

Ealing, Hammersmith & West London College



Report and Financial Statements

for the year ended 31 July 2008



**Ealing, Hammersmith & West London College
Report and Financial Statements for the year ended 31 July 2008**

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Operating and Financial Review

Summary

I am pleased to be able to report that our finances remain sound. Our accounts again record a financial surplus for the year, with strong cash balances and continued investment in the physical assets of the College, and our auditors continue to have confidence that we operate strong financial controls.

Financially, it is getting tougher, however. At £94,000, our operating surplus is the most modest for some years. The Government – which provides much the largest part of our income - has invested a great deal in further education colleges in recent years, but our annual settlements are getting tighter and we expect our financial constraints to increase, not ease. We will need to make sure that we get the fullest value we can from every pound we get from the Government, and re-double our efforts to draw in funds from other sources, including through commercial sales.

We must do that because there is so much more work for us to do if we are to be as useful as we can be to our communities. The Government is increasingly frank in stating that its funding will not meet all needs, and that honesty challenges us to be imaginative in finding new ways to be helpful to local people and to local businesses.

We are fortunate that in tackling these challenges we have a well-run college. I cannot praise highly enough the dedication and commitment of all the College's staff, who work hard to provide an excellent service to our students.

The year before this we had the excitement of a really good inspection result from Ofsted, and the award of Beacon status by the Government's Quality Improvement Agency. This year has seen less high profile, but no less important, work to ensure that we deliver true excellence for every student who comes to us, and for every employer who works with us. This is often painstaking work, but we will achieve the goal of excellence which we seek by doing a thousand things just that little bit better, not by heroic leaps forward.

We were, however, delighted that during the year The Queen honoured our International Team by awarding them the Queen's Award for Enterprise (International Trade) – the first college of further education ever to win the award. Our international work has grown substantially in recent years and we now attract more international students than any other college of further education.

I am, as ever, indebted to my fellow governors for their hard work on behalf of the College. We are proud to play our part in the College's success, and confident that it will continue.

Iain Mackinnon
Chair of the Corporation

Nature, Objectives and Strategies

The members present their report and the audited financial statements for the year ended 31 July 2008.

Legal status

The Corporation was established under the Further and Higher Education Act 1992 for the purpose of conducting Ealing, Hammersmith & West London College. The College is an exempt charity for the purpose of the Charities Act 1993.

Mission

Governors reviewed the College's mission during 2007/08 and in December 2007 adopted the mission statement as follows.

"Ealing, Hammersmith and West London College is committed to providing high quality education and training and to promote participation in life-long learning".

Activities

The College operates on four main sites, with teaching and learning programmes managed through the schools of Business and Services, English and Community Learning, General Education and Technology and a Directorate of Employer Responsiveness. The schools are further subdivided into 25 divisions. Academic areas are supported by the four service directorates of Academic Planning and Curriculum Technologies, Collegiate Services, Finance and Resources and Quality and Performance Monitoring.

School of Business and Services

- Vocational education and training for the service and business sectors
- Progression to employment and to further and higher education

School of English and Community Learning

- Programmes of learning opportunities in College and the community including: Skills for Life, primarily English for Speakers of Other Languages (ESOL) and Adult Basic Skills
- Provision for disabilities for those unable to access mainstream education delivered on College sites and within the community, including a centre of excellence for Asperger's Syndrome
- An International Centre

School of General Education

- General Education primarily for students aged 16-24
- Progression to further and higher education

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School of Technology

- Technological education and training covering construction, engineering, ICT and media, including the provision of two specialist centres of vocational excellence (CoVEs) in Media and Digital Animation, and Construction and Craft Trades.
- Workforce development to address the training needs of local employers and other agencies
- Progression to employment

The Directorate of Employer Responsiveness

- Incorporating RESPONSE: Industry Skills and Training, the employer brand of the College
- Train to Gain, contract work, apprenticeships/work based learning, workforce development work experience

All College centres offer provision for Skills for Life which is also delivered in community and business locations. All centres are involved in, or have plans towards, providing opportunities for local school children, young people, adult communities including employers, and for overseas students.

Financial Position and Resources

The results for the year ended 31 July 2008 show:

- an operating surplus after FRS17 adjustments of £94,000
- a year-end cash balance of £11,627,000
- revenue reserves rising from £29,107,000 to £30,081,000
- additions to fixed assets of £4,422,000
- total fixed assets rising to £83,889,000 at 31 July 2008

Income

The College is funded according to the level of activity that it generates each year. In 2007-08, the College achieved 8,331 full time equivalent (FTE) Learning and Skills Council (LSC) funded learners against an original target of 8,292.

The College's main income is from the LSC. At the start of the financial year the funding target from the LSC was £40,057,000 which was later increased by £1,261,000 to cover additional ESOL support. The College has worked hard to run courses which meet the wishes of both our main funder, reflecting its view of national priorities, and local needs, and to do so with improved results and increasing efficiency. We have been very successful in doing so, but it is a constant challenge to balance the interests of our students (actual and prospective) with those of the LSC, while maintaining sound finances through an ever-changing funding methodology.

The Corporation has set the College a long-term challenge of reducing its dependency on LSC funding by increasing the income we earn from other sources, both within the public sector and through commercial training for employers. We are making good progress.

Liquidity

The Corporation has set the College two liquidity targets: cash days (number of days expenditure represented by the cash balance) of 50 days and a current ratio (current assets divided by current liabilities) of 1.75. At 31 July 2008 these figures were 76 and 1.93 respectively. The targets recommended for a category "A" college by the LSC are 25 cash days and a current ratio greater than 1.50, so we comfortably exceeded both targets.

The College continues to monitor its cash position closely. As long as the College continues to achieve a break-even position, as we have for some years now, we should continue to have a stable and adequate cash balance on an annual basis.

Our Estate

In income terms, the College is 66% bigger now than it was 8 years ago. To achieve this rapid growth we have invested over £55m to make our estate and other assets amongst the best in the college sector.

This year saw the completion of a new sports hall at our Barons Court site (which is let to a commercial gym provider with our students and staff enjoying free access) and the refurbishment of the old sports hall which as well as being available for general student recreational use, also supports our sports science curriculum. We have begun work on a £3.6m project to build an extension at our Southall campus which will provide additional vocational courses in areas such as motor vehicles, construction and hospitality and catering, building on our successful provision of such subjects at our Hammersmith and Acton sites.

For our next major investment we are exploring an upgrade of our Barons Court campus, which now seems rather tired in comparison with our other sites.

The College continues to invest in a programme of smaller scale projects worth around £1m each year, especially where it is clear that increased resources will lead to improved enrolment, retention and, most importantly, achievement and employability. This commitment together with the College's increased investment in computer and other equipment is making an important contribution to improving the learning environment and maintaining the value of our physical assets.

Current and Future Developments

Our Context

The College operates in an area of high socio-economic contrast: London West comprises large pockets of high social deprivation, alongside some areas of high prosperity. For example, the two London boroughs in which we are based comprise many wards that fall into the poorest 10% areas in England, including Dormers Wells in Southall and White City in Hammersmith and Fulham. There are also areas of considerable affluence, such as Ealing Green and Fulham Broadway. In both boroughs, the percentage of residents with no qualifications *and* the percentage attaining degree-level qualifications is above the national average. West London has the highest proportion of residents from ethnic backgrounds other than 'white British' in England (nearly 50%), and is home to one of the largest refugee and asylum seeker populations in the country. The local population is growing (up 9.4% between 1991 and 2004), and is set to increase by a further 5.15% by 2014. Priority sectors for West London include business and public sector administration, construction, engineering, health and social care; hospitality and leisure, information technology, media and foundation courses including ESOL.

Our Students

In 2007/08 the College enrolled 24,452 students, of which over half (56%) were 19 or over. Of the 5583 full time students, 62% were aged 16-18. 34% of students were from backgrounds formally designated as "disadvantaged" and over 63% of students were from non-white British heritage, with 100 nationalities and 70 different languages represented.

