



A meeting of
Argyll College Finance & General Purpose Committee

to be held at 2pm on Friday 30 August 2019 at
Lorne Street Centre, Lochgilphead PA31 8LU
Tel 01631 559560 VC Code – 53943

A G E N D A

Agenda item no		Status	Papers
19.3.1	Welcome		
19.3.2	Apologies for absence & declarations of interest		
19.3.3	Minutes of the meeting held on 24 May 2019	To approve & sign	Attached
19.3.4	Matters arising (a) Properties update:- Oban Islay (b) Update on funding for Helensburgh (c) Update on sale of Riverside premises (d) Update on Nursery	For information For information For information	Oral Oral Oral
19.3.5	Management Accounts to 31 July 2019	Consideration	To follow
19.3.6	SFC Financial Forecast Review	Consideration	To follow
19.3.7	AOCB		
19.3.8	Date of next meeting: Friday 29 November 2019 to be joint with Audit Committee – location TBC.	To note	

FINAL
VERSION

**Minutes of the
Finance & General Purpose committee
held at 2.30pm on Friday 24th May 2019
at the Lorne Street, Lochgilphead campus**

Present: John Colston (JC), Chair, Martin Jones (MJ), Andrew Campbell (AC), Scott Matheson (SM) by VC.
Apologies: Jim Findlay (JF), Ailsa Close (AEC)
In Attendance: Elaine Munro (EM), Vicky Daveney (VD) (Board Secretary)

No	Item	Action
19.2.1	Welcome – JC welcomed all committee members to the meeting.	
19.2.2	Apologies & declarations of interest. Apologies were received from JF and AEC. No declarations of interest.	
19.2.3	Minutes of previous meetings. Minute of F&GP meeting on 1 st March 2019 was approved and signed by the chair as an accurate record of the meeting.	
19.2.4	<p>Matters arising.</p> <p>(a) Properties update (previously circulated) Oban – MJ wishes to move all staff back to college building from WHHA to concentrate activity and build profile. There would be cost saving benefits too. This would necessitate a temporary building in the short-term (5 years approx.) with a view to extending the main building. Lesley McInnes, as CEO of WHHA, has indicated to MJ that she understands the idea and has raised no objections. MJ stated that he may need to come to the committee for agreement outwith the normal committee cycle. ACTION: MJ to collate information and submit to the committee ‘electronically’ if necessary.</p> <p>Dunoon – MJ concerned that library building does not solve current problem and informed A&BC that it was on hold. Council have had to go to market with it but it may not have sold. It does not provide sufficient additional space, the design does not suit subdivision as the windows are very high and there is limited scope for extension due to surrounding flood plain. There may be other options coupled with the Rural Growth Deal or other funding streams. Temporary measure includes potentially using capacity in other buildings, eg Queens Hall. The committee were in agreement.</p> <p>(b) Update on funding for Helensburgh MJ and AEC met with A&BC and had a positive discussion. The council officer was supportive and open to recommending a continuation of the peppercorn lease before a commercial lease is introduced. This will be taken to Committee</p>	MJ

	<p>for a decision to be made. There is however a clear expectation that the lease will eventually move to a commercial basis. To date the anticipated spend on the fabric of the building has been less than expected.</p> <p>ACTION: JC to send letter to Fiona Larg or Clive Mulholland, CC Gary Campbell. Draft to be prepared.</p> <p>(c) Update on sale of Riverside premises</p> <p>It was confirmed that the sale of the Riverside premises in Lochgilphead have not yet gone ahead.</p>	MJ/AEC
19.2.5	<p>Management Accounts to 30th April 2019 (previously circulated)</p> <p>JC stated Actuals after 9 months are healthy. Forecast deficit of £30k is assuming that money for Helensburgh is forthcoming, income could fall further. AEC and MJ are involved in ongoing conversations to clarify this.</p> <p>ACTION: AEC to update situation at the board meeting on 7th June.</p> <p>The accounts were noted. The committee agreed the management accounts to be presented to the next board meeting.</p> <p>It was noted that the cash balance was healthy and suggested part of it should be placed in longer term deposits.</p> <p>ACTION: AEC to report to committee, out of committee, on progress in reviewing this.</p> <p>Thanks were expressed to Rebecca Stewart in recognition of her work in keeping learning resource costs under control.</p>	<p>AEC</p> <p>AEC</p>
19.2.6	<p>Draft Budget for Year to 31st July 2020 (previously circulated)</p> <p>JC suggested that the proposed budget is not showing significant surplus or deficit, he would be happier with a modest surplus. MJ said that this may be achieved by increasing efficiencies in teaching. The committee were ideally looking for a surplus of 1% or 2% to be achieved. EM stated that the cost of teaching staff pensions has increased dramatically which can't be mitigated against. SM questioned the increase in non-teaching staff salaries. EM stated that this is due to the NRPA job evaluation process that colleges signed up to NRPA are currently involved in – AEC has added to budget in the event that Argyll College signs up during the next academic year. AC hoped SFC would help with these costs.</p> <p>ACTION: MJ and AEC to decide on whether nursery remains in budget.</p> <p>SM asked if there will be FE income. MJ confirmed that target has been exceeded, there may be scope for increased activity.</p> <p>JC asked about National Bargaining and what the unions are currently proposing. MJ confirmed they are looking for a cost of living increase over and above what has already been received, which was to achieve parity. This is still in dispute and there has been recent strike action.</p> <p>JC noticed that the lines for sick pay for support and teaching staff are significantly reduced and asked if this is more in line with what would be expected.</p> <p>ACTION: AEC to answer on her return.</p> <p>JC commented on the recruitment budget being £3.5-£5k being modest and given the need to recruit new board members is it sufficient?</p>	<p>MJ/AEC</p> <p>AEC</p>

