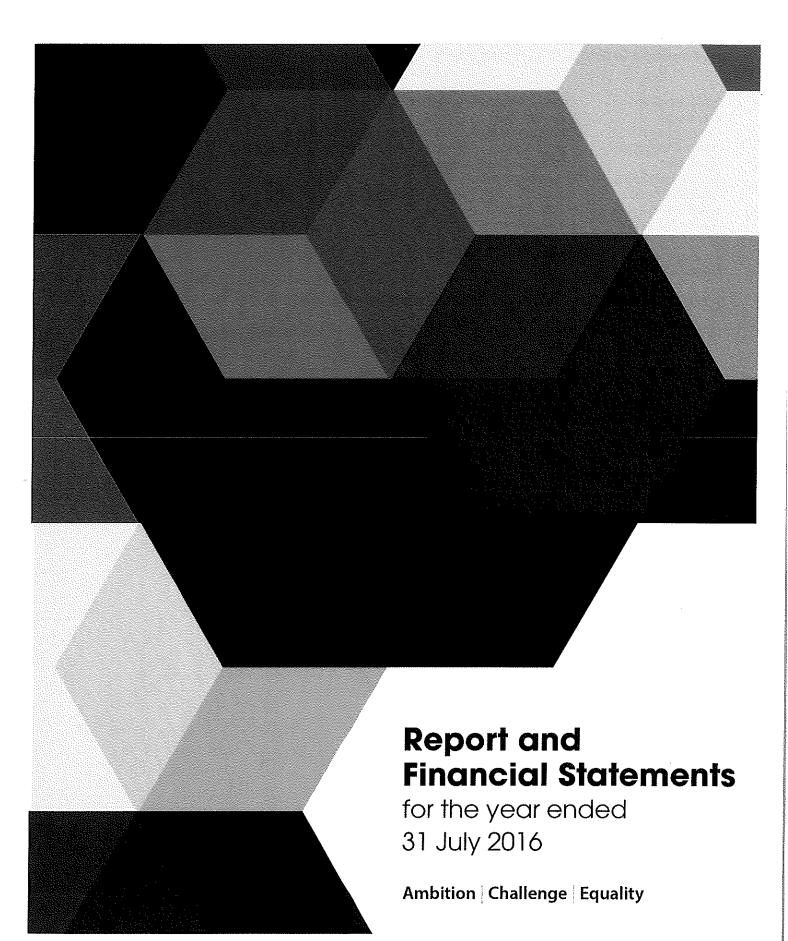
Newham Sixth Form College





Key Management Personnel, Board of Governors and Professional advisers

Key management personnel

Key management personnel are defined as members of the College Leadership Team and were represented by the following in 2015/16:

Eddie Playfair

Principal: Accounting Officer

Ray Ferris

Vice Principal

Arthur Hasler

Director of Finance & Resources (until 23/05/2016)

David Watherston

Interim Director of Finance & Resources (from 23/05/2016)

Tracy Oko

Director of Student Services

Nick Christoforou

Director of Studies

Alfred Cardona

Head of Quality, Teaching & Learning

Lisa Parkhomchuk

Head of School

Penny Warburton

Head of School

Board of Governors

A full list of Governors is given on page 13 of these financial statements.

Newham Partnership Working, a not for profit mutual organisation, acts as Clerk to the Corporation.

Professional advisers

Financial statement and regularity auditors:

Buzzacott LLP 130 Wood Street London EC2V 6DL

Internal auditors:

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

Bankers:

Lloyds Bank plc 4th Floor 25 Gresham Street London EC2V 7HN

Solicitors:

Clarkslegal
One Forbury Square
The Forbury
Reading
Berkshire
RG1 3EB

NEWHAM SIXTH FORM COLLEGE

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NEWHAM SIXTH FORM COLLEGE

Report of the Governing Body

NATURE, OBJECTIVES AND STRATEGIES:

The members of the Corporation present their report and the audited financial statements for the year ended 31 July 2016.

Legal status

The Corporation was established under the Further and Higher Education Act 1992 for the purpose of conducting Newham Sixth Form College. The College is an exempt charity for the purposes of Part 3 the Charities Act 2011.

Mission

The College's mission statement is:

"Our mission is to create a successful learning community".

Public Benefit

Newham Sixth Form College is an exempt charity under the Part 3 of the Charities Act 2011 and is regulated by the Secretary of State for Education as Principal Regulator for all sixth form colleges in England.

The members of the Governing Body who are trustees of the charity are disclosed on page 13.