Our students followed courses in all 15 of the LSC subject sector areas in 2007/08 (though our horticulture provision is very small). The largest provision was in the areas of preparation for life and work (which includes ESOL), maths and science, business, administration and law and ICT which represented 73% of total enrolments in 2007/08. Three out of four of all student enrolments were at study Level 2 or below, and the College is the largest provider of ESOL in the UK.

In 2007/08, the College worked in partnership with over 200 employers and is a preferred supplier for the House of Commons and on Heathrow's Terminal 5 development. 886 local school-children accessed College-based courses last year. This number is likely to rise to over 900 in 2008/09. The College has an expanding higher education provision, developed with partner universities, which supported 171 students in 2007/08.

Curriculum Developments

14 – 19

The College continued its successful partnerships with local secondary schools in the London Boroughs of Ealing, Hammersmith & Fulham and Kensington & Chelsea in the delivery of provision for 14-16 year olds. We supported further developments at Southall and Ealing Sixth Form centres and collaborations initiated through Borough 14-19 Forums, the new Diplomas, and Ealing Diploma and Enterprise Centre.

We will continue to work in conjunction with the London Boroughs of Ealing and Hammersmith & Fulham to introduce diplomas in construction, media and ICT and develop diplomas in hair & beauty, business administration & finance and hospitality for introduction in September 2009.

Adult Learners

The College's adult funding allocation continued its reduction in real terms and at the same time we are increasingly being required to use this funding to meet specific targets.

In order to meet, in particular, the increased Level 2 target the following curriculum developments were initiated:

- Introduction of a Level 2 Motor Vehicle Programme
- Development of NVQs in stage lighting and related trades
- Increase in the construction course offer, especially in tiling and plumbing
- Increase in the delivery of specific IT programmes such as ITQs. We also wish to work with a range of partners to meet our Level 2 targets in this and associated areas.

Employer Engagement

The new Directorate for Employer Responsiveness significantly exceeded its enrolment targets for the flagship Train to Gain contract, completed several European Social Fund (ESF) projects and successfully tendered for several large London Development Agency and ESF projects.

The College's priorities for this growing area are:

- Responding proactively to the needs of employers and employees across London and in the South East by strengthening our strategy and structure for employer engagement allowing the College to play a key leading role in identifying, developing, and delivering bespoke adult skills.
- Delivering a broad work-based learning apprenticeship contract
- Expanding our commercial activity through the promotion and delivery of customised courses and services directly to employers, concentrating on our 'niche' areas of business, care, construction, hospitality and retailing, ICT, media and ESOL.
- Ensuring that the College plays an increasingly active part in local economic and community plans, particularly for the London Boroughs of Hammersmith & Fulham and Ealing. In addition, we will ensure that the College supports local businesses and people to access the opportunities associated with the 2012 London Olympic Games.

Principal Risks and Uncertainties

The College's Risk Management Policy was adopted for the first time in 2002/3 and operates through a Risk Management Committee comprising governors and senior managers. The Committee has developed a comprehensive Risk Register, which is reviewed on a termly basis. The financial implications for these and other risks in the Risk Register are explored in the sensitivity analysis within the Financial Forecasts.

The principal risks faced by the College are in the areas of **Funding** – meeting student number targets and responding to changes in Government policy, **Competition** – ensuring we compete effectively with other providers, particularly in respect of commercial and contestable work and **Quality** – the need to build on existing achievement and success rates and to deliver continual improvement in students' results.

Stakeholder Relationships

In line with other colleges and with universities, Ealing, Hammersmith & West London 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
- Professional bodies

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

Corporate Governance

The Corporation (our Governing Board) comprises 20 places, appointed in accordance with the Statutory Instrument and Articles for Further Education Corporations. Membership comprises fifteen external appointments and five internal places: for the Principal, two elected student and two elected staff Members. All members serve in a voluntary capacity, and are unpaid. The roles of Chair and Vice-Chair of the Board are separated from the role of the College's Chief Executive, the Principal. Matters reserved to the Board for decision are set out in the Instrument and Articles and under the Financial Memorandum with the LSC.

During the year, the Corporation lost the services of one of its two Vice-Chairs, David Penton, who has been enormously valuable to us over no less than 17 years service. Sean McGuinness' term ended as teaching staff member and Richard Willmer was elected to this position. Our two student members are elected annually, and the Student Union President Member, Mohammed Baldo, joined our newly established Quality Committee for the year. We also welcomed as new members: Harjit Bagga, Su Bryant, Hilary Cowell and Jeremy Wilson.

The Clerk to the Corporation maintains a register of financial and personal interests of the Members relevant to the College's activities, which is available for inspection at the College by arrangement with her.

I am very grateful to all those who have served and continue to serve on the Board, for their dedication and hard work. I would like to thank also the many others who have supported the College through our four Community Councils, our construction employers advisory group, as visiting lecturers, by offering work placements, and in many other ways: this support is enormously valuable to us.

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Staff

Our staff are vital to our success, and I want to pay tribute to them all - managers, lecturers and support staff, - across all four sites and those 'off-site', who have worked so effectively to make the College the success that it is today.

We work hard to maintain staffing at relatively stable levels, and to re-deploy staff whose posts are under threat of redundancy. As a result of national reductions in LSC funding for adults, we were sorry to have to make 2 staff redundant in Summer 2008. In addition, we did not renew a number of fixed-term contracts.

We are fortunate to have an exceptionally strong Senior Management Team and I am grateful to them all for another fine performance. Our Principal, Kevin Finnigan left the College in December 2007 after perhaps the most successful year in the College's history. His deputy, Amarjit Basi, took the reins through the rest of the year and then joined a long line of College staff who have gone on to become College Principals, in Amarjit's case returning to his roots in the West Midlands as Principal of Walsall College. We were very sorry to see him go.

We are delighted to welcome our new Principal, Paula Whittle, who joined us in September 2008 after a successful period as Principal of Barnsley College. I am confident that she will continue to build on the success achieved in the previous years.

Disability Statement

The College seeks to achieve the objectives set down in the Disability Discrimination Act (DDA) 1995 as extended by the Disability Act 2005, the Special Educational Needs and Disability Act 2001 and the Disability Equality Duty making the following commitments:

- a. As part of the redevelopment of the buildings it is installing lifts and ramps, so that eventually all of the facilities will allow access to people with a disability;
- b. There is a list of specialist equipment, lighting and audio facilities, etc, which the College can make available for use by students;
- c. The admissions policy for all students is described in the College Charter. Appeals against a decision not to offer a place are dealt with under the complaints policy; students with learning difficulties and disabilities.
- d. There are a number of student-support assistants who can provide support for learning. There is a continuing programme of staff development to ensure the provision of a high level of appropriate support for students who have learning difficulties and/or disabilities;
- e. Specialist programmes are set out in programme information guides. Achievements and destinations are recorded and published in the standard College format;
- f. Counselling and welfare services are described in the College Charter.

In addition, the College has implemented a Disability Equality Scheme (DES). This sets out the actions that the College will take to promote equal opportunities, to eliminate discrimination for current and future disabled students and staff and to meet its obligations under the Disability Equality Duty.

This document works alongside the existing Disability Statement and outlines the College's aims, objectives, roles and responsibilities.

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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 11th December 2008 and signed on its behalf by:

Iain Mackinnon
Chair

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Professional advisers

Financial statement and regularity auditors:

RSM Bentley Jennison
45 Moorfields
London EC2Y 9AE

Internal auditors:

MacIntyre Hudson LLP
New Bridge Street House
30-34 New Bridge Street
London EC4V 6BJ

Bankers:

Barclays Bank PLC
Barclays Education Team
1 Churchill Place
Canary Wharf
London E14 5HP

Solicitors:

Eversheds LLP
1 Wood Street
London EC2V 7WS

Statement of Corporate Governance and Internal Control

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 revised Combined Code on Corporate Governance issued by the London Stock Exchange in July 2006. Its purpose is to help the reader of the accounts understand how the principles have been applied.

In the opinion of the Members, the College complies with all the provisions of the Combined Code in so far as they apply to the Further Education Sector, and it has complied throughout the year ended 31 July 2008.

The Corporation

The members who served on the Corporation during the year and up to the date of signature of this report were as listed below.

