

Ayrshire College



**Annual audit report to the Board of Management
and the Auditor General for Scotland**

For the year ended 31 July 2017



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This report has been prepared in accordance with our responsibilities as appointed auditors as set out in Audit Scotland’s *Code of Audit Practice* (‘the Code’). Reports and letters prepared by appointed auditors and addressed to the College are prepared for the sole use of the College and we take no responsibility to any member or officer in their individual capacity or to any third party.

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Executive summary

Purpose of this report

Our annual audit report summarises the work we have undertaken as the auditor for Ayrshire College ('the College') for the year ended 31 July 2017.

Our responsibilities are defined by the Public Finance and Accountability (Scotland) Act 2000 and the Code of Audit Practice ('the Code') issued by Audit Scotland in 2016. The detailed sections of this report provide details on those responsibilities, the work we have done to discharge them, and the key findings arising from our work. These are summarised below.

Area of work	Summary
Financial statements opinion	<p>Our opinion on the financial statements was issued on 20 December 2017 following the Board of Management's approval of the annual report and accounts on 14 December 2017.</p> <p>We reported an unqualified opinion.</p>
Opinions on other matters	<p>We are also required to give opinions on other matters. We reported an unqualified opinion on:</p> <ul style="list-style-type: none"> • The regularity of income and expenditure; and • The remuneration and staff report, performance report and governance statement.
Wider Scope work	<p>We are required by the Code to form conclusions on four wider scope dimensions. Our conclusions on each dimension are summarised below:</p>
<i>Financial Management</i>	<ul style="list-style-type: none"> • The College has effective arrangements, including budgetary control, that help Board members scrutinise finances;
<i>Financial Sustainability</i>	<ul style="list-style-type: none"> • Ayrshire College has adequate financial planning arrangements in place, however, has identified financial sustainability concerns regarding future PFI commitments;
<i>Governance and Transparency</i>	<ul style="list-style-type: none"> • The College has governance arrangements in place that provide appropriate scrutiny of decisions made by the Board; and
<i>Value for Money</i>	<ul style="list-style-type: none"> • The College has an effective performance management framework in place that supports progress towards the achievement of value for money.
Independence	<p>We have continued to consider any actual, potential or perceived threats to our independence as part of our ongoing risk assessment. We can confirm that no threats to independence have been identified since the issue of our Audit Strategy Memorandum in June 2017, and therefore we remain independent.</p>

We would like to take this opportunity to thank all management and staff for their assistance and co-operation during our audit.

Financial statements

Financial statements opinion	Unqualified
Regularity opinion	Unqualified
Opinion on other prescribed matters	Unqualified

The scope of our audit and the results of our work

The purpose of our audit is to provide reasonable assurance to users that the financial statements are free from material error. We do this by expressing an opinion on whether the statements are prepared, in all material respects, in line with the financial reporting framework applicable to the College and whether they give a true and fair view of the College's financial position as at 31 July 2017 and of its financial performance for the year then ended.

Our audit was conducted in accordance with the requirements of the Code of Audit Practice issued by Audit Scotland, and International Standards on Auditing for the UK and Ireland (ISAs). These require us to consider whether:

- the accounting policies are appropriate to the College's circumstances and have been consistently applied and adequately disclosed;
- the significant accounting estimates made by management in the preparation of the financial statements are reasonable; and
- the overall presentation of the financial statements provides a true and fair view.

Our approach to materiality

We apply the concept of materiality when planning and performing our audit, and when evaluating the effect of misstatements identified as part of our work. We consider the concept of materiality at numerous stages throughout the audit process, in particular when determining the nature, timing and extent of our audit procedures, and when evaluating the effect of uncorrected misstatements. An item is considered material if its misstatement or omission could reasonably be expected to influence the economic decisions of users of the financial statements.

Judgements about materiality are made in the light of surrounding circumstances and are affected by both qualitative and quantitative factors. As a result we have set materiality for the financial statements as a whole (financial statement materiality) and a lower level of materiality for audit testing (performance materiality), which is also dependent on the level of inherent risk assessed in the area being audited which may be due to the nature of these items or because they attract public interest. We also set a threshold for reporting identified misstatements to the Audit Committee. We call this our trivial threshold.

