



# **CITY** OF GLASGOW COLLEGE

---

Annual Report and  
Financial Statements  
2011-12





■ Former HND Legal Services student Jujhar Dhanda who was awarded a Scholarship to Harvard Law School in the USA (see Page 15 for full details)

# CONTENTS

Mission, Vision and Values	– Page 5
Chairman's statement	– Page 7
Principal's statement	– Page 9
Learning and Teaching	– Page 11-15
Students, Staffing and Equalities	– Page 17-19
Estates	– Page 25-27
Development	– Page 29-31
Finance	– Page 33-35
Nominations and Remunerations	– Page 37
Audit	– Page 39-41
Governance statement	– Page 43
Internal control statement	– Page 45
Responsibilities statement	– Page 47
Board of Management	– Page 48-51
Independent auditor's report	– Page 53-55
Student statistics	– Page 57-61
Financial statements	– Page 63-90

## CONTACT

City of Glasgow College  
60 North Hanover Street  
Glasgow, G1 2BP.  
+44 (0)141 566 6222  
enquiries@cityofglasgowcollege.ac.uk

## Introduction

City of Glasgow College is Scotland's largest further education college, with an annual enrolment of 30,000 students – around 10,000 of which study on full-time courses.

Approximately 50 per cent of students come from Glasgow, while the rest come predominately from other areas throughout Scotland.

The College is proud of the diversity of its students – over 135 different nationalities are enrolled – and attracts a large number of overseas students, particularly in the area of Nautical and Maritime studies.

The average age of students is 28 and the age range covers school pupils through to almost 900 students over the age of 60.

Specialist support is provided by the Student Development team for individuals with impairments or additional support needs.

The College offers a wide

range of education and training opportunities, from foundation courses through to Higher National Diplomas as well as a number of Degree courses.

Its courses cover subject areas such as Art and Design; Business; Care and Social Sciences; Computing; Construction; Engineering; ESOL and Languages; Creative Industries; Food and Hospitality, Hair and Beauty; Nautical and Maritime; and Sport and Fitness.

The College also provides services for local businesses and employers that include professional and bespoke training courses.

More specialised support is also available through the Centre for Supply Chain Leadership and the Centre for Paralegal Education.

The College employs around 1,000 members of staff who are predominately based at the city centre and Riverside campuses.





■ Former student Michael Kerr presented his Olympic torch to Principal Paul Little as a thank you to the College for helping him gear up for the Paralympics. Michael was the only Scot in GB's wheelchair rugby team



■ Michael with Sports staff (from left) Alan Stewart, David Docherty, George McVerry, Iain Houston, Robert Johnstone and Stan Rodgers



# OUR MISSION

As a College:

‘We will deliver world-class learning for individuals and enterprises, for Glasgow, Scotland and the international community.’

# OUR VISION

‘As a world-class institution we seek to redefine the learners’ experience of a college education. Our staff, clustered in schools of national expertise, will pioneer new ways of learning, with seamless learning support opportunities.

‘Our curriculum and international partnership sharing will encourage individual learners to flourish in an inclusive and diverse learning community.

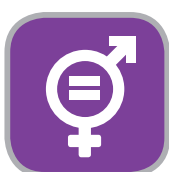
‘Our vision is also to create Scotland’s first college super-campus and be a positive catalyst for change, in partnership with other civic institutions to regenerate and renew Glasgow city centre and the riverside.’

# OUR VALUES

As a College we will value:



The Individual



Equality, Diversity & Inclusiveness



Integrity, Honesty & Transparency



Excellence & Achievement



Partnership



Innovation & Enterprise





■ The Duke of Rothesay meets student Katie Todd, Principal Paul Little and Prince's Trust Director Heather Gray during a visit to the College. The Duke was joined by his wife the Duchess of Rothesay to meet young people taking part in the Prince's Trust's Get Into Cooking programme



■ Student Thomas Leiper demonstrates his culinary skills to Duke of Rothesay



■ The Duchess of Rothesay with Willie McCurrach, Head of Food, Hospitality and Tourism, and the Queen's jubilee cake



■ The Duchess of Rothesay is impressed by student Joseph McGuire's skills as she shares a joke with Willie McCurrach



■ Chairman Henry McLeish and Principal Paul Little welcome the Duke and Duchess of Rothesay





**‘At this time of great change and challenge we must never lose sight of our central priority – our students.’**

Rt Hon Henry McLeish, Chairman

## Chairman’s statement

**My first full year as Chairman of the Board has been one of continued progress in the context of increasing funding pressures and unprecedented change in the college sector.**

**As a Board we have undertaken an ordered transition to our newly established, fit-for-purpose governance structure designed to maximise our value to the College and, most importantly, our students.**

We are fortunate to have a Board made up of a diverse, enthusiastic and talented group of individuals, who give their time on a purely voluntary basis, for which I am grateful.

The Board recognises the excellent contribution made by Principal Paul Little and the commitment and energy of all staff, who were absolutely critical in the positive report the College received following an Education Scotland external review in May.

This annual report sets out the detail of our performance and our many achievements.

The Principal has driven forward the College strategic plan, with ongoing oversight by the Board.

We, as a Board, have already re-assessed our future strategy in light of imminent sectoral reform, for which draft legislation will be forthcoming in the autumn.

The reform will establish a Regional Board in Glasgow and see further mergers of our

partner colleges.

Our strategic plan will properly reflect the challenging government funding settlement, the national economic and unemployment challenges and the need for efficiency and effectiveness in our operations.

Our £200million new campus development continues to make excellent progress towards delivering a ‘stimulating, engaging and inspiring learning environment’ for students, for Glasgow, Scotland and beyond.

At this time of great change and challenge we must never lose sight of our central priority – our students.

I resigned my position as chair of the Board and a Board member on 12th December 2012 to begin my new position as lead for the creation of the Glasgow Colleges Regional Board.

At the Board meeting on the 12th December 2012 Douglas Baillie was appointed the new chairman.



■ ESOL student Sadia Sharif who helped set up the Language Cafe that was recognised as an example of "sector-leading practice". Sadia also won an Adult Learners' Week award (see Page 13 for full details)



SCOTLAND'S LEARNING PARTNERSHIP  
Scotland's Learning Partnership  
**ADULT LEARNERS' WEEK 2012**  
This is to certify that  
**Sadia Ismail Sharif**  
is selected as a  
**Winner**  
**Adult Learners' Week Awards 2012**  
*Fionn Boucher*  
Fionn Boucher  
DIRECTOR, SCOTLAND'S LEARNING PARTNERSHIP  
*Bobby Main*  
Bobby Main  
MANAGING DIRECTOR, SCOTTISH TELEVISION  
STV  
ITV Border  
XSOA



**‘The expertise and drive of our staff in this first post-merger year ensured these positive outcomes.’**

Paul Little, Principal

## Principal’s statement

**The past year represented a significant stage in the development of the College, as we moved from our successful merger integration to a renewed focus on innovation and attainment.**

**I’d like to express my gratitude to the Board for their challenging and wise counsel under the inspirational leadership of our valued Chairman.**

**In May 2012 the College welcomed Education Scotland, who undertook our first full external review since merger.**

This was a thorough examination of all aspects of the learning experience and quality of teaching, with a focus on learner progress, attainment, and outcomes.

The resulting report, published in August, provided four Statements of Confidence covering areas such as learner progress, high quality learning and teaching, learner engagement, leadership, and quality of services.

The report also highlighted our success in maintaining “business as usual” through merger, as well as our ‘strong focus on innovation in learning’, selecting three instances of ‘sector-leading innovative practice’.

I am impressed by the effort of all staff, whose expertise, commitment and drive in this first post-merger year ensured these positive outcomes.

While the findings of the report are pleasing, I am committed to improving the experience for students.

To this end we have invested in major new library and student service facilities since the review.

We continue to invest in our staff and to seek higher performance across all

functions. Although our success rates are increasing, I welcome Educational Scotland’s recommendations as we focus upon continuing improvement in learning and teaching, student attainment and engagement, and the mainstreaming of diversity and equalities, cognizant of our new duties under legislation.

Although a new College, we have inherited long traditions of specialist provision in support of key industries and we value our long-standing partnerships at home and internationally.

Despite significant financial challenges, the College has maintained financial stability. This has enabled ongoing investment in educational resources and the College estate, as well as maintaining reserves at target level.

This will enable large-scale investment in our exciting new campus development in the city centre and at the riverside.

I am confident that with a continued focus on learner achievement, excellence in the service delivery and innovation in all areas, the College will develop from strength to strength.





■ Happy with the regional final trophy she won



■ Student Happy Gule reached the final of FutureChef – one of Britain's biggest cooking competitions – impressing judges with her loin of roe deer, and lime and chocolate pudding (above)



■ Les Scott, Head of Construction and Built Environment, teacher Alex Reid, pupil Becca Kelly and Councillor Iain Nicolson.



■ College lecturers taught primary pupils from Paisley the skills being used in a programme to preserve and restore their town's heritage. Robert Cavanagh shows a youngster how to whip up a bucket of plaster



■ Lecturer Thomas Welsh shows pupils how to use a drill





**‘The Board and staff were confident any challenges would be met and exceeded.’**

Jim Gallacher, Chair of the Learning and Teaching Committee

## Learning and Teaching Committee

**It is my privilege to present this review of the first full year of learning and teaching at City of Glasgow College.**

**This was the culmination of years of preparation and anticipation, and as the first students enrolled on courses, the Board and College staff were confident any challenges would be met and exceeded.**

**Looking back, in May 2012 we were provided with an external perspective by Education Scotland, all the more valuable for its rigour and impartiality.**

During the Education Scotland visit in May, Inspectors focused on student attainment, progress, outcomes, and the quality of the student experience.

Inspectors met with members of the Board, partner organisations, community groups and, of course, students and staff.

The Board was encouraged by the resulting positive report that delivered the following four Confidence Statements:

- Learners are progressing well and achieving relevant, high-quality outcomes;
- The College has in place high quality learning and teaching processes;
- Learners are actively engaged in enhancing their own learning and the work and life of the College;
- The College is led well and is enhancing the quality of its services for learners and other stakeholders.

In particular, the report highlighted a number of strengths and noted that the College’s mission, vision, and values were ambitious and challenging “with a strong focus on innovation in learning”.

Strong and effective leadership was identified as a key strength, with inspectors pointing to the successful progress made by the College against targets in the merger proposal document.

Inspectors emphasised the value of effective communications systems across the College and with external partners. They also highlighted strong partnerships with schools and employers to develop employability skills in students.

The report identified “clear and effective procedures to support students with additional support needs” as a key strength and also said the College’s portfolio of programmes “meets the need of its wide range of students and stakeholders well”.

The Board welcomes recognition of successful College initiatives, as well as individual successes, and 2011-12 provided many examples.

Education Scotland selected the following three instances of sector-leading innovative practice” that give an insight into the innovative ways through which the student experience can be enhanced. →





■ Our Reading the Waves event was highlighted as “sector-leading practice” by Education Scotland (see Page 13 for full details)



■ Hair and Beauty students with a cake wishing them good luck at the at the Worldskills regional heats (see Page 13 for full details)

### **LANGUAGE CAFE**

The College, in partnership with St Mungo Museum, established a Language Cafe for ESOL (English for Speakers of other Languages) students.

The project began in 2009 as a way to help students, many of whom were isolated, improve their English.

Monthly Saturday coffee meetings at the cafe started in March 2011 and now regular events that involve activities such as music and exercise.

The cafe promotes unity and, with help from teaching and museum staff, students help manage the project.

One student, who was a leading figure in the development of the cafe, also achieved recognition as part of Adult Learners' Week 2012.

Sadia Sharif won an award sponsored by Scottish TV for transforming her life through learning. She came to Scotland as a Somalian asylum seeker without her family and has overcome this lonely experience, to progress through six levels of English study (see Page 8).

### **WORDSKILLS**

Wordskills is a non-profit membership association open to organisations that have a responsibility for promoting vocational education.

The competition is staged every two years and sees students, training in a range of trades, go head to head.

The regional heats provided more recognition of our students, with

three gold medals, six silver medals and five bronze medals awarded.

The gold medals were awarded in Construction and two in Computing, with students from Stonemasonry and Beauty winning the silver and bronze.

Six students, one construction and five computing, have reached the 2012 national finals in Birmingham.

All students mentioned have been recognised at an awards ceremony.

### **READING THE WAVES**

The performance and networking event takes place every two months at an art gallery in Glasgow (see Page 12).

It is organised and managed by HNC Professional Writing Skills students as an extra element of their course.

Reading the Waves has been developing over the past six years, with students performing their written or musical pieces to a live audience.

They undertake voice workshops and confidence-building exercises in preparation for speaking in public.

The event also includes performances by professional writers and musicians, who provide constructive feedback to the learners. This feedback, and in some cases ongoing contact, has a positive impact on the students' development as writers.

There is generally an audience of up to 120 people and the event has a good reputation across the city's writing community.

The Board of Management is committed to innovation in teaching and learning, and to this end a Festival of Learning was held at the College in April 2012.

The Festival was a celebration of innovation and excellent practice currently delivered at the College.

Forty different workshop sessions were planned and delivered by staff to a range of College staff, and attended by teaching staff who were given time away from the classroom to attend.

The themes of the workshops were linked to the six strategic objectives of the College Learning and Teaching Strategy:

- Learning Experiences;
- Student Engagement in their own learning;
- Access and Articulation;
- Skills Development and Curriculum for Excellence;
- Employers;
- Academic Guidance and Support.

The College continues to develop partnerships with other colleges and with higher education institutions.

The Education Scotland report commented on the "comprehensive and effective articulation arrangements" which the College has with a number of universities.

In 2011-12 the College further extended its articulation arrangements with its higher education partners, with a much enlarged formal articulation agreement signed with Glasgow ⇨





■ Hundreds of graduates filled Glasgow Royal Concert Hall twice in one day to celebrate their achievements. Almost 1000 students attended morning and evening ceremonies in November 2011 to receive their certificates in front of proud family and friends





Caledonian University.

The College has also agreed a new partnership with the Open University to facilitate progress to degree study for our students.

We often hear of students who have gone on to advanced learning having started their journey at the College.

One example is Jujhar Dhandu who graduated with a Legal Services HND, progressed to study Law at Glasgow and Oxford universities, and who has now on a Kennedy Scholarship at Harvard Law School in the USA.

Jujhar said the teaching he received at College was one of the main reasons for his success (see Page 2).

While 2011-12 marked the first full

year of activity at the College, we are aware of the continuing need to evaluate and improve. Education Scotland pointed to our good use of external stakeholders and learners' views in its self-evaluation process.

Following this successful review, the Board recognises the report has identified areas for improvement. As a result, the Learning and Teaching Committee will seek to ensure learner attainment rates improve, student engagement arrangements have maximum impact on the work of the College, and our learning and teaching strategies are implemented.

#### LEARNING AND TEACHING KEY PERFORMANCE INDICATORS

These KPIs are used by the Scottish Funding Council. They

are monitored by staff who have access to live data to track their performance.

Early withdrawal – the student has withdrawn from the course before 25 per cent of the course has elapsed.

Further withdrawal – the student attended after the funding qualifying date (25 per cent) but withdrew before the course ended.

Completed partial success – the student completed the course but did not gain the qualification.

Completed successful – the student completed the course and gained the qualification or progressed to the next year of study having achieved at least 70 per cent of the units studied.

