The City of Liverpool College

The City of Liverpool College
Operating and Financial Review
Year ended 31 July 2013

NATURE, OBJECTIVES AND STRATEGIES:

The members present their report and the audited financial statements for the year ended 31 July 2013.

Legal Status

The Corporation was established under the Further and Higher Education Act 1992 for the purpose of conducting The City of Liverpool College. The College is an exempt charity for the purposes of the Charities Act 1993 as amended by the Charities Act 2006.
The Corporation was incorporated as the City of Liverpool Community College. On 15th September 1998 the Secretary of State granted consent to the Corporation to change its name to Liverpool Community College. On 9 January 2013 the Secretary of State granted a further consent to the Corporation to change its name to The City of Liverpool College.

Mission

The College's mission statement as approved by its members is:
To become a bold and exciting national leader, empowering students, staff and businesses with the skills and capabilities they need to overcome the challenges of the future.
We will do this by growing our core teaching and learning offer, and creating a more diverse and commercially successful organisation, which is acknowledged as key to the economic growth of the Liverpool City Region and the development of the wider education sector.

Our values:
- Being outstanding in everything we do
- Being creative and enterprising
- Being inclusive in everything we do
- Being a great place to work and learn
- Being a driver of economic success

Financial objectives

The College's financial objectives are:
- to maintain the College's medium and long term financial security
- to continue to improve financial management in order to retain confidence of funders, suppliers, banks and auditors
- to provide access to College's financial information for governors, staff, learners and other stakeholders
- to ensure that the College is able to finance a first class and efficient learning environment for students by the effective and efficient development of funds supporting the aims of the strategic plan.

A series of performance indicators have been agreed to monitor the successful implementation of the policies.

Performance indicators

The "Framework for Excellence" has four dimensions:
- Success rates
- Learner destinations
- Learner views
- Employer views

The College is committed to observing the importance of the measures and indicators within the Framework and is monitoring these through the completion of the annual Finance Record for the Skills Funding Agency.

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FINANCIAL POSITION

Financial results

The Group generated an operating deficit in the year of £3,465,000 before taxation (2011/12 deficit £1,861,000). The Group has accumulated reserves of £23,827,000, excluding pension reserve, and cash at bank and in hand of £2,217,000. The Group wishes to accumulate reserves and cash balances in order to create a contingency fund.

The Group has significant reliance on the further education sector funding bodies for its principal funding source, largely from recurrent grants. In 2012/13 the funding bodies provided 89.2% of the College's total income (84.5% in 2011/12).

The College has two subsidiary companies, Liverpool Business Services Limited and First4Skills Limited, the latter of which was acquired during the year in September 2012. The principal business activity of Liverpool Business Services Ltd is the provision of training services to industry and commerce. The principal business activity of First4Skills Limited is the provision of Apprenticeship programmes across various sectors but primarily retail. In the current year Liverpool Business Services Limited transferred £334,305 to the College under Deed of Covenant generating a loss of £135,652 in the company. First4Skills Ltd transferred £900,000 to the College under a Deed of Covenant generating a surplus of £327,000 in the company.

Treasury policies and objectives

Treasury management is the management of the College's cash flows, it's 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 temporary revenue purposes is authorised by the Principal. All other borrowing requires the authorisation of the Corporation.

Liquidity

There was no additional borrowing during the year to 31 July 2013.

During the year to 31 July 2013 the College's operating cash flow was lower than the cost of servicing the debt and appropriate agreement has been reached with funders to accommodate this position.

CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE

Student Numbers (College)

SFA/EFA	under 16	16 - 18	19 +	Total
Enrolments	0	13,946	30,765	44,711
Student Numbers	0	4,882	8,156	13,038
SLNs	0	4,856	4,481	9,337
Other Provision				
Enrolments	137	4,304	5,008	9,449
Student Numbers	76	3,586	3,600	7,262
Total				
Enrolments	137	18,250	35,773	54,160
Student Numbers	76	8,468	11,756	20,300

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Student numbers (Group)

SFA/EFA	under 16	16 - 18	19 +	Total
Enrolments	0	14,861	39,092	53,953
Student Numbers	0	6,731	22,256	28,987
SLNs	0	6,705	18,581	25,286

Other Provision

Enrolments	137	4,304	5,008	9,449
Student Numbers	76	3,586	3,600	7,262

Total

Enrolments	137	19,165	44,100	63,402
Student Numbers	76	10,317	25,856	36,249

Student Achievements

	College		Group	
Student Achievement	Target 2012/13	Actual 2012/13	Target 2012/13	Actual 2012/13
16 - 18 year olds Retention	85.4%	84.6%	78.6%	78.9%
16 - 18 year olds Achievement	90.2%	86.9%	81.3%	80.0%
Adult Retention	87.2%	83.4%	79.6%	81.5%
Adult Achievement	91.1%	91.6%	81.8%	85.9%

Taxation

The majority of the College's activities do not fall to be charged to corporation tax.

Future developments

The College has Learner Responsive Funding for 2013/14 confirmed at £32,273,876 and Employer Responsive Funding agreed at £2,761,051. The College aims to increase contribution by introducing a number of efficiency schemes across the College. The College would like to reduce dependency on the Skills Funding Agency/Education Funding Agency (EFA) and is seeking opportunities in the areas where the College currently performs well such as HEFCE.

RESOURCES

The College has various resources that it can deploy in pursuit of its strategic objectives. Tangible resources include the development of the newly leased facilities at Commercial Road and Collingwood Dock. In addition, there are existing facilities at the Learning Exchange at Roscoe Street as well as College sites at Bankfield, The Arts Centre, Vauxhall Road, Duke Street and Clarence Street. The College also operates at a number of outreach centres across Liverpool.

Financial
The College has £46m of net assets (including £14m pension liability) and a long term debt of £12.5m.

People
The Group employs 1,210 people (expressed as full time equivalents), of whom 691 are teaching staff.

Reputation
The College is looking to enhance its reputation by forging links with local stakeholders. Continuing to improve College sites will maintain a quality brand and continue to increase student numbers and attract external relationships.

PRINCIPAL RISKS AND UNCERTAINTIES

Throughout the year the College has continued to develop and embed the system of internal control, including financial, operational and risk management which is designed to protect the College's assets and reputation.

Based on the strategic plan, the Strategic Leadership Team undertakes a comprehensive review of the risks to which the College is exposed. They identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the College. The internal controls are then implemented and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions. In addition to the annual review, the Strategic Leadership Team will also consider any risks which may arise as a result of a new area of work being undertaken by the College.

Accounting for defined benefit pension schemes under FRS17 is a risk as the Corporation has limited control over the management of the Merseyside Pension Fund, its financial arrangements and investment profile.The scheme is managed on behalf of employers by Wirral Council, and is accounted for in accordance with the advice of independent actuaries. The assumptions made by the actuaries require significant predictions about increases in salaries and inflation as well as judgements on investment returns and member longevity, to underpin valuations made. In particular stock market values are liable to short term fluctuations and may prove unreliable in making medium and long term assumptions for a pension fund which is a long term investment.

A risk register is maintained at the College level which is reviewed at least annually by the Audit Committee and more frequently where necessary. 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. 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 education sector funding bodies and through HEFCE. In 2012/13, 89.2% of the College's revenue was ultimately public funded and this level of requirement is expected to continue. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

The College is aware of a number of issues which may impact on future funding,including:
• The demand led funding system which applies a series of factors such as guided learning hours and success rates to calculate an amount of funding to be received for each learner. Such funding cannot be guaranteed.

The risk is mitigated in a number of ways:
• Funding is derived through a number of direct and indirect contractual arrangements
• Ensuring the College is rigorous in delivering high quality education and training
• Considerable focus and investment is placed on maintaining and managing key relationships with the various funding bodies
• Ensuring the College is focused on those priority sectors which will continue to benefit from public funding
• Regular dialogue with funding bodies.

2. Introduction of FE Loans
The introduction of FE Loans may result in a reduced level of income for the College. This risk is managed by:
• Monitoring the level of applications received and introducing appropriate marketing initiatives to increase demand if necessary.

3. Maintain adequate funding of pension liabilities
The financial statements report the share of the pension scheme deficit on the College's balance sheet in line with the requirements of FRS17.