The table below provides details of the materiality levels applied in the audit of the financial statements for the year ended 31 July 2017:

Financial statement materiality	£1.0m
Performance materiality	£0.8m
Trivial threshold	£30,000

Our response to significant risks

As part of our continuous planning procedures we considered whether there were risks of material misstatement in the College's financial statements that required special audit consideration. We reported significant risks identified at the planning stage to the Audit Committee within our Audit Strategy Memorandum. The table below outlines the identified significant risks, the work we carried out on those risks and our conclusions.

Significant risk	How we addressed the risk	Audit conclusion
<p>Management override of control</p> <p>In all entities, management at various levels within an organisation are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Due to the unpredictable way in which such overrides could occur, we consider there to be a risk of material misstatement due to fraud and thus a significant risk on all audits.</p>	<p>We addressed this risk through performing audit work over:</p> <ul style="list-style-type: none"> • Accounting estimates impacting amounts included in the financial statements; • Consideration of identified significant transactions outside the normal course of business; and • Journals recorded in the general ledger and other adjustments made in preparation of the financial statements. 	<p>Satisfactory assurance has been gained in respect of the presumed risk of management override. We have no matters to report.</p>
<p>Error in Revenue recognition</p> <p>There is a presumption under International Standards on Auditing that there is a significant risk of fraud and error in the timing of revenue recognition leading to the material misstatement of revenue overall. This is because revenue is an area of particular focus by users of financial statements and can be subject to judgements as to when grant income should be recognised and if clawback conditions apply to the funding.</p>	<p>We addressed this risk through performing audit work over:</p> <ul style="list-style-type: none"> • the design and implementation of controls management has in place to ensure income is recognised in the correct period; • cash receipts around the year end to ensure they have been recognised in the right year; and • the judgements made by management in determining when grant income is recognised. 	<p>Satisfactory assurance has been gained in respect of the presumed risk of revenue recognition. We have no matters to report.</p>

Significant risk	How we addressed the risk	Audit conclusion
<p>Accounting for property transactions</p> <p>The new Kilmarnock campus was completed and passed to the College on 30 September 2016 and therefore recognised for the first time on the Balance Sheet as at 31 July 2017. The campus was procured during the Scottish Government's Non Profit Distribution (NPD) model. A building valuation was performed by an expert valuer at the point of completion.</p> <p>As a result of the move to the new campus, the College's existing freehold interests in two campuses in the Kilmarnock area are in the process of being sold. As an integral part of the NPD arrangements, the proceeds of sale will be remitted to the Scottish Funding Council.</p> <p>The College also has two leased campuses (Townholm and Cumnock) which it is in the process of exiting. There is also a third leased campus at Nethermains. All three of these campuses have a level of provision for dilapidations and/or future lease payments.</p>	<p>We addressed this risk through performing audit work over:</p> <ul style="list-style-type: none"> confirming the professional qualifications of your valuer; substantiating the assumptions and appropriateness of the date of valuation used by your valuers in completing the valuations of the new and surplus campus buildings; reviewing valuations and associated impairments in the accounts, ensuring that they have been completed on the correct basis for each item and that movements are in line with expectation; considering the appropriateness of the valuation of assets held for sale and whether they should be revalued upwards or downwards; our PFI experts have reviewed the NPD model, ensuring accounting entries and disclosures meet accounting standard requirements; and reviewing property related provisions in the accounts ensuring that the requirements for recognition of a provision have been met and that the amounts provided have been fairly valued. 	<p>Satisfactory assurance has been gained in respect of the accounting for property assets.</p> <p>We have no matters to report.</p>

Areas of audit focus

As part of our continuous planning processes, we carry out work to identify matters that will have a direct impact on the financial statements, but are not likely to represent a risk of material misstatement. The work we carried out in relation to these areas of audit focus is outlined below.