#### Outcomes for Higher Education student enrolments on recognised qualifications:

	Completed successful		Completed partial success		Further withdrawal		Early withdrawal	
	2010-11	2011-12	10-11	11-12	10-11	11-12	10-11	11-12
Full-time	66%	69%	14%	13%	12%	12%	8%	6%
320 hours but not full-time	66%	73%	28%	17%	5%	3%	1%	7%
160 to 320 hours	70%	75%	16%	13%	5%	7%	8%	5%
80 to 160 hours	72%	84%	20%	11%	3%	3%	5%	2%
40 to 80 hours	80%	85%	12%	14%	3%	1%	6%	1%
10 to 40 hours		100%						
Under 10 hours								

(Source – SFC Published PIs (10-11) and FES Online Report (11-12))

#### Outcomes for Further Education student enrolments on recognised qualifications:

	Completed successful		Completed partial success		Further withdrawal		Early withdrawal	
	2010-11	2011-12	10-11	11-12	10-11	11-12	10-11	11-12
Full-time	56%	65%	14%	11%	15%	17%	14%	8%
320 hours but not full-time	58%	62%	12%	12%	16%	15%	14%	10%
160 to 320 hours	72%	67%	11%	16%	9%	9%	8%	9%
80 to 160 hours	82%	77%	11%	12%	4%	6%	3%	5%
40 to 80 hours	75%	73%	18%	21%	3%	1%	4%	4%
10 to 40 hours	90%	89%	8%	10%	1%	0%	1%	1%
Under 10 hours	100%	100%			0%		0%	

(Source – SFC Published PIs (10-11) and FES Online Report (11-12))





■HND Fitness, Health and  
■ Exercise student Rachel  
Kerr took America by storm  
at the World Cheerleading  
Championships





‘This year has been challenging ... but I’m pleased to report many successes as staff have responded.’

Alisdair Barron, Chair of the Students, Staffing and Equalities Committee

## Students, Staffing and Equalities Committee

**The work of the Committee is wide-ranging and touches on many aspects of the staff and student experiences.**

**I recognise that this year has been particularly challenging to many members of staff. But with challenge comes opportunity and I am pleased to report many successes as colleagues have responded to these challenges.**

**We have been continually focussed on enhancing student service provision, delivering advice, guidance and support at each stage of the learner journey.**

With bases in most buildings, the College delivers student services via a one-stop shop comprising a wide range of service and support.

A priority has been refurbishing the North Hanover Street Millennium building base with a frontline desk directing students to a range of essential support services including:

- Admissions;
- Student funding;
- Accommodation;
- Personal Welfare;
- Counselling;
- Health and wellbeing;
- Careers;
- Student Development;
- Multi Faith Chaplaincy;
- Students’ Association;
- Student Engagement

Activities.

Another priority in 2011-12 was the enhancement of the Students’ Association facilities. In partnership with the association, a new social and office space has been designed and created in the Townhead building.

Providing accurate admissions and entry information was essential. In session 2011-12 we

advised over 22,000 full-time applicants.

This was a significant element of the College recruitment and enrolment process.

Student Services opening times were expanded to enable extended access to guidance and support, in particular for evening class students.

Student Services helped around 7,000 students access financial support, including bursaries, childcare, travel and crisis help through the College Hardship Fund.

Financial support to our students in 2011-12 totalled £7million. In addition, the Student Development team conducted over 100 Disabled Students’ Allowance assessments, providing specialist equipment and support for students on Higher National courses.

The College organised the first college-wide Higher Education Careers Event, targeted at around 1,200 second-year students and involving all universities and art schools across Scotland.







■ Glasgow City Council leader Gordon Matheson presents Henry McLeish and HR Business Manager Suzanne Booth a certificate to recognise the College as a Living Wage employer



■ Diversity and Equalities team Graeme Brewster and Fiona Neilan accept accreditation on behalf of the College from the pregnancy charity Tommy's



■ Elizabeth Bea was appointed as the College's Green Travel Co-ordinator to work with HR, Estates, New Campus Project team and external partners to create more eco-friendly ways for staff to get to work

### **ADDITIONAL SUPPORT NEEDS**

Over 1,000 Personal Learning and Support Plans were developed for students with additional needs, ensuring the co-ordination of support for learning and teaching. This enabled information to be shared among staff to enhance student success.

A new cross-college electronic referral system, ensuring the early identification of support needs, was a significant innovation this year.

Conducting core skills profiling on all students studying at non-advanced level at the early stages of their learner journey, helped us determine the support needs for students who were at risk of under-achieving.

### **STUDENT ENGAGEMENT**

A unique collaboration of Student Services staff, Law department staff and the Committee helped the Student Association with development of a new Constitution.

This was complemented by a new Student Engagement Strategy. The Student Engagement team received feedback from students via class representatives, focus groups and surveys to improve their experience.

With students originating from 135 different countries the College was keen to establish a chaplaincy service to meet the spiritual needs of students and staff. The College has worked with external agencies to extend and enrich this provision.

The safety of our students continues to be a priority. As a result, 35 staff members have been trained as Safeguarding Co-ordinators to ensure the effectiveness of our Safeguarding Policy and Procedures.

The College, in collaboration with Glasgow Caledonian University, conducted a research project on disabled students with support needs who progress from College to university.

This was significant for the College and the sector, and included a support toolkit and a bespoke British Sign Language-translated website.

Our Students' Association won the Students Association of the Year Award from NUS Scotland, while Student Services won a Highly Commended Award from JISC for Access and Inclusion at iTech 2012.

### **EMPLOYEE RELATIONS**

The Human Resources team have been continually engaged throughout in the delivery of best practice, high quality practices and procedures. In doing so they ensure the timely delivery of professional advice to staff.

A key success factor in terms of delivery has been the emphasis on employee engagement and in the practical application of change.

Constructive dialogue has been maintained with trade unions, staff representatives and stakeholders. Initiatives include:

- Harmonisation of terms and conditions for support and lecturing staff, and senior managers;

- Joining the Glasgow Living Wage scheme;

- Being recognised as a Disability Symbol user;

- Implementing a cycle-to-work scheme and achieving Cycle Friendly Employer status.

The College is committed to promoting and valuing diversity and quality through effective employment policies that aim to attract, recruit, and retain staff on the basis of merit.

The College is "two ticks" (Positive About Disabled People) accredited by JobCentrePlus, having achieved the five required commitments.

Both the College Diversity and Equalities Policy, and Recruitment and Selection Policy commit to adopting the "Positive About Disabled People" symbol. This ensures that candidates with an disability who meet the minimum essential criteria for a vacancy are offered an interview.

Currently 72 employees have advised the College they have a disability, equating to 5.8 per cent of the workforce.

As a result of continued restructuring, roles within the HR team have been realigned to provide "first contact" specialised and skilled HR support to schools/ service areas, enhanced employee assistance initiatives involving ⇨



**tasty  
times**



with **NIALL MURRAY** from  
City of Glasgow College



## Chicken, walnut and orange salad

### Ingredients (serves 4 as a starter)

2 chicken breasts or leftover roast chicken  
Juice of half a lemon  
3 oranges, segmented  
50g walnuts  
2 Little Gem lettuce  
1 sprig of chives  
1 punnet of cherry tomatoes  
½ red onion  
1 tbs sherry vinegar  
1 tsp Dijon mustard  
4 tbs sunflower oil  
Salt and pepper

### Method

**PREHEAT** oven to 165°C. Fry the seasoned chicken breasts in a little oil on both sides and squeeze the lemon juice over them and place in the oven for 15 minutes. Remove and cool the chicken breasts.

Make the dressing by placing the sherry vinegar and Dijon mustard into a bowl and whisk in the sunflower oil and salt and pepper. Peel the oranges with a sharp knife and cut each segment out and squeeze the juice into the dressing.

Shred the outer leaves of the Little Gem lettuce and arrange the inner leaves around four plates. Dress the shredded lettuce and place in the middle of the plates and place the sliced chicken on top, sprinkle the orange segments, walnuts, red onion, cherry tomatoes and chives over the chicken and drizzle any remaining dressing over the top.

■ Lecturer chef Niall Murray has helped put the College on the map with his contributions to the College's weekly food column in the Evening Times newspaper (inset)



improved employee counselling, and occupational health doctors.

Innovative practices in seeking to provide best guidance and support to staff has included initiatives of membership and adoption of the Tommy's Pregnancy Accreditation Programme and the MacMillan Essential Work and Cancer Toolkit.

Lastly, our Job Evaluation Project has continued to gain pace, requiring the review and analysis of over 190 unique roles. It is now in its final stage for implementation.

Delivery on our commitment for E-Enabling processes has continued with the implementation of the MyHR portal, which gives staff and managers real-time information on the management of leave and absence, and the recording/review of training and continued professional development. Latterly, developments have also included e-copy salary advice slips and P60 information.

Former paper-based processes for budgetary control of temporary lecturing staff have been replaced by an e-enabled Contract Generator. This provides a real-time, budgetary control tool that empowers managers, establishes resource-efficient controls on expenditure and enables timely authorising/processing of payments to staff. It also provides real time decision making information for Senior Management on utilisation and

allocation of resources.

#### **EMPLOYEE DEVELOPMENT**

The Organisational Development team moved from merger integration to the implementation of a fully formed strategy and action plan.

A range of development activity was planned and delivered for the session, beginning with workshops and other support activity for staff returning from the summer break. This was essential to ensure new ways of working were fully understood and implemented. For example, 243 staff attended sessions on the My City student portal, a facility for students to contact classmates, access course materials, timetables, and even obtain exam results.

A key priority of the team was to maximise the in-house expertise by communicating best practice and building capacity and self-reliance.

Through the session staff recorded over 3000 attendances at development events, over 90 per cent of which were delivered by colleagues.

Various aspects of learning and teaching practice were developed, ranging from specialist support and mentoring to Curriculum for Excellence and innovative practice in the classroom. The College's highly successful Festival of Learning, saw 40 facilitators supporting 32 workshops with a total of 550

staff attendances. Feedback from staff was extremely positive, with "content" and "usefulness" scoring over 90 per cent.

To support development of a one-college culture, a range of initiatives was developed to create a positive, creative, "ideal" culture.

Supported by psychologist Alan Mclean, the Cultural Connections initiative was developed, with the same themes used to increase motivation to learn within the classroom via the Motivated City initiative. In 2011, the Leadership Academy was opened, and provided a focal point for the development of managers and potential managers.

A series of inspirational speakers provided the "Headroom" series of events, and leadership capacity was further developed via specialised training sessions.

Within the Enhancement of Qualifications programme, 46 staff undertook higher education qualifications in 2011-12, many at postgraduate level.

The Organisational Development team also worked towards the achievement of the Healthy Working Lives Silver and Gold awards, with a range of events and campaigns. Other training, related to legislative compliance and other mandatory requirements, was delivered.

#### **DIVERSITY AND EQUALITIES**

Elsewhere the College is committed to promoting, diversity and human ↪





**FOOD, HOSPITALITY AND TOURISM..** Curriculum Director Sandra Gunn with the NQ Professional Cookery and Hospitality group



**CONSTRUCTION AND BUILT ENVIRONMENT..** Curriculum Director Peter Leitch with the NPA Painting and Decorating group



**CREATIVE INDUSTRIES..** Mark Baird, Creative Crafts with Photography

These are the winners of **CITY's** first Embracing Diversity competition. The competition was set up to find the most effective expression of the "embracing diversity" theme. Entries were judged on the clarity and accessibility of message, level of effort shown, originality of concept, quality of work and the impact on the viewer/audience. School winners received £100 at advanced and non-advanced levels while the overall winners received a further £200.



**ART AND DESIGN..** Dylan McQueen, Foundation 3D Design



**ART AND DESIGN..** Alex Thomson, Foundation 3D Design



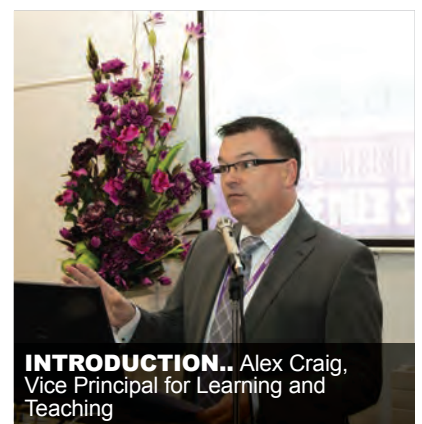
**LANGUAGES & ESOL..** Badradeen Mohammed, ESOL Intermediate 2



**BUSINESS AND ENTERPRISE..** NC Advertising and PR group award



**HAIR AND BEAUTY..** NC Ladies Hairdressing group with Curriculum Director Peter Midgley



**INTRODUCTION..** Alex Craig, Vice Principal for Learning and Teaching

rights for staff and students. In doing so, the College will:

- Foster good relations based on dignity and respect;
- Advance equality of opportunity for individuals;
- Eliminate harassment, victimisation and discrimination.

The Diversity and Equalities team provides leadership and co-ordination of the strategy in relation to age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion and belief, sex and sexual orientation.

In 2011-12 the College was the first in Scotland to measure across all protected characteristics for new and existing staff. We also received positive feedback from staff to our Diversity and Equalities campaign – *Altogether Different, Altogether Stronger* – with an awareness level of over 79 per cent.

A staff survey revealed 89 per cent agreed that the College is committed to advancing diversity and equality.

To develop productive links with partner organisations across Scotland, a Diversity and Equalities Advisory and Engagement Group has been established.

The group meets quarterly and is attended by senior staff and representatives from user-led equalities groups.

A value of the College is “Equality, Diversity and Inclusiveness” and we actively seek ways to enhance this in the curriculum.

### **EMBRACING DIVERSITY COMPETITION**

A competition was set up to help staff and students engage with concepts of diversity and equality.

This initiative was also selected by Education Scotland as being sector-leading and innovative.

Entries were submitted across a variety of media, such as fashion, photography, blogs, writing, video, painted murals, food and jewellery.

Elsewhere, the Community Learning department delivers classes on an outreach basis in community and cultural centres, and other units.

Working with community partners, over 500 students were enrolled on programmes that provide skills and guidance relevant to people’s lives and provide a link to the College and progression routes to further learning.

Our community learning groups comprise all ages, including young mothers, people with health and addiction issues, long-term jobless, and individuals with literacy and numeracy needs. Our learning groups include many diverse cultures.

### **SENDA**

The Special Educational Needs and Disability Act 2001 and 2005 amendment make it unlawful for the College to treat a disabled person less favourably than a non-disabled person, for a reason that relates to their disability. As such we commit to:

- Fostering good relations based on dignity and respect;

• Enquiring about (and subsequently meeting) reasonable adjustments at student application and interview stages;

• Providing additional support for students via Personal Learning Support Plans (PLSPs) in relation to additional support;

• Equality impact assessing (EQIA) policies and practices to take account of disabilities;

• Providing training for staff in conducting EQIA;

• Conducting Risk Assessments for work placements and field trips;

• Providing training for staff in conducting Risk Assessments;

• Ensuring current/future buildings meet building control regulations/ Equality Act 2010 requirements in relation to accessibility;

• Delivering the CALM project to give staff the skills and attitudes to create and maintain accessible and electronic learning and teaching materials, and providing a VLE to store such materials;

• Providing learning and teaching material in other formats, and assistive technologies for students and staff.

### **HEALTH AND SAFETY**

The College set up a Health and Safety team and prioritised a review of policies, procedures and action plans, as well as training and guidance, relating in particular to fire safety, first aid, and risk assessment.

The team undertook inspections on all sites with unions and produced follow-up reports with actions.





■ The College has revamped several areas including the new library at its North Hanover Street building



■ The new library facilities, such as the suite of computers have proved a hit with students (left and below)



‘We have invested in our existing estates to maintain and improve the standard of the student experience.’

Douglas Baillie, Chair of the Estates Committee.

## Estates Committee

The past year saw significant progress in the development of our new City and Riverside campus buildings.

While there has been a focus on this, we have also invested in our existing estates to maintain and improve the standard of the student experience.