	ACTION: AEC to provide response.	AEC
19.2.7	AOCB a) Policy of Discretions LGPS (circulated previously) This is a statutory requirement which has been made a policy rather than a statement. The committee have asked for an explanatory opening paragraph as to the changes. ACTION: Explanatory paragraph to be written by AEC.	AEC
19.2.8	Date of next meeting – Friday 30 th August 2019 at Lorne Street, Lochgilphead	
	Signed by Chair of Finance & General Purpose Committee	Date

Management accounts to 31 Jul 2019

The accounts at the year end are showing a surplus of £53k. There are still adjustments to be made for accruals and also the Nursery income needs to be reconciled prior to audit of the figures, so this will not be the final figure, but we are reasonably confident that a surplus will be realised (before any adjustment for the pension fund liability). The surplus is predominantly due to staff costs being £150k lower than budget, much of this is because the Pension could not be offered to teaching staff until December which was later in the year than we anticipated, and also because increases for support staff were not as high as anticipated and this also had a knock effect on oncosts as well as gross support salaries.

In terms of income, we have received £26k more in the year than we budgeted. It should be noted that this does not include any accrual for This does not include any accrual for income from the UHI SIF for Helensburgh.

National Bargaining sums to be provided to the College have been a source of confusion throughout UHI, so from a starting point where we appeared to be getting £991k, we have actually received in the year £1079k. I remain slightly nervous about this figure, but it has been received in our bank account.

The detailed income and expenditure sheet shows the variance during the year between actual and budgeted figures and gives some indication for most of the figures where the difference has come about.

The sale of the Riverside building in Lochgilphead appears to be nearing completion, it had been held up because our lawyer required confirmation of the discharge of security over the building which the Millennium Commission had and this had to go be sought through UHI. Have spoken to auditor and we will discuss whether this can go through this year's accounts or will be taken into next year's figures.

Ailsa E Close
28/08/2019

Argyll College UHI Ltd

	Actual	Budget	Variance	
31/07/2019	2018/19			
INCOME				
SFEFC SUMs Income	2,546,830	2,582,378	35,548	
SFEFC SUM's Income - ESOL	3,000	15,000	12,000	
UHI Income - RAM	573,936	633,235	59,299	Lower nos than predicted
UHI Income - PGDE	61,527	56,435	(5,092)	
UHI Income - Other	127,854	102,700	(25,154)	Shared services income higher
SAAS Income	276,378	309,000	32,622	Lower HE nos
ILA Income	10,581	11,000	419	
DYW income/other govt	171,593	136,140	(35,453)	DYW £157k, Modern Apps £16k
Bursary Income/Student support	73,701	45,000	(28,701)	Addnl income in line with Student support mgt
Other PPE reimbursement/CITB/Fdn Appren	67,338	50,000	(17,338)	Fdn Apps £57k, PPE £10k
Maintenance/Capital Grant income	169,692	253,000	83,308	£193k backlog maint, £31k capital HE, £77k FE. £131k capitalised
ESF	0	0	0	Still to be agreed
Bank Interest Received	7,051	1,000	(6,051)	Amount in higher interest account remained at £900k all year
FE Student Fees	79,933	100,000	20,067	Over budgeted
HE Student Fees - Taught	33,728	20,000	(13,728)	Under budgeted
Commercial Training Activity	41,456	30,000	(11,456)	More targeted and planned courses, reputation improving
Commercial Training Activity - CSCS Income	6,331	8,000	1,669	Only going to offer this in 1 centre next year
Nursery Income - Fees	204,227	220,000	15,773	Reconciliation still to be done on Nursery fees
Property Lease Income	6,708	0	(6,708)	Thought building would have been sold but hasn't
Room/Facility Hire - With Own Insurance	2,307	7,000	4,693	Not much space to rent out
Room/Facility Hire - Without Own Insurance	2,490	100	(2,390)	Underbudgeted
Vending Machine Income	2,236	7,000	4,764	Machines are now just provided and run by externals
Hairdressing Income - General	11,073	9,100	(1,973)	
Hairdressing Income - Retail	0	500	500	
Hairdressing Income - Other	0	0	0	
Catering Income	12,563	10,500	(2,063)	
Feed-In Tariff	6,241	4,000	(2,241)	
Other income	48,543	0	(48,543)	Greenfleet funding for 9 new cars in year
National Bargaining Grant funding	1,079,781	991,000	(88,781)	May have clawback on this figure
Income from Staff	634	300	(334)	
Graduation Income	885	400	(485)	
Branded clothing income	810	500	(310)	
	5,629,427	5,602,788	(26,139)	
LESS: EXPENDITURE				
MicroRam	132,983	137,711	(4,728)	Reasonably accurate
Staffing Costs - Salaries	1,383,138	1,424,969	(41,831)	Lower than budgeted NB salary increase in year
Staffing Costs - Employer's NI	113,742	128,247	(14,505)	
Staffing Costs - Employer's Pension	171,328	307,793	(136,465)	Lower uptake on pension than budgeted
Staffing Costs - Maternity Pay	(13,487)	1,000	(14,487)	
Staffing Costs - Sick Pay	0	10,000	(10,000)	This figure needs analysed further from gross salary total
Staffing Costs - Travel and Subsistence	24,008	20,000	4,008	Very high accommodation costs in the year - outwith control
Staffing Costs - Training	4,401	6,000	(1,599)	
Staffing Costs - Disclosure	1,012	1,000	12	
Staffing Costs - Recruitment	3,428	5,000	(1,572)	
Staffing Costs - Other	25,329	15,263	10,066	App levy of £15k; staff termination, shared marketing with WHC
Teaching Staff Costs - Salaries	1,801,967	1,627,684	174,283	National Bargaining implications
Teaching Staff Costs - Employer's NI	126,275	135,781	(9,506)	
Teaching Staff Costs - Employer's Pension	198,685	292,553	(93,868)	Pension offered later in year than anticipated
Teaching Staff Costs - Maternity Pay	0	1,000	(1,000)	
Teaching Staff Costs - Sick Pay	0	10,000	(10,000)	This figure needs analysed further from gross salary total
Teaching Staff Costs - Travel and Subsistence	17,003	12,000	5,003	Ferry travel and accommodation higher than expected
Teaching Staff Costs - Training Other	7,760	12,000	(4,240)	
Teaching Staff Costs - Disclosure	1,281	1,300	(19)	
Teaching Staff Costs - Recruitment	0	3,000	(3,000)	
Teaching Staff Costs - Other	37,800	5,000	32,800	Subcontracted tutors, mostly Maritime
Payments to Subcontractors	158,930	50,000	108,930	DYW contractor, Nursery manager secondment, NHC registry support
Learning Resources/Matls	50,411	80,000	(29,589)	Reduction from previous year due to better procurement control
Student PPE/Kit	21,576	15,000	6,576	Considerable amount of non reclaimable PPE/kits in year
Payments to Awarding Bodies - SQA	63,210	54,000	9,210	Underbudgeted
Payments to Awarding Bodies - CITB	10,280	5,000	5,280	Charged us for 2 years for each centre for CITB testing
Payments to Awarding Bodies - ECDL costs	9,969	2,000	7,969	Underbudgeted
Payments to Awarding Bodies - Activ Training	2,269	3,500	(1,231)	
Marketing and Promotion	42,982	50,000	(7,018)	
Health and Safety Costs	28,720	25,000	3,720	