4. The College's financial position may prevent the necessary investment in key priority areas.
The risk is managed by:
• Effective budget planning
• Timely management accounts
• Mid term budget reviews
• Regular review of financial regulations and policies and procedures

STAKEHOLDER RELATIONSHIPS

In line with other colleges, The City of Liverpool College has many stakeholders. These include:
- Students;
- Funding Councils;
- Staff;
- Local employers (with specific links);
- Local Authorities;
- Government Offices / Regional Development Agencies;
- The local community;
- Other FE institutions;
- Trade unions; and
- Professional bodies.

The College recognises the importance of these relationships and engages in regular communication with them through the College Internet site and by meetings.

Staff and Student Involvement

The College considers good communication with its staff to be very important. The College encourages staff and student involvement through membership of formal committees. The College also receives feedback from an annual staff questionnaire and student satisfaction survey. The College has held an "Investors in People" accreditation since 1999.

Equal Opportunities and Employment of Disabled Persons

The College considers all applications for employment from disabled persons, bearing in mind the aptitude of the individuals concerned. 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. The College's Equality and Diversity Policy is published on the College's Internet site.

Disability Statement

The College seeks to achieve the objectives set down in the Disability Discrimination Act 1995 as amended by the Special Education Needs and Disability Acts 2001 and 2005. The College, through the Student Support Unit, makes provision for students with disabilities. A Learning Support Handbook is published which outlines provision. It identifies support teams who can assist with individual needs and centres which are physically accessible to people with disabilities. The College undertakes to review regularly its approach to developing and delivering its provision for students with learning difficulties and disabilities.

Disclosure of information to auditors

The members 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 auditors are 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 auditors are aware of that information.

Approved by order of the members of the Corporation on 03/12/2013 and signed on its behalf by;

Peter Grieve
Chair

Professional Advisers

Financial statements and regulatory auditors:	KPMG LLP St James Square Manchester M2 6DS
Internal auditors:	Baker Tilly Arkwright House Parsonage Gardens Manchester M3 2LF
Bankers:	Barclays Bank plc 1st Floor 3 Hardman Street Spinningfields Manchester M3 3HF
Solicitors:	DLA India Buildings Water Street Liverpool L2 0NH

The City of Liverpool College
Statement of Corporate Governance and Internal Control
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The members who served on the Corporation during the year and up to the date of the signing of this report were as follows

	Date of Appointment	Term of Office	Date of Ceasing Office	Status of Appointment	Committees served
Ms L Barry	3 Dec 2004 Reappointed 2 Oct 2012	4 years		External	Remuneration
Mr A Booth	2 Oct 2012	4 years	20 Sep 2013	Student	
Ms Elaine Bowker	1 Jun 2011			Principal	Fin, Est & Gen Purposes, Search & Governance,
Ms S Carmichael	29 Jun 2007 Reappointed 28 Jun 2011	4 years		External	Audit. Search & Governance
Ms S Carthy	10 Dec 2009	4 years	23 Jan 2013	External	Audit
Dr M Carey	03-Dec-13	4 years		External	
Mr A Cearns	16 Mar 2005 Reappointed 10 Dec 2008	4 years	31 Dec 2013	External	Fin, Est & Gen Purposes (Chair until 26 Nov 2012)
Ms G Charters	03-Dec-13	4 years		Staff	
Mr A Cobain	25 Jun 2004 Reappointed 26 Jun 2012	4 years	26 Nov 2013	External	(Chair of) Audit, Search & Governance
Ms C Crowther	29 Jun 2010	4 years		External	Audit. Remuneration
Mr J Denny	4 Dec 2012	4 years		External	
Ms C Dove MBE (Vice Chair until 03 Dec 2013)	15 Oct 1993 Reappointed 29 Jun 2010	4 years	3 Dec 2013	External	(Chair of) Remuneration
Mr P Grieve	27 Sep 2011	4 years		External	Fin, Est & Gen Purposes (Chair from 26 Nov 2012)
Ms M Harris	10 Dec 2009	4 years	3 Dec 2013	Staff	Search & Governance,
Mr D Hayes	2 Oct 2012	4 years	30 Oct 2013	Student	
Mr C King	3 Dec 2013	4 years		Student	
Ms Vivienne Lacey (Vice Chair from 3 Dec 2013)	23 April 2013	4 Years		External	Audit
Mr N Lazenbury	22 Jan 2013	4 Years	12 Oct 2013	External	Fin, Est & Gen Purposes
Mr J Nolan	27 Sep 2011	4 years		Staff	
Prof G Pillay	9 Dec 2005 Reappointed 10 Dec 2008	4 years	3 Dec 2013	External	Remuneration
Mr I Pollitt	2 Oct 2012	4 years		External	Fin, Est & Gen Purposes
Mr N Small	29 June 2010	4 years		External	
Dr P Tavernor	3 Dec 2013	4 years		External	
Ms V Tyler (Chair until 03 Dec 2013)	2 Oct 1992 Reappointed 2 Oct 2012	4 years	31 Dec 2013	External	(Chair of) Search & Governance,
Mr D Wilson	28 Jan 2000 Reappointed 29 Nov 2011	4 years		External	Remuneration Fin, Est & Gen Purposes

As detailed above, the Chair and Vice-Chair of the Board stood down in the 2013 Autumn term, as did the Chair of Audit Committee. Mr P Grieve and Ms V Lacey have taken up the offices of Chair and Vice Chair respectively.

The City of Liverpool College
Statement of Corporate Governance and Internal Control
Year ended 31 July 2013

The College is committed to exhibiting best practice in all aspects of corporate governance. This summary describes the manner in which the College has applied the principles set out in the UK Corporate Governance Code issued by the London Stock Exchange in June 2010. Its purpose is to help the reader of the accounts understand how the principles have been applied.

In the opinion of the Corporation, the College complies with all the provisions of the Code in so far as they apply to the Further Education Sector, and it has complied throughout the year ended 31 July 2013.

The Corporation adopted the AoC English College's Foundation Code of Governance in March 2012. It has not been possible to publish details of the time commitment necessary for governors (and the Chair) to undertake the role as the College is going through a period of transformation and so the Corporation has been required to be flexible in its operation. However, the standard business cycle and calendar of meetings was published before the start of the 2012/13 academic year to give some indication.

The Corporation

The composition of the Corporation is set out on page 8. The Corporation increased its membership during the year to allow up to 21 members. Ordinarily, membership would be 19 governors but it was felt this increased membership would allow the right balance of staff members, student members, local employers, local stakeholders and specialist skills to be represented. It is the Corporation's responsibility to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct.

The diversity profile of the Corporation has varied as membership has changed throughout the period under consideration. However, the diversity profile has generally reflected local demographics in relation to gender and origin. Disability was less well represented at around 12% compared to local demographics of 21%, although one governor is also the Chief Executive of the Merseyside Disability Federation. Local demographics are always considered when governors are appointed along with ways to encourage applications from all sections of the local area.

The Corporation is provided with regular and timely information on the overall financial performance of the College together with other information such as performance against funding targets, proposed capital expenditure, risk management, quality matters and personnel related matters. The Corporation meets at least twice each term.

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 Audit, Remuneration, Finance Estates and General Purposes and Search & Governance. Full minutes of all meetings, except those deemed to be confidential by the Corporation, are available from the Clerk to the Corporation at:

The City of Liverpool College
52 Roscoe Street
Liverpool
L1 9DW

The Clerk to the Corporation maintains a register of financial and personal interests of the Governors and Senior Managers. The register is available for inspection at the above address.

All Governors are able to take independent professional advice in furtherance of their duties at the College's expense and have access to the Clerk to the Corporation, who is responsible to the Board for ensuring that all applicable procedures and regulations are complied with. The appointment, evaluation and removal of the Clerk are matters for the Corporation as a whole.

Formal agendas, papers and reports are supplied to governors in a timely manner, prior to Board and committee meetings. Briefings are also provided on an ad-hoc basis.

The Corporation has a strong and independent non-executive element and no individual or group dominates its decision making process. The Corporation considers that each of its non-executive members is 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 Principal are separate.

During 2012/13 the College was subject to an Ofsted inspection and was subsequently rated as inadequate. The Corporation had already acknowledged that substantial changes to the College were required and a transformation programme had been embarked on which encompassed the findings of the Ofsted inspection. Through its internal audit programme, the Corporation was able to identify areas of the College which needed to be addressed, specifically the student journey and a compliance review of apprenticeships. The Corporation has also been monitoring a project to rectify issues with data integrity.