In November 2011, the College was given the go-ahead to move forward with the procurement for our £200million campus development as part of the Scottish Government’s Non-Profit Distributing (NPD) pipeline.

We have committed an experienced senior College team to manage this project, recognising its scale and significance, while a team of professional advisors will cover the main disciplines such as architecture, engineering, design, planning, management, legal and finance.

The project is supported by the Scottish Futures Trust and funded through our strategic partners, the Scottish Funding Council.

The College has a carefully considered governance structure in place to ensure accountability, affordability and achievement of the College’s key objectives.

The core team has engaged with all staff and Stakeholder User Groups have taken ownership of key decisions.

The new campus will be built across two sites, at the riverside and in the city centre on the current Allan Glen’s site on Cathedral Street. This will replace our current estate that spans 11 buildings in variable condition across nine sites, some requiring considerable maintenance expenditure.

The development will include the College-funded construction of a new hall of residence at the riverside.

Our new campus will be:

- Instrumental in delivering learning and teaching for 40,000 students supported by 1,200 staff;
- ‘Inclusive by Design’ and core to our vision to redefine students’ experience of a college education;
- Flexible and designed to minimise operating costs;
- Environmentally friendly (targeting a 50% reduction in CO2 emissions) and energy efficient within the project Sustainability Strategy.

The project promises to yield benefits for Glasgow such as learning, training and work experience opportunities for many curriculum disciplines, on top of sustainable job opportunities for new entrants to the job market.

There is a requirement to achieve an ‘Excellent’ BREEAM (environmental assessment) rating for the design and procurement of the new College buildings with a







■ Don MacKeen is a lecturer who runs the Transitions course for students with learning difficulties. He has been using the outdoors in lessons for six years and even created a short film comparing his methods with counterparts in the USA. During a trip to the States, Don interviewed a number of people including activist Grace Boggs who helped transform parts of Detroit



■ These HND Computer Arts and Design students teamed up with the One World Shop to produce a series of short web-based films to coincide with Fairtrade Fortnight



target of 'Very Good' for the Hall of Residence. (A BREEAM pre-assessment for the College indicates that the Project is on track to achieve these targets). A philosophy of sustainable development must be central to the design and procurement processes of the successful bidding consortium.

The design will consider whole life rather than just capital costs.

Design decisions must be based on cost in use (maintenance and energy costs) over the life of the new campus as well as capital cost.

The new campus buildings must be flexible to enable the College to manage, at minimum cost, changes in operations or building use.

These may include variations in teaching practices, working hours, new technology, changes in student or staff numbers, changes in performance requirements, changes in legislation and changes in use of the accommodation.

The start of the procurement process was marked by the publication of the College's Official Journal of the European Union notice on December 2, 2011. More than 100 representatives from over 30 internationally renowned businesses attended a 'Bidders Day' event in December 2011. We received nine consortia bids to participate in the tender process to design, build, finance and maintain our new campus.

Following the in-depth evaluation process, we arrived at the shortlist of three consortia. A substantial interim bid submission in July 2012 and significant evaluation exercise led to a down-selection to two bidders – BAM PPP and Glasgow Learning Quarter.

#### **NEW CAMPUS KEY DATES**

Also, a number of working groups will assist with major transition issues. Key dates for the next steps are:

- January 2013 – Preferred bidder appointed;
- June 2013 – Planning consent and financial close/contract awarded;
- Summer 2013 – Summer 2016 Construction period followed by migration;
- 2017 Final demolition, landscaping and exit from surplus buildings.

#### **EXISTING ESTATES**

Significant work was undertaken by the Estates team over the summer of 2012 with a focus on provision of internal decant ahead of the demolition of Allan Glen's and the Business Learning Zone buildings in 2013.

This placed extra pressure on student services and library provision. The Millennium Connection at North Hanover Street was identified as the new home. The new library on level two was developed. Interior designers Nomad took the initial brief and created a concept design. This design was progressed by the Estates team.

With the new library creating increased footfall, the ground floor foyer was opened up to create a more functional entrance.

The Student Services area was redesigned to create a vibrant open-plan space to ensure collaboration between the student funding and development areas, and a one-stop reception desk was created – all of which enhanced the student service.

HAA Design took on the role of

designer and contract administrator, while the Estates team employed other construction professionals to assist and manage the project.

Significant input was also required from our ICT and Network team.

Both projects were delivered on time and within budget.

The College recognises its environmental responsibilities and is committed to preventing pollution and achieving efficient consumption of its resources. The Environmental Policy was approved in February 2012 and a range of measures were undertaken in 2011-12.

Electricity is purchased from 100 per cent renewable resources via APUC (Advanced Procurement for Universities and Colleges) and heating systems are controlled centrally to maximise efficiency. Energy use via lighting and PCs is minimised, and Heads of Service have a target of three per cent annual reduction in energy consumption.

The College is committed to reducing landfill and increasing recycling. Existing procedures recycle electrical equipment and fluorescent lighting, with new waste contracts and an awareness campaign planned for 2012-13. The Head of Facilities has a target to increase recycling by three per cent each year.

Water loss is minimised; for example at the Riverside swimming pool by a recycling system.

The College has ISO14001 Environmental Management System at the Riverside campus and is committed to extending accreditation College-wide.





■ Maritime and Marine Engineering students celebrated their graduation in June 2012. Over 300 students attended the event at Glasgow Cathedral







**‘The College has a strong track record in partnership working and international recruitment.’**

Tasmina Ahmed-Sheikh, Chair of the Development Committee.

## Development Committee

**I am pleased to report significant progress as the College maintained and developed its commercial and international activities.**

**2011-12 was another challenging year as we continued to support**

**long-standing partnerships at home and abroad, as well as developing new strategies and marketing the College brand through this post-merger period.**

**The College has a tradition of working commercially with large and small firms from all over the world, delivering accredited and bespoke programmes.**

Further developing a strong track record both in industry and in the sector was a priority for the College during session 2011-12.

The commercial unit successfully overcame challenges during the implementation phase following merger, by managing to maintain business as usual whilst obtaining new contracts.

As well as being responsible for all City Enterprise courses and activity, the unit also assists the schools in the planning, development, and costing of new business opportunities.

The College has continued to work with industry partners and to lead the way in the areas of Marine Engineering, Nautical Studies, Procurement, Food Hygiene, Licensing, Health and Safety, Construction, and Marketing.

As part of a new Commercial strategy led by the Development Committee, the College will continue to diversify its commercial, non-government funded, activity across the College. This strategy specifically

focuses on developing and nurturing existing partnerships while exploring alternative income streams.

### **INTERNATIONAL ACTIVITY**

The College continues to build its reputation within the international learning community, delivering international programmes to a significant number of learners from around 135 different countries.

The College has established a strong track record both in partnership working, and in international recruitment, and is Scotland’s leading college in this area.

In 2011-12 the College attracted almost 1,000 International students representing approximately £2.8million of income.

Courses undertaken varied from full-time to short specialisms, and while most were in the niche market of Maritime and Engineering, significant numbers also undertook Business, Hospitality and Languages courses.

Many international students ⇨





■ Principal Paul Little, and College Chairman Henry McLeish show Scottish Education Secretary Michael Russell what the College has to offer at the opening of the new Merger and Partnership Research Centre



■ Mr Russell, Journalism student Daniel Clarke and former Student President Emma Iwanow open the new centre



■ Workers put the finishing touches to maritime training centre in Angola (see opposite page)



came to the College via our international partners, particularly in India, Pakistan, Angola, and China.

Supporting our partnerships and further developing our International links, staff visits were made to India, Angola, Pakistan, China, USA, and several European countries.

Continuing our existing European partnerships, staff and student visits took place to the USA, France, Spain, Germany, Denmark, Italy and Poland.

The project to develop a £70m maritime training centre in Angola – the first of its kind for any college in Scotland – is progressing well.

Construction continues at pace and the centre is expected to open in 2013, at which point the College will assume operational management.

Continuing our new international strategy led by the Development Committee, the College has ambitious plans to diversify its international work and penetrate new markets across many different countries.

#### **INTERNATIONAL GRADUATION**

The annual Summer Graduation Ceremony was held in the historic setting of Glasgow Cathedral.

Maritime and Marine Engineering students were joined by family friends and staff to celebrate their

achievements. Many graduates have come from overseas institutes including AMET in Chennai, VELS in Chennai, BP Marine in Mumbai and MTI in Karachi, and will now either return home, spend time at sea, or progress to university courses.

#### **EUROPEAN SOCIAL FUND ACTIVITY**

In 2010-11, the Scottish Funding Council took the role of lead partner in a European-funded project involving most of Scotland's colleges.

Their second project (2011-12), Investing in Skills for Economic Recovery, again allowed the College to focus on providing training for 16 to 24-year-olds, with the emphasis on skills for the identified growth areas of construction, care, business services, retail, and food and drink. This project generated almost £1m of additional funding to the College.

The College was lead partner on another project, RENEW, which focused on improving the skills of employed students in the areas of Business, Accounting, Computing and Hairdressing. This project was in partnership with three other colleges in the west of Scotland.

#### **MARKETING/BRANDING**

The College held its first Winter Graduation ceremonies for students

at the Glasgow Royal Concert Hall in November 2011. The ceremonies saw the final outing of the Big & Clever launch campaign concept, with a move to a new "icon-based" concept for corporate marketing. The aim of this concept was to position and promote the academic schools as centres of excellence, emphasising these sub-brands within the College "mother" brand.

A key development during 2011-12 was the positioning of the College as a city centre conference and events venue, via on-line and off-line marketing. Clients include the Scottish Government, Glasgow Chambers of Commerce, and Stirling University.

A new College DVD was created in early 2012, featuring our own students as a way of authenticating our brand with spontaneous, unscripted messages. The DVD provided material now featuring on various on-line platforms.

The College's new website was launched in 2011, winning a silver award in a 'Student Choice' category at the annual Scotland's Colleges marketing awards. Nevertheless, as part of our on-going digital marketing strategy, a further website rebuild and re-launch is planned.





■ Top Scots chef Andrew Fairlie dished out Michelin-starred advice to staff and students – including Danielle Mattison and Janet MacGregor (above) – during a visit to the College



■ Andrew with students Susan Galloway, Siobhan McKinney and Sayeeda Ahmed



■ Student Craig Palmer finishes off a starter



■ The chef meets Willie McCurrach, Head of Food, Hospitality and Tourism, Principal Paul Little and Gordon McIntyre, Head of Hospitality





**‘The College had a successful year in terms of financial performance despite significant challenges.’**

Peter Finch, Chairman of the Finance Committee.

## Finance Committee

**I am pleased to report the College had a successful year in terms of its financial performance despite some significant challenges.**

**During the financial year, the Finance Committee considered the College’s annual financial plan and associated budgets.**

**The Committee monitored budgets and financial performance throughout the year and reported to the Board on the year-end financial performance.**

The 2011-12 financial plan was prepared within the context of the first full year of public expenditure constraint, which resulted in a reduced level of government grant for all of Scotland’s colleges. The grant reductions for City of Glasgow College are noted in the table below.

The majority of the College’s income is derived from public funds. Thus the significant reductions noted below presented the Finance Committee with a number of major challenges. In the face of these challenges the Committee continued with its overall financial objectives to:

- Reduce the planned 2011-12 operating deficit to below £500,000;
- Maintain financial sustainability by ensuring net current assets remained at approximately £20million;

- Maintain and, where possible, improve the level of capital investment in terms of the College’s estate, educational equipment and other resources. The target capital spending for 2011-12 was £2.9m.

### **FINANCIAL REVIEW**

This section compares the year-end results with the Committee’s financial objectives for 2011-12 as well as providing a comparison with the previous year’s results.

The 2011-12 operating surplus amounted to £438k which was a significant improvement against the overall objective to reduce the planned deficit to below £500k.

Given the reduction in the level of Government grant mentioned earlier, then it is not surprising that the year-end result for 2011-12 was down significantly when compared to the 2010-11 figure of £1,269,000 (excluding ⇨

Item	2010-11	2011-12	Change	Change
Teaching Grant	£33.5m	£30.5m	-£3.0m	-9%
Capital Allocation	£2.3m	£1.4m	-£0.9m	-39%



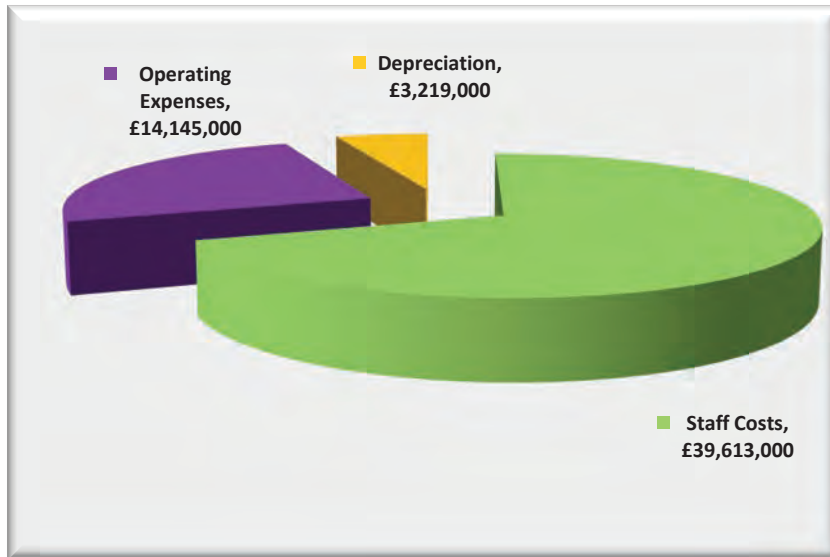


Figure 1 Expenditure Analysis 2011-12

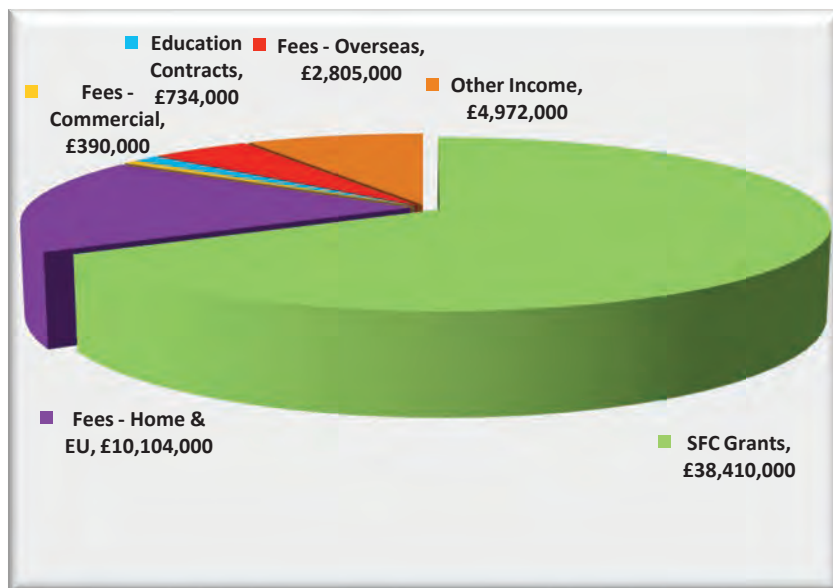


Figure 2 Sources of Income 2011-12

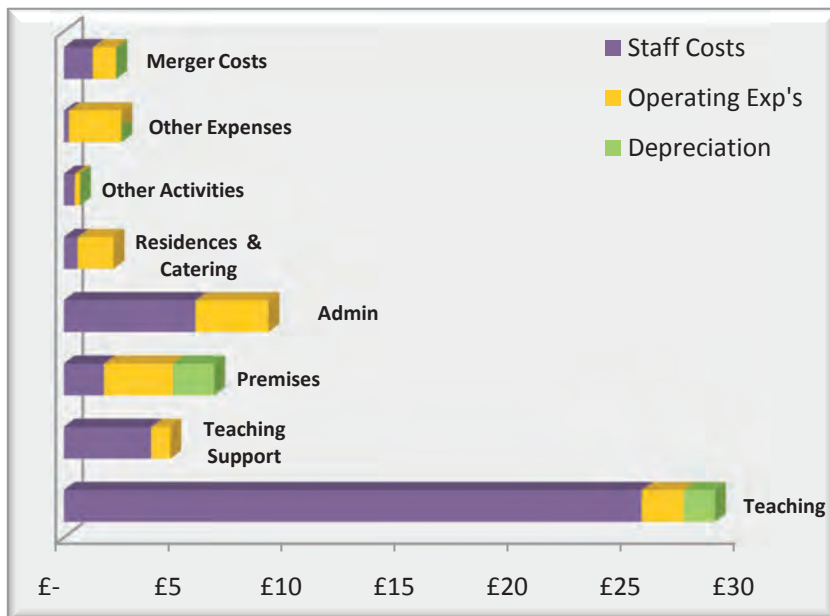


Figure 3 Expenditure Analysis 2011-12 (£m's)

exceptional items).