Members of the Corporation 2007-2008 (membership from 1 August 2007 – 31 October 2008)					
Name	Date of Appointment	Term of Office	Date term ended or resigned	Category Note 1	Officer positions, Committees Served, Company Directorships
Iain Mackinnon	14/12/01 Re-appointed 16/12/04 Re-appointed 01/01/08	31/12/10		Business	Chair of Corporation; Finance & General Purposes and Remuneration; Director Barons Court Enterprises Ltd.; Director Ealing Tertiary College Property Services Ltd.
Julia Clements-Elliott	05/07/01 Re-appointed 01/01/02 Re-appointed 16/12/04 Re-appointed 01/01/08	31/12/10		Co-opted	Vice-Chair Corporation; Chair Appointments & Development; Director Ealing Tertiary College Property Services Ltd
David Penton	30/09/92 Re-appointed 31/05/95 Re-appointed 15/05/96 Re-appointed 01/09/99 Re-appointed 01/09/02 Re-appointed 01/09/05	31/08/08	19/10/07	Business	Vice-Chair Corporation; Chair Finance & General Purposes and Remuneration; Appointments & Development; Director Barons Court Enterprises Ltd.
Paula Whittle	29/09/08	While Principal		Principal	Finance & General Purposes; Appointments & Development; Estates & Capital Projects; Quality & Performance Monitoring; Director Barons Court Enterprises Ltd.; Director Ealing Tertiary College Property Services Ltd.
Martin Rosner	01/09/08	Acting Principal	26/09/08	Principal	
Amarjit Basi	01/01/08	Interim Principal	31/08/08	Principal	Finance & General Purposes; Appointments & Development; Estates & Capital Projects; Quality & Performance Monitoring
Kevin Finnigan	02/05/06	While Principal	31/12/07	Principal	Finance & General Purposes; Appointments & Development; Estates & Capital Projects; Quality & Performance Monitoring; Director Barons Court Enterprises Ltd.; Director Ealing Tertiary College Property Services Ltd
Harjit Bagga	22/05/08	31/05/11		External	
Mohammed Baldo	18/10/07 Reappointed 23/10/08	31/07/09		Student	Quality & Performance Monitoring

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Sue Bryant	18/10/07	31/12/10		Business	Vice-Chair Finance & General Purposes & Remuneration
Hilary Cowell	18/10/07	31/12/10		Business	Vice-Chair Quality & Performance Monitoring
John Cudmore	14/02/02 Re-appointed 26/05/05	31/05/08	31/05/08	Business	
Hedieh Daryoush-Shirazi	18/10/07	31/07/08	31/07/08	Student	
Eileen Francis	10/07/03 Re-appointed 13/07/06	12/07/09		Staff	Estates & Capital Projects
Ian Gibb	24/05/07	31/05/10		Local Authority	
Janet Lewis	02/03/06	02/12/08	24/10/08	Local Authority	Vice-Chair Quality & Performance Monitoring
John Marston	30/09/92 Re-appointed 25/07/94 Re-appointed 01/09/97 Re-appointed 01/09/00 Re-appointed 01/09/03 Re-appointed 13/07/06	31/08/09		Business	Chair Estates & Capital Projects
Sean McGuinness	03/03/05	02/03/08	02/03/08	Staff	Quality & Performance Monitoring
Geoffrey Melling	30/11/00 Re-appointed 22/05/03 Re-appointed 18/05/06	31/05/09		Co-opted	Chair Finance & General Purposes and Remuneration
Orin Miller	02/03/06	01/03/09		Community	Appointments & Development
Lynne Murray	15/12/05	31/12/08		Co-opted	Chair Audit
Ashok Verma	14/02/02 Re-appointed 03/02/05 Re-appointed 13/03/08	31/03/11		External	Vice-Chair Audit
Christine Whatford	01/07/98 Re-appointed 17/02/00 Re-appointed 22/05/03 Re-appointed 18/05/06	31/05/09		Business	Chair Quality & Performance Monitoring
Richard Willmer	13/03/08	31/07/11		Staff	Quality & Performance Monitoring
Jeremy Wilson	13/03/08	31/03/11		External	Estates & Capital Projects Quality & Performance Monitoring
Tony Summers	13/07/06	12/07/09		Co-opted External	External co-optee to Audit Committee

Note: 1 Changes in the statutory instrument of Government from 1 January 2008:

New members are no longer appointed in categories other than as the Principal, staff or student members, and are referred to in this report as External members.

It is the Corporation's responsibility to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct.

The Corporation is provided with regular and timely information on the overall financial performance of the College together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel-related matters such as health and safety and environmental issues. The Corporation meets at least once a 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: Finance and General Purposes, Remuneration, Audit, Appointment and Development of Members of the Corporation, Estates and Capital Projects, Quality and Performance Monitoring. Full minutes of all meetings, except those deemed to be confidential by the Corporation, are available from:

Clerk to the Corporation:

Jane Hadsel, Ealing, Hammersmith & West London College, Gliddon Road, London, W14 9BL

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

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All Members of the Corporation 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 and removal of the Clerk are matters for the Corporation as a whole.

Formal agendas, papers and reports are supplied to Members in a timely manner, prior to Corporation meetings. The Corporation receives reports annually on Health and Safety and Equal Opportunities. 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 Chairman and Principal are separate.

Appointments to the Corporation

Any new appointments to the Corporation are a matter for the consideration of the Corporation as a whole. The Corporation has an Appointments and Development Committee which is responsible for the selection and nomination of any new member for the Corporation's consideration. The Corporation is responsible for ensuring that appropriate training is provided as required.

Members of the Corporation are appointed for a term of office not exceeding 4 years.

Committee Members

The Members of the Corporation's committees are detailed in the Members' Report on pages 12 and 13.

Appointment and Development of Members of the Corporation Committee

The Appointment and Development of Members of the Corporation Committee advise on the appointment and re-appointment of Members of the Corporation during the year. It advises the Corporation of a programme for Members' induction and development needs. The Corporation conducts an annual self-assessment as part of its strategic planning function.

Audit Committee

The Audit Committee operates in accordance with written terms of reference approved by the Corporation. Its purpose is to advise the Corporation on the adequacy and effectiveness of the College's systems of internal control and its arrangements for risk management, control and governance processes.

The Audit Committee meets at least once a term and provides a forum for reporting by the College's internal and external auditors, who have access to the Committee for independent discussion without the presence of College management. The auditors present letters of management prior to the Committee's recommendations to the Board. The Committee also receives and considers reports from the LSC as they affect the College's business. The Committee considers these detailed reports together with recommendations for the improvement of the College's systems of internal control and the management's responses and implementation plans. Senior managers attend the meetings as necessary; they are not members of the 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 and financial statement auditors and their remuneration for both audit and non-audit work.

Finance & General Purposes Committee

The Finance & General Purposes Committee meets at least once a term. It fulfils its main responsibilities including making recommendations to the Corporation about the annual budget, monitoring performance in relation to the approved budget, the College companies, franchising, VAT, cash flow forecasts, investment policy, financial regulations. Under delegated authority from the Corporation it approves the framework for remuneration for the College's staff except for senior post holders.

Estates and Capital Projects Committee

The Estates and Capital Projects Committee meets at least annually to oversee the accommodation strategy, main capital projects and building improvements. The Committee advises the Corporation on such matters relating to property, accommodation strategy, capital projects, site disposals and acquisitions as the Corporation may remit to it.

The Quality and Performance Monitoring Committee

The Quality and Performance Committee meets at least once a term. It advises the Corporation on the framework for the Colleges quality assurances processes and reporting structures and monitors performance against targets.

The Remuneration Committee

The Remuneration Committee meets at least once a year. It advises the Board on the framework and remuneration of the College's senior post holders: the Principal, the Senior Management Team and the Clerk to the Corporation.

Details of remuneration for the year ended 31 July 2008 are set out in note 6 to the financial statements.