Search & Governance Committee
Members of the Corporation are appointed for a term of office not exceeding 4 years. Any new appointments to the Corporation are a matter for the consideration of the Corporation as a whole. However, the Search and Governance Committee is responsible for the selection and nomination of new members for the Corporation's consideration (other than staff or student members). The Corporation is responsible for ensuring that appropriate training is provided as required. This Committee also reviews the annual performance of the Board and wider governance matters as well as succession planning.

Audit Committee
The Audit Committee allows for at least 3 members of the Corporation (excluding the Principal and members of the Finance, Estates & General Purposes Committee) and two co-optees.

The Audit Committee advises the Board on the adequacy and effectiveness of risk management, control and governance processes and provides a forum for reporting by the College's internal, regulatory 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 funding bodies as they affect the College's business.

The College's internal auditors monitor the systems of internal control in accordance with an agreed plan and report their findings to management and the Audit Committee. Management are responsible for the implementation of agreed recommendations and internal audit undertake periodic follow up reviews to ensure such recommendations have been implemented.

The Audit Committee also advises the Corporation on the appointment of internal, regulatory and financial statements auditors and their remuneration for both audit and non-audit work.

Remuneration Committee
The Remuneration Committee makes recommendations to the Board on the remuneration and conditions of service of the Principal and other senior post holders. Details of remuneration for the year ended 31 July 2013 are set out in notes 7 and 8 to the financial statements.

Finance, Estates and General Purposes Committee
The FE&GP Committee is responsible for the review of revenue and capital budgets and the overall investment and borrowing strategy and capital programme. The Committee examines the performance of the College and recommended performance indicators and benchmarking measures. The Committee is responsible for considering financial forecasts and final accounts and it advises the Board on the College's financial objectives. The Committee also advises the Corporation on, and oversees the development of, the College's capital programme.

The City of Liverpool College
Statement of Corporate Governance and Internal Control
Year ended 31 July 2013

Internal Control

Scope of Responsibility

The Corporation is ultimately responsible for the College's system of internal control and for reviewing it's effectiveness. However, such a system is designed to manage, rather than eliminate, the risk of failure to achieve business objective 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 Principal, 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 the Principal is personally responsible.This is in accordance with the responsibilities assigned to the Principal in the Financial Memorandum between The City of Liverpool College and the funding bodies. The Principal is also responsible for reporting to the Corporation any material weaknesses or break-downs 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 City of Liverpool College for the year ended 31 July 2013 and up to the date of approval of the annual report and accounts.

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 ending 31 July 2013 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Corporation.

The risk and control framework

The system of internal control is based on a framework of regular management information, administration 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 City of Liverpool College purchases an Internal Audit Service, which operates in accordance with requirements of the Joint 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.

As a minimum, the Internal Audit Service annually provides the Corporation with a report on internal audit activity in the College. The report includes an independent opinion on the adequacy and effectiveness of the College's system of risk management, controls and governance processes.

The City of Liverpool College
Statement of Corporate Governance and Internal Control
Year ended 31 July 2013

Review of effectiveness
As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. The Principal's 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 auditors and the regularity auditors in their management letters and other reports

The Principal has been advised on the implications of the result of the review of the effectiveness of the system of internal control by the Audit Committee which oversees the work of the internal auditor, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Strategic Leadership 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 Strategic Leadership Team and 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 Strategic Leadership Team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At it's December 2013 meeting, the Corporation carried out the annual assessment for the year ended 31 July 2013 by considering documentation from the Strategic Leadership Team and internal audit and taking account of events since 31 July 2013. The internal audit opinion for the year confirms the adequacy and effectiveness of the College's control system. In forming their opinion, the internal auditors have taken into account improvements to control in the areas of Finance and CIS as a result of management review in the year.

Going Concern
After making appropriate enquiries, the Corporation considers that the College has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.

Approved by order of the members of the Corporation and signed on its behalf by:

Peter Grieve, Chair

12/12/2013
Date

Elaine Bowker, Principal

12/12/2013
Date

The City of Liverpool College
Statement of Responsibilities of the Members of the Corporation
Year ended 31 July 2013

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

Within the terms and conditions of the Financial Memorandum agreed between the Skills Funding Agency /EFA and the Corporation of the College, the Corporation, through its Principal, is required to prepare financial statements for each financial year in accordance with the 2007 Statement of Recommended Practice - Accounting for Further and Higher Education Institutions and with the Accounts Direction issued jointly by the Skills Funding Agency and the EFA, and 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 then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 a Members Report 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 to 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 to safeguard assets of the College and to prevent and detect fraud and other irregularities.

The maintenance and integrity of The City of Liverpool College website is the responsibility of the Corporation of the College; the work carried out by the 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 Skills Funding Agency / EFA are used only in accordance with the Financial Memorandum with the Skills Funding Agency/ EFA 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 to safeguard public and other funds and 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 Skills Funding Agency /EFA are not put at risk.

Approved by order of the members of the Corporation and signed on its behalf by:

.....

Peter Grieve, Chair

Date 12/12/2013

Independent auditor's report to the Corporation of the City of Liverpool College

We have audited the Group and College financial statements ("the financial statements") of The City of Liverpool College for the year ended 31 July 2013 set out on pages 16 to 39. The financial reporting framework that has been applied in their preparation is applicable law and UK accounting standards (UK Generally Accepted Accounting Practice).

This report is made solely to the Governing Body, as a body, in accordance with Article 22 of the College's Articles of Government. Our audit work has been undertaken so that we might state to the Corporation, as a body, 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 Corporation, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of the Corporation of The City of Liverpool College and Auditor
As explained more fully in the Statement of the Corporation's responsibilities set out on page 13, the Corporation is responsible for the preparation of financial statements which give a true and fair view.
Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the College's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Corporation; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Operating and Financial Review to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

Opinion on financial statements
In our opinion the financial statements:

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the Groups' and of the College's affairs as at 31 July 2013 and of the Group's/College's surplus of income over expenditure for the year then ended;
- have been properly prepared in accordance with the 2007 Statement of Recommended Practice – Accounting for Further and Higher Education Institutions

Opinion on other matters prescribed by the revised Joint Audit Code of Practice (Part 1) issued jointly by the Skills Funding Agency and the EFA and the Audit Code of Practice issued by the Learning and Skills Council

In our opinion:

- proper accounting records have been kept, and
- the financial statements are in agreement with the accounting records.

S R Clark

Stephen Clark (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
St James' Square,
Manchester,
M2 6DS

18 December 2013

Independent Auditors' Report on Regularity to the Corporation of The City of Liverpool College ('the Corporation') and the Chief Executive of Skills Funding / Education Funding Agency

In accordance with the terms of our engagement letter and further to the requirements of the Chief Executive of Skills Funding / Education Funding Agency, we have carried out a review to obtain assurance about whether, in all material respects, the expenditure and income of The City of Liverpool College ('the College') during the year ended 31 July 2013 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to the Corporation and the Chief Executive of Skills Funding / EFA. Our review work has been undertaken so that we might state to the Corporation and the Chief Executive of Skills Funding / Young People's Learning Agency those matters we are required to state to it 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 and the Chief Executive of Skills Funding / Education Funding Agency, for our review work, for this report, or for the opinion we have formed.

Respective responsibilities of the Members of the Corporation of The City of Liverpool College and Auditors

The College's Corporation is responsible, under the requirements of the Further & Higher Education Act 1992, subsequent legislation and related regulations, for ensuring that expenditure dispersed 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 review are established in the United Kingdom by our profession's ethical guidance and the audit guidance set out in the Audit Code of Practice and the Regularity Audit Framework issued by the Learning and Skills Council. We report to you whether, in our opinion, in all material respects, expenditure disbursed and income received during the year ended 31 July 2013 have been applied to purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Basis of opinion

We conducted our review in accordance with the Audit Code of Practice and the Regularity Audit Framework issued by the Learning and Skills Council. Our review includes examination, on a test basis, of evidence relevant to the regularity and propriety of the College's income and expenditure.