Non Chargeable Catering Costs	2,588	5,000	(2,412)	
Property Costs - General maintenance	94,902	253,000	(158,098)	Capitalised much of the expenditure originally budgeted
Property Costs - Lease Costs	72,838	72,000	838	
Property Costs - Venue Costs	5,457	10,000	(4,543)	Kept controlled
Property Costs - Rates and Water Charges	20,441	17,000	3,441	Helensburgh bill for water pipe damaged
Property Costs - Utilities	105,429	80,000	25,429	Underbudgeted, the actual figure is reasonable and similar to last year
Property Costs - Cleaning	26,637	26,000	637	
Property Costs - Other Property Costs	2,908	4,000	(1,092)	
Insurance	35,370	31,000	4,370	More electric vehicles, maritime activities
ICT Maintenance and Support	146,836	117,000	29,836	Shared services costs higher in year than budgeted
Equipment repairs	1,346	5,000	(3,654)	
Equipment Lease Costs	40,811	40,000	811	
Company Vehicle Costs - Fuel	5,983	8,000	(2,017)	Electric vehicles reducing fuel costs
Company Vehicle Costs - Repairs and Maint	5,250	3,000	2,250	Old diesel cars high costs, lots of windscreed damage in year
Company Vehicle Costs - Road Tax	355	300	55	
Company Vehicle Costs - Other	62,785	40,000	22,785	More electric vehicles leased in year
Supplies and Copying	13,473	21,650	(8,177)	New printer contract making a difference
Postage	6,808	12,000	(5,192)	More digital, less snail mail
Telecoms	18,156	22,000	(3,844)	
Other expenses	2,242	4,000	(1,758)	
Donations	482	0	482	
Subscriptions	27,974	27,000	974	
Professional Fees - Audit and Accountancy	11,019	13,000	(1,981)	Still to incur Internal audit fees
Professional Fees - Legal	8,307	12,000	(3,693)	
Professional Fees - Other	7,995	5,000	2,995	
Payments To/On Behalf of Students - Travel	19,231	5,000	14,231	Higher Bursary income received in year to cover
Payments To/On Behalf of Students - Hards	2,348	10,000	(7,652)	
Payments To/On Behalf of Students - Sanita	1,001	5,500	(4,499)	
Payments To/On Behalf of Students - Gradu	4,668	5,000	(332)	
Payments To/On Behalf of Students - Other	392	3,500	(3,108)	
Governance Costs - Travel & Subsistence	1,443	1,500	(57)	
Governance Costs - Other	397	100	297	
Bank Charges	842	250	592	Card machines
Loan Interest - BoS Fixed Rate	2,000	2,000	0	
Bad debts	0	1,500	(1,500)	
Vending Machine Costs	4,746	12,000	(7,254)	As per vending income
Hairdressing Supplies - General	9,842	8,500	1,342	Higher income from hairdressing to cover
Hairdressing Supplies - Retail	0	600	(600)	
Hairdressing Costs - Other	124	400	(276)	
Food Purchases	24,548	20,000	4,548	Nursery
	5,222,974	5,345,602	(122,628)	
Operating surplus	406,453	257,186	149,267	
Non Capital Fixed Assets	28,403	40,000	(11,597)	Some laptops purchased at year end, may be accrued still
Loss on sale of asset (building)	136,442		136,442	
Depreciation	189,094	185,000	4,094	
Net surplus/(deficit) for the year	52,514	32,186	20,328	

Argyll College UHI Ltd
Statement of Financial Activities
For the year ended 31 Jul 2019
(including an Income & Expenditure Account)