Capital expenditure for 2011-12 amounted to £2,082,000. This total is down compared to the 2010-11 total of £3,541,000. This reduction was partly a result of the cut in Government grant but also a rescheduling of a number of equipment projects.

The previous section on the work of the Estates Committee reports on a number of the key building projects undertaken during 2011-12. In addition to these projects £944k was spent primarily on equipment to support the learning and teaching process.

The College's 2011-12 net current assets position as at 31st July 2012 was £22,846,000 which represents an increase compared to the 2010-11 figure £22,348,000. This exceeded the target figure of £20m set out in the financial plan, which was a result of the improved 2011-12 operating surplus as well as the delay in completing some capital projects.

The table below provides a summary of the College's financial key performance indicators (KPIs). These KPIs reflect those used by the Scottish Funding Council to benchmark the performance of Scotland's colleges.

#### **PROMPT PAYMENT OF SUPPLIERS**

The College seeks to comply with the CBI Prompt Payment Code and has a policy of paying its suppliers

within 30 days of invoice date unless the invoice is contested. All disputes and complaints are handled as quickly as possible. The average creditor's payment period throughout the year was 37 days. No late payment interest charges were paid during the year.

#### **TREASURY MANAGEMENT**

The College Treasury Management Policy was approved by the Finance Committee on November 15, 2010. The College policy will ensure treasury management is effective in the successful identification, monitoring and control of financial risk. In balancing risk against return, the College is more concerned to minimise risks than maximise returns.

During the year the College contracted with a treasury management service provider to support the management of the College policy.

The service provider reviews all College deposits and provides risk and return analysis. Every meeting of the Finance Committee receives an update report on the treasury management performance.

#### **LOOKING AHEAD**

The College's future financial sustainability is partly linked to its ability to achieve, in future years, an annual operating surplus and maintain a reasonable level of net current assets.

The Board has set the College a target of achieving a small

operating surplus for the 2012-13 financial year. This target was set in the context of a 10 per cent reduction in Government grant. The Government's expenditure plans would suggest that 2013-14 will bring a further six per cent reduction followed by another 4 per cent reduction in 2014-15. In addition, the sector's European Social Fund (ESF) grant funding will cease at the end of 2012-13. The Board recognises that these potential funding reductions will present yet more financial challenges for the College.

The Board's has, therefore, placed a focus on diversifying the College's funding sources.

The Development Committee's review sets out some of the new initiatives being taken forward by the College in an attempt to secure new sources of funding.

The College's affordability model for its New Campus Project assumes that net current assets will be £22m at the end of the 2012-13 financial year. This level is necessary as the College will be required to contribute £19m to the New Campus Project between 2012-13 and 2016-17. The Finance Committee will, therefore, have a particular focus on monitoring the level of net current assets in the current financial year and through to 2016-17.

	City of Glasgow 2011-12	City of Glasgow 2010-11	Sector Average 2010-11
Operating surplus as a % of total income	0.8%	2.2%	0.8%
Historical cost surplus as a % of total income	1.1%	4.8%	6.9%
Income and expenditure reserves as a percentage of total income (ex-pension reserve)	40%	38%	28%
Ratio of current assets to current liabilities	4.3:1	3.7:1	1.8:1
Days cash to total expenditure	174	173	92



■ Part-time lecturer Karen Idun enjoyed the view from the roof of our North Hanover Street building as she helped launch the Sports department's new brand by giving staff advice on fitness and nutrition. Karen, who is the 2011 Scottish Senior Weightlifting champion, also works as a massage therapist and a nutritional consultant







**‘This will ensure we have the right balance of skills to lead the College, as we move into a period of change.’**

Debbie McNamara, Chair of the Nominations and Remunerations Committee.

## Nominations and Remunerations Committee

**I can report an active year in relation to the Board’s own development. We carried out a full self and peer-assessment exercise this year, which provided an excellent opportunity for self-reflection and an analysis of the Board’s combined skills and any development needs.**

**The process included an evaluation of the Chairs of our Committees. As a consequence, we are now in the final stages of developing a bespoke ‘Non-Executive Directors’ course for our Board Members.**

This will ensure we have the right balance of skills to lead the College, as we move into a period of change in our governance and the governance of colleges across Scotland.

The departure of a long standing and highly experienced Board member, Captain Nigel Palmer, left a significant gap to be filled on the Board.

Tasmina Ahmed-Sheikh, who was one of our co-optees, was appointed as a full Board

member. Tasmina offers a wealth of business, international and legal expertise.

In line with normal practice we reviewed salaries of the Vice Principals and the Principal and confirmed, in line with public sector pay policies in the current economic climate, that there would be no salary increase for 2011-12. We also approved severance packages which we felt were appropriate and in the interests of the College.





■ Our North Hanover Street building from a student's unusual perspective



‘We have a general aim to ensure the effectiveness of the College’s financial and other internal control systems.’

John MacLeod, Chair of the Audit Committee

## Audit Committee

The Audit Committee has a general aim to ensure the effectiveness of the College’s financial and other internal control systems and procedures.

The Committee also monitors the performance and effectiveness of the College’s external and internal auditors.

Prior to the start of the 2011-12 financial year the Audit Committee appointed BDO LLP as the College’s internal auditors from August 1, 2011.

The Committee, subsequently, considered and agreed the internal audit plan for 2011-12.

The following table provides a summary of the work undertaken by the internal auditors linked to this plan as well as an additional review linked to IT infrastructure and the potential for external intrusion/hacking attacks.

### INTERNAL AUDIT

Based on the reviews undertaken during 2011-12, the following opinions were

expressed by the Internal Auditors:

- “With the exception of our review on Management Information and KPIs, whereby we concluded that further work is required to produce a comprehensive and relevant set of key performance indicators, the risk management activities and controls in the areas which we examined were found to be suitably designed to achieve the specific risk management, control and governance ⇒

Internal Audit Report / number of recommendations	High	Medium	Low
1. Review of UKBA procedures	4	3	0
2. Student Association procedures	3	4	0
3. ICT Controls	1	9	5
4. ICT External Security	1	10	6
5. Student Funding Financial Controls and Procedures	2	6	0
6. Procurement Processes	0	6	1
7. Financial Systems	0	2	4
8. Financial Sustainability	0	2	1
9. Payroll & HR integration	0	7	1
10. Job Evaluation	1	3	2
11. Management Information and KPIs	1	3	2
12. Working Together	0	3	3
<b>Totals</b>	<b>13</b>	<b>58</b>	<b>25</b>





■ Visitors got a taste of the College's huge range of courses at the annual Open Day. HND Hairdressing students Hazel Gauhl and Emma Leitch



■ HND Hospitality students (from left) Kathryn Veroni, Gillian MacDermid, Sophie Spence, Emma Dott, Natalie Copland, Rocheen Dunlop, Holly Strang and lecturer chef Aileen McMonagle



■ Damien Matthew from Clevedon Secondary tries his hand at plastering



■ Hairdressing student Michelle Kerr



■ Coatbridge High pupil Natasha Hannen (right) with HND Beauty Therapy student Sharon McGeough

arrangements.”

•“Based on our verification reviews and sample testing, risk management, control and governance arrangements were operating with sufficient effectiveness to provide reasonable, but not absolute assurance that the related risk management, control and governance objectives were achieved for the period under review. This is with the exception of IT, where our 2011-12 reviews concluded that there were improvements required in the protection of key IT assets, specifically through the need for IT security testing to gauge any vulnerabilities in the network.”

#### EXTERNAL AUDIT

Scott-Moncrieff became the College’s external auditor with effect from August 1, 2011.

The Audit Committee considered

and agreed the external auditor’s Audit Strategy and Plan for 2011-12.

The external auditor’s independent report on the 2011-12 financial statements is set out on page 53.

#### OTHER MATTERS

In addition to the work of the internal and external auditors, the Committee considered a range of other matters, which include:

- Audit Scotland Report: Scotland’s Public Finances;
- Risk management;
- Financial Regulations (Amendments);
- Business Continuity Planning;
- New Campus Project;
- Anti-Bribery and Corruption Policy.

#### RISK MANAGEMENT

The College’s Risk Management Policy outlines its approach to risk management and internal control, and the roles of the Board and

senior management.

The Board considers and agrees a high level risk matrix each year. During the year the Audit Committee receives regular reportage on how these identified risks are being managed and whether any new risks should be added to the risk matrix.

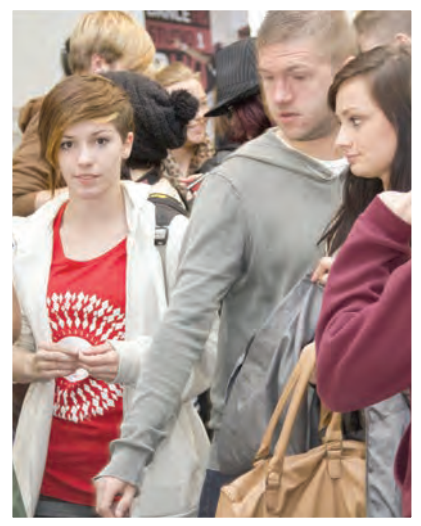
The College’s Risk Register provides a means to record details of all risks, and risk owners, together with risk treatment strategy and actions, dependencies, and review dates.

Risk owners must provide a regular update on progress with regards to risk actions and other changes.

The following table outlines the principal risks facing the College during 2012-13 and beyond. The Audit Committee will monitor the management of these risks.

Risk
Failure to achieve an operating surplus for the 2012-13 financial year.
Financial and operational impact of harmonisation of employee terms and conditions of employment following the merger of three colleges to form the City of Glasgow College.
Adverse impact of potential further reductions in Government grant support in the financials years 2013-14 and 2014-15.
Failure to meet student recruitment targets for 2012-13, particularly in terms of overseas students.
Potential equal pay challenges.
Failure to manage potential impacts of regionalisation on the New Campus Project
New risk regarding Governance associated with Regionalisation





Over 3500 students attended the Freshers' Fair, making it the biggest in the College's history. Students had stalls (above) and activities such as snowboarding (below) to choose from

Other activities at the Freshers' Fair included stilt-walking (above), while there were plenty of super freebies being handed out to students including candy floss (below) and slices of pizza





■ Rt Hon Henry McLeish, Chairman

## Governance statement

Last year was the start of a new chapter in the development of our Board. Following a governance review, we made a number of changes to the Board and Committees to ensure that the governance framework properly reflects the business and aspirations of the College and critically that it delivers quality outcomes for our students.

We have created two new committees and amended the terms of reference for all of our committees.

We have appointed a new full Board member, while four existing members have taken on the additional responsibility of chairing a Committee.

We have a committed Board and I am reassured by the level of robust and challenging debate we have in relation to all important issues for the College and for our students.

Our governance framework sets out the roles, accountabilities and expectations for board members, staff and students. We seek to comply with the Corporate Governance Code so far as its provisions apply to the further education sector. As a Board, we are responsible for:

- Leading the College;
- Supporting the Principal and the Executive team;
- Demonstrating independence, integrity and accountability;
- Bringing fresh and innovative perspectives;
- Seeking full information and questioning;
- Holding management to account and challenging appropriately;
- Ensuring it is diverse and has a good balance of skills and backgrounds.

The Board and its committees play a vital role in the oversight of College business and hold management accountable for performance against targets

and performance indicators. The Board met seven times this year in addition to meetings of its committees whose key responsibilities are set out below.

**Finance Committee:** Responsible for the review of financial planning, monitoring the use of funds for student welfare, carrying out duties set out by the Board and assigned in the Financial Regulations, and for receiving and approving the annual budget and final accounts for recommendation to the Board.

**Estates Committee:** Considers, approves and monitors plans for the management and development of College estate and facilities. A key focus has been the procurement process for our new campus.

**Audit Committee:** Responsible for monitoring the integrity of financial statements, risk management, instructing internal audits and reviewing internal controls and systems.

**Students, Staffing and Equalities Committee:** Considers and approves employee and student focused strategies and policies, monitors relationships between trade unions and employees and has a special responsibility for Equalities.

### **Learning and Teaching Committee:**

Provides reports and advice to the Board on academic policies and procedures, on matters relating to the curriculum, quality and learning, teaching and support, and on the role of the Academic Board.

**Nominations and Remuneration Committee:** Manages the recruitment of Board members, oversees their personal development and evaluation, determines the remuneration of the Principal and the Executive team and helps identify candidates for senior positions in the College. The Committee was established in 2012.

**Performance Review Committee:** Monitors performance across the College with reference to the strategic plan and considers efficiency. The Committee was established in 2012.

**Development Committee:** Provides ongoing strategic review of commercial and international activities and considers new opportunities, ensuring alignment with the College's Strategic Plan. The Committee was established in 2012.





■NQ Hospitality student Michelle Fox is hoping to progress to an HNC Events

# Internal control statement

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

**The Executive Leadership Team (ELT) receives regular reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms embedded with the operational units. The ELT and the Audit Committee receives regular reports from our internal auditors, and health and safety and environmental monitoring functions, which include recommendations for improvement.**

The Audit Committee's role in internal control is confined to a high level review of the arrangements for internal financial and other control systems. The Board agenda regularly includes consideration of risk management and all reports to the Board and its Committees must include a risk analysis.

The Board has a process for identifying, evaluating and managing the College's risks that has been in place for the year ending July 31, 2012 up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Board and accords with the internal control guidance as applicable to the further education sector.

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

- Comprehensive budgeting systems with an annual budget approved by the Board;

- Regular reviews by the Finance Committee of quarterly and annual financial reports that indicate financial performance against the forecasts;

- Setting targets to measure financial and other performance measures;

- Procedures for the Board to review and agree the budgets;

- Clearly defined capital investment control guidelines.

The College has an internal audit service, the focus of which is on key activities determined by an analysis of the areas of greatest risk and in accordance with the annual internal audit plan approved by the Board.

The internal auditors report to the Audit Committee on a regular basis and have direct access to the Chair of the Audit Committee.

The internal auditors have issued an annual report, which gives an opinion of the adequacy, reliability and effectiveness of the College's internal control system. The Board's review of the effectiveness of the system of internal financial control is thus conducted through the work of

the internal auditors, the Board and the Audit Committee.

## **CORPORATE STRATEGY**

The Board comprises the Principal, independent members, a nominated student and elected teaching and support staff members.