Opinion

In our opinion, in all material respects, the expenditure and income for the year ended 31 July 2013 have been applied to purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

S R Clark

Stephen Clark (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
St James' Square
Manchester
M2 6DS

18 December 2013

The City of Liverpool College
Consolidated Income and Expenditure account
Year ended 31 July 2013

	note	2013 £000	2012 £000
INCOME			
Funding body grants	2	58,163	43,462
Tuition Fees and education contracts	3	3,074	2,954
Other income	4	1,822	1,932
Investment Income	5	54	170
TOTAL INCOME		**63,113**	**48,518**
EXPENDITURE			
Staff costs	6	41,636	29,984
Other operating expenses	8	19,824	14,796
Depreciation	12	4,006	3,579
Amortisation of goodwill	13	(34)	0
Interest and other finance costs	9	1,146	2,020
TOTAL EXPENDITURE		**66,578**	**50,379**
(Deficit)/Surplus on continuing operations after depreciation of tangible assets at valuation and before exceptional items		(3,465)	(1,861)
Loss on disposal of assets		0	0
(Deficit)/Surplus on continuing operations after depreciation of tangible assets at valuation and exceptional items but before tax		**(3,465)**	**(1,861)**
Taxation	10	(150)	0
(Deficit)/Surplus on continuing operations after depreciation of tangible assets at valuation and exceptional items and tax		**(3,615)**	**(1,861)**
Minority interest		(82)	0
Surplus on continuing operations after depreciation of assets at valuation, exceptional items and disposal of assets retained within general reserves	11	**(3,697)**	**(1,861)**

The income and expenditure account is in respect of continuing activities.

The City of Liverpool College
Consolidated statement of total Recognised Gains and Losses
Year ended 31 July 2013

	note	2013 £000	2012 £000
(Deficit)/Surplus on continuing operations after depreciation of assets at valuation, disposal of assets and tax	11	(3,697)	(1,861)
Actuarial gain/(loss) in respect of enhanced pension provision	19	(26)	(20)
Actuarial (loss)/gain in respect of pension scheme	23	3,115	(4,306)
Realised loss in respect of VAT reserve	22	(356)	0
Total recognised gains/(losses) since last report		(964)	(6,187)
Reconciliation			
Opening reserves		14,059	20,246
Total recognised gains/(losses) for the year		(964)	(6,187)
Closing reserves		**13,095**	**14,059**

Consolidated statement of Historical Cost Surpluses and Deficits
Year ended 31 July 2013

	note	2013 £000	2012 £000
(Deficit)/Surplus on continuing operations before taxation		(3,465)	(1,861)
Difference between historical cost depreciation and the actual charge for the period calculated on the revalued amount	22	96	97
Historical cost (deficit)/surplus for the year before taxation		**(3,369)**	**(1,764)**
Historical cost (deficit)/surplus for the year after taxation		**(3,519)**	**(1,764)**

The City of Liverpool College
Balance Sheet as at 31 July 2013

	note	Group 2013 £000	College 2013 £000	Group 2012 £000	College 2012 £000
FIXED ASSETS					
Tangible assets	12	73,834	66,319	74,864	67,142
Investments	13	0	8,900	0	8,000
Goodwill	13	(171)	0	0	0
		73,663	75,219	74,864	75,142
CURRENT ASSETS					
Stocks		52	52	20	20
Debtors	14	3,135	1,430	2,531	2,491
Cash at bank and in hand		2,217	924	6,414	6,370
Total current assets		5,404	2,406	8,965	8,881
Creditors: amounts falling due within one year	16	(7,272)	(5,800)	(5,858)	(5,828)
NET CURRENT ASSETS/(LIABILITIES)		(1,868)	(3,394)	3,107	3,053
Debtors: amounts falling due after more than one year	15	0	1,482	0	1,312
TOTAL ASSETS LESS CURRENT LIABILITIES		71,795	73,307	77,971	79,507
Creditors: amounts falling due after more than one year	17	(12,061)	(12,061)	(12,517)	(12,517)
Provisions for liabilities	19	(502)	(502)	(496)	(496)
Net assets excluding pension liability		59,232	60,744	64,958	66,494
Net pension liability	23	(14,489)	(14,489)	(17,253)	(17,253)
Net assets including pension liability		44,743	46,255	47,705	49,241
Minority interest		(308)	0	0	0
NET ASSETS		**44,435**	**46,255**	**47,705**	**49,241**
Deferred capital grants	20	31,340	31,340	33,646	33,646
Reserves					
Income and expenditure account excluding pension reserve		23,827	25,647	27,459	28,995
Pension Reserve	22	(14,489)	(14,489)	(17,253)	(17,253)
Income and expenditure account including pension reserve	22	9,338	11,158	10,206	11,742
Revaluation Reserve	21	3,757	3,757	3,853	3,853
Total reserves		13,095	14,915	14,059	15,595
TOTAL FUNDS		**44,435**	**46,255**	**47,705**	**49,241**

The financial statements on page 16 to 39 were approved by the Corporation on 03/12/2013 and were signed on its behalf by:

Peter Grieve
Chair

Elaine Bowker
Principal

The City of Liverpool College
Consolidated Cash Flow Statement
Year ended 31 July 2013

	note	2013 £000	2012 £000
Cash flow from operating activities	24	1,402	5,707
Returns on investments and servicing of finance	26	(846)	(1,444)
Taxation	10	0	0
Capital expenditure and financial investment	27	(3,420)	(2,077)
Cash inflow/(outflow) before use of liquid resources and financing		(2,864)	2,186
Management of liquid resources	28	(900)	0
Financing	29	(433)	(10,160)
Increase (decrease) in cash in the year		**(4,197)**	**(7,974)**

Reconciliation of net cash flow to movement in net funds/debt

Increase/(Decrease) in cash in the period		(4,197)	(7,974)
Cash (inflow)/ outflow from new loan		0	0
Change in net debt resulting from cash flows	29	433	10,160
Movement in net funds in period	25	(3,764)	2,186
Net funds at 1 August 2012	25	(6,552)	(8,738)
Net funds at 31 July 2013	25	**(10,316)**	**(6,552)**

1.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 2007 (the SORP): and in accordance with applicable Accounting Standards. They conform to guidance published jointly by the Skills Funding Agency and the EFA in the 2012/13 Accounts Direction Handbook.

Basis of accounting
The financial statements are prepared in accordance with the historical cost convention modified by the revaluation of certain fixed assets and in accordance with applicable United Kingdom Accounting Standards.

Going Concern
The activities of the College, together with the factors likely to affect its future development and performance, are set out in the Operating and Financial Review. The financial position of the College, its cash flow, liquidity and borrowings are described in the Financial Statements and accompanying Notes.

The College currently has £12.5m of loans outstanding with bankers on terms negotiated in 2003 and 2009. The College's forecasts and financial projections indicate that it will be able to operate within this existing facility and for the foreseeable future.

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 it's Financial Statements.

Basis of consolidation
The consolidated financial statements include the College and its subsidiaries, First4Skills Limited and Liverpool Business Services Limited. Intra-group sales and profits are eliminated fully on consolidation. All financial statements are prepared to 31 July 2013.

Recognition of income
The recurrent grant from HEFCE represents the funding allocation attributable to the current financial year and is credited direct to the income and expenditure account.

Funding body 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 for the Adult Skills Budget is adjusted for and reflected in the level of recurrent grant recognised in the income and expenditure account. 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, and the results of any funding audits. 16-18 learner-responsive funding is not normally subject to a reconciliation and is therefore not subject to contract adjustments.

Non-recurrent grants from the funding bodies or other bodies received in respect of the acquisition of fixed assets are treated as deferred capital grants and amortised in line with depreciation over the life of the assets.

Income from tuition fees is recognised in the period for which it is receivable and includes all fees payable by students or their sponsors.

Income from grants, contracts and other services rendered is included to the extent the conditions of the funding have been met or the extent of the completion of the contract or service concerned.

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

Post retirement benefits
Retirement benefits for College employees are provided by the Teachers' Pension Scheme (TPS) and the Merseyside Pension Fund (MPF). These are defined benefit schemes which are externally funded and contracted out of the State Earnings Related Pension Scheme (SERPS).

Contributions to the TPS are charged to the income and expenditure account 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 23, the TPS is a multi employer scheme and the College is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The assets of the MPF are measured using closing market values. MPF liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The increase in the present value of the liabilities of the scheme expected to arise from employee service in the period is charged to the operating surplus. The expected return on the scheme's assets and the increase during the period in the present value of the scheme's liabilities, arising from the passage of time, are included in pension finance costs. Actuarial gains and losses are recognised in the statement of total recognised gains and losses.