	Notes	Unrestricted funds £	Restricted funds £	Total funds £	2018 £
Incoming resources					
Incoming resources from voluntary funds					
Voluntary income		4,269,905	42,459	4,312,364	3,128,642
Activities for generating funds		229,041	0	229,041	23,546
Investment income		7,051	0	7,051	1,308
Incoming resources from charitable activities		946,293	0	946,293	980,445
Other incoming resources		1,695	0	1,695	295
Total incoming resources		5,453,985	42,459	5,496,444	4,134,235
Resources expended					
Costs of Generating Funds					
Costs of generating voluntary income		4,746	0	4,746	3,592
Fundraising trading; costs of goods sold and other costs		0	0	0	0
Investment management costs		0	0	0	0
Charitable activities		5,082,515	177,702	5,260,217	4,435,780
Governance costs		42,525	0	42,525	32,517
Other resources expended		136,442	0	136,442	0
Total resources expended		5,266,228	177,702	5,443,930	4,471,889
Net incoming /(outgoing) resources before transfers		187,757	(135,243)	52,514	(337,654)
Transfers		0	0	0	0
Transfers between funds		0	0	0	0
Net incoming resources before other recognised gains and losses		187,757	(135,243)	52,514	(337,654)
Other recognised gains and losses					
Gains on revaluation of fixed assets for charity's own use		0	0	0	0
Actuarial Gains / losses on pension scheme		0	0	0	54,000
Net movement in funds		187,757	(135,243)	52,514	(283,654)
Reconciliation of Funds					
Balance at 1 August 2018		1,759,645	3,189,977	4,949,622	3,724,750
Balance at 31 Jul 2019		1,947,402	3,054,734	5,002,136	3,441,096

Argyll College UHI Ltd
Balance Sheet
As at 31 Jul 2019

	31/07/2019	2018
Tangible fixed assets	3,823,399	4,013,423
Debtors		
Trade debtors	23,781	53,538
Prepayments	0	8,357
Other debtors	148,167	189,591
Deferred tax asset	0	0
	<u>171,948</u>	<u>251,487</u>
Cash at bank	1,675,392	1,116,166
	<u>1,847,340</u>	<u>1,367,653</u>
Creditors <1yr		
Trade Creditors	77,558	119,697
Bank Loans	14,360	19,240
Accruals	416,247	166,998
Deferred Income	36,101	36,101
Tax & Social Security creditor	67,017	61,950
Other creditors	57,319	26,159
	<u>668,603</u>	<u>430,145</u>
Net current assets	1,178,737	937,507
Creditors >1yr		
Bank Loans	0	17,403
Net Assets	<u><u>5,002,136</u></u>	<u><u>4,933,527</u></u>
Reserves		
Unrestricted funds	1,947,402	1,743,550
Restricted funds	3,054,734	3,189,977
	<u><u>5,002,136</u></u>	<u><u>4,933,527</u></u>

Argyll College UHI Ltd
 Restricted Fund movements
 For the year ended 31 Jul 2019

	Balance at 1 August 2018 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 Jul 2019 £
Capital Reserve	3,126,057	131,265	112,970	0	3,144,352
Beam Suntory	8,374	0	0	0	8,374
Princes Trust	10,000	0	0	0	10,000
SFC - Transitional Funding					
Scottish Govt Greenfleet	29,917	42,459	62,785	0	9,591
DYW	0	0	0		0
Foundation Scotland	2,000	0	0	0	2,000
Muir of Laurieston Trust	13,629	0	1,947	0	11,682
	<u>3,189,977</u>	<u>173,724</u>	<u>177,702</u>	<u>0</u>	<u>3,185,999</u>

Financial Forecast Return 2019

College/Region

Contact

Telephone

Email:

DECLARATION:	The attached worksheets represent the financial forecasts for the College/Region. They reflect a financial statement of our academic and physical plans from 2018-19 to 2023-24. Adequate explanations have been provided where requested on the return. The worksheets and their underpinning assumptions have been reviewed and approved by the Board of Management in accordance with their agreed practices. In preparing this financial forecast the College/Region has fully considered the financial implications of all aspects of its strategy and has properly reflected these in the forecast.
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Signed:

Principal/Chief Executive Officer

Date:

Please use the boxes below to provide a commentary on material risks to income and expenditure as identified in the Risk Register. Where possible these risks should be quantified.

Please add further lines as required

Please use the boxes below to describe the actions planned by the College to address/mitigate the identified risks.

Pension assumptions	2018/19	Up to 31/08/2019	Thereafter	2019/20	2020/21	2021/22	2022/23	2023/24
STSS		17.20%	23%	382	411	419	428	436 All increase funded by SFC
SPF		21.60%	23.60%	296	282	314	321	327 No increase funded by SFC
				678	693	734	749	764
Er's NI		8%		227	232	237	241	246
Pay rises - Teaching					1.02	1.02	1.02	1.02
Pay rises - Support				1.06	1.02	1.02	1.02	1.02
Salary costs teaching	1802			1660	1788	1824	1860	1898
Salary costs support	1383			1371	1306	1332	1359	1386
				3031	3094	3156	3219	3284

Pension Assumptions	2019-20	2020-21	2021-22	2022-23	2023-24	2019-20	2020-21	2021-22	2022-23	2023-24
Employer Contributions	£000	£000	£000	£000	£000	Details of Methodology and Valuation	Details of Methodology and Valuation	Details of Methodology and Valuation	Details of Methodology and Valuation	Details of Methodology and Valuation
STSS	401	431	439	448	457	Uptake for full year at 17.2% to 1/9/19, thereafter 23% (prev yr only from Dec 2018)	Full year at 23%	Full year at 23%	Full year at 23%	Full year at 23%
SPF	299	285	318	324	330	Pension rate at 21.6% for second year	Pension rate at 21.6% for third year	Assume increase in rate by 1.4% following Pension Valuation to 23%	Full year at 23%	Full year at 23%
Other pension schemes - please state which scheme										
Other pension schemes - please state which scheme										
Total	700.00	716.00	757.00	772.00	787.00					