The roles of Chairman and Vice Chairman are distinct from the role of Chief Executive, the Principal. The matters reserved to the Scottish Funding Council for decision are set out in the Financial Memorandum issued by the Council. The Board is responsible for the strategic direction of the College, approval of major developments and policy changes, and for the review and commissioning of regular reports from the ELT on the day-to-day operations of its business.

## **GOING CONCERN**

The Board can confirm the College is a going concern based on its financial performance and all other relevant information. The annual financial statements have been prepared on a 'going concern' basis.

Approved by order of the members of the Board on February 21, 2013 and signed on its behalf by:

.....  
Douglas Baillie, Chairman

.....  
Paul Little, Principal and Chief Executive





■ An apprentice heating engineer trains on industry-standard equipment

# Responsibilities statement

**The College was incorporated in 1993 by the Further and Higher Education (Scotland) Act 1992, in accordance with which the Board is responsible for the administration and management of the College's affairs, including ensuring an effective system of internal control, and is required to present audited financial statements for each financial year.**

**The College is a registered charity (Scottish Charity Number SC036198) for the purposes of the Charities and Trustee Investment (Scotland) Act 2005.**

The Board must keep accounting records that disclose the financial position of the College and ensure the financial statements are prepared in accordance with the Statement of Recommended Practice 2007.

In addition, the Board, through its designated office holder and within the terms and conditions of the Financial Memorandum agreed with the Scottish Funding Council (SFC), must prepare financial statements for each financial year that give a true and fair view of the College's state of affairs and of the surplus or deficit and cash flows for that year.

In causing the financial statements to be prepared, the Board has ensured:

- Suitable accounting policies are selected and applied consistently;
- Reasonable and prudent estimates and judgements have been made;
- Applicable accounting standards have been followed, subject to any material departures explained in the financial statements;
- Ensure SFC funds are used only for the given purposes and in accordance with the memorandum with the SFC and any other conditions the SFC may prescribe;
- Financial statements are prepared on the going concern basis unless it is inappropriate to presume the College will continue in operation.

The Board is satisfied it has adequate resources to continue in operation for the foreseeable future.

Therefore the going concern basis continues to be adopted in the preparation of the financial statements.

The Board has taken reasonable steps to:

- Ensure there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;
- Safeguard the assets of the College and prevent and detect fraud;
- Secure the economical and effective management of the College's resources and expenditure.

The key elements of the College's system of internal financial control, which is designed to discharge the responsibilities set out above, include:

- Clear definitions of the responsibilities of, and the authority delegated to senior managers;
- A comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash-flow budgets;
- Regular reviews of key performance indicators and business risks and quarterly reviews of financial results involving variance reporting and updates of forecast outturns;

- Clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review according to approval levels set by the Board;
- Comprehensive Financial Regulations, detailing financial controls and procedures, approved by the Audit Committee and Finance Committee;
- A professional Internal Audit team whose annual programme is approved by the Audit Committee and whose head provides the Board with a report on internal audit activity within the College and an opinion on the adequacy and effectiveness of the College's system of internal control, including internal financial control.

Any system of internal financial control can only provide reasonable but not absolute assurance against material misstatement or loss.

The Board members who held office at the date of approval of this report confirm that there is no relevant audit information of which the College's auditors are unaware; and each Board member has taken all necessary steps to be aware of any relevant audit information and to establish the auditors are aware of that information.

Approved by order of the members of the Board on February 21, 2013 and signed on its behalf by:

.....  
Douglas Baillie, Chairman





## Board of Management

Back row from left: Debbie McNamara, Colin McMurray, David Eaton, Peter Finch, John MacLeod, Douglas Baillie, Jim Gallacher and David Stark.

Front row from left: Leslie Woolfries, Julia Henderson, Principal Paul Little, Chairman Henry McLeish, Tasmina Ahmed-Sheikh and Charlie Kaur.

The remaining members: Former Chairman Eric Tottman-Trayner (left), Alisdair Barron (right), Robert Morrison (middle right) and Student President Mark Farmer (far right).

For more information on the Board and its members turn to Page 51.









■ The College's photography and television studios



■ A model wearing jewellery created by a City of Glasgow College student

# Board of Management

Board member	External position	Appointed	Re-appointed	Committee(s) served October 2011-March 2012	Committee(s) served March 2012*
Tasmina Ahmed-Sheikh	Partner, Hamilton Burns WS Solicitors	23/1/12			Students, Staff & Equalities, Development (Chair)
Douglas Baillie	(Chair)*** Acting Head of Deposits, Clydesdale Bank	23/1/11		Estates, Finance	Estates (Chair), Finance, Development
Alisdair Barron	Chief Executive, Children in Distress	1/9/10	1/12/11	Audit, Students, Staff & Equalities (Chair)	Students, Staff & Equalities (Chair), Development, Audit
David Eaton	Teaching staff member	15/12/10		Estates, Learning & Teaching	Learning & Teaching
Peter Finch	Ex-Senior Assistant Principal, Glasgow Caledonian University		13/6/12	Estates (Chair), Finance	Estates, Finance (Chair), Development
Jim Gallacher	Emeritus Professor of Lifelong Learning, Glasgow Caledonian University	1/9/10	13/6/12	Audit, Learning & Teaching (Chair)	Audit, Estates, Learning & Teaching (Chair)
Emma Iwanow	Student President	5/10/11		Students, Staff & Equalities	Students, Staff & Equalities, Learning & Teaching, Development
Paul Little	Ex Officio	1/9/10		Estates, Finance, Students, Staff & Equalities, Learning & Teaching	Estates, Finance, Students, Staff & Equalities, Learning & Teaching, Development, Performance Review
Henry McLeish (Resigned 12/12/12)	(Chair) First Minister of Scotland (2000-2001), MSP (1999-2003)	23/1/11		Finance, Nominations	Finance, Nominations & Remuneration
John MacLeod	John F MacLeod Chartered Accountants		13/6/12	Audit (Chair), Students, Staff & Equalities	Audit (Chair), Development, Performance Review
Colin McMurray	Director, Clyde Marine Training	1/9/10		Students, Staff & Equalities, Learning & Teaching	Students, Staff & Equalities, Learning & Teaching, Performance Review
Debbie McNamara	Chief Executive Officer, Hub West Scotland		1/12/11	Estates, Nominations (Chair)	Estates, Performance Review, Nominations & Remuneration (Chair)
Robert Morrison	Support Staff Member	15/12/10		Finance, Students, Staff & Equalities	Finance, Students, Staff & Equalities
Nigel Palmer	Managing Director, Palmer Marine Services	1/9/10 – 14/12/11		Finance	
David Stark (Resigned 21/2/13)	Director, Keppie Design Company	23/1/11		Audit, Estates	Audit, Estates, Development
Eric Tottman-Trayner	(Chair)** Business Development Director, Siempelkamp Nuclear Technology UK	1/9/10		Finance	Finance, Performance Review (Chair), Nominations & Remuneration
Lesley Woolfries	Associate, Holmes' Partnership	23/1/11		Estates, Learning & Teaching	Estates, Learning & Teaching, Development
<b>Co-options</b>					
Tasmina Ahmed-Sheikh	Partner, Hamilton Burns WS Solicitors	23/1/11		Students, Staff & Equalities, Learning & Teaching	Students, Staff & Equalities, Development (Chair) (appointed as full board member on 23/1/12)
Charlie Kaur	Senior Internal Auditor, Strathclyde Partnership for Transport	23/1/11		Audit, Students, Staff & Equalities	Audit, Students, Staff & Equalities, Performance Review

\*Following a review of Governance in December 2011, a new committee structure was agreed in March 2012.

\*\*Eric Tottman-Trayner was Board Chairman until October 2011 whereat the Rt. Hon Henry McLeish was appointed.

\*\*\*Rt. Hon Henry McLeish was Board Chairman until December 2012 whereat Douglas Baillie was appointed.

## External advisers

Activity	Adviser
External Auditors:	Scott Moncrieff
Internal Auditors:	BDO Stoy Hayward LLP
Bankers	Bank of Scotland, Clydesdale Bank and Royal Bank of Scotland
Solicitors	Maclay Murray and Spens LLP





■ Students take a break at one of the College's new and improved cafes



■ Students discuss their course work at the Riverside library

# Independent auditor's report

## **THIS REPORT IS TO THE MEMBERS OF THE COLLEGE BOARD, THE AUDITOR GENERAL FOR SCOTLAND AND THE SCOTTISH PARLIAMENT.**

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 parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose.

In accordance with paragraph 125 of the Code of Audit Practice approved by the Auditor General for Scotland, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

### **RESPECTIVE RESPONSIBILITIES OF THE BOARD AND AUDITOR**

As explained more fully in the Statement of Responsibilities of the Board, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view,

and is also responsible for ensuring the regularity of expenditure and income.

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) as required by the Code of Audit Practice approved by the Auditor General for Scotland.

Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

We are also responsible for giving an opinion on the regularity of expenditure and income.

### **SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts, disclosures, and regularity of expenditure and income 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 body's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Board; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report 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. ➡





■ The College is the perfect place to meet new friends

### **OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view in accordance with the Further and Higher Education (Scotland) Act 1992 and directions made thereunder by the Scottish Funding Council of the state of the body's affairs as at 31 July 2012 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Further and Higher Education (Scotland) Acts 1992 and directions made thereunder by the Scottish Funding Council, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 14 of The Charities Accounts (Scotland) Regulations 2006.

### **OPINION ON REGULARITY**

In our opinion in all material respects

- the expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers;
- funds provided by the Scottish Funding Council have been applied in accordance with the Financial Memorandum dated 1 January 2006 and any other terms and conditions attached to them for the year ended 31 July 2012; and
- funds from whatever source administered by the body for specific purposes have been properly applied for the intended purposes.

### **OPINION ON OTHER PRESCRIBED MATTERS**

In our opinion the information given in the Operating and Financial Review for the financial year for

which the financial statements are prepared is consistent with the financial statements.

### **MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

We are required to report to you if, in our opinion:

- Adequate accounting records have not been kept; or
  - The financial statements are not in agreement with the accounting records; or
  - We have not received all the information and explanations we require for our audit; or
  - The Statement of Corporate Governance and Internal Control does not comply with Scottish Funding Council requirements.
- We have nothing to report in respect of these matters.

Scott-Moncrieff  
Chartered Accountants  
Registered Auditor  
Eligible to act as an auditor under Section 21  
of the Public Finance and Accountability (Scotland) Act 2010

21 February 2013

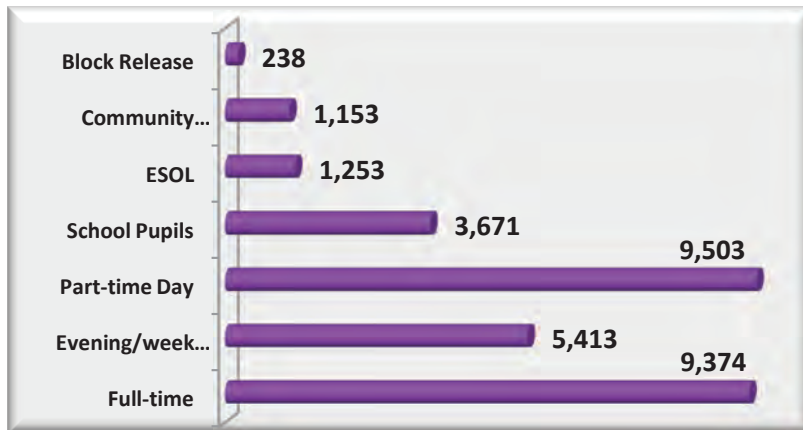
Exchange Place 3  
Semple Street  
Edinburgh  
EH3 8BL



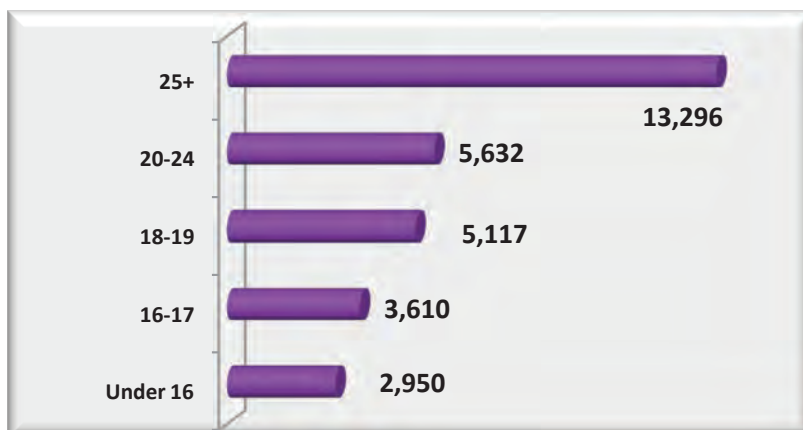


■ Students from the Supported Learning section work on the College's garden at our Riverside campus

## Student statistics 2011-12



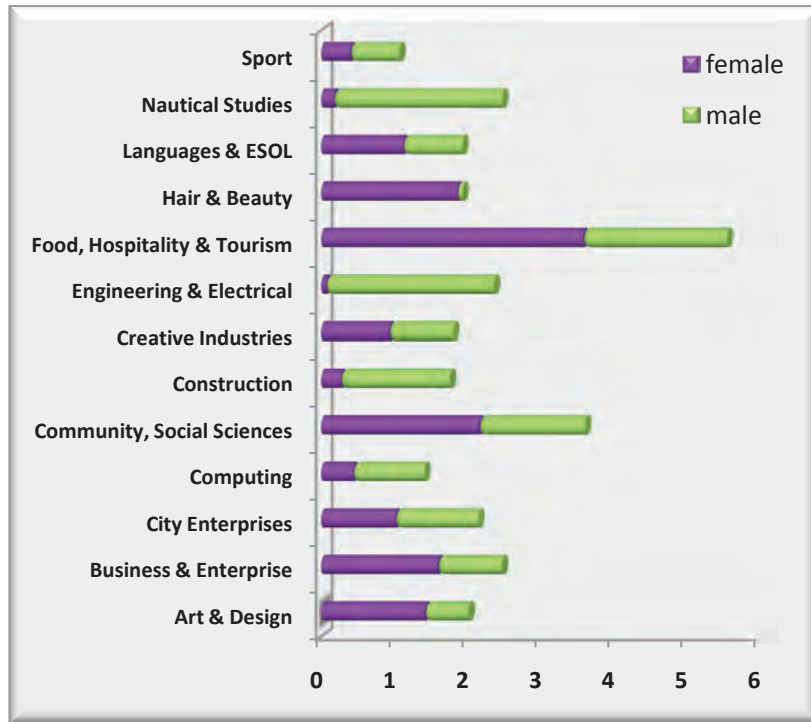
■ Figure 1: Student enrolments



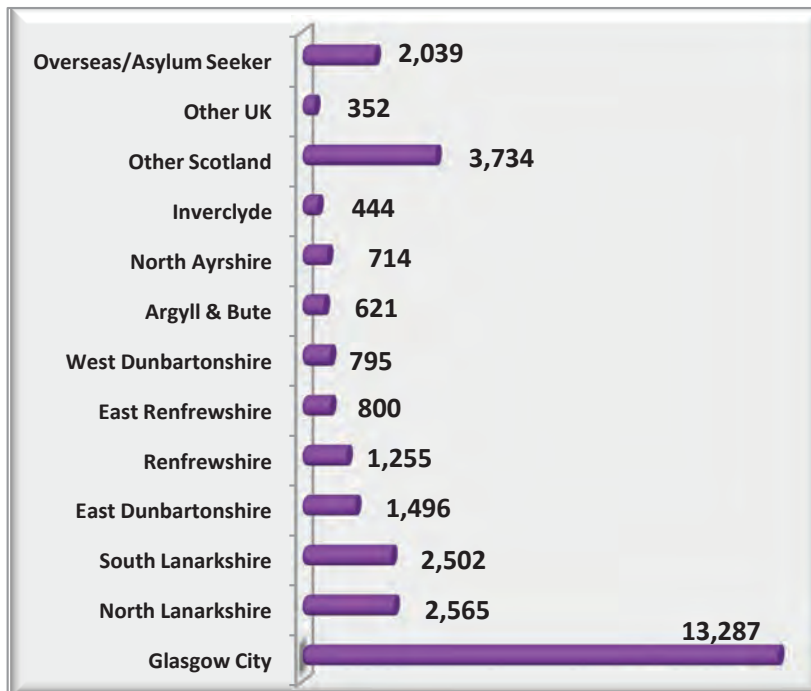
■ Figure 2: Student enrolments by age







■ Figure 3: Student enrolments by school and gender (thousands)



