeships	2,434	2,434	2,050	2,050
Higher Education Funding Council	351	351	417	417
Specific grants				
Education and Skills Funding Agency - other	-	-	(4)	(4)
Releases of government capital grants	2,252	2,252	2,368	2,368
Free School Meals	-	-	388	388
Merger transition grant	50	50	-	-
Bursary income	1,030	1,030	-	-
	26,461	**26,461**	**24,827**	**24,829**

3 Tuition fees and education contracts

	2017 Group £'000	2017 College £'000	2016 Group £'000	2016 College £'000
Adult education fees	1,413	1,412	1,154	1,153
Fees for FE loan supported courses	237	237	236	236
Fees for HE loan supported courses	599	599	672	672
International students' fees	112	112	95	95
	2,361	**2,360**	**2,157**	**2,156**

4 Other income

	2017 Group £'000	2017 College £'000	2016 Group £'000	2016 College £'000
School Links	325	325	304	304
Lettings income	115	-	168	-
Cockpit Theatre income	385	-	369	-
Catering income	270	270	287	287
Miscellaneous income	172	160	131	128
	1,267	**755**	**1,259**	**719**

5 Investment income

	2017 Group £'000	2017 College £'000	2016 Group £'000	2016 College £'000
Interest receivable	3	3	26	26
	3	**3**	**26**	**26**

6 Staff costs - Group and College

The average number of persons (including key management personnel) employed by the College during the year, described as full time equivalents, was:

	2017	2016
	Number	Number
Teaching staff	252	272
Non-teaching staff	129	127
	381	**399**

Staff costs for the above persons		**2017**	**2016**
		£'000	£'000
Wages and salaries		11,205	11,478
Social security costs		1,120	984
Other pensions costs		2,137	1,762
Payroll subtotal		**14,462**	**14,224**
Agency staff costs		917	976
		15,379	**15,200**
Fundamental restructuring costs:	- Contractual	219	69
Total staff costs		**15,598**	**15,269**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College and are represented by the Senior Leadership Team which comprises the CEO, the Vice Principal of Finance and Corporate Services, and two Deputy Principals (one of Capital Projects and one of Quality and Curriculum).

Emoluments of key management personnel, Accounting Officer and other high paid staff

	2017	2016
	Number	Number
The number of key management personnel, including the Accounting Officer was:	4	4

The number of key management personnel and other staff who received remuneration, excluding pension contributions and employer's national insurance but including benefits in kind, in the following ranges was:

			Key management personnel		Other staff	
			2017	**2016**	**2017**	**2016**
			Number	Number	Number	Number
£40,001	to	£50,000	-	1	-	-
£50,001	to	£60,000	1	-	-	-
£60,001	to	£70,000	-	-	6	5
£70,001	to	£80,000	-	-	3	1
£80,001	to	£90,000	-	1	-	-
£90,001	to	£100,000	-	1	-	-
£100,001	to	£110,000	2	-	-	-
£140,001	to	£150,000	-	1	-	-
£160,001	to	£170,000	1	-	-	-
			4	4	9	6

Key management personnel compensation is made up as follows:

	2017	2016
	£'000	£'000
Salaries	335	379
Employers National Insurance	43	46
Benefits in kind	-	-
	378	**425**
Pension contributions	40	55
Payroll subtotal	**418**	**480**
Consultancy costs	95	-
Total key management personnel compensation	**513**	**480**

There were no amounts due to senior post-holders that were waived in the year, nor any salary sacrifice arrangements in place.
The above compensation includes amounts payable to the Accounting Officer (who is also the highest paid officer) of:

	2017	2016
	£'000	£'000
Salaries	170	149
Benefits in kind	-	-
	170	**149**
Pension contributions	24	24
Total emoluments	**194**	**173**

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 the London Pension Fund Authority and are paid at the same rate as for other employees.

The College received approval from the Charity Commission to reimburse the in-post Chair of Governors for time spent on merger and area review activities. The amount paid in 2016-17 is £42,400 of which £30,000 was accrued in 2015-16.

Other than as stated above, the members of the Corporation, other than the CEO (as Accounting Officer) and Staff Governors, did not receive any payment from the institution other than the reimbursement of travel and subsistence expenses incurred in the course of their duties.