	Actual 2017-18	Forecast 2018-19	Forecast 2019-20	Forecast 2020-21	Forecast 2021-22	Forecast 2022-23	Forecast 2023-24	2017-18 - 2018-19	2018-19 - 2019-20	2019-20 - 2020-21	2020-21 - 2021-22	2021-22 - 2022-23	2022-23 - 2023-24	Explanation for variance
	£000	£000	£000	£000	£000	£000	£000	%	%	%	%	%	%	
Statement of Comprehensive income and expenditure (Consolidated)														
INCOME														
Tuition fees and education contracts	0	4,317	4,261	4,261	4,206	4,143	4,143		-1.3%	0.0%	-1.3%	-1.5%	0.0%	Per Table from SFC
Funding council/RSB grants	0	826	818	810	801	793	786		-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	Assumed reduction in but continuation of NB funding
Research grants and contracts	0	0	0	0	0	0	0							
Revenue grants from Arms Length Foundation	0	0	0	0	0	0	0							
Capital grants from Arms Length Foundation	0	0	0	0	0	0	0							
Other non-government capital grants	0	0	0	0	0	0	0							
Deferred capital grant release (SFC/RSB and non-SFC Government)	0	0	0	0	0	0	0							
Other income	0	346	356	367	378	389	401		3.0%	3.0%	3.0%	3.0%	3.0%	Increases in commercial activity
Investment income	0	7	6	5	4	3	2		-14.3%	-16.7%	-20.0%	-25.0%	-33.3%	Small amounts of bank interest reducing with cash balances
Total income before donations and endowments	0	5,496	5,441	5,443	5,389	5,328	5,331		-1.0%	0.0%	-1.0%	-1.1%	0.1%	
Donations and endowments	0	0	0	0	0	0	0							
Total income	0	5,496	5,441	5,443	5,389	5,328	5,331		-1.0%	0.0%	-1.0%	-1.1%	0.1%	
EXPENDITURE														
Staff costs	0	3,795	3,936	4,019	4,127	4,209	4,294		3.7%	2.1%	2.7%	2.0%	2.0%	Per staff costs and pension assumptions
Staff costs - exceptional restructuring costs	0	0	0	0	0	0	0							
Exceptional costs - non-staff	0	0	0	0	0	0	0							
Other operating expenses	0	1,322	1,282	1,270	1,257	1,244	1,232		-3.0%	-1.0%	-1.0%	-1.0%	-1.0%	Control and redn in costs year on year
Donation to Arms Length Foundation	0	0	0	0	0	0	0							
Depreciation	0	189	189	189	229	269	269		0.0%	0.0%	21.2%	17.5%	0.0%	
Interest and other finance costs	0	2	1	0	0	0	0		-50.0%	-100.0%				Loan paid off in 2019/20
Total expenditure	0	5,308	5,408	5,478	5,613	5,722	5,795		1.9%	1.3%	2.5%	1.9%	1.3%	
Surplus/(deficit) before other gains and losses and share of operating surplus/deficit of joint ventures and associates	0	188	33	(35)	(224)	(394)	(464)		-82.6%	-206.8%	541.2%	76.1%	17.7%	
Gain/(loss) on disposal of fixed assets	0	(136)	0	0	0	0	0		-100.0%					
Gain/(loss) on investments	0	0	0	0	0	0	0							
Share of operating surplus/(deficit) in joint venture(s)	0	0	0	0	0	0	0							
Share of operating surplus/(deficit) in associate(s)	0	0	0	0	0	0	0							
Surplus/(deficit) before tax	0	52	33	(35)	(224)	(394)	(464)		-37.2%	-206.8%	541.2%	76.1%	17.7%	
Other taxation	0	0	0	0	0	0	0							
Surplus/(deficit) for the year	0	52	33	(35)	(224)	(394)	(464)		-37.2%	-206.8%	541.2%	76.1%	17.7%	
Unrealised surplus on revaluation of land and buildings	0	0	0	0	0	0	0							
Actuarial (loss)/gain in respect of pension schemes	0	0	0	0	0	0	0							
Other comprehensive income	0	0	0	0	0	0	0							
Total comprehensive income for the year	0	52	33	(35)	(224)	(394)	(464)		-37.2%	-206.8%	541.2%	76.1%	17.7%	

Argyll College UHI Ltd

ADJUSTED OPERATING RESULT	Actual 2017-18 £000	Forecast 2018-19 £000	Forecast 2019-20 £000	Forecast 2020-21 £000	Forecast 2021-22 £000	Forecast 2022-23 £000	Forecast 2023-24 £000	2017-18 - 2018-19 %	2018-19 - 2019-20 %	2019-20 - 2020-21 %	2020-21- 2021- 22 %	2021-22 - 2022-23 %	2022-23 - 2023-24 %	Explanation for variance
Surplus/(deficit) before other gains and losses and share of operating surplus/deficit of joint ventures and associates	0	188	33	(35)	(224)	(394)	(464)							
Add:														
Total depreciation (Government-funded, privately funded and NPD-funded assets) net of deferred capital grant release (<i>incorporated colleges only</i>)	0	189	189	189	229	269	269		0.0%	0.0%	21.2%	17.5%	0.0%	
Exceptional non-restructuring items (e.g. impairment costs)	0	0	0	0	0	0	0							
Donation to Arms-Length Foundation (incorporated colleges only)	0	0	0	0	0	0	0							
Non-cash pension adjustment - net service cost	0	0	0	0	0	0	0							
Non-cash pension adjustment - ERP	0	0	0	0	0	0	0							
Non-cash pension adjustment -net interest costs	0	0	0	0	0	0	0							
Deduct:														
Non-Government capital grants (e.g. ALF capital grant)	0	0	0	0	0	0	0							
Exceptional income (if disclosed as exceptional in accounts)	0	0	0	0	0	0	0							
CBP allocated to loan repayments and other capital items (<i>incorporated colleges only</i>)	0	0	0	0	0	0	0							
NPD payments to reduce NPD balance sheet debt	0	0	0	0	0	0	0							
Adjusted operating result	0	377	222	154	5	(125)	(195)	-41.2%	-30.5%	-96.5%	-2439.8%	55.9%		
Cash budget for priorities (<i>incorporated colleges</i>) :														
Revenue priorities														
Student support funding	0	0	0	0	0	0	0							
2015-16 pay award	0	0	0	0	0	0	0							
Voluntary severance	0	0	0	0	0	0	0							
Estates costs	0	0	0	0	0	0	0							
Other - please describe	0	0	0	0	0	0	0							
Total impact on operating position	0	0	0	0	0	0	0							
Capital priorities														
Loan repayments	0	0	0	0	0	0	0							
NPD / PFI repayments	0	0	0	0	0	0	0							
Estates costs	0	0	0	0	0	0	0							
Provisions pre 1 April 2014	0	0	0	0	0	0	0							
Total capital	0	0	0	0	0	0	0							
Total cash budget for priorities spend	0	0	0	0	0	0	0							