In setting and reviewing the College's strategic objectives, the Governing Body has had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education. The guidance sets out the requirement that all organisations wishing to be recognised as charities must demonstrate, explicitly, that their aims are for the public benefit.

In delivering its mission, the College provides the following identifiable public benefits through the advancement of education:

- High-quality teaching with good student outcomes and progression rates
- Widening participation and tackling social exclusion
- Strong student support systems
- Links with employers, industry and commerce

Strategic planning

Each year the College adopts an ambitious Development Plan for the coming academic year. The Corporation monitors the performance of the College against this plan. Last year, the college consulted staff in re-stating our principles, Ambition, Challenge and Equality, and these fed in to a successful NewVic 20:20 launch in March 2016. This set out our ambitions for the college in 2020.

The Corporation approved a three-year financial plan in July 2015 for the period 1 August 2015 to 31 July 2018. This plan was submitted to the EFA in July 2015.

The college has invested in a major building project to provide a much better entrance, a new Learning Resource Centre, a studio space and additional social space for students.

The College's strategic aims are:

To be successful by

- becoming outstanding in everything that we do
- being in the top 10% of sixth forms nationally for student progress
- being the college of first choice for students and staff

To promote learning by

- offering personalised and challenging study programmes for students to prepare them for life, work and citizenship
- ensuring consistently excellent teaching and best practice in an inspiring learning environment, within an inclusive curriculum
- supporting and developing enquiring, skilled learners who are committed to continuous improvement

To develop our community by

- valuing diversity and advancing equality
- · promoting citizenship and our shared principles
- making a positive contribution to our local community and economy

Financial objectives

The College's financial objectives are:

- to maintain an annual operating surplus before notional pension charges, exceptional items and disposal
 of fixed assets.
- to pursue alternative sources of funding, on a selective basis, consistent with the College's core competencies, and the need for a financial contribution to the College's overall finances
- to generate sufficient levels of income to support the asset base of the College
- · to further improve the College's shorter term liquidity
- · to fund continued capital investment.

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

Performance indicators

KEY RATIOS				
	2016 Actual	2016 Plan	2017 Plan	
Liquidity - how much of a cash safety net does the College have at its disposal?				
Cash days in hand	66.76	32.83	31.32	
Adjusted current ratio	1.49	1.37	2.44	
Borrowing as a % of income	0%	19.5%	19.4%	
Margin - how successful is the College being at delivering a balanced budget?				
EBITDA as a % of income – education specific	6.6%	7.8%	11.9%	
Available reserves as a percentage of income	76.7%	78.1%	83.1%	
Income - how reliant is the College on EFA income?				
Dependency on EFA income	96.6%	96.5%	96.1%	
Expenditure - how successful is the College at keeping wage costs under control?				
Staff costs (excluding restructuring and including LGPS notional charge) as % of income	75.0%	75.2%	72.0%	
Framework for Excellence financial health grade	Good	Good	Outstanding	

Note: The College has achieved a financial health grade of outstanding for several years up to this year. The temporary changing financial health of the College is due to the redevelopment currently being undertaken. This redevelopment is funded by a loan facility, of which the College had £3m available and undrawn at the period end. Therefore the Colleges liquidity is much higher than the 1.49 current ratio shown above. Once the redevelopment has been completed the College is forecasting to move back to outstanding financial health by 2017. This is part of the overall strategy approved by the Corporation.

The College is committed to observing the importance of sector measures and indicators. The College is required to complete the annual Finance Record for the Education Funding Agency. The Finance record produces a financial health grading on submission at 31 December.

Although the EFA continues to measure FE performance in terms of contribution to national targets, individual colleges are now required to submit three-year development plans which are reviewed each year. These development plans focus on four headline targets:

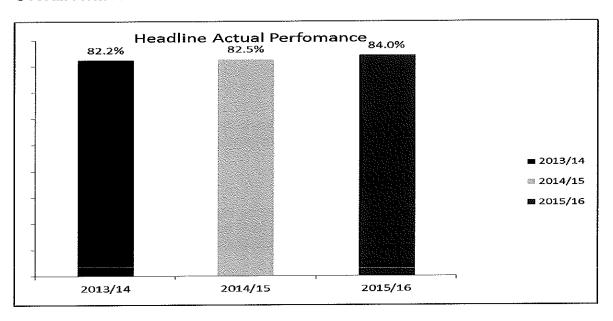
- · learner number growth and achievement of EFA funding targets
- learner success rates
- · teacher qualifications
- employer engagement

Performance 2015/16: Overview of college success

Overall college performance

- The overall college success rate for 2015/16 has increased by 1.5% to 84%.
- This is 2% higher than the sector average for all post 16 institutions and the third successive annual increase.