Enhanced pensions
The actual cost of any enhanced ongoing pension to a former member of staff is paid by the College annually. An estimate of the expected future cost of any enhancement to the ongoing pension of a former member of staff is charged in full to the College's income and expenditure account in the year that the member of staff retires. In subsequent years a charge is made to provisions in the balance
sheet using the enhanced pension spreadsheet provided by the funding bodies.

Related Party Transactions
The College holds 75% of the share capital in First4Skills Ltd with the remaining 25% being held by Aspire Achieve Advance Ltd. In the year to 31 July 2013 Aspire Achieve Advance Ltd was paid a management fee of £190,000 by First4Skills Ltd. Both the City of Liverpool College and Aspire Achieve Advance Ltd acted as a provider of training services to First4Skills Ltd with a sum of £156,000 and £3,000 respectively.

Tangible fixed assets
a. Land and Buildings
Land and buildings inherited from the local education authority are stated in the balance sheet at valuation, on the basis of open market value. Inherited properties were professionally revalued in July 1996. The following specialised buildings are stated in the balance sheet at valuation on the basis of depreciated replacement cost. The Arts Centre-opened February 1999, Clarence Street-opened February 2001, Vauxhall Road-opened February 2003, Duke Street-opened September 2003 and Mulberry Street-opened January 2006. The new Learning Exchange is stated at cost. Freehold land is not depreciated.

Freehold buildings	over 50 years straight line
Subsequent capital costs of £5,000 or more	between 10 and 25 years straight line

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 capital grant account and are released to the income and expenditure account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Finance costs, which are directly attributable to the construction of land and buildings, are not capitalised as part of those assets.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable.

On adoption of FRS15, the College followed the transitional provision to retain the book value of land and buildings, which were revalued in 1996, but not to adopt a policy of revaluations of these properties in the future. These values are retained subject to the requirement to test assets for impairment in accordance with FRS11.

Assets under construction are accounted for at cost, based on the value of architects' certificates and other direct costs incurred to 31st July 2013. They are not depreciated until they are brought into use.

Subsequent expenditure on existing fixed assets
Where significant expenditure is incurred on tangible fixed assets it is charged to the income and expenditure account in the period it is incurred, unless it meets one of the following criteria, in which case it is capitalised and over a period of 10 to 25 years:

- Market value of the fixed asset has subsequently improved
- Assets capacity increases
- Substantial improvement in the quality of output or reduction in operating costs
- Significant extension of the assets life beyond that conferred by repairs and maintenance

b. Equipment
Equipment costing less than £500 per individual item is written off to the income and expenditure account in the year of acquisition. Equipment inherited from the LEA is included in the balance sheet at valuation (depreciated replacement cost). All other equipment is capitalised at cost.

Capitalised equipment is depreciated as follows:

Motor Vehicles	25% per year - straight line basis
General Equipment	over a period of 4 to 25 years - straight line basis
Furniture	over a period of 4 to 25 years - straight line basis

Where equipment is acquired with the aid of specific grants it is capitalised and depreciated in accordance with the above policy, with the related grant being credited to a deferred capital grant account and released to income and expenditure account over the expected useful economic life of the related equipment.

c. Computer Equipment
Computers are depreciated on a straight line basis, assets being fully depreciated over their estimated useful economic life of four years. Minor items are written off immediately at management discretion.

Where computer equipment is acquired with the aid of specific grants it is capitalised and depreciated in accordance with the above policy, with the related grant being credited to a deferred capital grant account and released to the income and expenditure account over the expected useful economic life of the related equipment.

Leased assets
Costs in respect of operating leases are charged on a straight line basis over the lease term.
Leasing agreements which transfer to the College substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements.
The capital element is applied to reduce the outstanding obligations and the interest element is charged to the income and expenditure account on a straight line basis. Assets held under finance leases are depreciated over the useful economic lives of equivalent owned assets.

Goodwill
Goodwill arising on the acquisition of investments is capitalised on the balance sheet. The goodwill is assessed for a limited useful economic life, which has been defined as a period of five years. Goodwill is subject to impairment tests at the end of the first year and normal periodic reviews thereafter. Goodwill is amortised evenly over a period of five years.

Investments
Fixed asset investments are carried at historical cost less any provision for impairment in their value.

Stocks
Stocks are stated at the lower of their cost and net realisable value. Where necessary, provision is made for obsolete, slow-moving and defective stocks.

Taxation
The College is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore 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 Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Charitable Gains Act 1992, to the extent that such income or grants are applied exclusively to charitable purposes.
The College is only 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 cost 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 companies are subject to corporation tax and VAT in the same way as any commercial organisation.

Liquid resources
Liquid resources include sums on short-term deposits with recognised banks, building societies and government securities.

Provisions
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.

Agency arrangements
The College acts as an agent in the collection and payment of discretionary support Funds and adult learning grants. Related payments received from the funding bodies and subsequent disbursements to students are excluded from the Income and Expenditure account and are shown separately in Note 34 except for the 5 per cent of the grant 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 Learner

2. Funding Body Grants

	2013 £000	2012 £000
Recurrent Grant - SFA and EFA	33,636	35,202
Recurrent Grant - HEFCE	949	1,449
Non recurrent grants - SFA and EFA	21,704	4,298
Releases of deferred capital grants (note 20)	1,874	2,513
	58,163	**43,462**

3. Tuition Fees and Education Contracts

	2013 £000	2012 £000
Tuition fees	2,044	1,799
Education contracts	1,030	1,155
	3,074	**2,954**

Included within the above amounts are tuition fees funded by bursaries of £284,491

4. Other Income

	2013 £000	2012 £000
Residencies, catering and conferences	665	216
Other income generating activities	368	620
Releases from deferred capital grants (non Funding Council) (note 20)	263	281
Other income	526	815
	1,822	**1,932**

5. Investment Income

	2013 £000	2012 £000
Interest receivable	54	170
	54	**170**

6. Staff Numbers and Costs

The average number of persons employed by the group (including senior post-holders) during the year, expressed as full time equivalents, was:	2013 Number	2012 Number
Teaching staff	691	388
Non teaching staff	519	400
	1,210	**788**

Staff costs for the above persons:	2013 £000	2012 £000
Wages and salaries	32,976	22,451
Social security costs	2,584	1,662
Other pension costs	3,308	3,144
Payroll sub total	38,868	27,257
Contracted out staffing services	2,641	2,282
	41,509	29,539
Restructuring costs	127	445
Total Staff Costs	**41,636**	**29,984**

The number of staff, including senior post-holders and other staff who received emoluments, including pension contributions and benefits in kind, in the following ranges was:

	2013 Number Senior Post-holders	2013 Number Other Staff	2012 Number Senior Post-holders	2012 Number Other Staff
£60,001 to £70,000	-	1	-	13
£70,001 to £80,000	-	6	1	-
£80,001 to £90,000	-	1	-	-
£90,001 to £100,000	-	-	1	-
£100,001 to £110,000	3	-	-	-
£110,001 to £120,000	3	-	-	-
£120,001 to £130,000	-	-	-	-
£130,001 to £140,001	-	-	-	-
£140,001 to £150,000	-	-	-	-
£150,001 to £160,000	-	-	1	-
£160,001 to £170,000	-	-	-	-
£170,001 to £180,000	-	-	-	-
£180,001 to £190,000	-	-	-	-
£190,001 to £200,000	1	-	-	-

7. Senior Post-holders' Emoluments

Senior post-holders are defined as the Principal and holders of other senior posts whom the Governing Body has selected for the purposes of the articles of government of the College relating to the appointment and promotion of staff who are appointed by the Governing Body.

	2013 Number	2012 Number
The maximum number of senior post-holders including the Principal during the period was:	5	4

Senior post-holders' emoluments are made up as follows:	2013 £000	2012 £000
Salaries	568	358
Benefits in kind	-	-
Pension contributions	76	50
Total Emoluments	644	408

7. Senior Post-holders' Emoluments (continued)

The above emoluments include amounts payable to the Principal who is also the highest paid senior post-holder

	2013 £000	2012 £000
Principal		
Salaries	179	139
Benefits in kind	-	-
	179	139
Pension contributions	21	20

The pension contributions in respect of the Principal and senior post-holders are in respect of employer's contributions to the Teachers' Pension Agency or the Merseyside Pension Fund and are paid at the same rate as for other employees.