Internal Control

Scope of responsibility

The Corporation is ultimately responsible for the College's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Corporation has delegated the day-to-day responsibility to the 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 she is personally responsible, in accordance with the responsibilities assigned to him in the Financial Memorandum between the College and the LSC. He is also responsible for reporting to the Corporation any material weaknesses or breakdowns in internal control.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of College policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Ealing, Hammersmith & West London College for the year ending 31 July 2008 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 year ending 31 July 2008 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Corporation

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The risk and control framework

The system of internal control is based on a framework of regular management information, administrative procedures including the segregation of duties, and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting systems with an annual budget, which is reviewed and agreed by the governing body
- regular reviews by the governing body 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.

Ealing, Hammersmith & West London College has an internal audit service, which operates in accordance with the requirements of the LSC's Interim Audit Code of Practice. The work of the internal audit service is informed by an analysis of the risks to which the College is exposed, and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the Corporation on the recommendation of the audit committee. At minimum annually, the Head of Internal Audit (HIA) provides the governing body with a report on internal audit activity in the College. The report includes the HIA's independent opinion on the adequacy and effectiveness of the College's system of risk management, controls and governance processes.

Review of effectiveness

As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. Her 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 in their management letters and other reports.

The Principal has been advised on the implications of the result of her 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 Senior Management Team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The Senior Management Team and the Audit Committee also receive regular reports from internal audit, which include recommendations for improvement. The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Corporation's agenda includes a regular item for consideration of risk and control and receives reports thereon from the Senior Management Team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its meeting on 23 October 2008, the Corporation carried out the annual assessment for the year ended 31 July 2008 by considering documentation from the Senior Management Team and internal audit, and taking account of events since 31 July 2008.

Ealing, Hammersmith & West London College
Report and Financial Statements for the year ended 31 July 2008

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 they continue to adopt the going concern basis in preparing the financial statements.

Iain Mackinnon
Chair

Paula Whittle
Principal

Statement of the Responsibilities of the Members of the Corporation

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

Within the terms and conditions of the Financial Memorandum agreed between the LSC 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 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
- 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 in order to safeguard the assets of the College and to prevent and detect fraud and other irregularities.

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 LSC are used only in accordance with the Financial Memorandum with the LSC and any other conditions that the LSC may prescribe from time to time. Members of the Corporation must ensure that there are appropriate financial and management controls in place in order to safeguard public and other funds and to ensure that 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 LSC are not put at risk.

Approved by order of the members of the Corporation on 11 December 2008 and signed on its behalf by:

Iain Mackinnon
Chair

Independent Auditors' Report to the Corporation of Ealing, Hammersmith & West London College

We have audited the financial statements of Ealing, Hammersmith & West London College for the year ended 31 July 2008, which comprise the income and expenditure account, the balance sheet, the cash flow statement, the statement of total recognised gains and losses and the related notes. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out therein.

This report is made solely to the Corporation, as a body, in accordance with statutory requirements. 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 auditors' 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 Ealing, Hammersmith and West London College and Auditors

As described in the Statement of Responsibilities, the College's Corporation is responsible for preparing the Members Report and financial statements in accordance with the 2007 Statement of Recommended Practice – Accounting for Further and Higher Education, applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and international Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the 2007 Statement of Recommended Practice – Accounting for Further and Higher Education. We also report to you if, in our opinion, the Members' Report is not consistent with the financial statements, if the College has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read the Members' Report and consider the implications for our report if we become aware of any apparent misstatement within it.

Basis of our opinion

We conducted our audit in accordance with (International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board and the Audit Code of Practice issued by the Learning and Skills Council. An audit includes examination, on a test basis, of evidence relevant to amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the College's Corporation in the preparation of the financial statements, and of whether the accounting policies are appropriate to the College's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give us reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Ealing, Hammersmith & West London College
Report and Financial Statements for the year ended 31 July 2008

Opinion

In our opinion the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of affairs of the College and the group as at 31 July 2008 and of the Group's surplus of income over expenditure for the year then ended; and

the financial statements have been properly prepared in accordance with the 2007 Statement of Recommended Practice – Accounting for Further and Higher Education.

RSM Bentley Jennison

Chartered Accountants and Registered Auditors

45 Moorfields
London
EC2Y 9AE

Date

Independent Auditors' Report on Regularity to the Corporation of Ealing, Hammersmith & West London College ('the Corporation') and the Learning and Skills Council ('the LSC')

In accordance with the terms of our engagement letter dated 1 August 2008 and further to the requirements of the LSC, we have carried out a review to obtain assurance about whether, in all material respects, the expenditure and income of Ealing, Hammersmith & West London College ('the College') for the year ended 31 July 2008 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 LSC. Our review work has been undertaken so that we might state to the Corporation and the LSC 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 LSC, for our review work, for this report, or for the opinion we have formed.

Respective responsibilities of the Members of the Corporation of Ealing, Hammersmith & West London 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 and income are 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 LSC. We report to you whether, in our opinion, in all material respects, the College's expenditure and income for the year ended 31 July 2008 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 LSC. 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 2008 have been applied to purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

RSM Bentley Jennison

Chartered Accountants and Registered Auditors

45 Moorfields
London
EC2Y 9AE

Date

**Consolidated Income and Expenditure Account
for the Year Ended 31 July 2008**

Consolidated Income and Expenditure Account for the Year Ended 31 July 2008	Notes	Year Ended 31 July 08 £000	Year Ended 31 July 07 £000
Income			
Funding Council grants	2	45,644	43,051
Tuition fees and charges	3	5,434	3,749
Educational contracts	3	1,905	1,952
Other operating income	4	1,876	1,558
Other grant income	4	53	50
Investment income	5	963	635
Total Income		55,875	50,995
Expenditure			
Staff costs	6	35,002	32,597
Other operating expenses	7	16,335	13,472
Depreciation	10	4,082	4,047
Interest payable	8	362	400
Total Expenditure		55,781	50,516
Surplus on continuing operations after depreciation of assets at valuation and before taxation		94	479
Taxation		-	-
Surplus on continuing operations after depreciation of assets at valuation and taxation	9	94	479

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

Consolidated Statement of Historical Cost Surpluses and Deficits

Consolidated Statement of Historical Cost Surpluses and Deficits	Notes	Year ended 31 July 08 £000	Year ended 31 July 07 £000
Surplus on continuing operations before taxation		94	479
Difference between historical cost depreciation and the actual charge for the year	17	751	751
Historical cost surplus for the year before and after taxation		845	1,230

Consolidated Statement of Total Recognised Gains and Losses

Consolidated Statement of Total Recognised Gains and Losses	Notes	Year ended 31 July 08 £000	Year ended 31 July 07 £000
Surplus on continuing operations after taxation		94	479
Actuarial (loss)/surplus in respect of pension scheme	25	(1,951)	3,076
Total recognised (losses)/gains since last report		(1,857)	3,555
Reconciliation			
Opening Reserves		60,965	57,410
Total recognised (losses)/gains for the year		(1,857)	3,555
Closing reserves		59,108	60,965

Balance Sheets as at 31 July 2008

Balance Sheets as at 31 July 2008	Notes	Group 31 July 08 £000	College 31 July 08 £000	Group 31 July 07 £000	College 31 July 07 £000
Fixed Assets					
Tangible assets	10	83,889	83,889	83,549	83,549
Investments	11	-	-	-	-
		83,889	83,889	83,549	83,549
Current Assets					
Debtors	12	2,034	2,036	2,134	2,169
Investments	11	5,500	5,500	5,500	5,500
Cash at bank and in hand		6,127	6,125	4,265	4,228
		13,661	13,661	11,889	11,897
Creditors: amounts falling due within one year					
	13	(7,074)	(7,074)	(5,633)	(5,631)
Net current assets		6,587	6,587	6,266	6,266
Total assets less current liabilities		90,476	90,476	89,815	89,815
Creditors: amounts falling due after more than one year	14	(8,850)	(8,850)	(8,319)	(8,319)
Provisions for liabilities and charges	15	(1,710)	(1,710)	(1,639)	(1,639)
Net assets excluding pension liability		79,916	79,916	79,857	79,857
Net pension Liability	25	(6,227)	(6,227)	(4,147)	(4,147)
NET ASSETS INCLUDING PENSION LIABILITY		73,689	73,689	75,710	75,710
Deferred capital grants	16	14,581	14,581	14,745	14,745
Income and expenditure account excluding pension reserve	20	30,081	30,081	29,107	29,107
Pension reserve	25	(6,227)	(6,227)	(4,147)	(4,147)
Income and expenditure account excluding pension reserve	18	23,854	23,854	24,960	24,960
Revaluation Reserve	17	35,254	35,254	36,005	36,005
Total Reserves		59,108	59,108	60,965	60,965
TOTAL		73,689	73,689	75,710	75,710