Audit focus	Work undertaken	Conclusion
<p>Valuation of pension liabilities</p> <p>The College makes contributions to two pension schemes – the Scottish Teachers Superannuation Scheme (STSS) and the Strathclyde Pension Fund (SPF). While both are defined benefit schemes, it is not possible to identify the College’s share of the underlying assets and liabilities in the STSS and it is therefore accounted for as a defined contribution scheme.</p> <p>The College’s share of the SPF’s underlying assets and liabilities is identifiable and a net liability is recognised in the accounts. As at 31 July 2017 the College accounts show a liability of £14.3m, an increase of £1.1m over the previous 12 months.</p> <p>Given the scale of the liability recognised in the accounts, a misstatement in the reported position could be material to the financial statements</p>	<p>We considered the College’s arrangements, including the existence of any relevant controls, for making estimates in relation to pension entries within the financial statements. We also considered the reasonableness of the actuary’s assumptions used in providing the College with information in the financial statements through the use of our internal experts.</p>	<p>Our audit work has provided satisfactory assurance over pension valuations. We have no matters to report.</p>

Internal control recommendations

As part of our audit we have considered the internal controls in place that are relevant to the preparation of the financial statements. We do this to design audit procedures that allow us to express an opinion on the financial statements; this does not extend to expressing an opinion on the effectiveness of internal control or to identify any significant deficiencies in their design or operation.

Our audit work on the financial statements has not identified any recommendations for the improvement of internal controls at the College.

Audit adjustments

We discussed and agreed a number of disclosure and presentational adjustments that have been reflected in the final annual report and accounts. There was one material adjustment to the draft financial statements presented for audit, initiated by the College. The College accepted an offer during 2016-17 for the former campus site at Holehouse Road and reduced the previously held value by £1,077m to reflect the market offer. A second adjustment was made to the draft financial statements to reflect the value of land at the Kilwinning Campus in the College's balance sheet. The accounting impact of these changes are shown in Appendix 2 to this report

Qualitative aspects of the College's accounting practices

We are required to communicate to you our views on the significant qualitative aspects of the College's accounting practices, including the accounting policies used and the quality of disclosures.

Qualitative aspect	Our views
Accounting policies and disclosures	<p>We have reviewed the College's accounting policies and disclosures and found these to be in line with the requirements of the 2015 Statement of Recommended Practice: Accounting for Further and Higher Education and the Government Financial Reporting Manual 2016-17.</p> <p>In line with our expectations, there have been no significant changes to accounting policies for the year ended 31 July 2017.</p>
Quality of the draft financial statements	<p>We received draft financial statements from management at the start of our audit fieldwork on 23 October 2017. The draft Board of Management report was received on 20 November 2017. While both documents were of adequate quality, in future years, we would however request that the Annual Report is produced on a more timely basis.</p>
Quality of supporting working papers	<p>Producing high-quality working papers is a crucial part of compiling financial statements that are complete and materially accurate. They also support the delivery of an efficient audit. Working papers were accurate and informative and we had an excellent response to our requests when we were on-site.</p>

Significant matters discussed with management

There were no such matters discussed with management.

Significant difficulties during the audit

During the course of the audit we did not encounter any significant difficulties and we have had the full co-operation of management and staff.

Financial management

Financial management is concerned with financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively.

Ayrshire College has effective arrangements, including budgetary control, that help Board members scrutinise finances

Financial performance

FE/HE SORP Accounting	2016/17 £'000	2015/16 £'000
Operating Income	48,275	42,825
Staff Costs	(31,585)	(30,411)
Operating Expenditure	(19,431)	(15,286)
Operating Deficit for the year (FE/HE SORP basis)	(2,741)	(2,872)

The above table shows the financial performance of the College for the last two academic years, as reported under the FE/HE SORP. Although a deficit was shown over both years:

- The College achieved its financial targets and spending was in line with the plan;
- There were no significant changes to the reported position during the year; and
- The student credit target was met confirming the level of funding in the financial statements.

The Statement of Comprehensive Income is prepared under the FE/HE SORP. Colleges are also subject to Central Government accounting rules but the FE/HE SORP does not permit Colleges to include government non-cash allocations for depreciation in the statement of Comprehensive Income.

Central Government Accounting	2016/17 £'000	2015/16 £'000
Operating Deficit for the year (FE/HE SORP basis)	(2,741)	(2,872)
Add:		
Gain on sale of assets	27	-
Non-cash allocation for depreciation	1,943	779
Non-cash adjustment for restructuring	1,077	1,963
Non-cash adjustment for pensions	1,623	1,338
Less:		
Non-governmental capital grants	(374)	-
Revenue Funding allocated to loans	(1,882)	(906)
Operating Surplus (Deficit) on Central Government accounting basis	(327)	302

The College reported a small deficit in 2016/17 under the central government accounting basis. This is because the College is not funded for the PFI payments it makes on Kilwinning Campus.