Members of the Corporation other than the Principal and the staff members did not receive any payment from the College other than the reimbursement of travel and subsistence expenses incurred in the course of their duties.

8. Other Operating Expenses

	2013 £000	2012 £000
Teaching costs	6,409	2,722
Non teaching costs	8,079	7,264
Premises costs	5,336	4,810
Total	**19,824**	**14,796**
Other operating expenses include:		
Auditors' remuneration		
-Financial statements audit *	64	37
-Internal audit **	41	36
-Other services provided by the financial statements auditors	0	21
-Other services provided by the internal auditors	78	0
Losses on disposal of tangible fixed assets (where not material)	0	0
Hire of other assets - operating leases	126	206

9. Interest Payable

	2013 £000	2012 £000
On bank loans, overdrafts and other loans		
Repayable within 5 years, not by instalment	12	692
Repayable within 5 years, by instalment	0	0
Repayable wholly or partly in more than 5 years	888	922
	900	1,614
On finance leases	0	0
Pension finance costs	246	406
Total	**1,146**	**2,020**

10. Taxation

	2013 £000	2012 £000
United Kingdom Corporation Tax	150	0

11. Surplus on Continuing Operations for the Period

The (deficit)/surplus on continuing operations for the period is made up as follows:

	2013 £000	2012 £000
College's (deficit)/surplus for the period	(4,140)	(2,040)
Gains/(Losses) generated by subsidiary undertakings	191	(184)
Non controlling interest	(82)	0
Transferred to the College by subsidiary companies under deed of covenant	334	363
Total	**(3,697)**	**(1,861)**

12. Tangible Fixed Assets (group)

	ASSETS UNDER CONSTRUCTION £000	LAND & BUILDINGS FREEHOLD £000	COMPUTER EQUIPMENT £000	OTHER EQUIPMENT £000	TOTAL £000
COST or VALUATION					
At 1st August 2012	432	79,842	5,403	7,940	93,617
Reclassification of assets	(123)	63	(809)	(331)	(1,200)
Additions on acquisition	0	0	588	85	673
Additions	412	1,401	927	680	3,420
Disposals	0	0	0	0	0
Transfer of Assets	(412)	(232)	0	(108)	(752)
At 31 July 2013	**309**	**81,074**	**6,109**	**8,266**	**95,758**
DEPRECIATION					
At 1st August 2012	0	11,527	3,835	3,391	18,753
Reclassification of assets	0	101	(809)	(433)	(1,141)
Additions on acquisition	0	0	268	38	306
Charge for the period	0	2,112	852	1,132	4,096
Eliminated in respect of disposals	0	0	0	(90)	(90)
At 31 July 2013	**0**	**13,740**	**4,146**	**4,038**	**21,924**
NET BOOK VALUE					
At 31 July 2013	**309**	**67,334**	**1,963**	**4,228**	**73,834**
At 31 July 2012	**432**	**68,315**	**1,568**	**4,549**	**74,864**

12. Tangible Fixed Assets (College only)

	ASSETS UNDER CONSTRUCTION £000	LAND & BUILDINGS FREEHOLD £000	COMPUTER EQUIPMENT £000	OTHER EQUIPMENT £000	TOTAL £000
COST or VALUATION					
At 1st August 2012	432	70,335	5,403	7,936	84,106
Re-classification of assets	(123)	123	(809)	(331)	(1,140)
Additions	412	989	927	680	3,008
Disposals	0	0	0	0	0
Transfer of Assets	(412)	412	0	(108)	(108)
At 31 July 2013	**309**	**71,859**	**5,521**	**8,177**	**85,866**
DEPRECIATION					
At 1st August 2012	0	9,739	3,835	3,390	16,964
Re-classification of assets	0	101	(809)	(433)	(1,141)
Charge for the period	0	1,979	724	1,111	3,814
Eliminated in respect of disposals	0	0	0	(90)	(90)
At 31 July 2013	**0**	**11,819**	**3,750**	**3,978**	**19,547**
NET BOOK VALUE					
At 31 July 2013	**309**	**60,040**	**1,771**	**4,199**	**66,319**
At 31 July 2012	**432**	**60,596**	**1,568**	**4,546**	**67,142**

The transitional rules set out in FRS 15 Tangible Fixed Assets have been applied. Accordingly, the book values at implementation have been retained

Land and buildings were valued in July 1996 on the basis of open market value. Valuations on recently constructed buildings were based on depreciated replacement value and were carried out by independent chartered surveyors, in accordance with the RICS Statement of Assets

There has been a re-classification of assets during the year to reflect the use of the assets within the College.

If inherited land and buildings had not been revalued they would have been included at the following amounts:

	£000
Cost	0
Aggregate depreciation based on cost	0
Net book value based on cost	**0**

13. Investments

	Group 2013	College 2013	Group 2012 £000	College 2012 £000
First 4 Skills Limited				
Cost	0	900	0	0
Less impairment	0	0	0	0
Net value	0	0	0	0
Liverpool Business Services Limited				
Cost	0	8,000	0	8,000
	0	**8,900**	**0**	**8,000**
Goodwill				
Cost				
Goodwill on acquisition	225	0	0	0
Goodwill acquired with First4Skills Ltd	-430	0	0	0
At 31st July 2013	**-205**	**0**	**0**	**0**
Amortisation				
Charge for the period	34	0	0	0
At 31st July 2013	**34**	**0**	**0**	**0**
Net Book Value at 31st July 2013	**-171**	**0**	**0**	**0**

The College owns 100% of the £8,000,002 issued ordinary £1 shares of Liverpool Business Services Limited, a company incorporated in Great Britain and registered in England and Wales on 13 October 1997. The principal business of the company is the provision of education to commerce and industry. The interest in Liverpool Business Services Limited was acquired on 2 December 1997 with issued share capital of £2. A further 8,000,000 shares of £1 each were acquired 13 December 2002.

In September 2012 the College purchased the majority of the business of Ellesmere Port-based training provider First4Skills Ltd for a consideration of £900,000. The business employs over 500 staff and has a national client base, including a number of major high street retailers. With continuing funding contracts with the SFA and Skills Development Scotland amounting to £18.5M per annum, the acquisition will mean the College will be able to penetrate a much bigger market more effectively and quickly, which will benefit the College as a whole. Apart from becoming the College with the highest number of apprenticeships nationally, the Community College will rank as the fifth largest apprentice trainer of any kind in the country, whilst continuing to use the First4Skills name.

The College intends to purchase the remaining 25% of First4Skills in the financial year 14/15.

The College acquired the 75% stake in First4Skills Ltd at a consideration of £900,000. The net assets of First4Skills Ltd on acquisition were £900,000 generating goodwill of £225,000. The goodwill is represented by the ongoing apprenticeship courses offered by First4Skills to it's existing student base.
The goodwill arising on the acquisition of First4Skills Ltd is being amortised evenly over the Directors' estimate of it's useful economic life of five years.

14. Debtors

Amounts falling due within one year	Group 2013 £000	College 2013 £000	Group 2012 £000	College 2012 £000
Trade debtors	1,960	552	449	374
Prepayments and accrued income	891	594	721	756
Amounts owed by Skills Funding Agency	284	284	1,361	1,361
	3,135	**1,430**	**2,531**	**2,491**

15. Debtors: Amounts Falling Due After One Year

	Group 2013 £000	College 2013 £000	Group 2012 £000	College 2012 £000
Amounts owed by Skills Funding Agency	0	0	0	0
Amounts owed by subsidiary undertakings	0	1,482	0	1,312
	0	**1,482**	**0**	**1,312**

16. Creditors: Amounts Falling Due Within One Year

	Group 2013 £000	College 2013 £000	Group 2012 £000	College 2012 £000
Bank loans and overdrafts	472	472	449	449
Trade creditors	2,737	2,448	1,121	1,110
Other taxation and social security	1,444	1,109	526	526
Accruals	1,816	968	3,287	3,268
Amounts owed to Skills Funding Agency	803	803	475	475
	7,272	**5,800**	**5,858**	**5,828**

An adjustment of £916,005 has been made to 11/12 accruals to bring invoice liabilities into trade creditors to be consistent with 12/13.