	Actual 2017-18 £000	Forecast 2018-19 £000	Forecast 2019-20 £000	Forecast 2020-21 £000	Forecast 2021-22 £000	Forecast 2022-23 £000	Forecast 2023-24 £000	2017-18 - 2018-19 %	2018-19 - 2019-20 %	2019-20 - 2020-21 %	2020-21 - 2021-22 %	2021-22 - 2022-23 %	2022-23 - 2023-24 %	Explanation
Staff costs														
Salaries	0	3,185	3,031	3,094	3,156	3,219	3,284	-4.8%	2.1%	2.0%	2.0%	2.0%	2.0%	Reduction in nursery staff costs
Social Security costs	0	240	227	232	237	241	246	-5.4%	2.2%	2.2%	1.7%	2.1%	2.1%	Reduction in nursery staff costs
Other pension costs	0	370	678	693	734	749	764	83.2%	2.2%	5.9%	2.0%	2.0%	2.0%	2018/19 STTS only available from Dec 2018. Increase in contrbns from 1/9/19, and as
FRS 102 pensions adjustments	0													
Total	0	3,795	3,936	4,019	4,127	4,209	4,294	3.7%	2.1%	2.7%	2.0%	2.0%	2.0%	

Balance Sheet		Actual 2017-18	Forecast 2018-19	Forecast 2019-20	Forecast 2020-21	Forecast 2021-22	Forecast 2022-23	Forecast 2023-24	2017-18 - 2018-19	2018-19 - 2019-20	2019-20 - 2020-21	2020-21 - 2021-22	2021-22 - 2022-23	2022-23 - 2023-24	Explanation for variance
		£000	£000	£000	£000	£000	£000	£000	%	%	%	%	%	%	
1 Non-current assets	a) Intangible assets	0	0	0	0	0	0	0	-100.0%						
	b) Fixed assets	0	3,823	3,664	3,505	5,306	7,067	6,828		-4.2%	-4.3%	51.4%	33.2%	-3.4%	
	c) Investments	0	0	0	0	0	0	0							
Total non-current assets		0	3,823	3,664	3,505	5,306	7,067	6,828		-4.2%	-4.3%	51.4%	33.2%	-3.4%	
2 Current assets	a) Stock	0	0	0	0	0	0	0							
	b) Debtors	0	172	150	130	110	110	110	-12.8%	-13.3%	-15.4%	0.0%	0.0%		
	c) Investments	0	0	0	0	0	0	0							
	d) Cash and cash equivalents	0	1,675	1,201	1,136	882	438	0	-28.3%	-5.4%	-22.4%	-50.3%	-100.0%		
	e) Other (e.g. assets for resale)	0	0	0	0	0	0	0							
Total current assets		0	1,847	1,351	1,266	992	548	110	-26.9%	-6.3%	-21.6%	-44.8%	-79.9%		
3 Creditors: amounts falling due within one year	a) Bank loans and external borrowing	0	14	0	0	0	0	0	-100.0%						
	b) Bank overdrafts	0	0	0	0	0	0	55							
	c) Lennartz creditor	0	0	0	0	0	0	0							
	d) Obligations under finance leases and service concessions	0	0	0	0	0	0	0							
	e) Payments received in advance	0	36	0	0	0	0	0	-100.0%						
	f) Amounts owed to Funding Council	0	0	0	0	0	0	0							
	g) Obligations under PFI/NPD	0	0	0	0	0	0	0							
	h) Deferred capital grant	0	0	0	0	0	0	0							
	i) Other creditors and accruals	0	619	170	150	130	110	110	-72.5%	-11.8%	-13.3%	-15.4%	0.0%		
Total creditors < 1year		0	669	170	150	130	110	165	-74.6%	-11.8%	-13.3%	-15.4%	50.0%		
Share of net assets/(liabilities) in associate		0	0	0	0	0	0	0							
NET CURRENT ASSETS/LIABILITIES		0	1,178	1,181	1,116	862	438	(55)	0.3%	-5.5%	-22.8%	-49.2%	-112.6%		
TOTAL ASSETS LESS CURRENT LIABILITIES		0	5,001	4,845	4,621	6,168	7,505	6,773	-3.1%	-4.6%	33.5%	21.7%	-9.8%		
4 Creditors: amounts falling due after more than one year	a) Local authority loans	0	0	0	0	0	0	0							
	b) Bank loans and external borrowing	0	0	0	0	0	0	0							
	c) Lennartz creditor	0	0	0	0	0	0	0							
	d) Finance leases and service concessions	0	0	0	0	0	0	0							
	e) Obligations under PFI/NPD	0	0	0	0	0	0	0							
	f) Deferred capital grant	0	0	0	0	0	0	0							
	g) Amounts repayable to Funding Council	0	0	0	0	0	0	0							
	h) Other creditors	0	0	0	0	0	0	0							
Total creditors >1 year		0	0	0	0	0	0	0							
5 Provisions	a) Pension provisions	0	0	0	0	0	0	0							
	b) Other	0	0	0	0	0	0	0							
Total provisions		0	0	0	0	0	0	0							
TOTAL NET ASSETS		0	5,001	4,845	4,621	6,168	7,505	6,773	-3.1%	-4.6%	33.5%	21.7%	-9.8%		
9 Restricted Reserves	a) Endowment Reserve	0	0	0	0	0	0	0							
	b) Restricted Reserve	0	3,054	2,865	2,676	4,447	6,178	5,909	-6.2%	-6.6%	66.2%	38.9%	-4.4%		
10 Unrestricted reserves	a) Income and Expenditure Reserve	0	1,947	1,980	1,945	1,721	1,327	864	1.7%	-1.8%	-11.5%	-22.9%	-34.9%		
	b) Revaluation reserve	0	0	0	0	0	0	0							
11 Non-controlling interest		0	0	0	0	0	0	0							
TOTAL RESERVES		0	5,001	4,845	4,621	6,168	7,505	6,773	-3.1%	-4.6%	33.5%	21.7%	-9.8%		