The Financial Statements on pages 22 to 44 were approved by the Corporation on 11 December 2008 and were signed on its behalf by:

I Mackinnon
Chair of the Corporation

P Whittle
Principal

Consolidated Cash Flow Statement for the Year Ended 31 July 2008

Consolidated Cash Flow Statement for the Year Ended 31 July 2008	Notes	Year ended 31 July 08 £000	Year ended 31 July 07 £000
Cash flow from operating activities	19	4,742	2,736
Returns on investments and servicing of finance	20	578	143
Taxation		-	-
Capital expenditure and financial investment	21	(3,264)	(3,030)
Management of liquid resources	22	-	8
Financing	23	(194)	(140)
Increase/(decrease) in cash in the year		1,862	(283)

Reconciliation of Net Cash Flow to Movement in Net Funds

Reconciliation of Net Cash Flow to Movement in Net Funds	Notes	Year ended 31 July 08 £000	Year ended 31 July 07 £000
Increase/(decrease) in cash in the year		1,862	(283)
Maturity of term deposits	22	-	(8)
Cash outflow/(inflow) from new unsecured loan	23	194	140
Movement in net funds in the year	24	2,056	(151)
Net Funds at 1 August 2007		3,905	4,056
Net funds at 31 July 2008		5,961	3,905

NOTES TO THE ACCOUNTS

1 Statement of Accounting Policies

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 by the LSC in the Accounts Direction Handbook.

Basis of accounting

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

Basis of consolidation

The consolidated financial statements include the College and its subsidiaries Ealing Tertiary College Property Services Limited and Barons Court Enterprises Limited. Intra-group sales and profits are eliminated fully on consolidation. In accordance with (FRS)2, the activities of the student union have not been consolidated because the College does not control those activities. All financial statements are made up to 31 July 2008.

Recognition of income

The recurrent grant from the LSC is that receivable as determined by the results of the funding audit undertaken by the LSC. The recurrent grant from HEFCE represents the funding allocation attributable to the current financial year and is credited to the income and expenditure account.

Non-recurrent grants from the LSC 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 received and includes all fees payable by students or their sponsors, for example local businesses, authorities and charities.

Income from research grants, contracts and other services rendered is included to 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.

Maintenance of premises

The cost of routine corrective maintenance is charged to the income and expenditure account in the period it is incurred.

Pension schemes

Retirement benefits to employees of the College are provided by the Teachers Pensions Scheme (TPS) and the London Pensions Fund Authority (LPFA). These are defined benefit schemes, which are externally funded and contracted out of the State Earnings Related Pension Scheme.

Contributions to the schemes 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 triennial valuations using the projected unit method, for the LPFA, and quadrennial valuations using a prospective benefit method for the TPS.

The assets of the LPFA are measured using closing market values. LPFA 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

NOTES TO THE ACCOUNTS

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

Tangible fixed assets

Land and Buildings

Land and buildings inherited from the local education authority are stated in the balance sheet at valuation on the basis of depreciated replacement cost as the open market value for existing use is not readily obtainable. Building improvements made since incorporation are included in the balance sheet at cost. Freehold land is not depreciated. Freehold buildings are depreciated over their expected useful economic life to the College of between 20 and 50 years. The College has a policy of depreciating major adaptations to buildings over the period of their useful economic life of between 20 and 50 years.

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 assets 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 the cost 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.

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

On adoption of FRS15, the College followed the transitional provision to retain the book value of land and buildings, which were revalued in 1997 and 1999, 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.

Equipment

Equipment, not part of a capital project, costing less than £1,000 per individual item is written off to the income and expenditure account in the period of acquisition. All other equipment is capitalised at cost.

All capitalised assets are depreciated over their useful economic life as follows:

Building Improvements

7 to 10 years

Motor vehicles and general equipment

4 to 10 years

Computer equipment

3 years

Furniture and fittings

4 years

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.

NOTES TO THE ACCOUNTS

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 and are capitalised at their fair value at the inception of the lease and depreciated over the shorter of the lease term or the useful economic lives of equivalently owned assets. The capital element outstanding is shown as obligations under finance leases.

The finance charges are allocated over the period of the lease in proportion to the capital element outstanding. Where finance lease payments are funded in full from funding council capital equipment grants, the associated assets are designated as grant-funded assets.

Investments

Listed investments held as fixed assets are stated at market value. Current asset investments are included in the balance sheet at the lower of their original cost and net realisable 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.

Foreign currency translation

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction.

Taxation

The College is an exempt charity within the meaning of schedule 2 of the Charities Act 1993 and as such is a charity within the meaning of section 506 (1) of the Income and Corporation Taxes Act 1988 (ICTA 1998). Accordingly, the College is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 505 of the ICTA 1998 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

The College receives no similar exemption in respect of value added tax. For this reason, the College is generally unable to recover input VAT it suffers on goods and services purchased. Non-pay expenditure is therefore shown inclusive of VAT with any partial recovery netted off against these figures.

The College's subsidiary companies are subject to Corporation Tax and VAT in the same way as any taxable 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 Learner Support Funds. Related payments received from the LSC and subsequent disbursements to students are excluded from the Income and Expenditure account and are shown separately in Note 28, except for the 5 per cent of the grant received which is available to the College to cover administration costs relating to the grant. The College employs two members of staff dedicated to the administration of Learner Support Fund applications and payments.

Notes to the Accounts

2 Funding Council Grants	Notes	Year ended 31 July 08 TOTAL £000	Year ended 31 July 07 TOTAL £000
Recurrent grant - LSC		41,613	39,964
Recurrent grant - HEFCE		341	325
Releases of deferred capital grants	16	531	465
Train to gain		1,689	489
Work based learning		682	222
ESF co-financing		500	350
Young apprenticeships		112	-
CoVE revenue		50	128
Increased flexibility 14-16 year olds		80	180
Educational maintenance allowance		1	30
Local intervention development funds		-	100
Job centre plus		-	394
Other funds		45	404
Total funding council grants		45,644	43,051

3 Tuition Fees and Educational Contracts	Year ended 31 July 08 £000	Year ended 31 July 07 £000
UK Further Education students	2,018	1,611
UK Higher Education students	161	178
European Union (excluding UK) students	162	49
Non-European Union students	3,093	1,911
Total fees paid by or on behalf of individual students	5,434	3,749
Educational contracts	1,905	1,952
Total tuition fees and educational contracts	7,339	5,701

4 Other Income	Year ended 31 July 08 £000	Year ended 31 July 07 £000
Other income generating activities	1,315	911
Property rental	372	477
Other income	189	170
Other operating income	1,876	1,558
Other capital grant income	50	50
Other grant income	3	-
Other grant income	53	50
Total other income	1,929	1,608

Notes to the Accounts

5 Investment income	Year ended 31 July 08 £000	Year ended 31 July 07 £000
Bank interest receivable	756	635
Other interest receivable	117	-
Pension finance income (FRS17 adjustment) – note 25	90	-
Total investment income	963	635

6 Staff Costs

Staff Numbers	Year ended 31 July 08 £000	Year ended 31 July 07 £000
The average number of persons (including senior post-holders) employed by the College during the year, described as full-time equivalents, was:		
Teaching departments	454	461
Teaching support services	87	81
Other support services	86	86
Administration and central services	188	191
Premises	18	17
Other	7	6
Total staff numbers	840	842

Staff costs for the above persons were:	Year ended 31 July 08 £000	Year ended 31 July 07 £000
Wages and salaries	29,481	27,476
Social security costs	2,255	2,167
Other pension costs (including FRS17 adjustments)	3,266	2,954
	35,002	32,597
Teaching departments	18,541	17,135
Teaching support services	2,718	2,582
Other support services	4,239	3,767
Administration and central services	8,411	8,101
FRS17 adjustments	219	167
Premises	663	631
Other income-generating activities	211	214
	35,002	32,597
Employment costs for staff on permanent contracts	33,092	31,099
Employment costs for staff on short-term and temporary contracts	1,910	1,498
Total staff costs	35,002	32,597

A general pay award of 2.7 % was made with effect from August 2007 and was approved by the Corporation.