17. Creditors: Amounts Falling Due After more Than One Year

	Group 2013 £000	College 2013 £000	Group 2012 £000	College 2012 £000
Amounts owed to subsidiary undertakings	0	0	0	0
Bank loans	12,061	12,061	12,517	12,517
	12,061	**12,061**	**12,517**	**12,517**

18. Borrowings

Bank Loans and overdrafts

	Group 2013 £000	College 2013 £000	Group 2012 £000	College 2012 £000
Bank loans and overdrafts are repayable as follows:				
Within one year	472	472	449	449
Between one and two years	497	497	472	472
Between two and five years	3,552	3,552	3,660	3,660
In five years or more	8,012	8,012	8,385	8,385
	12,533	**12,533**	**12,966**	**12,966**

Bank loans at 7.206% repayable by instalments falling due between 1 August 2012 and 17 July 2031 totalling £12,532,998 are secured on a portion of the freehold land and buildings of the College.

19. Provisions for Liabilities

	Group and College Pension Costs *£000*
At 1 August 2012	496
Transferred to income and expenditure account	(20)
Actuarial loss over year	26
At 31 July 2013	**502**

The provision for pension costs is in respect of enhanced pension payments. The provision has been recalculated in accordance with guidance issued by the Skills Funding Agency. The principal assumptions for this calculation are:

	2013	*2012*
Interest rate	4.28%	3.89%
Net interest rate	2.50%	2.50%

20. Deferred Capital Grants

	Group and College LSC *£000*	Other *£000*	TOTAL *£000*
At 1 August 2012	29,557	4,089	33,646
Released to income and expenditure account	(1,874)	(263)	(2,137)
Reversal of unused grant to balance sheet	(169)	0	(169)
At 31 July 2013	**27,514**	**3,826**	**31,340**

21. Revaluation Reserve

	Group £000	*College £000*
At 1 August 2012	3,853	3,853
Revaluations in the period	0	0
Transfer to general reserve in respect of:		
Depreciation on revalued assets	(96)	(96)
Disposals	0	0
At 31 July 2013	**3,757**	**3,757**

22. Income and Expenditure Account

	Group £000 2013	*College £000 2013*	*Group £000 2012*	*College £000 2012*
General Reserve				
At 1 August 2012	10,206	11,742	16,296	17,579
Transfer from revaluation reserve	96	96	97	97
Transfer from VAT reserve	(356)	0	0	0
Surplus/(deficit) retained for the year	(3,697)	(3,769)	(1,861)	(1,608)
Actuarial gain/(loss) in respect of enhanced pension provision	(26)	(26)	(20)	(20)
Actuarial gain/(loss) in respect of pension scheme	3,115	3,115	(4,306)	(4,306)
At 31 July 2013	**9,338**	**11,158**	**10,206**	**11,742**
Balance represented by:				
Pension reserve	(14,489)	(14,489)	(17,253)	(17,253)
Income and expenditure account reserve excluding pension reserve	23,827	25,647	27,459	28,995
At 31 July 2013	**9,338**	**11,158**	**10,206**	**11,742**

23. Pension and Similar Obligations

The College's employees belong to two principal pension schemes, the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff and the Merseyside Pension Fund (MPF) for non-teaching staff. Both are defined benefit schemes.

Total pension cost for the year		*£000 2013*		*£000 2012*
Teachers' Pension Scheme: contributions paid		1,811		1,866
Merseyside Pension Fund:				
Contributions paid	1,333		1,141	
FRS17 charge	105		137	
Charge to the Income and Expenditure Account (staff costs)		1,438		1,278
Enhanced pension charge to Income and Expenditure Account (staff costs)		0		0
Total pension cost for year		3,249		3,144

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuations of the TPS was 31 March 2004 and the LGPS 31 March 2010. Contributions amounting to £265,884 (2012 £149,017) were payable to the schemes at 31st July and are within creditors.

Teachers' Pension Scheme (TPS)

The Teachers' Pension Scheme is an unfunded defined benefit pension scheme. Contributions on a "pay as you go" basis are credited to the Exchequer under arrangements governed by the Superannuation Act 1972. A notional asset value is ascribed to the scheme for the purpose of determining contribution rates.

The pension cost is normally assessed no less than every four years in accordance with the advice of the Government Actuary. The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows:

Latest actuarial valuation (under the new provisions)	31 March 2004
Actuarial method	Prospective Benefits
Investment returns per annum	6.5%
Salary scale increases per annum	5.0%
Notional value of assets at date of last valuation	£162,650 million
Proportion of members' accrued benefits covered by the notional value of assets	98.88%

Following the implementation of Teachers' Pensions (Employers' Supplementary Contributions) Regulations 2000 the Government Actuary carried out a further review on the level of employer contributions. For the period from 1 August 2011 to 31 July 2012 the employer contribution was 14.1%. The employee rate was 6.4% for the period to 31st March with rates between 6.45 and 8.8% depending on the member's salary from 1st April 2012. An appropriate provision in respect of unfunded pensioners' benefits is included in provisions.

FRS17

Under the definitions set out in Financial Reporting Standard (FRS17) Retirement Benefits, the TPS is a multi-employer pension scheme. The College is unable to identify its share of the underlying assets and liabilities of the scheme.

Accordingly, the College has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The College has set out above the information available on the scheme and the implications for the College in terms of the anticipated contribution rates.

Merseyside Pension Fund (MPF)

The MPF is a funded defined benefit scheme, with the assets held in separate trustee administered funds. The total contribution made for the year ended 31 July 2013 was £1,810,206 of which employers' contributions were £1,335,733 and employees' contributions totalled £474,847. The agreed contribution rates for employers for future years is 12% plus a cash lump sum £455,600 for the year 2013/14 in respect of deficit recovery over a 22 year period. For employees the rate is between 5.5% and 7.5%.

FRS17

Principal actuarial assumptions
The following information is based upon a full actuarial valuation of the fund at 31 March 2010 updated to 31 July 2013 by a qualified independent actuary.

	At 31 July 2013	*At 31 July 2012*
Rate of increase in salaries	3.9%	3.6%
Rate of increase for pensions in payment / inflation	2.4%	2.1%
Discount rate for liabilities	4.5%	4.3%
Inflation assumption (CPI)	2.4%	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 2013	*At 31 July 2012*
Retiring today		
Males	21.8	21.8
Females	24.7	24.6
Retiring in 20 years		
Males	23.7	23.6
Females	26.6	26.5

The College's share of the assets and liabilities in the scheme and the expected rate of return were:

	Long-term rate of return expected at 2013	*Value at 31 July 2013 £000*	*Long-term rate of return expected at 2012*	*Value at 31 July 2012 £000*
Equities	7.0%	26,684	7.0%	21,213
Government Bonds	3.3%	6,511	2.5%	5,743
Other Bonds	4.3%	1,114	3.4%	1,436
Property	5.7%	3,598	6.0%	3,123
Cash	0.5%	857	0.5%	718
Other	7.0%	4,069	7.0%	3,661
Total Market Value of assets		42,833		35,894
Present value of funded benefit obligations		(57,315)		(53,140)
Present value of unfunded benefit obligations		(7)		(7)
Deficit in the scheme		(14,489)		(17,253)

Analysis of the amount charged to income and expenditure account	*Year Ended At 31 July 2013 £000*	*Year Ended At 31 July 2012 £000*
Employer service costs (net of employee contributions)	1,438	1,278
Past service cost and curtailment	25	160
Total operating charge	1,463	1,438

Analysis of pension finance costs	*Year Ended At 31 July 2013 £000*	*Year Ended At 31 July 2012 £000*
Expected return on pension scheme assets	2,056	2,127
Interest on pension liabilities	(2,302)	(2,533)
Pension finance costs	(246)	(406)

Amount recognised in the statement of total recognised gains and losses (STRGL)		
Actuarial gains/(losses) on pension scheme assets	4,171	(1,780)
Actuarial gains/(losses) on pension scheme liabilities	(1,056)	(2,526)
Actuarial gain/(loss) recognised in STRGL	3,115	(4,306)

Movement in deficit during year		
Deficit in scheme at 1 August 2012	(17,253)	(12,404)
Movement in year:		
Current service charge	(1,438)	(1,278)
Contributions	1,358	1,301
Net interest/return on assets	(246)	(406)
Actuarial (loss)/gain	3,115	(4,306)
Past service cost	0	0
Curtailments and settlements	(25)	(160)
Deficit in scheme at 31 July 2013	(14,489)	(17,253)

Asset and liability reconciliation

Reconciliation of liabilities		
Liabilities at start of period	53,147	47,638
Service cost	1,438	1,278
Interest cost	2,302	2,533
Employee contributions	475	484
Actuarial loss/(gain)	1,056	2,526
Benefits/transfers paid	(1,121)	(1,472)
Past service cost	0	0
Curtailments and settlements	25	160
Liabilities at end of period	57,322	53,147

Reconciliation of assets	*Year Ended At 31 July 2013 £000*	*Year Ended At 31 July 2012 £000*
Assets at start of period	35,894	35,234
Expected return on assets	2,056	2,127
Actuarial (loss)/gain	4,171	(1,780)
Employer contributions	1,358	1,301
Employee contributions	475	484
Benefits/transfers paid	(1,121)	(1,472)
Assets at end of period	42,833	35,894

The estimated value of employer contributions for the year ended 31st July 2013 is £1,338,000.