Budgetary process

We have reviewed and considered the budgetary processes and controls and budget monitoring arrangements in place at the College. Our work consisted of a review of budget monitoring reports and committee papers and attendance at committees. Overall, we consider that the Board of Management obtains regular and timely financial information that reflects the actual financial position.

We noted that budget reports accurately predicted the financial position and were produced on a timely basis and considered by the appropriate committee. The Finance Committee considers the management accounting pack regularly, reporting to the Board of Management.

We note that due to the timing of meetings, there were isolated examples where, the financial information presented to the Finance Committee, was not as recent as we would expect. For example, the December 2016 financial outturn papers were not presented to the Finance Committee until 8 March 2017 – albeit with verbal updates on the then current position. We understand that the College has restructured the Committees of the Board for 2017-18 onwards, and we would encourage that the timings of Committees are set so to match the availability of up to date finance papers.

Internal controls

As part of our audit we have considered the internal controls in place that are relevant to the preparation of the financial statements. We do this to design audit procedures that allow us to express an opinion on the financial statements; this does not extend to expressing an opinion on the effectiveness of internal control or to identify any significant deficiencies in their design or operation.

We have also considered the work of internal audit, from individual reviews of financial systems and their annual audit opinion on the control framework in place at the College. Internal auditors Scott-Moncrieff provided a high level of assurance on arrangements to send budget returns to the Scottish Funding Council; (SFC). They concluded that *“The College has well-designed processes in place that are operating effectively to ensure the*

accurate preparation and submission of Financial Returns to SFC covering Resources and Cash Drawdowns”.

We conclude that the processes and controls in place at the College are operating effectively. The College has all the expected control, risk, performance and financial arrangements in place. There are a series of regularity documents including standing orders, articles of governance, code of conduct, and financial regulations intended to ensure regularity of transactions.

Whilst these were relevant we noted that a number of these documents were passed their internal review dates:

- Disciplinary policy - due for review August 2017. This policy is expected to be updated when a national document, arising from National Bargaining is issued.
- Financial Regulations - due for review June 2016. The College updated the procurement sections of the Financial Regulations in August 2016. The policy will be updated upon receipt of the updated Financial Memorandum with the SFC.
- Constitution, including the Scheme of Delegation and Code of Conduct due for review in June 2017. This policy is currently being updated.

Prevention and detection of fraud and irregularity

Management and the Audit Committee, as those charged with governance also have responsibilities in respect of fraud. They are responsible for safeguarding assets and for the prevention and detection of fraud, error and non-compliance with laws and regulations.

We have a responsibility to review the College’s arrangements for the prevention and detection of fraud. Our audit work was planned to provide a reasonable expectation of detecting material misstatements in the financial statements resulting from fraud and irregularity. We found the arrangements in place to be satisfactory and identified no material misstatements resulting from fraud or irregularity.

National Fraud Initiative

The College took part in the National Fraud Initiative (NFI) for the first time in 2016/17. NFI is a counter-fraud exercise co-ordinated by Audit Scotland that analyses data held by public sector bodies to identify 'matches' that may indicate the existence of fraud or error.

National Fraud Initiative 2016/17	
Total number of matches	74
Number recommended for investigation	6
Completed	74

No matches identified have led to discovery of fraud. We reviewed the processes in place for the College's participation in NFI and identified no issues.

Financial sustainability

Financial sustainability extends the going concern assumption from the financial statements, looking forward two to five years, reviewing and assessing arrangements for financial planning and affordable and sustainable service delivery in this timescale.

Ayrshire College has adequate financial planning arrangements in place, however, has identified financial sustainability concerns regarding future PFI commitments

Financial planning

In its annual review of the FE sector, Audit Scotland's 'Scotland's Colleges 2017' recommended that Colleges should:

- *prepare longer-term financial plans, as we recommended last year, in order to support financial decision-making that takes account of both immediate and future cost pressures; and*
- *calculate the cost of harmonising staff pay, terms and conditions and include these in their financial plans.*

The College prepared a 5-year budget that was approved by the Board in September 2017 for submission to the SFC. The plan includes assumptions about inflation in the short and medium term and also highlights other financial stability risks. The College is very clear on the risks to financial sustainability it faces and the uncertainty of funding over the medium and long term for example national pay bargaining, the ending of ESF funding, the lack of clarity on future SFC funding and national support staff job evaluation.