■ Figure 4: Home location of students

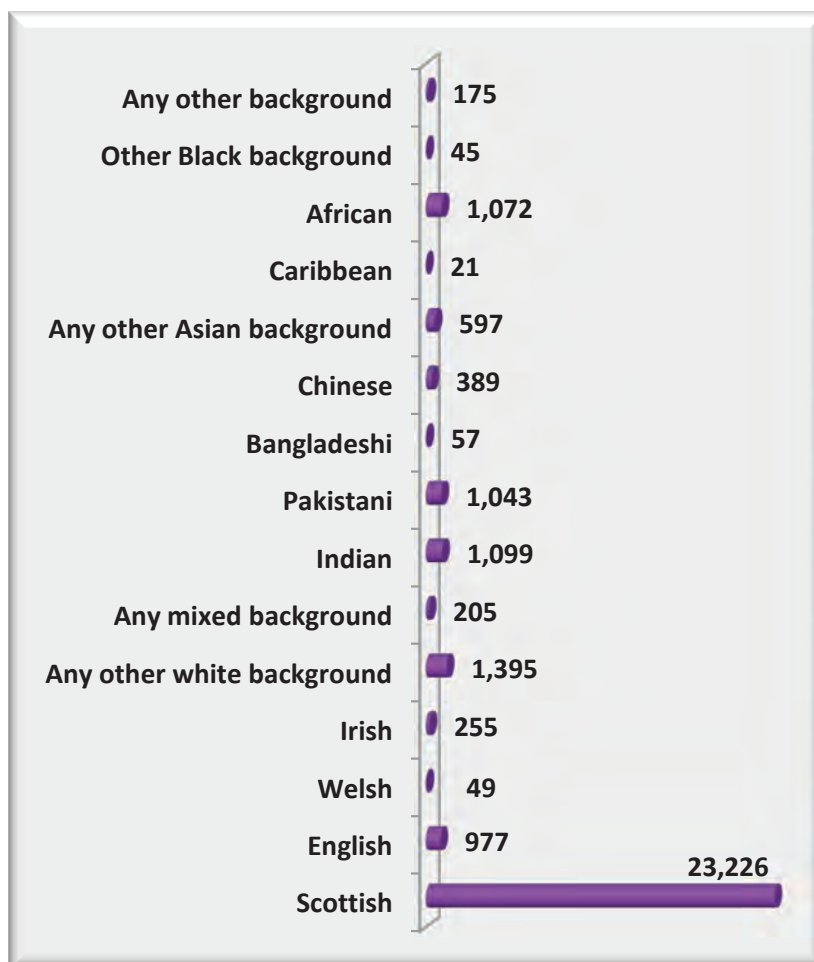




■Students serving customers at the College's training restaurant Scholars'



■The College has a real-life airline cabin where Travel and Tourism students can hone their skills



■ Figure 5: Student enrolments by ethnic origin





# CITY

Take it all home in the city with top tips and techniques for the professional chef!

- Tasty dishes
- Healthy cooking tips
- Learn new skills



UNIVERSITY OF GLASGOW COLLEGE

Arnoth Iott

STIBS Scotland exhibitor

# Financial statements 2011-12

<b>CITY OF GLASGOW COLLEGE</b>						
<b>INCOME AND EXPENDITURE ACCOUNT</b>						
<b>FOR THE YEAR ENDED 31 JULY 2012</b>						
			<i>Before</i>	<i>Exceptional</i>	<i>Exceptional</i>	
		<i>Year ended</i>	<i>items</i>	<i>items</i>	<i>Year ended</i>	
	<i>Notes</i>	<i>31 July 2012</i>	<i>31 July 2011</i>	<i>31 July 2011</i>	<i>31 July 2011</i>	<i>31 July 2011</i>
		<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
<b>Income</b>						
Scottish Funding Council grants	2	38,410	39,333	10,344		49,677
Tuition fees & education contracts	3	13,643	13,742	-		13,742
Other income	4	4,575	4,561	495		5,056
Investment income	5	787	642	-		642
<b>Total income</b>		<b>57,415</b>	58,278	10,839		69,117
<b>Expenditure</b>						
Staff costs	6	39,613	40,069	3,667		43,736
Other operating expenses	8	14,145	12,719	-		12,719
Depreciation	10	3,219	4,221	42,826		47,047
Interest payable	9	-	-	-		-
<b>Total expenditure</b>		<b>56,977</b>	57,009	46,493		103,502
Surplus / (Deficit) on continuing operations after depreciation of fixed assets at valuation and disposal of assets but before tax		438	1,269	(35,654)		(34,385)
Taxation		-	-	-		-
Surplus / (Deficit) on continuing operations after depreciation of assets at valuation, disposals of assets and tax		<b>438</b>	1,269	(35,654)		(34,385)
The income and expenditure account is in respect of continuing activities.						



**CITY OF GLASGOW COLLEGE**

**STATEMENT OF HISTORICAL COST SURPLUSES AND DEFICITS**

**FOR THE YEAR ENDED 31 JULY 2012**

	<i>Notes</i>	<i>Year ended 31 July 2012 £000</i>	<i>Year ended 31 July 2011 £000</i>
Surplus / (Deficit) on continuing operations after depreciation of assets at valuation, disposals of assets and tax		438	(34,385)
Difference between historical cost depreciation and the actual charge for the period calculated on the revalued amount	16	196	1,508
Transfer from revaluation reserve in respect of the impairment adjustment		-	35,654
<b>Historical cost surplus for the period after taxation</b>		<b>634</b>	<b>2,777</b>

**CITY OF GLASGOW COLLEGE**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

**FOR THE YEAR ENDED 31 JULY 2012**

	<i>Notes</i>	<i>Year ended 31 July 2012 £000</i>	<i>Year ended 31 July 2011 £000</i>
Surplus / (Deficit) on continuing operations after depreciation of assets at valuation, disposals of assets and tax		438	(34,385)
Actuarial (losses) in respect of pension scheme		(3,943)	(1,773)
Unrealised gains / (losses) on revaluation of fixed assets	16	-	-
<b>Total recognised (losses) for the year</b>		<b>(3,505)</b>	<b>(36,158)</b>
<b>Reconciliation</b>			
Opening reserves and endowments		25,869	62,027
Total recognised (losses) for the year		(3,505)	(36,158)
<b>Closing reserves and endowments</b>		<b>22,364</b>	<b>25,869</b>

**CITY OF GLASGOW COLLEGE**

**BALANCE SHEET**

**AS AT THE YEAR ENDED 31 JULY 2012**

	<i>Notes</i>	<i>Year ended 31 July 2012 £000</i>	<i>Year ended 31 July 2011 £000</i>
<b>Fixed assets</b>			
Tangible assets	10	22,758	23,895
Investments	11	4	4
<b>Total Fixed assets</b>		<b>22,762</b>	23,899
<b>Current assets</b>			
Stock		40	33
Debtors	12	3,268	3,690
Short Term Investments		19,500	18,900
Cash at bank and in hand		7,055	7,918
<b>Total Current assets</b>		<b>29,863</b>	30,541
Creditors - amounts falling due within one year	13	(7,017)	(8,193)
<b>Net current assets</b>		<b>22,846</b>	22,348
<b>Total assets less current liabilities</b>		<b>45,608</b>	46,247
Provisions for liabilities and charges	14	(4,734)	(4,446)
<b>Net assets before pension (liability)</b>		<b>40,874</b>	41,801
Pension (liability)	17	(6,747)	(2,928)
<b>Net assets after pension (liability)</b>		<b>34,127</b>	38,873
Deferred capital grants	15	11,763	13,004
Income and Expenditure account excluding pension reserve	16	22,931	22,421
Pension Reserve	16	(6,747)	(2,928)
Income and Expenditure account including pension reserve	16	16,184	19,493
Restricted reserves	16	510	510
Revaluation reserve	16	5,670	5,866
<b>Total Reserves</b>		<b>22,364</b>	25,869
<b>TOTAL</b>		<b>34,127</b>	38,873

The financial statements on pages 63 to 90 were authorised for issue by the Board of Management on 21st February 2013 and signed on its behalf by:

Douglas Baillie, Chairman

Paul Little, Principal & Chief Executive

.....

.....



**CITY OF GLASGOW COLLEGE**

**CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 31 JULY 2012**

		<i>Year ended</i> <b>31 July 2012</b>	<i>Year ended</i> <b>31 July 2011</b>
	<i>Notes</i>	<i>£000</i>	<i>£000</i>
<b>Net cash inflow from operations</b>	18	404	3,877
Returns on investments and servicing of finance	19	787	642
Capital Expenditure	20	(1,454)	(368)
Management of liquid resources	21	600	7,900
<b>Increase in cash in the period</b>		<b>337</b>	12,051
<b>Reconciliation of net cash flow to movement in net funds (Note 22)</b>			
<b>Increase in cash in the period</b>		337	12,051
Cash (outflow) from management of liquid resources	21	(600)	(7,900)
<b>Movement in net funds in the period</b>	22	<b>(263)</b>	4,151
<b>Net funds at 1 August 2011</b>	22	26,818	22,667
<b>Net funds at 31 July 2012</b>	22	<b>26,555</b>	26,818

**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 Further and Higher Education (Scotland) Act 1992 and the Accounts Direction issued thereunder by the Scottish Funding Council which requires compliance with the Statement Of Recommended Practice: Accounting for Further and Higher Education (2007). They conform to guidance published by the Scottish Funding Council.

**Basis of Accounting**

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

**Going Concern**

The Board of Management is satisfied that it has adequate resources to continue in operation for the foreseeable future, for this reason the going concern basis continues to be adopted in the preparation of the financial statements.

**Recognition of Income**

Recurrent grants from the Scottish Funding Council (SFC) are recognised in the period in which they are receivable.

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

Income from other grants, contracts and other services rendered is included to the extent of completion of the contract or service concerned. This is generally equivalent to the sum of the relevant expenditure incurred during the period and any related contributions towards overhead costs.

Income from tuition fees and from short-term deposits are credited to the income and expenditure account in the period in which they are earned. Income from specific endowments and donations is included to the extent of the relevant expenditure incurred during the period, together with any related contributions towards overhead costs.



**Maintenance of Premises**

The cost of planned and routine corrective maintenance of the College estate is charged to the income and expenditure account as incurred.

**Tangible Fixed Assets**

**a. Land and buildings**

The College's buildings are specialised buildings and therefore it is not appropriate to value them on the basis of open market value. Land and buildings are therefore stated in the balance sheet at valuation on the basis of depreciated replacement cost, except for the Rogart Street Annex which is valued on existing use value. Where the College has undertaken specific capital improvement works on its buildings exceeding £10,000, these have been added to Land and Buildings within note 10 and depreciated over 10 years, except where the valuer has identified that they should be depreciated over a useful economic life equivalent to the remaining life of the whole building. These works are included within the periodic valuations obtained by the College.

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

Buildings under construction are accounted for at cost, based on the value of architect's certificates and other direct costs incurred to 31 July.

Freehold land is not depreciated. Freehold buildings are depreciated over their expected useful economic life to the College of between 20 and 35 years, as identified by the valuer, except where the valuer has identified that they should be depreciated over a useful economic life equivalent to the remaining life of the whole building. Building improvements are depreciated over 10 years, except where the valuer has identified that they should be depreciated over a useful economic life equivalent to the remaining life of the whole building.

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. In the event an impairment adjustment is required the College would recalculate the useful economic life of the asset, charge accelerated depreciation and deferred grant to the Income & Expenditure account.

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.

**b. Equipment**

Equipment costing less than £10,000 is written off to the income and expenditure account in the period of acquisition. All other equipment is capitalised at cost. Capitalised equipment is depreciated over its useful economic life of four years; except for kitchen equipment used for training purposes, which is depreciated over a 10-year period.

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 the income and expenditure account over the expected useful economic life of the related equipment.

**Leased assets**

Assets which are held under hire purchase contracts which have the characteristics of finance leases are depreciated over their useful lives.

**Investments**

Fixed asset investments that are not listed on a recognised stock exchange are carried at historical cost less any provision for impairment in their value.

Current asset investments are included at the lower of their 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.

**Taxation**

The College is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the College is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. Subsidiary companies are liable to corporation tax.

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

**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.



### **Pension Schemes**

The College participates in two multi-employer defined benefit pension schemes.

Teaching staff may join the Scottish Teachers' Superannuation Scheme (STSS), which is administered by the Scottish Public Pensions Agency. The College is unable to identify its share of the underlying assets and liabilities of the STSS on a consistent and reasonable basis and therefore, as required by FRS 17 'retirement benefits', accounts for its participation in the STSS as if it were a defined contribution scheme. As a result, contributions are charged to the income and expenditure account as they arise. This is expected to result in the pension cost being a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of periodic valuations using the projected unit basis.

Administrative and support staff may join the Strathclyde Pension Fund, which is administered by Glasgow City Council and which requires contributions to be made to its number 1 fund. The Fund is a defined benefit pension scheme, providing benefits based on final pensionable pay, which is contracted out of the State Earnings-Related Pension Fund. Assets and liabilities of the Fund are held separately from those of the College. Fund assets are measured using market values. For quoted securities the current bid price is taken as market value. Fund liabilities are measured using a 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.

Contributions to the Fund are calculated so as to spread the cost of pensions over employees' working lives with the College. The contributions are determined by an actuary on the basis of triennial valuations using the Age Attained Method. The actuaries also review the progress of the scheme in each of the intervening years. Variations from regular cost are spread over the expected average remaining working lifetime of members of the Fund, after making allowances for future withdrawals. The expected cost of providing staff pensions to employees contributing to the Fund is recognised in the income and expenditure account on a systematic basis over the expected average remaining lives of members of the funds in accordance with financial reporting standard 17 'retirement benefits' and recognises retirement benefits as the benefits are earned and not when they are due to be paid.

Full provision is made in these financial statements for future pension contributions in respect of employees who have been permitted to take early retirement without any reduction in their pension entitlements.

### **Agency arrangements**

The college acts as an agent in the collection and payment of certain Student Support Funds. These funds are excluded from the College Income and Expenditure Account, and movements have been disclosed in the notes to the accounts. Where the College has more discretion in the manner in which specific funds are disbursed, and those funds do not meet the definition of agency funds, the income and expenditure relating to those funds are shown in the College Income and Expenditure Account.

### **Liquid resources**

Liquid resources included sums on short term deposits with recognised banks.