History of experience gains and losses	*Year Ended 31 July 2013 £000*	*Year Ended 31 July 2012 £000*	*Year Ended 31 July 2011 £000*	*Year Ended 31 July 2010 £000*	*Year Ended 31 July 2009 £000*
Difference between the expected and actual return on assets:	4,171	(1,780)	2,006	2,488	(3,497)
Experience gains and losses on scheme liabilities:	(1,056)	(2,526)	370	(2,776)	4,345
Gain due to change in MPF benefits - CPI	0	0	0	3,023	0
Change in financial and demographic assumptions	0	0	0	0	0
Total amount recognised in STRGL:	3,115	(4,306)	2,376	2,735	848

24. Reconciliation of Operating Surplus to Net Cash (Outflow)/Inflow from Operating Activities

	2013 £000	2012 £000
Surplus on continuing operations after depreciation of assets at valuation	(3,465)	(1,861)
Amortisation	(34)	0
Depreciation	4,006	3,579
Deferred capital grants released to income	(2,137)	(2,794)
(Surplus)/Loss on disposal of assets	0	0
Interest payable	900	1,614
FRS17 pension cost less contributions payable	105	137
FRS 17 pension finance (income)/cost	246	406
Decrease/(Increase) in trade debtors	(1,511)	(271)
Decrease/(Increase) in other debtors	738	5,938
(Increase) in stocks	(32)	(20)
Increase/(Decrease) in trade creditors due in one year	1,616	(619)
(Decrease)/Increase in other taxation and social security	768	18
(Decrease) in other creditors	(13)	(237)
Decrease in provisions	(20)	(13)
Increase/(Decrease) in non controlling interest	289	0
Interest receivable	(54)	(170)
Net cash inflow from operating activities	**1,402**	**5,707**

25. Analysis of Changes in Net Funds

	At 1 August 2012	Cashflows	Other changes	At 31 July 2013
Cash in hand and at Bank	6,414	(4,197)	0	2,217
Overdrafts	0	0	0	0
	6,414	(4,197)	0	2,217
Debt due within one year	(449)	(23)	0	(472)
Debt due after one year	(12,517)	456	0	(12,061)
Finance Leases	0	0	0	0
Total	**(6,552)**	**(3,764)**	**0**	**(10,316)**

26. Returns on Investments and Servicing of Finance

	Year ended 31 July 2013 £000	Year ended 31 July 2012 £000
Interest received	54	170
Interest paid	(900)	(1,614)
Interest element of finance lease rental payment	0	0
Net inflow from Returns on Investments and Servicing of Finance	**(846)**	**(1,444)**

27. Capital Expenditure and Financial Investment

	2013 £000	2012 £000
Purchase of tangible fixed assets	(3,420)	(3,081)
Sales of tangible fixed assets	0	0
Deferred capital grants received	0	1,004
Net Inflow for Capital Expenditure and Financial Investment	**(3,420)**	**(2,077)**

28. Management of liquid resources

	2013 £000	2012 £000
Purchase of investments	(900)	0
Net cash inflow/(outflow) from management of liquid resources	**(900)**	**0**

29. Financing

Debt due beyond a year:		
New loans	0	0
Repayment of amounts borrowed	(433)	(10,160)
Capital element of finance lease rental payments	0	0
Net Cash Inflow from Financing	**(433)**	**(10,160)**

30. Post Balance Sheet Events

Since the balance sheet date, the global economic downturn has resulted in volatility in investment markets. As a result there is an increased risk that the value of investments held by the College, whether directly or indirectly (such as through the pension fund) may have deteriorated. However, any such deterioration is considered to be a non adjusting event and as such has not been reflected in these financial statements.

31. Capital Commitments

	Group and College 31 July 2013 £000	31 July 2012 £000
Commitments contracted for at 31 July 2013	0	0
Authorised but not contracted at 31 July 2013	152	628

32. Financial Commitments

At 31 July 2013 the Group and College had annual commitments under non-cancellable operating leases as follows:

	Group Land and Buildings £000	Other £000	TOTAL £000
Expiring within one year	0	0	0
Expiring between one and five years inclusive	0	169	169
Expiring in over five years	0	0	0
	0	**169**	**169**

32. Financial Commitments (continued)

	College		
	Land and Buildings £000	*Other £000*	*TOTAL £000*
Expiring within one year	0	0	0
Expiring between one and five years inclusive	0	169	169
Expiring in over five years **	425	0	425
	425	**169**	**594**

At 31 July 2013 the College had annual commitments under non-cancellable operating leases as follows:

	Group		
	Land and Buildings £000	*Other £000*	*TOTAL £000*
Expiring within one year	0	69	69
Expiring between one and five years inclusive	0	0	0
Expiring in over five years	0	0	0
	0	**69**	**69**

	College		
	Land and Buildings £000	*Other £000*	*TOTAL £000*
Expiring within one year	0	69	69
Expiring between one and five years inclusive	0	0	0
Expiring in over five years **	425	0	425
	425	**69**	**494**

** The operating lease is between the College and its wholly owned subsidiary company, Liverpool Business Services Limited.

33. Contingent Liabilities

There were no contingent liabilities at 31st July 2013.

34. Related Party Transactions

Due to the nature of the College's operations and the composition of the Board of Governors being drawn from local public 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 such organisations are conducted at arm's length and in accordance with the College's financial regulations and normal procurement procedures. No transactions were identified which should be disclosed under Financial Reporting Standard 8 on Related Party Disclosures.

The College holds 75% of the share capital in First4Skills Ltd, with the remaining 25% being held by Aspire Achieve Advance Ltd. In the year to 31 July 2013 Aspire Achieve Advance Ltd was paid a management fee of £190,000 by First4Skills Ltd. Both The City of Liverpool College and Aspire Achieve Advance Ltd acted as a provider of training services to First4Skills Ltd with a sum of £156,000 and £3,000 being paid to the parties respectively by First4Skills Ltd.

N Small is a Governor of the College and also a Councillor at Liverpool City Council. In the 2012/13 financial year, the College made purchases amounting to £297,479. D Murray is a member of SMT and also a director of Myrtle Liverpoool Ltd. In the 2012/13 financial year the College made purchases amounting to £157,476 from Myrtle Liverpool Ltd (2011/12 £146,682). G Pillay is a Governor of the College and a Chancellor/Rector at Liverpool Hope University. In the 12/13 financial year the College made purchases amounting to £20,234. Claire Dove is Vice Chair on the Board of Governors of the College and the CEO of Blackburne House Group, which is sub-contracted by the College to deliver training on education and entrepreneurship. In the financial year 12/13 the College made purchases of £57,495. Claire Dove is also a Board member at Liverpool John Moore's University, with which the College made purchases of £166,135 in the financial year 12/13.

35.Amounts disbursed as agent

Learner support funds	2013 £000	2012 £000
Funding Council Grants	2,927	2,273
Disbursed to Students	(2,781)	(1,762)
Administration costs	(146)	(85)
Balance unspent at 31st July 2013	0	426

Funding body grants are available solely for students. In the majority of instances, the College only acts as a paying agent. In these circumstances, the grants and related disbursements are therefore excluded from the income and expenditure account. The income and expenditure consolidated in the College's financial statements relates to the provision of childcare directly by the College.