Overall Achievement Rate



2016 university progression data showed that:

- 676 Newham Sixth Form College (NewVIc) leavers progressed to university;
- This represents 90% of all university applicants at the College;
- This is 81% of the cohort of advanced leavers including both A-level and vocational students and those
 who chose not to apply to university;
- 86 NewVIc leavers progressed to the highly selective 'Russell Group' universities.

FINANCIAL POSITION

Financial results

The College generated a deficit in the year of £268k (2015: £313k deficit). The result in 2016 is stated after the impact of the notional charges associated with the Colleges' Local Government Pension Scheme (LGPS), which totalled £466k (2015: £370k), comprising a notional pension charge of £336k (2015: £264k) included within staff costs, a notional net finance cost of £124k (2015: £103k) included within interest and other finance costs and a notional administration fee of £6k (2015: £3k) included within other operating expenses. Excluding these notional charges the College generated a surplus of £198k (2015: £57k surplus).

The current years staff costs also includes £89k (2015: £nil) of redundancy payments made to staff members as a result of a round of redundancies required to meet the challenges of the 2016/17 budget setting process. The prior year's result also included a £281k (2016: £nil) loss on disposal of fixed assets relating to the demolition of a small portion of the inherited estate to make way for Phase One of the College redevelopment plan.

The College has accumulated reserves of £7.2 million (2015: £8.4 million restated) and cash balances of £2.9 million (2015: £6.3 million). The reduction in reserves is attributable to the increased notional pension liability which increased by £1.5 million (2015: £1.1 million). The College wishes to accumulate reserves from operations to fund the planned campus development and other investments in the student learning environment.

Tangible fixed asset additions during the year amounted to £5.4 million (2015: £3.1 million). This was split between land and buildings acquired of £4.9 million (2015: £2.3 million) and equipment purchased of £0.5 million (2015: £0.8 million). A total of £4.8 million of this spend has been on Phase One of the campus redevelopment plan (2015: £1.0 million) with the remainder relating to other general capital and IT upgrades.

The College has significant reliance on the EFA for its principal funding source, largely from recurrent grants. In 2016 the EFA provided 96.6% (2015: 96.5%) of the College's total income.

The College had one subsidiary company, Stratford Circus Ltd. On 1 January 2012 the activity of the company was subject to a Business Transfer Agreement with Stratford Arts Trust, a new organisation established to give Stratford Circus an independent and viable future. The subsidiary company was formally dissolved on 15 December 2015.

Treasury policies and objectives

Treasury management is the management of the College's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

The College has a separate treasury management policy in place.

Short term borrowing for temporary revenue purposes is authorised by the Principal. Such arrangements are restricted by limits in the Financial Memorandum with the EFA. All other borrowing requires the authorisation of the Corporation and shall comply with the requirements of the Financial Memorandum of the EFA.

Cash flows and liquidity

At £1.2m (2015: £1.4m) net cash flow from operating activities was reasonably strong. This along with the withdrawals of deposits of £1.2m (2015: £2.6m restated) were invested in £4.7m of capital expenditure, net of grant income (2015 - £2m).

The College has cash on deposit and had no loans drawn at the period end. The College does however have a revolving credit facility in place of £3m, which will be drawn post year end to fund the final payments on the current Phase One building project.

CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE

Student numbers

In 2015/16 the College has delivered activity that has produced £15.1 million in EFA main allocation funding (2015: £15.6 million). The College had 2,512 EFA and 20 SFA-funded learners in 2015/16.

Curriculum developments

The College has been proactive in embracing curriculum reform and in training staff so that they are fully prepared for these changes. Curriculum managers took the opportunity to engage with new awarding bodies, such as the University of the Arts London (UAL), in order to give students the best possible preparation for university or employment. Teachers have been fully engaged in curriculum working groups which led to the decision to introduce a college wide linear A- level programme from September 2017. The college has exciting partnerships with several universities and will maintain these in the future.

Payment performance

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. The target set by the Treasury for payment to suppliers within 30 days is 95 per cent. The College incurred no interest charges in respect of late payments for this period.

Post-balance sheet events

None.

Future developments

The College is developing its main campus at Prince Regent Lane, but will remain open to potential partnerships to establish opportunities for our students in areas such as performing arts, science and giving extra-curricular support, either on the campus or elsewhere.

RESOURCES:

The College has various resources that it can deploy in pursuit of its strategic objectives.

The principal tangible resource is the main college site in Prince Regent Lane.