Long-term performance scheme

The Governors have introduced a long-term performance scheme for a number of senior post-holders. This is based on achievement of key strategic objectives of the College, and was initially to be assessed in July 2018.

However, due to the merger of City of Westminster College and the College of North West London on 1 August 2017, the long-term performance scheme assessment date was brought forward to July 2017.

7 Other operating expenses

	2017 Group £'000	2017 College £'000	2016 Group £'000	2016 College £'000
Teaching costs	4,016	4,016	3,574	3,574
Non teaching costs	4,080	3,530	2,600	2,114
Premises costs	2,176	2,144	2,254	2,225
	10,272	**9,690**	**8,428**	**7,913**

Other operating costs include:

	2017 £'000	2016 £'000
Auditors' remuneration:		
Financial statements and regularity audit *	34	34
Internal audit	15	30
Services provided by the tax advisors	-	2
Services in respect of merger financial due diligence	64	-
Hire of other assets - operating leases	-	4

* represents all fees paid by College, including £3,000 for CWC Enterprises Limited (2016 £3,000)

8 Interest and other finance costs - Group and College

	2017 £'000	2016 £'000
On bank loans, overdrafts and other loans:		
On bank loans	821	843
Net interest on defined pension liability (note 25)	434	445
	1,255	**1,288**

9 Deficit on continuing operations for the year - Group and College

	2017 £'000	2016 £'000
College's deficit for the year	(536)	(427)
Surplus generated by subsidiary undertaking and transferred to College under Gift Aid	-	23
Loss generated by subsidiray undertaking	(71)	-
	(607)	**(404)**

10 Tangible fixed assets - Group

	Land and buildings				
	Freehold	New building development	Long leasehold	Equipment	Total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1 August 2016	14,219	99,691	7,734	10,094	131,738
Additions	-	-	4,807	638	5,445
At 31 July 2017	**14,219**	**99,691**	**12,541**	**10,732**	**137,183**
Depreciation					
At 1 August 2016	1,757	13,553	523	6,813	22,646
Charge for the year	89	2,430	23	1,032	3,574
At 31 July 2017	**1,846**	**15,983**	**546**	**7,845**	**26,220**
Net book value at 31 July 2017	**12,373**	**83,708**	**11,995**	**2,887**	**110,963**
Net book value at 31 July 2016	12,462	86,138	7,211	3,281	109,092

Tangible fixed assets - College

	Land and buildings				
	Freehold	New building development	Long leasehold	Equipment	Total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1 August 2016	14,219	99,691	7,734	10,085	131,729
Additions	-	-	4,807	623	5,430
At 31 July 2017	**14,219**	**99,691**	**12,541**	**10,708**	**137,159**
Depreciation					
At 1 August 2016	1,757	13,553	523	6,810	22,643
Charge for the year	89	2,430	23	1,030	3,572
At 31 July 2017	**1,846**	**15,983**	**546**	**7,840**	**26,215**
Net book value at 31 July 2017	**12,373**	**83,708**	**11,995**	**2,868**	**110,944**
Net book value at 31 July 2016	12,462	86,138	7,211	3,275	109,086

Land and buildings were valued in 1994 at depreciated replacement cost by a firm of independent chartered surveyors, Edward Rushton Son & Kenyon. In 2015-16 the College revalued its Queen's Park and Cockpit Theatre sites. This was conducted by Gerald Eve and added £9.650m to the value of College land.

Other tangible fixed assets inherited from the LEA at incorporation have been valued by the College on a depreciated replacement cost basis with the assistance of professional advice.

If inherited land and buildings had not been valued they would have been included at nil value in the financial statements.

Included in Land and Buildings Long Leasehold is £11.541m of assets under the course of construction which have not yet been depreciated.

11 Investments

	2017	2016
	£	£
Investment in subsidiary company	2	2
	2	**2**

The College owns 100% of the issued ordinary £1 shares of CWC Enterprises Limited, a company incorporated in England and Wales.

The principal business activity of CWC Enterprises Limited is the management of letting services for the College and ancillary services.