The College has identified a specific risk over the funding of the Kilwinning Campus PFI contractual payments after 2017/18. The Kilwinning Campus PFI has a revenue cost of approximately £1.4m per annum, for principal and interest repayments, and unlike the NPD model, is unsupported by specific SFC funding. A significant financial challenge of continuing to fund these PFI costs from existing college resources has been identified, and has been included in the five year financial plan submitted to the SFC. The deficits shown in the five year plan vary between £1.1m and £0.8m for every year until 2021/22.

Both SFC and Scottish Government officials are aware of this position and Ayrshire College is involved in ongoing dialogue on this issue. The issue will continue to be monitored closely in the coming months.

Asset Management and Estates Strategy

The new Kilmarnock NPD campus opened in October 2016. While the College does not have a formally documented estates strategy a large focus has been on the opening and running of the new Kilmarnock campus in line with the approved business case. Significant improvement works to the estate have been completed on both the Kilwinning and Ayr campuses since merger in 2013. These improvement works have been funded by both the College and the Ayrshire College Foundation

Therefore, the College operates from a relatively modern estate, in comparison to the sector, with the majority of the estate being constructed, post 2000, apart from the main building at Ayr which was completed in 1966. The campuses at Kilwinning and Kilmarnock are under PFI and NPD respectively, and therefore the responsibility for maintenance falls to the service provider.

The College recognises that a formal Infrastructure Strategy is required to be in place and we understand that this will be completed during 2017-18. Given the importance of a fit for purpose estate to ensure that performance objectives are met, we have raised a finding in Appendix 1 to this report regarding this Strategy,

Governance and transparency

Governance and transparency covers the effectiveness of scrutiny and governance arrangements, leadership and decision-making and transparent reporting of financial and performance information

Ayrshire College has governance arrangements in place that provide appropriate scrutiny of decisions made by the Board

Governance arrangements

Our work in this area has considered the overall governance arrangements in place at the College, reviewed the financial and performance reporting to the Board, and reviewed the minutes of committees to inform our assessment of the appropriateness of the governance structure. We have also attended Audit Committees during the year.

Financial papers submitted to committees are relevant, although we note above that there were isolated examples where improvements could be made on the timeous nature of formal finance papers. Minutes are understandable and contain detail of discussions and rationale for decision making and the papers and are available on the public web-site.

The Board consists of 17 members, 10 female (including the Principal) and 7 male. The Board continues to work towards a gender balance that meets with the objective of the Gender Representation on Public Boards (Scotland) Bill which was introduced by the Scottish Parliament in June 2017 with an implementation date of 2022.

The key committees comprise of lay members, with each also containing the Principal, with the exception of the Audit Committee. In addition, the Chair of the Board is also not permitted to be a member of the Audit Committee. A lay member of the Board chairs all Committees. Appropriate College officers attend committees and present reports as required.

Governance Statement

As part of our audit we have read the governance statement included in the annual report. The governance statement sets out the corporate

governance framework in place throughout the reporting year, the internal controls in operation, the work of internal audit and the overall efficiency and effectiveness of the governance framework.

For the first time in 2016/17, we are required to read and provide an opinion on the governance statement. In our opinion, the information contained within is consistent with the financial statements. We also consider that the governance statement has been prepared in accordance with the Further and Higher Education (Scotland) Act 1992 and further directions made by the Scottish Funding Council.

Internal audit

An effective internal audit service is an important element of any organisation's governance arrangements. Internal audit provide the College with independent assurance on internal control and corporate governance processes. The internal audit function at the College is provided by Scott-Moncrieff.

Transparency

Transparency means that service users and the public have access to understandable information about how the College is making decisions and using its resources. There is a commitment to transparency, with the minutes and papers of the Board of Management and key committees being available on the website.

Value for money

Value for money concerns using resources effectively and continually improving services

Ayrshire College has an effective performance management framework in place that supports progress towards the achievement of value for money

Performance management

The College delivered its outcome framework target credits, achieving a small financial deficit with improvements in student attainment and attendance. There is close monitoring of the delivery of the outcomes framework, financial performance reports are not fully integrated but provide sufficient information to allow members to understand performance. Budget monitoring information provides a detailed analysis of variances allowing budget objectives to be achieved. Through delivery of the 2016/17 budget there is clear evidence that the College understands cost drivers and is in control of costs.