Financial

The College has £13.2 million of net assets (2015: £15.6 million restated). This includes £4.9 million pension liability (2015: £3.3 million), and no long term debt.

People

The College employs 240 people (expressed as full time equivalents) (2015: 254), of whom 135 are teaching staff (2015: 143).

Reputation

The College has a good reputation locally and nationally. Maintaining a high quality offer is essential for the college's success in attracting students, especially in view of increasing local competition. The college achieved a 'good' outcome across all areas in the 2015 Ofsted inspection and staff have continued to work for further improvement since then.

PRINCIPAL RISKS AND UNCERTAINTIES:

The College continues to develop and embed a system of internal control, including financial, operational and risk management which is designed to protect the College's assets and reputation.

The College has reviewed its Risk Management approach and the format of its risk register. A risk register is maintained at the College level which is reviewed at least annually by the Audit & Scrutiny Committee and more frequently where necessary. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the College and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

As a major project, the current redevelopment works have a separate risk register, which is reported to the Corporation.

Outlined below is a description of the principal risk factors that may affect the College. Not all the factors are within the College's control. Other factors besides those listed below may also adversely affect the College.

1. Government funding

The College has considerable reliance on continued government funding through the EFA and SFA. Continual pressure on public funds places a heavy emphasis on the College to increase efficiency.

This risk is mitigated in a number of ways:

- · Funding is derived through a number of direct and indirect contractual arrangements
- By ensuring the College is rigorous in delivering high quality education and training
- Considerable focus and investment is placed on maintaining and managing key relationships with the various funding bodies
- · Ensuring the College is focused on those priority sectors which will continue to benefit from public funding
- Regular dialogue with the regional EFA

2. Maintain adequate funding of pension liabilities

The financial statements report the share of the pension scheme deficit on the College's balance sheet in line with the requirements of FRS 102.

STAKEHOLDER RELATIONSHIPS

In line with other colleges and with universities, Newham Sixth Form College has many stakeholders. These include:

- Students;
- Education sector funding bodies:
- Sixth Form Commissioner;
- Staff;
- Local employers (with specific links);
- Local Authorities;
- Local Enterprise Partnerships (LEPs);
- The local community;
- Other FE/HE institutions;
- Trade unions;
- Professional bodies.
- Commercial partners;
- Charitable and philanthropic trusts;

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

Equal opportunities and employment of disabled persons

Newham Sixth Form College is committed to ensuring equality of opportunity for all who learn and work here. We respect and value positively differences in race, gender, sexual orientation, ability, class and age. We strive vigorously to remove conditions which place people at a disadvantage and we will actively combat bigotry. This policy will be resourced, implemented and monitored on a planned basis.

The College's Equal Opportunities Policy, including its Race Relations and Transgender Policies, is published on the College's Internet site.

The College publishes an Annual Equality Report and Equality Objectives to ensure compliance with all relevant equality legislation including the Equality Act 2010. The College undertakes equality impact assessments on all new policies and procedures and publishes the results. Equality impact assessments are also undertaken for existing policies and procedures on a prioritised basis.

The College considers all applications from disabled persons, bearing in mind the aptitudes of the individuals concerned. Where an existing employee becomes disabled, every effort is made to ensure that employment with the College continues. The College's policy is to provide training, career development and opportunities for promotion, which are, as far as possible, identical to those for other employees.

Disability statement

The College seeks to achieve the objectives set down in the Equality Act 2010:

- a) As part of its accommodation strategy the College updates its access audit as needed.
- b) The College nominates specific staff, who provide information, advice and arrange support where necessary for students with disabilities.
- c) There is a list of specialist equipment, such as radio aids, which the College can make available for use by students and a range of assistive technology is available in the learning centre.
- d) The admissions policy for all students is described in the College charter. Appeals against a decision not to offer a place are dealt with under the complaints policy.
- e) The College has made a significant investment in the appointment of specialist lecturers to support students with learning difficulties and/or disabilities. There are a number of student support assistants who can provide a variety of support for learning. There is a continuing programme of staff development to ensure the provision of a high level of appropriate support for students who have learning difficulties and/or disabilities.
- f) Specialist programmes are described in College prospectuses, and achievements and destinations are recorded and published in the standard College format.
- g) Counselling and welfare services are described in the College Student Guide, which is issued to students together with the Complaints and Disciplinary Procedure leaflets at induction.

Disclosure of information to auditors

The members who held office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the College's auditors are unaware; and each member has taken all the steps that he or she ought to have taken to be aware of any relevant audit information and to establish that the College's auditors are aware of that information.