12 Debtors

	2017 Group	2017 College	2016 Group	2016 College
	£'000	£'000	£'000	£'000
Amounts falling due within one year				
Trade debtors	166	156	512	486
Amounts owed by subsidiary undertaking	-	125	-	54
Amounts owed by merger partner	137	137	-	-
Other debtors	65	65	62	62
LEP debtor	295	295	1,257	1,257
Prepayments and accrued income	655	655	421	421
	1,318	**1,433**	**2,252**	**2,280**

13 Merger transactions

	2017 Group	2017 College	2016 Group	2016 College
	£'000	£'000	£'000	£'000
Merger transition grant	50	50	-	-
Merger costs	(392)	(392)	(2)	(2)
	(342)	**(342)**	**(2)**	**(2)**

On 1 August 2017 City of Westminster College merged with the College of North West London. On this date the assets, liabilities, students and staff migrated from the College of North West London to City of Westminster College. The Corporation of the College of North West London was dissolved and the City of Westminster College continued as the successor Corporation. As part of this process, City of Westminster College was renamed United Colleges Group.

14 Creditors: amounts falling due within one year

	Note	2017 Group £'000	2017 College £'000	2016 Group £'000	2016 College £'000
Bank loans and overdrafts	16	1,084	1,084	466	466
Trade creditors		166	166	443	436
Capital creditors		321	321	2,169	2,169
Other taxation and social security		519	512	558	553
Accruals		1,631	1,630	1,219	1,219
Deferred income - tuition fees and other grants		293	293	517	517
Deferred income - government capital grants	17	2,419	2,419	2,197	2,197
Other creditors		710	710	582	580
Holiday pay accrual		216	216	210	210
		7,359	**7,351**	**8,361**	**8,347**

15 Creditors: amounts falling due after one year

	Note	2017 Group £'000	2017 College £'000	2016 Group £'000	2016 College £'000
Bank loans	16	16,981	16,981	13,726	13,726
Deferred income - government capital grants	17	71,684	71,684	72,612	72,612
		88,665	**88,665**	**86,338**	**86,338**

16 Maturity of debt

Bank, other loans and overdrafts

Bank loans and overdrafts are repayable as follows:

	2017 Group £'000	2017 College £'000	2016 Group £'000	2016 College £'000
In one year of less	1,084	1,084	466	466
Between one and two years	4,272	4,272	495	495
Between two and five years	1,736	1,736	1,646	1,646
In five years or more	10,973	10,973	11,585	11,585
	18,065	**18,065**	**14,192**	**14,192**

At 31 July 2017, the College had one main loan facility of £16m repayable over 25 years (at 5.49% interest).

In August 2014 the College signed a £9.5m five-year revolving credit facility with Barclays Bank PLC, secured against its Queen's Park Campus (at 1.65% above LIBOR). The amount drawn down against this facility at the year end was £3.75m.

17 Deferred capital grants

	Group and College		
	SFA/LEP grants	Other government	Total
	£'000	£'000	£'000
At 1 August 2016	74,777	31	74,808
Cash received	1,228	24	1,252
Released to statement of comprehensive income	(2,213)	(39)	(2,252)
Accrued LEP grant funding	295	-	295
At 31 July 2017	**74,087**	**16**	**74,103**

18 Revaluation reserve

	Group and College	
	2017	2016
	£'000	£'000
At 1 August 2016	12,384	12,434
Transfer from revaluation reserve to general reserve	(50)	(50)
At 31 July 2017	**12,334**	**12,384**

19 Cash and cash equivalents

	At 1 August 2016	Cash flows	Other changes	At 31 July 2017
	£'000	£'000	£'000	£'000
Cash and cash equivalents	2,416	628	-	3,044
Overdrafts	-	(589)	-	(589)
	2,416	**39**	**-**	**2,455**

20 Provisions

	Group and College		
	Defined benefit obligations	Other	Total
	£'000	£'000	£'000
At 1 August 2016	16,692	-	16,692
Expenditure in the period	(3,731)	-	(3,731)
Additions in the period	1,755	-	1,755
At 31 July 2017	**14,716**	**-**	**14,716**

Defined benefit obligations relate to the liabilities under the College's membership of the Local Government Pension Scheme. Further details are given in Note 25.