Notes to the Accounts

Senior post-holders are defined as the Principal and holders of the other senior posts whom the Corporation have selected for the purposes of the articles of government of the College relating to the appointment and promotion of staff who were appointed by the Corporation.	Year Ending 31 July 08 Number	Year Ending 31 July 07 Number
The number of senior post-holders including the Principal was:	11	12
The figures below includes salary, pension costs and benefits paid in the year	Year ended 31 July 2008	
	Senior Post-holders Number	Other Staff Number *
	Senior Post-holders Number	Other Staff Number
£ 0,001 - £ 50,000	2	-
£ 60,001 - £ 70,000	1	-
£ 70,001 - £ 80,000	-	1
£ 80,001 - £ 90,000	1	1
£ 90,001 - £100,000	4	-
£100,001 - £110,000	-	-
£110,001 - £120,000	1	-
£120,001 - £130,000	1	-
£140,001 - £150,000	1	-
£150,001 - £160,000	-	-
Total	11	2

* The numbers refer to members of the Senior Management Team who are not Senior Post-Holders

Senior post-holders' emoluments (including pension costs and benefits) are made up as follows	Year ended 31 July 08	Year ended 31 July 07
	£	£
Salaries	843,506	916,146
Benefits in kind	8,466	7,133
Pension contributions	120,053	125,507
Total emoluments	972,025	1,048,786

The above emoluments include amounts payable to the Principals (who are also the highest paid senior post-holders):	Year ended 31 July 08	Year ended 31 July 07
	£	£
Salary	136,485	132,238
Benefits in kind	1,076	745
Total emoluments	137,561	132,983
Pension contributions	19,244	18,317

The College's Principal left at the end of December 2007. An interim principal was appointed for the period 1 January 2008 to 31 August 2008 and a new Principal started on 29 September 2008.

The pension contributions in respect of the Principal and senior post-holders are in respect of employer's contributions to the London Pensions Fund Authority or the Teacher's Superannuation Scheme and are paid at the same rate as for other employees.

Ealing, Hammersmith & West London College
Report and Financial Statements for the year ended 31 July 2008

Notes to the Accounts

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

Senior post-holders, including the Principal and other higher paid staff received a pay award averaging 2.7% in the year which was the same percentage as College staff.

No bonuses were paid, to senior post-holders and other higher-paid staff only, in the year (2007 £50,991).

Compensation for loss of office paid to a senior post-holder	Year ended 31 July 08 £	Year ended 31 July 07 £
Compensation paid to a former post-holder	127,852	-
Pension provision	129,058	-
Total compensation for loss of office	256,910	-

Overseas activities	Total Cost £	Contributions Received £	Net cost to College £
Members	-	-	-
Senior post-holders	10,512	-	10,512
Other staff	68,466	-	68,466
Total overseas activities	78,978	-	78,978

The figures above were incurred during 2007-2008 in respect of overseas activities that were carried out in accordance with the strategy approved by the governing body.

7 Other Operating Expenses	Year ended 31 July 08 £000	Year ended 31 July 07 £000
Teaching departments	1,013	857
Teaching support services	1,599	1,713
Other support services	12	22
Administration and central services	5,797	3,528
General education	2,490	2,008
Premises costs	3,663	3,660
Planned maintenance	710	581
Other income generating activities	380	430
Franchise provision	622	650
Other expenses - irrecoverable VAT	49	23
Total other operating expenses	16,355	13,472

Administration and central services includes payments to subcontractors to deliver in particular Train to Gain provision on behalf of the College.

Notes to the Accounts

Other operating expenses include:	Year ended 31 July 08 £000	Year ended 31 July 07 £000
Auditors' remuneration		
External audit - includes £26,000 in respect of the College (2007 - £25,000)	26	25
Internal audit - includes £34,915 in respect of the College (2007 - £32,941)	35	33
Other services from either external or internal audit	8	6

8 Interest Payable	Year ended 31 July 08 £000	Year ended 31 July 07 £000
On bank loans, overdrafts and other loans	362	375
Pension finance cost (note 25)	-	25
Total interest payable	362	400

9 Surplus on Continuing Operations for the Year	Year ended 31 July 08 £000	Year ended 31 July 07 £000
The surplus on continuing operations for the year is made up as follows:		
College's surplus for the year	79	422
Surplus generated by subsidiary undertakings and transferred to the College by gift-aid payment	15	57
Total surplus on continuing operations	94	479

Notes to the Accounts

10 Tangible Fixed Assets College and Group	Land & Buildings	Plant & Equipment	Computer Equipment	Total
	£000	£000	£000	£000
Cost or Valuation				
At 1 August 2007	101,151	3,608	3,339	108,098
Additions	2,922	528	972	4,422
Disposals	(35)	(628)	(1,073)	(1,736)
At 31 July 2008	104,038	3,508	3,238	110,784
Depreciation				
At 1 August 2007	19,498	2,668	2,383	24,549
Charge for year	2,759	607	716	4,082
Eliminated in respect of disposals	(35)	(628)	(1,073)	(1,736)
At 31 July 2008	22,222	2,647	2,026	26,895
Net book value at 31 July 2008	81,816	861	1,212	83,889
Net book value at 1 August 2007	81,653	940	956	83,549
Inherited	35,254	-	-	35,254
Financed by capital grant	14,219	189	173	14,581
Other	32,343	672	1,039	34,054
Net book value at 31 July 2008	81,816	861	1,212	83,889

The transitional rules set out in FRS15 Tangible Fixed Assets have been applied on implementation of FRS15. Accordingly the book values at implementation have been retained.

The land and buildings of Hammersmith and West London College were valued as at 31 July 1999 and the land and buildings of Ealing Tertiary College were valued as at 31 July 1997. Both these valuations were made, by firms of independent chartered surveyors, at depreciated replacement cost. Currently the LSC does not require further property valuations to take place. Other tangible assets, inherited from the LEA at Incorporation, have been valued by the College on a depreciated replacement cost basis.

Land and buildings with a net book value of £35,254,000 have been financed by exchequer funds. Should these assets be sold, the College may be liable, under the terms of the Financial Memorandum with the Council, to surrender the proceeds. If these land and buildings had not been revalued they would have been included with a net book value of nil.

Land and buildings with a net book value of £14,219,000 have been funded from local education authority and lottery sources. Should these assets be sold, the College would either have to surrender the sale proceeds to the LSC or use them in accordance with the financial memorandum with the LSC. Included in land and buildings is land valued at £9,170,000, which is not depreciated.

Fixed assets include land and buildings with a net book value of £11,057,000 which is partly funded by grants from the LSC who agreed to provide £3,837,000 for works at Ealing, Acton and Southall. The amount receivable to date is £2,919,000. Fixed assets also include the building of the new sportshall and refurbishment of the existing sportshall, both at Hammersmith, with a net book value of £2,714,000 which are partly funded by the LSC who have agreed to provide up to £282,000. The amount receivable to date is £276,000. The LSC does not have the power to guarantee future funding streams to institutions and cannot guarantee that this funding will continue after the current year.

The subsidiary companies have no tangible fixed assets.

Notes to the Accounts

11 Investments	College Year ended 31 July 08	College Year ended 31 July 07
Investment in subsidiary companies at cost	£4	£4

Barons Court Enterprises Limited, whose principal activity is the provision of training services, and Ealing Tertiary College Property Services Limited, which is dormant, are wholly owned subsidiaries of Ealing, Hammersmith & West London College.