**CITY OF GLASGOW COLLEGE**

**NOTES TO THE FINANCIAL STATEMENTS**

	<i>Year ended</i> 31 July 2012 £000	<i>Year ended</i> 31 July 2011 £000
<b>2 SFC GRANTS</b>		
Recurrent grant (includes fee waiver grant)	30,598	34,021
Specific grants		
Childcare Funds	804	438
Merger funding	1,894	1,254
New Campus Glasgow	1,689	-
Other	1,389	1,454
Release of deferred capital grants		
Buildings (Note 15)	145	695
Equipment (Note 15)	1,258	1,471
	<b>37,777</b>	39,333
Exceptional merger severance grant	633	3,667
Exceptional release of deferred grants (Note 15)	-	6,677
	<b>38,410</b>	49,677
<b>3 TUITION FEES AND EDUCATION CONTRACTS</b>		
Higher education - Home and EU	7,892	6,991
Further education - Home and EU	2,212	2,498
Non EU students	2,805	2,991
	<b>12,909</b>	12,480
Education contracts	734	1,262
	<b>13,643</b>	13,742
<b>4 OTHER INCOME</b>		
Residences & Catering	2,301	2,390
European Social Fund	(192)	667
Release of Non SFC deferred capital grants (Note 15)	466	41
Commercial income generating activities	390	801
Other income	1,610	662
	<b>4,575</b>	4,561
Exceptional release of deferred grants (Note 15)	-	495
<b>5 INVESTMENT INCOME</b>		
Investment Income	578	372
Net return on pension (liability) (Note 17)	209	270
<b>Total</b>	<b>787</b>	642



**CITY OF GLASGOW COLLEGE**

**NOTES TO THE FINANCIAL STATEMENTS**

	<i>Year ended 31 July 2012</i>	<i>Year ended 31 July 2011</i>
	<i>£000</i>	<i>£000</i>
<b>6 STAFF COSTS</b>		
<b>Recurring Staff Costs :</b>		
Wages and Salaries	31,230	32,962
Social Security Costs	2,467	2,538
Other Pension Costs	4,017	4,111
Merger - Other	-	195
Pension fund adjustment (Note 17)	85	(126)
Pension Provision (Note 14)	534	389
	<b>38,333</b>	40,069
<b>Exceptional Staff Costs:</b>		
Merger - Severance	<b>1,280</b>	3,667
<b>Total Staff Costs</b>	<b>39,613</b>	43,736

All severance costs were approved by the Executive Leadership Team.

**Split as follows:-**

Senior Management	689	639
Teaching departments	25,554	27,851
Teaching support	3,859	3,406
Administration	5,141	5,111
Catering operations	606	619
Premises	1,779	1,706
Other income generating activities	481	485
Other	224	252
Merger - Severance	1,280	3,667
<b>Total Staff Costs</b>	<b>39,613</b>	43,736

**Staff Numbers :**

The average number of persons (including senior post holders) employed by the College during the period, as expressed as a full-time equivalent, was:

	<i>Number</i>	<i>Number</i>
Senior Management	6	6
Teaching departments	639	697
Teaching support	107	100
Administration	148	156
Residencies & Catering	31	31
Premises	80	79
Other income generating activities	16	16
Other	2	3
	<b>1,029</b>	1,088

**CITY OF GLASGOW COLLEGE**

**NOTES TO THE FINANCIAL STATEMENTS**

	<i>Year ended 31 July 2012</i>	<i>Year ended 31 July 2011</i>
	<i>£000</i>	<i>£000</i>
<b>6 STAFF COSTS</b>		
Employment costs for staff on permanent contracts	36,239	41,277
Employment costs for staff on short term and temporary contracts	3,374	2,459
	<b>39,613</b>	43,736
	<i>Number</i>	<i>Number</i>
Employee numbers for staff on permanent contracts	943	1,007
Employee numbers for staff on short term and temporary contracts	86	81
	<b>1,029</b>	1,088

The number of higher paid staff, including the Principal, who received emoluments including benefits in kind and excluding pension contributions in the following range.

	<i>Year ended 31 July 2012</i>	<i>Year ended 31 July 2012</i>	<i>Year ended 31 July 2011</i>	<i>Year ended 31 July 2011</i>
	<i>No. Of Higher Paid Staff Inc Severance</i>	<i>No. Of Higher Paid Staff</i>	<i>No. Of Higher Paid Staff Inc Severance</i>	<i>No. Of Higher Paid Staff</i>
£50,000 to £59,999	16	9	12	11
£60,000 to £69,999	17	12	14	10
£70,000 to £79,999	9	5	9	4
£80,000 to £89,999	2	1	2	-
£90,000 to £99,999	4	1	-	-
£100,000 to £109,999	1	-	2	-
£140,000 to £149,999	-	-	1	1
£150,000 to £159,999	1	1	-	-

A pay award of £250 was made with effect from 1 August 2011 to all employees earning less than £21,000. All other employees had their pay frozen. This award was in line with government recommendations.

**7 SENIOR POST- HOLDERS' EMOLUMENTS**

	<i>Year ended 31 July 2012</i>	<i>Year ended 31 July 2011</i>
	<i>Number</i>	<i>Number</i>
The number of senior post-holders including the Principal was:	6	6
Senior post-holders' emoluments are made up are follows:		
	<i>£000</i>	<i>£000</i>
Salaries	545	507
Severance	203	-
Pension contributions	83	77
Total emoluments	<b>831</b>	584



**CITY OF GLASGOW COLLEGE**

**NOTES TO THE FINANCIAL STATEMENTS**

*Year ended 31 July 2012*    *Year ended 31 July 2011*  
£000                      £000

**7 SENIOR POST- HOLDERS' EMOLUMENTS**

**Emoluments of the principal :**

Salary	154	147
	<b>154</b>	<b>147</b>
Pension contributions	<b>22</b>	<b>22</b>

The Principal received no pay increase during the year. The Principal's annual salary is £150,000, the additional remuneration relates to backdated pay.

The members of the Board of Management other than the principal and the staff members did not receive any payments from the institution other than travel and subsistence expenses incurred in the course of their duties.

**CITY OF GLASGOW COLLEGE**

**NOTES TO THE FINANCIAL STATEMENTS**

**8 ANALYSIS OF EXPENDITURE**

	Staff Costs £000	Other Operating Expenses £000	Depreciation £000	Year ended 31 July 2012 £000	Year ended 31 July 2011 £000
Teaching departments	25,554	2,880	1,394	29,828	31,310
Teaching support services	3,859	851	-	4,710	4,510
Administration	5,830	2,188	-	8,018	8,085
Residences & Catering	606	1,590	-	2,196	2,170
Childcare	-	871	-	871	438
Premises	1,779	3,044	1,825	6,648	50,459
Other income generating activities	481	231	-	712	671
Other expenses	224	1,453	-	1,677	557
Merger Costs	1,280	1,037	-	2,317	5,302
	<b>39,613</b>	<b>14,145</b>	<b>3,219</b>	<b>56,977</b>	<b>103,502</b>

	Year ended 31 July 2012 £000	Year ended 31 July 2011 £000
<b>Other Operating Expenses include :</b>		
Auditors' Remuneration (including irrecoverable VAT)		
- internal audit	37	51
- external audit	35	49
- other services - external auditors	5	-
- other services - internal auditors	-	6
Agency staff costs	302	146

**9 INTEREST PAYABLE**

Net pension financing cost	-	-
----------------------------	---	---



**CITY OF GLASGOW COLLEGE**

**NOTES TO THE FINANCIAL STATEMENTS**

**10 TANGIBLE FIXED ASSETS**

	Land and Buildings £000	Equipment £000	Total £000
<b>Cost or Valuation</b>			
At 1 August 2011	74,159	18,856	93,015
Additions	1,138	944	2,082
Disposals	-	(7,322)	(7,322)
<b>At 31 July 2012</b>	<b>75,297</b>	<b>12,478</b>	<b>87,775</b>
<b>Depreciation</b>			
At 1 August 2011	53,399	15,721	69,120
Charge for year	1,825	1,394	3,219
Disposals	-	(7,322)	(7,322)
<b>At 31 July 2012</b>	<b>55,224</b>	<b>9,793</b>	<b>65,017</b>
<b>Net book value at 31 July 2012</b>	<b>20,073</b>	<b>2,685</b>	<b>22,758</b>
Net book value at 31 July 2011	20,760	3,135	23,895
<b>Represented by :-</b>			
Inherited	5,894	-	5,894
Financed by capital grant	9,958	1,805	11,763
Other	4,221	880	5,101
<b>At 31 July 2012</b>	<b>20,073</b>	<b>2,685</b>	<b>22,758</b>

The College's land and buildings were subject to an independent valuation performed by James Barr, Chartered Surveyors at the 31 July 2008 for the former Metropolitan College and 31 July 2010 for the former Central and Nautical Colleges. The basis of valuation identified in the full valuation was Depreciated Replacement Cost (as defined by the Statements of Asset Valuation Practice and Guidance notes issued by the Royal Institution of Chartered Surveyors) for all College buildings, except the Rogart Street Annex which was valued at £870,000 on an existing use value. The market value of this building was £450,000.

The depreciation charge in the year is £3,219,000. Had the useful economic lives of certain buildings not been revised from 2 to 4 years, the depreciation charge would have been £3,456,000.

This change has resulted in a decrease in the depreciation charge for the year of £237,000.

**CITY OF GLASGOW COLLEGE****NOTES TO THE FINANCIAL STATEMENTS**

	<i>Year ended</i> <b>31 July 2012</b>	<i>Year ended</i> <b>31 July 2011</b>
	<i>£000</i>	<i>£000</i>
<b>10 TANGIBLE FIXED ASSETS</b>		
Depreciation based on cost	3,023	9,885
Depreciation based on valuation	196	37,162
	<b>3,219</b>	<b>47,047</b>

If inherited land and buildings had not been valued they would have been included at £NIL (2011: £NIL).

Land and buildings with a net book value of £5,894,000 have been funded from local authority sources. These assets may not be disposed of without the prior approval of the Scottish Funding Council (SFC) and the College would have to use the sale proceeds with the instructions of the SFC.

Included within land and buildings is £20,000 of leasehold land, the remainder is classed as freehold land and buildings.

On 29 November 2011 the Scottish government announced that £193 million of funding had been approved towards the building of a new campus for the College. The College's existing buildings will now either be sold or demolished. In 2011 the College reviewed the previous building valuations in light of the above announcement which resulted in an exceptional impairment charge of £42,826,000 in respect of the College buildings being reflected within the 2011 financial statements.

**11 INVESTMENTS AND ASSOCIATES****INVESTMENTS**

Investments at cost	<b>4</b>	<b>4</b>
---------------------	----------	----------

On 1 September 2010, the three colleges who own New Campus Glasgow Ltd (NCG), Glasgow Metropolitan College, Central College Glasgow and Glasgow College of Nautical Studies merged to form City of Glasgow College. At the first Board Meeting of the new College, it was decided to put NCG into dormancy and assign or novate all NCG contracts to the new College. An application was made in June 2012 to strike this company from the public record.



**CITY OF GLASGOW COLLEGE****NOTES TO THE FINANCIAL STATEMENTS**

	<i>Year ended</i> <b>31 July 2012</b>	<i>Year ended</i> <b>31 July 2011</b>
	<i>£000</i>	<i>£000</i>
<b>12 DEBTORS</b>		
Trade Debtors	1,741	857
Prepayments and accrued income	1,527	2,833
	<b>3,268</b>	<b>3,690</b>
Trade Debtors are shown after the deduction of a bad debt provision.		
<b>13 CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR</b>		
Trade creditors	2,292	439
Other taxation and social security	872	864
Other creditors	539	1,404
Accruals & deferred Income	3,314	5,486
	<b>7,017</b>	<b>8,193</b>
<b>14 PROVISION FOR LIABILITIES AND CHARGES</b>		
<b>Pension Provision</b>		
Balance at beginning of period	4,446	4,304
Expenditure in the period	(246)	(247)
Transferred from income and expenditure account	534	389
<b>Balance at end of period</b>	<b>4,734</b>	<b>4,446</b>

**CITY OF GLASGOW COLLEGE**

**NOTES TO THE FINANCIAL STATEMENTS**

**14 PROVISION FOR LIABILITIES AND CHARGES**

The provision is for future pension liabilities arising from staff early retirements and the equalisation of pension contributions under the Strathclyde Pension Fund (SPF) and Scottish Teachers Superannuation Scheme (STSS) pension schemes.

The value of the provision has been calculated based on actuarial tables produced by the Government Actuary Department on behalf on SFC. The College has used 1.5% Net Interest Rate when applying the actuarial tables.

**15 DEFERRED CAPITAL GRANTS**

	<i>SFC</i>	<i>Other</i>	<i>Total</i>
	<i>£000</i>	<i>Grants</i>	<i>£000</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
<b>At 1 August 2011</b>			
Land and Buildings	9,422	519	9,941
Equipment	3,062	1	3,063
	<b>12,484</b>	<b>520</b>	<b>13,004</b>
<b>Grant Receivable :</b>			
Land and Buildings	628	-	628
Equipment	-	-	-
	<b>628</b>	<b>-</b>	<b>628</b>
<b>Released to income and expenditure account :</b>			
Land and Buildings	588	23	611
Equipment	1,258	-	1,258
Reallocation of release - land and buildings	(443)	443	-
	<b>1,403</b>	<b>466</b>	<b>1,869</b>
<b>At 31 July 2012</b>	<b>11,709</b>	<b>54</b>	<b>11,763</b>
<b>Represented by :-</b>			
Land and Buildings	9,462	496	9,958
Equipment	1,804	1	1,805
<b>At 31 July 2012</b>	<b>11,266</b>	<b>497</b>	<b>11,763</b>



**CITY OF GLASGOW COLLEGE**

**NOTES TO THE FINANCIAL STATEMENTS**

	<i>Year ended 31 July 2012</i>	<i>Year ended 31 July 2011</i>
	<i>£000</i>	<i>£000</i>
<b>16 RESERVES</b>		
<b>General Reserves</b>		
Opening balance at 1st August	19,493	18,489
Surplus / (Deficit) on continuing operations after depreciation of assets at valuation	438	(34,385)
Impairment adjustment	-	35,654
Transfer from revaluation reserve	196	1,508
Actuarial (loss) in pension scheme	(3,943)	(1,773)
<b>At 31 July 2012</b>	<b>16,184</b>	19,493
<b>Represented by:</b>		
<b>Income &amp; Expenditure Reserve</b>		
Balance at 1st August	22,421	20,040
Surplus / (Deficit) on continuing operations after depreciation of assets at valuation	438	(34,385)
Transfer (from) pension reserve	(124)	(396)
Impairment adjustment	-	35,654
Transfer from revaluation reserve	196	1,508
<b>At 31 July 2012</b>	<b>22,931</b>	22,421
<b>Pension Reserve</b>		
Balance at 1st August	(2,928)	(1,551)
Current service cost	(1,388)	(1,113)
Curtailments	(104)	(254)
Employer contributions	1,407	1,493
Net return on (liabilities)	209	270
Transfer to income & expenditure account	124	396
Actuarial (losses)	(3,943)	(1,773)
<b>At 31 July 2012</b>	<b>(6,747)</b>	(2,928)
<b>Reconciliation</b>		
Income & Expenditure Reserve	22,931	22,421
Pension Reserve	(6,747)	(2,928)
<b>At 31 July 2012</b>	<b>16,184</b>	19,493

**CITY OF GLASGOW COLLEGE**

**NOTES TO THE FINANCIAL STATEMENTS**

	<i>Year ended 31 July 2012</i>	<i>Year ended 31 July 2011</i>
	<i>£000</i>	<i>£000</i>
<b>16 RESERVES</b>		
<b>Restricted Reserves</b>		
Balance at 1st August	510	510
Movement on restricted funds	-	-
<b>At 31 July 2012</b>	<b>510</b>	<b>510</b>
<b>Revaluation Reserve</b>		
Balance at 1st August	5,866	43,028
Impairment adjustment	-	(35,654)
Transfer from revaluation reserve	(196)	(1,508)
<b>At 31 July 2012</b>	<b>5,670</b>	<b>5,866</b>



**CITY OF GLASGOW COLLEGE**

**NOTES TO THE FINANCIAL STATEMENTS**

	<i>Year ended</i> <b>31 July 2012</b>	<i>Year ended</i> <b>31 July 2011</b>
	<i>£000</i>	<i>£000</i>
<b>17 PENSION COMMITMENTS</b>		
<p>The College's employees belong to one of the two principal pension schemes, the Scottish Teachers Superannuation Scheme (STSS) and the Strathclyde Pension Fund (SPF).</p> <p>College Pension Costs</p>		
SPF	1,454	1,248
STSS	2,563	2,874
Unfunded Pensions	534	389
FRS17 Pension Charge	85	(126)
<b>Total Pension Costs</b>	<b>4,636</b>	<b>4,385</b>

**Scottish Teachers' Superannuation Scheme (STSS)**

The STSS is a multi-employer pension scheme and the Scottish Public Pensions Agency have indicated that at the moment they are not able to identify the net share of underlying assets and liabilities for each employer on a "consistent and reasonable basis". Therefore in accordance with FRS17, contributions to the scheme are accounted for as if it were a defined contribution

The Scottish Teachers' Superannuation 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 five years in accordance with the advice of the government

Valuation date	31 March 2010
Valuation method	Prospective benefits
Value of notional assets	£24,370 million
Rate of Return (Discount rate)	4.6%
Salary scale increases per annum	inflation plus 1.5%
Pension increases per annum	2.8%

A valuation of the STSS scheme was carried out as at 31st March 2010. Employer contribution rates are reviewed every five years following a scheme valuation from the Government actuary, with further changes made as a result of interim reviews. The employer's contribution rate is currently 14.9% of pensionable pay.