21 Capital and other commitments

	Group and College	
	2017	**2016**
	£'000	£'000
Commitments contracted for at 31 July	321	3,473

22 Lease obligations

At 31 July the College had minimum lease payments under non-concellable operating leases for equipment as follows:

	Group and College	
	2017	**2016**
	£'000	£'000
No later than one year	-	4
Later than one year and not later than five years	-	-
	-	**4**

23 Contingent liabilities

As at the 31 July 2017 the College has a potential liability to its main redevelopment contractor Lakehouse. This is in relation to a delay in main construction caused by additional work required to remove asbestos at the College's Maida Vale site. Negotiations on liability ownership and the level of compensation are on-going.

24 Events after the reporting period

On 1 August 2017 City of Westminster College merged with the College of North West London. On this date the assets, liabilities, students and staff migrated from the College of North West London to City of Westminster College. The Corporation of the College of North West London was dissolved and the City of Westminster College continued as the successor Corporation. As part of this process, City of Westminster College was renamed United Colleges Group.

25 Defined benefit obligations

The College's employees belong to two principal post-employment benefit plans: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LPGS), which is managed by the London Pension Scheme Authority (LPFA). Both are multi-employer defined-benefit plans.

Total pension cost for the year		**2017**		**2016**
		£'000		£'000
Teachers' Pension Scheme: contributions paid		821		839
Local Government Pension Scheme:				
Contributions paid - normal	586		578	
- additional	317		286	
FRS 102 (28) charge	413		59	
Charge to the Statement of Comprehensive Income		1,316		923
Total pension cost for the year within staff costs		**2,137**		**1,762**

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 March 2016. Contributions amounting to £208,000 (2016 £219,000) were payable to the schemes at 31 July 2017 and are included within creditors.

Teachers' Pension Scheme

The 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 in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools 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 was automatic too for teachers and lecturers in part-time employment following appointment of 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.
Retirement and other pension benefits are paid by public funds provided by Parliament.

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.

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 16.48% of pensionable pay (including administration fees of 0.08%);
· 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 assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The new employer contribution rate for the TPS was implemented in September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019. 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 charges
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 received 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 commenced on 1 April 2015.

The employer's pension costs paid to TPS in the year amounted to £821,000 (2016 £839,000).

FRS 102 (28)
Under the definitions set out in FRS 102 (28.11), the TPS is a multi-employer pension plan. The College is unable to identify its share of the underlying assets and liabilities of the plan.

Accordingly, the College has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The College has set out above the information available on the plan and the implications for the College in terms of the anticipated contribution rates.

Local Government Pension Scheme
The LGPS is a funded defined-benefit scheme, with the assets held in separate funds administered by the London Pension Fund Authority. The total contributions made for the year ended 31 July 2017 were £1,168,000, of which employer's contributions totalled £909,000 and employees' contributions totalled £259,000. The agreed contribution rates as a merged College for future years are 26.9% for employers and range from 5.5% to 11.4% for employees, depending on salary.

Principal actuarial assumptions
The following information is based upon a full actuarial valuation of the fund at 31 March 2016 updated to 31 July 2017 by a qualified independent actuary.

	At 31 July 2017	At 31 July 2016
Rate of increase in salaries	4.1%	3.9%
Future pensions increases	2.6%	2.1%
Discount rate for scheme liabilities	2.7%	2.5%
Inflation assumption (CPI)	2.6%	2.1%

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

	At 31 July 2017	At 31 July 2016
Retiring today		
Males	20.9	21.7
Females	24.2	25.2
Retiring in 20 years		
Males	23.3	24.1
Females	26.4	27.5

Sensitivity analysis

	At 31 July 2017 £'000	At 31 July 2016 £'000
The changes in assumptions below would increase / (decrease) the net liability as follows:		
Discount rate +0.1%	(717)	(655)
Discount rate -0.1%	732	667
Long term salary increase +0.1%	71	54
Long term salary increase -0.1%	(69)	(54)
Pension increases and deferred revaluation +0.1%	661	614
Pension increases and deferred revaluation +0.1%	(649)	(605)
Life expectancy +1 year	1,505	1,172
Life expectancy -1 year	(1,448)	(1,137)

The College's share of the assets in the plan at the balance sheet date and the expected rates of return were:

	Fair value at 31 July 2017 £'000	Fair value at 31 July 2016 £'000
Equities	15,216	10,959
LDI / Cashflow matching	-	1,861
Target return portfolio	5,148	5,179
Infrastructure	1,118	1,505
Commodities	-	114
Property	1,616	796
Cash	1,720	886
Total	**24,818**	**21,300**
Weighted average expected long term rate of return	**2.7%**	**2.5%**
Actual return on plan assets	**3,237**	**1,070**