Current Investments at cost	College and Group Year ended 31 July 08 £000	College and Group Year ended 31 July 07 £000
Term Deposits	5,500	5,500
Total current investments at cost	5,500	5,500

12 Debtors	Group Year ended 31 July 08 £000	College Year ended 31 July 08 £000	Group Year ended 31 July 07 £000	College Year ended 31 July 07 £000
Amounts falling due within one year				
Trade debtors	888	884	612	584
Other debtors	860	860	1,151	1,151
Prepayments and accrued income	286	286	371	371
Amounts owed by group undertakings:				
Subsidiary undertaking	-	6	-	63
Total debtors	2,034	2,036	2,134	2,169

13 Creditors: amounts falling due within one year	Group Year ended 31 July 08 £000	College Year ended 31 July 08 £000	Group Year ended 31 July 07 £000	College Year ended 31 July 07 £000
Bank loans and overdrafts	208	208	196	196
Trade creditors	1,436	1,436	1,524	1,524
VAT deferment schemes	500	500	168	168
Other taxation and social security	1,260	1,260	1,125	1,123
Accruals and other creditors	3,670	3,670	2,620	2,620
Total creditors falling due within one year	7,074	7,074	5,633	5,631

Notes to the Accounts

14 Creditors: amounts falling due after more than one year	Group Year ended 31 July 08 £000	College Year ended 31 July 08 £000	Group Year ended 31 July 07 £000	College Year ended 31 July 07 £000
Bank loans	5,458	5,458	5,664	5,664
VAT deferment schemes	3,392	3,392	2,655	2,655
Total creditors falling due after more than one year	8,850	8,850	8,319	8,319

The College is operating a number of VAT deferment schemes which generally allow the College to recover VAT incurred on major building projects quarterly whilst having the benefit of paying the VAT recovered back over a set number of years. From September 2007 the payback period has been reduced to 10 years. A transitional arrangement will be made for outstanding balances at that date. The figures above are the amounts calculated as repayable after more than one year.

Bank Borrowings	Group Year ended 31 Jul 08 £000	College Year ended 31 Jul 08 £000	Group Year ended 31 Jul 07 £000	College Year ended 31 Jul 07 £000
Bank loans are repayable as follows:				
Between one and two years	221	221	210	210
Between two and five years	753	753	683	683
In five years or more	4,484	4,484	4,771	4,771
	5,458	5,458	5,664	5,664
Payable in less than one year	208	208	196	196
Total bank loan outstanding	5,666	5,666	5,860	5,860

The College took out a £6,000,000 unsecured loan with Barclays Bank in December 2006. Quarterly capital repayments with interest started on 1 December 2006 and will end on 2 September 2024. A fixed interest rate of 6.28% is applicable to this loan.

15 Provisions for Liabilities and Charges	Group and College	
	Enhanced Pensions £000	Total £000
At 1 August 2007	1,639	1,639
Expenditure in the year	(81)	(81)
Transferred from income and expenditure account:		
Actuarial losses over year	50	50
Interest on provision	102	102
At 31 July 2008	1,710	1,710

The enhanced pension provision relates to the cost of staff who have already left the College's employ and commitments for reorganisation costs from which the College cannot reasonably withdraw at the balance sheet date. This provision has been recalculated in accordance with the LSC Circular 05/02.

Notes to the Accounts

16 Deferred Capital Grants	Group and College		Total
	Funding Council	Other Grants	
	£000	£000	£000
At 1 August 2007			
Land and buildings	12,125	2,229	14,354
Computers	139	-	139
Equipment	252	-	252
	12,516	2,229	14,745
Cash receivable			
Land and buildings	252	-	252
Computer	95	-	95
Equipment	70	-	70
	417	-	417
Released to income and expenditure account			
Land and buildings	337	50	387
Computer	61	-	61
Equipment	133	-	133
	531	50	581
At 31 July 2008			
Land and buildings	12,040	2,179	14,219
Computer	173	-	173
Equipment	189	-	189
	12,402	2,179	14,581

Analysis of capital grants receivable from the LSC during 2007/08	£000
Buildings - Ealing Green	6
Buildings - Hammersmith Sportshall	138
Buildings - Acton Cladding	108
Computers - Use of digital technology	95
Plant & equipment - new boiler Barons Court	70
	417

17 Revaluation Reserve	Group	College	Group	College
	Year ended	Year ended	Year ended	Year ended
	31 July 08	31 July 08	31 July 07	31 July 07
	£000	£000	£000	£000
At 1 August 2007	36,005	36,005	36,756	36,756
Transfer from revaluation reserve to general reserve in respect of:				
Depreciation on revalued assets	(751)	(751)	(751)	(751)
Revaluation reserve realised on disposal of assets	-	-	-	-
At 31 July 2008	35,254	35,254	36,005	36,005

Notes to the Accounts

18 Movement on General Reserves	Group Year ended 31 July 08 £000	College Year ended 31 July 08 £000	Group Year ended 31 July 07 £000	College Year ended 31 July 07 £000
Income and Expenditure Account Reserve At 1 August 2007	24,960	24,960	20,654	20,654
Surplus on continuing operations	94	94	479	479
Transfers from revaluation reserve	751	751	751	751
Revaluation reserve realised on disposal of assets	-	-	-	-
Actuarial (loss)/surplus in respect of pension scheme	(1,951)	(1,951)	3,076	3,076
At 31 July 2008	23,854	23,854	24,960	24,960
Balance represented by:				
Pension reserve	(6,227)	(6,227)	(4,147)	(4,147)
Income and expenditure account reserve excluding pension reserve	30,081	30,081	29,107	29,107
At 31 July 2008	23,854	23,854	24,960	24,960

19 Reconciliation of Consolidated Operating Surplus to Net Cash Inflow from Operating Activities	Notes	Year ended 31 July 08 £000	Year ended 31 July 07 £000
Surplus on continuing operations after depreciation of assets at valuation	9	94	479
Depreciation	10	4,082	4,047
Deferred capital grants released to income	16	(581)	(515)
Interest receivable	5	(963)	(635)
Interest payable	8	362	400
Pension cost less contributions payable	6	219	167
Decrease/(increase) in debtors	12	8	(1,218)
Increase/(decrease) in creditors	13	1,450	177
Increase/(decrease) in deferred VAT creditor	14	-	(168)
Increase/(decrease) in provisions	15	71	2
Net cash inflow from operating activities		4,742	2,736

The above figures include adjustments to the balance sheet movements for non-cash provisions.

20 Returns on Investments and servicing of finance	Year ended 31 July 08 £000	Year ended 31 July 07 £000
Bank interest received	942	516
Interest paid	(364)	(373)
Net cash inflow from returns on investments and servicing of finance	578	143

Notes to the Accounts

21 Capital Expenditure and Financial Investment	Year ended 31 July 08 £000	Year ended 31 July 07 000
Purchase of tangible fixed assets	(4,773)	(3,733)
Deferred capital grants received	440	703
Deferred VAT received	1,069	-
Net cash outflow from capital expenditure and financial investment	(3,264)	(3,030)

22 Management of Liquid Resources	Year ended 31 July 08 £000	Year ended 31 July 07 £000
Increase/(decrease) of deposits	-	(8)
Net cash outflow from management of liquid resources	-	(8)

23 Financing	Year ended 31 July 08 £000	Year ended 31 July 07 £000
Repayment/(New loan) in the year	(194)	(140)
Net cash inflow from financing	(194)	(140)

24 Analysis of Changes in Net Funds	At 1 August 2007 £000	Cash flows 2007/2008 £000	Other Changes 2007/2008 £000	At 31 July 2008 £000
Cash at bank and in hand	4,265	1,862	-	6,127
Bank loan due within one year	(196)	(12)	-	(208)
Bank loan due after one year	(5,664)	206	-	(5,458)
Term deposits	5,500	-	-	5,500
Net cash inflow from management of liquid resources	3,905	2,056	-	5,961

Notes to the Accounts

25 Pensions and Similar Obligations

The College's employees belong to two pension schemes, the Teachers' Pension Scheme England and Wales (TPS) and the London Pensions Fund Authority (LPFA) scheme for non-teaching staff. Both are defined benefit schemes.