For the period 1st August 2011 to 31 July 2012, the employer contribution rate was 14.9% with an employee contribution rate of 6.4%.

The pension costs are assessed in accordance with the advice of independent qualified actuaries.

**17 PENSION COMMITMENTS****Strathclyde Pension Fund (SPF)**

The Strathclyde Pension Fund (SPF) is a funded defined benefit scheme and has its assets held in separate trustee administered funds.

The pension cost is assessed every three years in accordance with the advice of a qualified independent actuary. The assumptions and other data have the most significant effect on the determination of the contribution levels.

Valuation date	31-Mar-08
Valuation method	Projected Unit
Market value of assets	£9,493 million
Actuarial assumptions	
- discount rate	6.1%
- salary increase rate	5.1%
- pension increase rate	3.6%

For the purposes of FRS 17 'Retirement benefits' an actuarial valuation was calculated by the actuary as at 31 July 2012.

The major assumptions used by the actuary and agreed by the College Board were:

<b>Financial Assumptions</b>	<b>31-Jul-12</b>	<b>31-Jul-11</b>
Pension Increase Rate	2.2%	2.7%
Salary Increase Rate	4.5%	5.0%
Expected Return on Assets	4.9%	6.4%
Discount Rate	4.1%	5.3%

Please note that the salary increase assumption for 31 July 2012 is 1% per annum until 31 March 2015, returning to the long term assumption shown thereafter.

**Mortality**

Life expectancy is based on the Fund's VitaCurves with improvements in line with 80% of the Medium Cohort lagged for 10 years and a 1% p.a. underpin for males and a 0.75% p.a. underpin for females from 2011. Based on these assumptions, average future life expectancies at age 65 are summarised below:

	<b>Male</b>	<b>Female</b>
Current Pensioners	21.0	23.4
Future Pensioners	23.3	25.3



**17 PENSION COMMITMENTS****Strathclyde Pension Fund (SPF)**

The assets in the scheme and the expected rate of return at the last actuarial review date were:

	Long term rate of return	<b>Value at 31-Jul-12</b>	Long term rate of return	Value at 31-Jul-11
		£'000		£'000
Equities	5.5%	24,558	7.0%	24,997
Bonds	3.3%	4,373	4.7%	4,276
Property	3.7%	2,691	5.1%	1,974
Cash	2.8%	2,018	4.0%	1,645
<b>Total</b>		<b><u>33,640</u></b>		<b><u>32,892</u></b>

**Commutation**

An allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits for pre-April 2009 service and 75% of the maximum tax-free cash for post-April 2009 service.

The following amounts represent the College's share of the scheme at 31 July 2012 and were measured in accordance with the requirements of FRS 17:

	31-Jul-12	31-Jul-11
	£'000	£'000
Fair value of employer assets	33,640	32,892
Present value of defined benefit obligations (liabilities)	(40,387)	(35,820)
<b>Net (under) funding in Funded Plans</b>	<b><u>(6,747)</u></b>	<b><u>(2,928)</u></b>
<b>Net pension (liability)</b>	<b><u>(6,747)</u></b>	<b><u>(2,928)</u></b>
<b>Amount charged to staff costs (Note 6)</b>		
Current service cost	1,388	1,113
Curtailments and settlements	104	254
Less: contributions paid	(1,407)	(1,493)
	<b><u>85</u></b>	<b><u>(126)</u></b>
<b>Amount credited to investment income (Note 5)</b>		
Interest cost	1,927	1,656
Expected return on pension scheme assets	(2,136)	(1,926)
	<b><u>(209)</u></b>	<b><u>(270)</u></b>
<b>Net revenue account income</b>	<b><u>(124)</u></b>	<b><u>(396)</u></b>
<b>Actual return on scheme assets</b>	<b><u>616</u></b>	<b><u>3,102</u></b>

**17 PENSION COMMITMENTS****Strathclyde Pension Fund (SPF)****Amount recognised in Statement of Total Recognised Gains and Losses (STRGL)**

	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
Actual return less expected return on pension scheme assets	(1,520)	1,176
Experience (losses) and gains arising on the scheme assets	(2,386)	1,169
Changes in assumptions underlying the present value of the scheme liabilities	(37)	(4,118)
	<b>(3,943)</b>	<b>(1,773)</b>

The cumulative amount of actuarial gains and (losses) taken to the Statement of Total Recognised Gains and Losses is (£4,388,000).

**Movement in (deficit) during the year**

(Deficit) in scheme at beginning of the year	<b>(2,928)</b>	(1,551)
Movement in year:		
Current service cost	<b>(1,388)</b>	(1,113)
Contributions	<b>1,407</b>	1,493
Curtailments and settlements	<b>(104)</b>	(254)
Other finance income	<b>209</b>	270
Actuarial (loss)	<b>(3,943)</b>	(1,773)
(Deficit) in scheme at end of the year	<b>(6,747)</b>	(2,928)

**Reconciliation of defined benefit obligations (liabilities)**

Opening defined benefit obligation (liabilities)	35,820	30,131
Current service cost	1,388	1,113
Interest cost	1,927	1,656
Contributions by members	436	427
Curtailments	104	254
Actuarial losses	1,557	2,942
Benefits paid	(845)	(703)
	<b>40,387</b>	<b>35,820</b>



**17 PENSION COMMITMENTS****Strathclyde Pension Fund (SPF)**

<b>Reconciliation of fair value of employer assets</b>	31-Jul-12	31-Jul-11
	£'000	£'000
Opening fair value of employer assets	32,892	28,580
Expected return on pension scheme assets	2,136	1,926
Contributions by members	436	427
Contributions by employer	1,407	1,493
Actuarial (losses) / gains	(2,386)	1,169
Benefits paid	(845)	(703)
	<b>33,640</b>	<b>32,892</b>

The contribution rates are set by the scheme actuaries.

	Employer rates	Employee contribution rates (based on employee pensionable pay)
1st April 2011 to 31st March 2012	18.20%	5.5% - 12%
1st April 2012 to 31st March 2013	19.30%	5.5% - 12%
1st April 2013 to 31st March 2014	19.30%	5.5% - 12%

The actuarial value of the SPF scheme has set higher employer contribution rates to recover the scheme net liability. The fund has sufficient assets to cover all of the benefits that had accrued to members after allowing for future increases in earnings.

The employer contributions for the year to 31 July 2013 will be approximately £1,247,000.

An amount of £4,734,000 is included in provisions (note 14), which represents future pension costs arising from early retirements.

<b>History of Experience Gains and Losses</b>	31-Jul-12	31-Jul-11	31-Jul-10	31-Jul-09	31-Jul-08
	£'000	£'000	£'000	£'000	£'000
Difference between the expected and actual return on assets	(1,520)	1,176	2,413	(3,704)	not avail.
Value of assets	33,640	32,892	28,580	23,555	21,408
%age of scheme assets	(4.52%)	3.58%	8.44%	(15.72%)	not avail.
Experience gains and (losses) on scheme liabilities	2,915	-	3,990	388	606
Present value of liabilities	40,387	35,820	30,131	30,216	23,599
%age of scheme liabilities	7.22%	0.00%	13.24%	1.28%	2.57%
Actuarial (losses)/gains recognised in STRGL	(3,943)	(1,773)	7,424	(5,943)	(1,443)
Present value of liabilities	40,387	35,820	30,131	30,216	23,599
%age of scheme liabilities	(9.76%)	(4.95%)	24.64%	(19.67%)	(6.11%)
(Deficit) in the scheme	(6,747)	(2,928)	(1,551)	(6,661)	(2,191)

**CITY OF GLASGOW COLLEGE**

**NOTES TO THE FINANCIAL STATEMENTS**

		<i>Year ended</i>		<i>Year ended</i>	
		<i>31 July 2012</i>		<i>31 July 2011</i>	
		<i>Notes</i>	<i>£000</i>	<i>£000</i>	
<b>18</b>	<b>RECONCILIATION OF OPERATING SURPLUS/(DEFICIT) TO NET CASH INFLOWS FROM OPERATING ACTIVITIES</b>				
	Surplus / (Deficit) on continuing operations after depreciation of assets at valuation and tax		438	(34,385)	
	Depreciation	10	3,219	47,047	
	Deferred capital grants released to income	2, 4	(1,869)	(9,379)	
	(Increase) in stock		(7)	(2)	
	Decrease in debtors	12	422	50	
	(Decrease)/increase in creditors	13	(1,176)	1,442	
	Increase in provisions	14	288	142	
	Interest receivable	5	(787)	(642)	
	Net return on pension liability	16	(124)	(396)	
	<b>Net cash inflow from operating activities</b>		<b>404</b>	<b>3,877</b>	
<b>19</b>	<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>				
	Other interest received		787	642	
	<b>Net cash inflow from returns on investments &amp; servicing of finance</b>		<b>787</b>	<b>642</b>	
<b>20</b>	<b>CAPITAL EXPENDITURE</b>				
	Cash payments made to acquire tangible fixed assets (Note 10)		(2,082)	(3,541)	
	Capital grants received (Note 15)		628	3,173	
	<b>Net cash (outflow) from capital expenditure</b>		<b>(1,454)</b>	<b>(368)</b>	
<b>21</b>	<b>MANAGEMENT OF LIQUID RESOURCES</b>				
	Placing of deposits		600	7,900	
	<b>Net cash inflow from management of liquid resources</b>		<b>600</b>	<b>7,900</b>	



**22 ANALYSIS OF CHANGES IN NET FUNDS**

	<i>At</i> <i>31 July 2011</i> <i>£000</i>	<i>Cash</i> <i>Flow</i> <i>£000</i>	<i>Other</i> <i>Non-Cash</i> <i>Changes</i> <i>£000</i>	<i>At</i> <i>31 July 2012</i> <i>£000</i>
Short Term Investments	18,900	-	600	19,500
Cash	7,918	(263)	(600)	7,055
<b>Total</b>	<b>26,818</b>	<b>(263)</b>	<b>-</b>	<b>26,555</b>

**23 CAPITAL COMMITMENTS**

	<i>Year ended</i> <i>31 July 2012</i> <i>£000</i>	<i>Year ended</i> <i>31 July 2011</i> <i>£000</i>
Authorised and contracted for at the year end	-	173
Authorised but not contracted for at the year end	<b>20,654</b>	-

On 29 November 2011 the Scottish government announced that £193 million of funding had been approved towards the building of a new campus for the College. The College contribution to the new campus is £19 million and this is included in the future authorised capital commitments. The NPD contract for the new campus will be awarded early in 2013.

**CITY OF GLASGOW COLLEGE**

**NOTES TO THE FINANCIAL STATEMENTS**

24	<b>STUDENT SUPPORT FUNDS</b>				<i>Year ended</i>					
					<i>Year ended 31 July 2012</i>				<i>31 July 2011</i>	
					<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
	Bursary Funds	FE Hardship	EMA	HE Funds	<b>Total</b>	<b>Total</b>				
<b>Balance b/fwd</b>	86	94	8	198	386	325				
Prior year clawback	(15)	(38)	-	(165)	(218)	(254)				
Grants received in year	4,369	647	469	565	6,050	6,193				
College funds vired	133	(133)	-	-	-	-				
Disbursement in support of students	(4,573)	(463)	(477)	(505)	(6,018)	(5,878)				
<b>Balance c/fwd</b>	<b>-</b>	<b>107</b>	<b>-</b>	<b>93</b>	<b>200</b>	<b>386</b>				

These grants are available solely for student support payments and therefore are excluded from the Income and Expenditure Account.

	<i>Year ended</i>	<i>Year ended</i>
	<i>31 July 2012</i>	<i>31 July 2011</i>
	<i>£000</i>	<i>£000</i>
<b>FE Childcare Fund</b>		
<b>Balance b/fwd</b>	185	93
Prior year clawback	(103)	-
Grants received in year	667	530
Disbursement in support of students	(473)	(438)
<b>Balance c/fwd</b>	<b>276</b>	<b>185</b>

	<i>Year ended</i>	<i>Year ended</i>
	<i>31 July 2012</i>	<i>31 July 2011</i>
	<i>£000</i>	<i>£000</i>
<b>HE Childcare Fund</b>		
<b>Balance b/fwd</b>	-	-
Prior year clawback	-	-
Grants received in year	395	-
Disbursement in support of students	(332)	-
<b>Balance c/fwd</b>	<b>63</b>	<b>-</b>

**25 CONTINGENT LIABILITIES**

The College has no contingent liabilities to disclose.



**26 POST BALANCE SHEET EVENTS**

The College annual report and accounts signing date has been delayed from the normal annual December date due to an issue Audit Scotland identified regarding the accounting year end date of 31st July. Audit Scotland, Scottish Funding Council and the Scottish Government have now resolved the issue surrounding the College year end date.

The College chairman changed in December 2012 and the annual report and accounts have been signed by the new chairman, Douglas Baillie.

**27 RELATED PARTY TRANSACTIONS**

SFC is regarded as a related party. During the year City of Glasgow College had various material transactions with SFC and with other entities for which SFC is regarded as the sponsor Department via: Student Awards Agency for Scotland, Scottish Enterprise and a number of other colleges and higher education institutions.

All transactions involving organisations in which a member of the Board of Management may have an interest are conducted at arm's length and in accordance with normal project and procurement procedures. The College had transactions during the year, or worked in partnership with, the following publicly funded or representative bodies in which a member of the College Board of Management has an interest and which in aggregate exceeded £20,000.

		£000	
Clyde Marine	Sales	1,183	C McMurray Director
Glasgow Caledonian University	Sales	572	J Gallacher Emeritus Professor - Lifelong Learning
Clydesdale Bank	Deposits	1,848	D Baillie Head of Deposits
Scotlands Colleges	Purchases	43	P Finch Committee Chair

The balance due to the College by the above organisations at 31 July 2012 which is included within trade debtors is £481,000.



■ Student Jon O'Farrell with the Duke of Rothesay, who visited the College in May 2012 along with his wife, the Duchess of Rothesay

CITY OF GLASGOW COLLEGE  
HRH  
Duke of Rothesay

CITY OF GLASGOW COLLEGE  
John

ANKE