	Actual 2017-18 £000	Forecast 2018-19 £000	Forecast 2019-20 £000	Forecast 2020-21 £000	Forecast 2021-22 £000	Forecast 2022-23 £000	Forecast 2023-24 £000	2017-18 - 2018-19 %	2018-19 - 2019-20 %	2019-20 - 2020-21 %	2020-21-2021 22 %	2021-22 - 2022-23 %	2022-23 - 2023-24 %	Explanation for variance
Cashflow														
1 Cash flow from operating activities														
a) Surplus / (deficit) for the year	0	52	37,659	-34,8826	-223,6639	-393,852	-463,6612	(100%)						
2 Adjustment for non-cash items														
a) Depreciation	0	189	189	189	229	269	269	(100%)	0%	0%	21%	17%	0%	
b) Amortisation of intangibles	0	0	0	0	0	0	0							
c) Benefit on acquisition	0	0	0	0	0	0	0							
d) Amortisation of goodwill	0	0	0	0	0	0	0							
e) Loss / (gain) on investments	0	0	0	0	0	0	0							
f) Decrease / (increase) in stock	0	0	0	0	0	0	0							
g) Decrease / (increase) in debtors	0	0	0	0	0	0	0							
h) Increase / (decrease) in creditors	0	0	0	0	0	0	0							
i) Increase / (decrease) in pension provision	0	0	0	0	0	0	0							
j) Increase / (decrease) in other provisions	0	0	0	0	0	0	0							
k) Receipt of donated equipment	0	0	0	0	0	0	0							
l) Share of operating surplus / (deficit) in joint venture	0	0	0	0	0	0	0							
m) Share of operating surplus / (deficit) in associate	0	0	0	0	0	0	0							
n) Other	0	0	0	0	0	0	0							
Total adjustment for non-cash items	0	189	189	189	229	269	269		0%	0%	21%	17%	0%	
3 Adjustment for investing or financing activities														
a) Investment income	0	0	0	0	0	0	0							
b) Interest payable	0	0	0	0	0	0	0							
c) Endowment income	0	0	0	0	0	0	0							
d) Loss / (gain) on the sale of assets	0	0	0	0	0	0	0							
e) Capital grant income	0	0	0	0	0	0	0							
Total adjustment for investing or financing activities	0	0	0	0	0	0	0							
4 Net cash inflow from operating activities	0	241	222	154	5	(125)	(195)	(8%)	(30%)	(97%)	(2440%)	56%		
5 Cash flow from investing activities														
a) Proceeds from sales of fixed assets	0	0	0	0	0	0	0							
b) Proceeds from sales of intangible assets	0	0	0	0	0	0	0							
c) Capital grants receipts	0	0	0	0	0	0	0							
d) Disposal of non-current asset investments	0	0	0	0	0	0	0							
e) Withdrawal of deposits	0	0	0	0	0	0	0							
f) Investment income	0	0	0	0	0	0	0							
g) Payments made to acquire fixed assets	0	0	0	0	0	0	0							
h) Payments made to acquire intangible assets	0	0	0	0	0	0	0							
i) New non-current asset investments	0	0	0	0	0	0	0							
j) New deposits	0	0	0	0	0	0	0							
Total cash flows from investing activities	0	0	0	0	0	0	0							
6 Cash flows from financing activities														
a) Interest paid	0	0	0	0	0	0	0							
b) Interest element of finance lease and service concession	0	0	0	0	0	0	0							
c) Endowment cash received	0	0	0	0	0	0	0							
d) New secured loans	0	0	0	0	0	0	0							
e) New unsecured loans	0	0	0	0	0	0	0							
f) Repayments of amounts borrowed	0	0	0	0	0	0	0							
g) Capital element of finance lease and service concession payments	0	0	0	0	0	0	0							
Total cash flows from financing activities	0	0	0	0	0	0	0							
7 (Decrease) / Increase in cash and cash equivalents in the year	0	241	222	154	5	(125)	(195)	(8%)	(30%)	(97%)	(2440%)	56%		
8 Cash and cash equivalents at beginning of the year	0	0	1,675	1,201	1,136	882	438		(28%)	(28%)	(5%)	(22%)	(50%)	
9 Cash and cash equivalents at the end of the year	0	1,675	1,201	1,136	882	438	0					(50%)	(100%)	