Total Pension Cost for the Year	Year ended 31 July 08 £000	Year Ended 31 July 07 £000
Teachers Pension Scheme:	1,821	1,609
Contributions paid		
LPFA Scheme:		
Contributions paid	1,070	1,069
FRS17 charge	129	192
Enhanced pension charge to the Income and Expenditure Account (staff costs)	152	84
Total pension cost for the year	3,172	2,954

Teachers Pension Scheme

The Teachers' Pension Scheme is an unfunded defined benefit 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 assessed 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 level are as follows:

Latest actuarial valuation (under the new provisions)	31 March 2004
Actuarial method	Prospective benefits
Investment returns per annum	6.5% per annum
Salary scale increases per annum	5.0% per annum
Market value of assets at date of last valuation	£162,500,000,000
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 1 August 2007 to 31 July 2008 the employer contribution was 14.1%. The employee rate was 6.4% for the same period. An appropriate provision in respect of unfunded pensioners' benefits is included in provisions.

FRS17

Under the definitions set out in Financial Reporting Standard (FRS17) Retirements 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 FRS17 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 contributions rates.

Notes to the Accounts

25 Pensions and Similar Obligations

The Local Government Pension Scheme

The Local Government Pension Scheme (LGPS) is a funded defined benefit scheme, with its assets being held in Funds, overseen by Administering Authorities. Ealing, Hammersmith & West London College is a member of the fund administered by the London Pensions Fund Authority (LPFA). The total contribution made for the year ended 31 July 2008 was £1,483, 000 of which the employer's contribution totalled £1,007,000 and the employees' contributions totalled £413, 000. The agreed contribution rates for future years are 16.9% for employers and variable between 5.5% and 7.5% for employees.

FRS17			
The following information is based upon a full actuarial valuation of the fund at 31 March 2007, updated to 31 July 2008, by an independent qualified actuary.			
Principal Actuarial Assumptions as at	At 31 July 2008		At 31 July 2007
	% Per ann.		% Per ann.
Rate of increase in salaries	5.3%		4.8%
Rate of increase for pensions in payment/inflation	3.8%		3.3%
Discount rate for scheme liabilities	6.7%		5.8%
Commutation of pensions to lump sums	20%		25%

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

Mortality assumptions	At 31 July 2008		At 31 July 2007
	Years		Years
Retiring today/current pensioners:			
Males	19.6		18.4
Females	22.5		21.3
Retiring in 20 years/future pensioners			
Males	20.7		19.6
Females	23.6		22.5

The assets and liabilities in the scheme (of which the College's share is estimated to be 0.88%) and the expected rate of return were:				
	Long-term Return at 31 July 08	Value at 31 July 08	Long-term Return at 31 July 07	Value at 31 July 07
	% P. a.	£000	% P.a.	£000
Equities	7.6%	11,611	7.9%	12,504
Bonds	6.3%	3,893	6.6%	4,445
Property	6.8%	4,419	7.0%	2,715
Cash	4.8%	(76)	5.1%	650
Total Market Value of Assets	7.2%	19,847	7.4%	20,314
Present value of scheme liabilities				
Funded		(26,036)		(24,461)
Unfunded		(38)		-
Related deferred tax liability		-		-
Deficit in the scheme		(6,227)		(4,147)

Notes to the Accounts

25 Pensions and Similar Obligations

Analysis of the amount charged to income and expenditure account	Year ended 31 July 08 £000		Year ended 31 July 07 £000
Employer service cost (net of employee contributions)	1,011		1,261
Past service cost	278		16
Total operating charge	1,289		1,277
Analysis of pension finance income/ (costs)			
Expected return on pension scheme assets	1,540		1,235
Interest on pension liabilities	(1,450)		(1,260)
Pension finance income/ (costs)	90		(25)

Amount recognised in the statement of total recognised gains and losses (STRGL)	Year ended 31 July 08 £000		Year ended 31 July 07 £000
Actual (losses)/gains on pension scheme assets	(2,869)		878
Actual gains on pension scheme liabilities	918		37
Actuarial (loss)/gain recognised in STRGL	(1,951)		915

Movement in deficit during the year	Year ended 31 July 08 £000		Year ended 31 July 07 £000
Deficit in scheme at 1 August	(4,147)		(7,031)
Movement in year:			
Employer service cost (net of employee contributions)	(1,011)		(1,261)
Employer contributions	1,070		1,110
Past service costs	(278)		(16)
Net return on assets/interest	90		(25)
Actuarial (loss)/gain	(1,951)		3,076
Deficit in scheme at 31 July	(6,227)		(4,147)

Asset and Liability Reconciliation

Reconciliation of Assets	Year ended 31 July 08 £000		Year ended 31 July 07 £000
Assets at start of year	20,314		16,995
Expected return on assets	1,540		1,235
Actuarial (loss)/gain	(2,869)		878
Employer contributions	1,070		1,110
Employee contributions	413		385
Benefits paid	(621)		(289)
Assets at end of year	19,847		20,314

Notes to the Accounts

25 Pensions and Similar Obligations

Reconciliation of liabilities	Year ended 31 July 08	Year ended 31 Jul 07
	£000	£000
Liabilities at start of year	24,461	24,026
Current service cost	1,011	1,261
Interest cost	1,450	1,260
Employee contributions	413	385
Actuarial (gain)/loss	(918)	(2,198)
Benefits paid	(621)	(289)
Past service cost	278	16
Liabilities at end of year	26,074	24,461

History of Experience Gains and Losses	Year ended 31 July 08	Year ended 31 July 07	Year ended 31 July 06	Year ended 31 July 05	Year ended 31 July 04
	£000	£000	£000	£000	£000
Difference between the expected and actual	(2,869)	870	667	1,404	5
Value of assets	19,847	20,314	16,995	14,064	8,881
Percentage of scheme assets	(0.1)%	4.3%	3.9%	10.0%	0.1%
Experience gains and losses on scheme	918	37	38	(317)	(2)
Value of liabilities	26,074	24,461	24,026	20,675	11,650
Percentage of scheme assets	3.5%	0.2%	0.2%	(1.5)%	(0.0)%
Total amount recognised in STRGL	(1,951)	3,076	(254)	(3,722)	(17)
Value of liabilities	26,074	24,461	24,026	20,675	11,650
Percentage of scheme liabilities	0.1%	12.6%	(1.1)%	(18.0)%	(0.1)%

LBE Superannuation Fund

At 1 January 2002 the non-teaching staff of Ealing Tertiary College who were members of the London Borough of Ealing Superannuation Fund were, in principle, transferred to the London Pension Fund Authority scheme. In practice however, those members who agreed to this were not transferred until July 2003.

At this point in time the capital value of the funds in the LBE scheme supporting the pension rights of the transferees has not been calculated or agreed and the FRS 17 figures above do not include an estimate of this value. It was agreed, however, that should there be a shortfall in the funds transferred to preserve benefits in the LPFA scheme then the LSC would make good this difference. In view of this it would be reasonable to assume that the £6,227,000 deficit at 31 July 2008 would not be worse had the transfer of funds been made.

Notes to the Accounts

26 Capital Commitments	Group & College	
	Year ended 31 July 08 £000	Year ended 31 July 07 £000
Ongoing College Business		
Minor contracts	344	158
Major contracts Acton & Southall	15	329
Major contract Ealing Green	-	36
Commitments contracted for at 31 July	359	523

The major contracts at Acton, Southall and Ealing are 25% grant-aided by the LSC.

In order that the College was able to complete its outstanding capital projects on time whilst ensuring that sufficient funds are retained to meet its current needs it entered into and has drawn down a £6,000,000 loan from Barclays Bank Plc of which £334,000 has been repaid.

27 Related Party Transactions

Due to the nature of the College's operations and the composition of the Corporation (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 Corporation may have an interest. All transactions involving organisations in which a Member of the Corporation may have an interest are conducted at arm's length and in accordance with the College's financial regulations and normal procurement procedures. No transactions were identified which should be disclosed under FRS8 Related Party Disclosures.

28 Learner Support Funds	Group & College	
	Year ended 31 July 08 £000	Year ended 31 July 07 £000
LSC grants	1,013	901
Interest earned	1	1
	1,014	902
Disbursed to students	(980)	(862)
Administration fee	(49)	(45)
Balance overspent during the year	(15)	(5)

Funding council grants are available solely for students; the College acts only as paying agent. The grants and related disbursements are therefore excluded from the Income and Expenditure Account.