Regularity

As part of our audit of the College's financial statements, we are required by the Public Finance and Accountability (Scotland) Act 2000 to give an opinion on the regularity of expenditure and receipts shown in the financial statements. Regular expenditure and income is that which has been incurred / obtained in line with guidance issued by the Scottish Ministers and the terms and conditions of funding of the Scottish Funding Council.

The College has arrangements to monitor the requirements of the Scottish Funding Council, Audit Scotland and other regulatory or advisory bodies to ensure it complies with the terms and conditions of funding including regular reporting of financial and operational performance to the Board and its committees.

Our review found an effective control environment exists over regularity of expenditure and receipts. No instances of non-compliance with Scottish Funding Council terms and conditions were noted.

Our fees

Fees for work as the College's appointed auditor

We reported our proposed fees for the delivery of our work in the Audit Strategy Memorandum, presented to the June 2017 Audit Committee. Having completed our work for the 2016/17 financial year, we can confirm that our final fees are as follows:

Area of work	2016/17 proposed fee £	2016/17 final fee £
Auditor remuneration	26,320	26,320
Pooled costs	1,640	1,640
Contribution to Audit Scotland costs	1,500	1,500
Total fee	29,460	29,460

We confirm that these fees are in line with the scale fee set by Audit Scotland.

We also confirm that we have not undertaken any non-audit services for the College in the year.

Appendix 1 – Internal control recommendations

The matters reported are limited to those deficiencies and other control recommendations that we have identified during our normal audit procedures and that we consider to be of sufficient importance to merit being reported. If we had performed more extensive procedures on internal control we might have identified more deficiencies to be reported or concluded that some of the reported deficiencies need not in fact have been reported. Our comments should not be regarded as a comprehensive record of all deficiencies that may exist or improvements that could be made.

Our findings and recommendations are set out below. We have assigned priority rankings to each of them to reflect the importance that we consider each poses to your organisation and, hence, our recommendation in terms of the urgency of required action. In summary, the matters arising fall into the following categories:

Significant deficiencies in internal control – Priority 2 (medium)

- Priority 1 (high)**
 There is potential for financial loss, damage to reputation or loss of information. Weaknesses may have implications for the achievement of strategic objectives and our recommendations should be considered immediately by management.
- Priority 2 (medium)**
 There is a need to strengthen internal controls or enhance efficiency. Our recommendations should be actioned in the near future.
- Priority 3 (low)**
 Internal controls should be strengthened where practicable and where there is a cost benefit from doing so.

Description of deficiency	Infrastructure Strategy The College does not currently have a formal Infrastructure Strategy that takes account of the estate, following the completion of the Kilmarnock campus. We understand that this is in development and will be completed during 2017-18. While two of the three main campuses are being maintained under service contracts through PFI and NPD, and therefore have a reduced requirement for College funded maintenance, the College should formalise and approve a strategy that reflects the current state of all buildings and expected maintenance and improvement work planned in the future, to ensure buildings remain fit for purpose. Any planned maintenance should be costed and factored into financial plans.
Potential effects	Without an up to date infrastructure strategy there is a risk that key buildings could fall into disrepair and not be able to sustainably support the delivery of the overall objectives of the College.
Recommendation	The College should develop a formal Infrastructure Strategy.
Management response	In line with the Internal Audit report on Asset Management we will develop a formal Infrastructure Strategy.

Appendix 2 – Summary of adjustments

The adjustments identified during the course of the audit that are above the trivial level of £36,000, are set out below. All have been amended.

Adjusted misstatements 2016/17				
	Statement of Comprehensive Income and Expenditure		Balance Sheet	
	Dr (£'000)	Cr (£'000)	Dr (£'000)	Cr (£'000)
Dr: Revaluation Reserve			1,077	
Cr: Fixed Assets – Freehold land and buildings				1,077
The College received a revised valuation of the former campus at Holehouse Road after issuing the draft financial statements for audit reducing the value by £1.077m to reflect the market offer.				
Dr: Fixed Assets – Freehold land and buildings			680	
Cr: Revaluation Reserve				680
The College have recognised the value of land related to the Kilwinning Campus.				
	0	0	1,757	1,757

There are no misstatements, identified during our audit work that have not been adjusted for.