The amount included in the balance sheet in respect of the defined benefit pension plan is as follows:

	2017 £'000	2016 £'000
Fair value of plan assets	24,818	21,300
Present value of plan liabilities	(39,496)	(37,951)
Present value of unfunded liabilities	(38)	(41)
Net pensions liability (Note 20)	**(14,716)**	**(16,692)**

Amounts recognised in the Statement of Comprehensive Income in respect of the plan are as follows:

	2017 £'000	2016 £'000
Amounts included in staff costs		
Current and past service cost	1,321	923
	1,321	**923**
Amounts included in investment income		
Net interest income	(406)	(415)
Administration charges	(28)	(30)
	(434)	**(445)**

Amounts recognised in Other Comprehensive Income

	2017	2016
	£'000	£'000
Return on pension plan assets	2,704	327
Other actuarial gains/(losses)	239	-
Experience losses arising on defined benefit obligations	808	(1)
Changes in assumptions underlying the present value of plan assets	(1,705)	(4,869)
Changes in assumptions underlying demographics	777	-
	2,823	**(4,543)**

Movement in net defined benefit liability during the year

	2017	2016
	£'000	£'000
Net defined benefit liability at 1 August	(16,692)	(11,645)
Movement in year:		
Current service cost	(1,321)	(923)
Employer contributions	908	864
Net interest on the defined liability	(406)	(415)
Actuarial gain or loss	2,823	(4,543)
Administration charges	(28)	(30)
Net defined benefit liability at 31 July	**(14,716)**	**(16,692)**

Asset and Liability Reconciliation

	2017	2016
	£'000	£'000
Changes in the present value of defined benefit obligations		
Defined benefit obligations at 1 August	37,992	31,556
Current service cost	1,208	923
Past service cost	113	-
Interest cost	939	1,158
Contributions by Scheme participants	255	237
Experience gains and losses on defined benefit obligations	(808)	1
Changes in financial assumptions	1,705	4,869
Changes in demographic assumptions	(777)	-
Estimated benefits paid	(1,089)	(748)
Unfunded pension payments	(4)	(4)
Defined benefit obligations at 31 July	**39,534**	**37,992**

Changes in fair value of plan assets

	2017	2016
Fair value of plan assets at 1 August	21,300	19,911
Interest on plan assets	533	743
Return on plan assets less interest	2,704	327
Other actuarial gains/(losses)	239	-
Employer contributions	908	864
Contributions by Scheme participants	255	237
Estimated benefits paid	(1,093)	(752)
Administration expenses	(28)	(30)
Fair value of plan assets at 31 July	**24,818**	**21,300**

26 Related party transactions

Due to the nature of the College's operations and the composition of the Corporation being drawn from local as well as national 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 organisations in which a member of the Corporation may have an interest 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 Members of the Corporation during the year were £17,300 (2016: £8,100). This represents travel and subsistence expenses, mobile phone charges and other out of pocket expenses incurred in attending Corporation meetings, College events and conferences in their official capacity.

The College received approval from the Charity Commission to reimburse the in-post Chair of Governors for time spent on merger and area review activities. The amount paid in 2016-17 is £42,400 of which £30,000 was accrued in 2015-16.

No Member of the Corporation has received any remuneration from the College or its subsidiary during the year other than the CEO, Ken O'Connell and Afsana Begum-Mirza as Staff Governors, and Nick Martin as in-post Chair of Governors as detailed above (2016: none).

27 Amounts disbursed as agent

	2017	2016
	£'000	£'000
Balance unspent at 1 August, included in creditors	564	552
Funding body grants - hardship support	-	405
Funding body grants - adult loans	130	208
Funding body grants - bursaries	-	517
Funding body grants - Free School Meals	-	-
Transfer from / (to) restricted reserves	113	(166)
	807	1,516
Disbursed to students	(100)	(897)
Administration costs	(6)	(55)
Balance unspent as at 31 July, included in creditors	**701**	**564**

Funding body grants are available solely for students. The College acts as a paying agent for adult loan bursaries. As at 31 July 2017, the amount shown in creditors for this bursary is £701k (2016: £564k).