Argyll College UHI Ltd

Capital Expenditure Projects and Forecast Methods of Financing

	Actual 2017-18 £000	Forecast 2018-19 £000	Forecast 2019-20 £000	Forecast 2020-21 £000	Forecast 2021-22 £000	Forecast 2022-23 £000	Forecast 2023-24 £000	2017-18 - 2018-19 %	2018-19 - 2019-20 %	2019-20 - 2020-21 %	2020-21- 2021-22 %	2021-22 - 2022-23 %	2022-23 - 2023-24 %
Expenditure:													
Land & Buildings	0	0	0	0	2000	2000	0					0.0%	-100.0%
Equipment & Others	0	0	30	30	30	30	30			0.0%	0.0%	0.0%	0.0%
	0	0	30	30	2,030	2,030	30			0.0%	6666.7%	0.0%	-98.5%
Financed by:													
Cash reserves	0	0	0	0	0	0	0						
Arms Length Foundation	0	0	0	0	0	0	0						
Leasing	0	0	0	0	0	0	0						
SFC/RSB grant	0	0	30	30	30	30	30			0.0%	0.0%	0.0%	0.0%
Re-investment of proceeds from disposal of assets *	0	0	0	0	0	0	0						
Non-SFC/RSB grants	0	0	0	0	2000	2000	0					0.0%	-100.0%
PFI/NPD	0	0	0	0	0	0	0						
Other - please specify if material	0	0	0	0	0	0	0						
	0	0	30	30	2,030	2,030	30			0.0%	6666.7%	0.0%	-98.5%

* to be included only where this has been agreed by SFC

Capital disposals

Disposal proceeds:

	Actual 2017-18 £000	Forecast 2018-19 £000	Forecast 2019-20 £000	Forecast 2020-21 £000	Forecast 2021-22 £000	Forecast 2022-23 £000	Forecast 2023-24 £000
Asset description		89					
Asset description							
Asset description							
Asset description							
	0	89	0	0	0	0	0

Gain/(loss) on disposal:

	Actual 2017-18 £000	Forecast 2018-19 £000	Forecast 2019-20 £000	Forecast 2020-21 £000	Forecast 2021-22 £000	Forecast 2022-23 £000	Forecast 2023-24 £000
Asset description		-136					
Asset description							
Asset description							
Asset description							
	0	-136	0	0	0	0	0

ALF Funding

Note:

For most foundations, the most recent accounts available are for periods ending in 2018. Colleges' forecast movements will not include governance costs, donations from third parties, payments to third parties or investment income.

Grant from Arms Length Foundation - revenue							
Description	0	0	0	0	0	0	0
Description	0	0	0	0	0	0	0
Description	0	0	0	0	0	0	0
Description	0	0	0	0	0	0	0
Description	0	0	0	0	0	0	0
Description	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0

Argyll College UHI Ltd
FINANCIAL SUMMARY

Actual 2017-18	Forecast 2018-19	Forecast 2019-20	Forecast 2020-21	Forecast 2021-22	Forecast 2022-23	Forecast 2023-24
£000	£000	£000	£000	£000	£000	£000

Income ratios							
Total Income	0	5,496	5,441	5,443	5,389	5,328	5,331
Total Funding Council Grant (excluding release of deferred capital grant) as % of Total Income	#DIV/0!	15%	15%	15%	15%	15%	15%
Total non-Funding Council Grant (including release of SFC DCG) as % of Total Income	#DIV/0!	85%	85%	85%	85%	85%	85%
Total Education Contracts and Tuition Fees as % of Total Income	#DIV/0!	79%	78%	78%	78%	78%	78%
Total Research Grants and Contracts as % of Total Income	#DIV/0!	0%	0%	0%	0%	0%	0%
Total Other Income as % of Total Income	#DIV/0!	6%	7%	7%	7%	7%	8%

Expenditure ratios							
Total Expenditure	0	5,308	5,408	5,478	5,613	5,722	5,795
Salaries as % of Total Expenditure	#DIV/0!	71%	73%	73%	74%	74%	74%
Other operating costs as % of Total Expenditure	#DIV/0!	25%	24%	23%	22%	22%	21%
Depreciation/amortisation as % of Total Expenditure	#DIV/0!	4%	3%	3%	4%	5%	5%

Operating position							
Operating Surplus/(deficit)	0	188	33	-35	-224	-394	-464
Operating Surplus/(deficit) as % of Total Income	#DIV/0!	3%	1%	-1%	-4%	-7%	-9%
Adjusted operating surplus/(deficit)	0	377	222	154	5	-125	-195
Adjusted operating surplus/(deficit) as % of Total Income	#DIV/0!	6.9%	4.1%	2.8%	0.1%	-2.3%	-3.7%

Cash Position							
Cash and Current Asset Investments	0	1,675	1,201	1,136	882	438	0
Overdrafts	0	0	0	0	0	0	55
Days Ratio of Cash to Total Expenditure	#DIV/0!	119	84	78	60	29	-4

Balance Sheet strength							
Unrestricted reserves	0	1,947	1,980	1,945	1,721	1,327	864
Current Ratio	#DIV/0!	2.76	7.95	8.44	7.63	4.98	0.67
Unrestricted reserves as % of Total Income	#DIV/0!	35%	36%	36%	32%	25%	16%
Total borrowing (Overdrafts, Loans, Finance Leases, PFI/NPD)	0	14	0	0	0	0	55
Interest cover	#DIV/0!	95.00	33.66	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!