Approved by order of the members of the Corporation on 6 December 2016 and signed on its behalf by:

Gail May

Chair of the Corporation

Statement of Corporate Governance and Internal Control

The following statement is provided to enable readers of the annual report and accounts of the College to obtain a better understanding of its governance and legal structure. This statement covers the period from 1st August 2015 to 31st July 2016 and up to the date of approval of the annual report and financial statements.

The College endeavours to conduct its business:

- i. in full accordance with the guidance to colleges from the Association of Colleges in The Code of Good Governance for English Colleges ("the Code"); and
- ii. having due regard to the UK Corporate Governance Code insofar as it is applicable to the further education sector.

The College is committed to exhibiting best practice in all aspects of corporate governance and in particular the College has adopted and complied with the Code. We have not adopted and therefore do not apply the UK Corporate Governance Code. However, we have reported on our Corporate Governance arrangements by drawing upon best practice available, including those aspects of the UK Corporate Governance Code we consider to be relevant to the further education sector and best practice.

In the opinion of the Governors, the College complies with all the provisions of the Code, and it has complied throughout the year ended 31 July 2016. The Governing Body recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times. In carrying out its responsibilities, it takes full account of The Code of Good Governance for English Colleges issued by the Association of Colleges in March 2015, which it formally adopted on 19 May 2015.

The College is an exempt charity within the meaning of Part 3 of the Charities Act 2011. The Governors, who are also the Trustees for the purposes of the Charities Act 2011, confirm that they have had due regard for the Charity Commission's guidance on public benefit and that the required statements appear elsewhere in these financial statements.

The Corporation

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

Name	Date of	Term of	Date of	Status of	Committees	Attendance
	Appointment	office	resignation	appointment	served	(%)
Meg Dabasia	24/06/97	4 years		Independent	Audit	50
Christopher Owens	13/12/13	4 years		Independent		83
Gail May (Elected Chair 13/10/15, previously Vice-Chair)	01/12/08	4 years		Independent	Search	100
Jessie Robinson	16/10/13	4 years		Independent	Search	83
Rania Hafez	16/10/13	4 years	05/07/16	Independent	Audit	40
Jay Nair	16/10/13	4 years		Independent	Audit -Chair	100
Jonathan Birdwell(Elected Vice – Chair from 01/12/15)	16/10/13	4 years		Independent	Audit	50
Chinye Jibunoh	12/02/14	4 years		Independent		50
Shazi Ali-Webber	09/02/15	4 years		Independent	Search	66
Terry Paul	24/03/15	4 years		Independent		50
Claire Blakemore	25/03/15	4 years		Independent		50
Joanne Dean	09/02/16	4 years		Independent		66
Allison Locke	24/10/14	4 years		Staff		33
Susan Landeryou	06/12/10	4 years	22/03/16	Staff		50
Rayon Walters	16/05/16	4 years		Staff		50
Mariam Ajibola	30/06/15	1 year	29/06/16	Student		80
Aniqa Begum	30/06/15	1 year	29/06/16	Student		40
Mohima Khan	05/07/16	1 year				100
Stephen Appiah	05/07/16	1 year				0
Eddie Playfair	-	Ex-officio		Principal	Search	100
Newham Partnership Working, a not for profit mutual organisation, acts as Clerk to the Corporation.						

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

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

The Corporation conducts its business both through Corporation meetings and two committees. Each committee has terms of reference, which have been approved by the Corporation. These committees are search and audit & scrutiny. Full minutes of all meetings, except those deemed to be confidential by the Corporation, are available from the Clerk to the Corporation at:

Newham Sixth Form College Prince Regent Lane Plaistow London E13 8SG

The Clerk to the Corporation, Paul Baglee of Newham Partnership Working, maintains a register of financial and personal interests of the governors. The register is available for inspection at the above address.

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

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

The Corporation has a strong and independent non-executive element and no individual or group dominates its decision-making process. The Corporation considers that each of its non-executive members is independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement.

There is a clear division of responsibility in that the roles of the Chair and Principal are separate.

Appointments to the Corporation

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

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

Corporation performance

In October 2015 the College was inspected by Ofsted and the effectiveness of leadership & management and governance was judged as "good". The Governing body agreed that the college's self-assessment grades should be linked to Ofsted judgements. Governance was therefore assessed as "good".

Audit & Scrutiny committee

The Audit & Scrutiny Committee comprises five members of the Corporation (excluding the Principal and Chair). The Committee operates in accordance with written terms of reference approved by the Corporation.

The Audit & Scrutiny Committee meets on a termly basis with an additional meeting to consider the internal audit plan and preparations for the statutory and regulatory audits. It provides a forum for reporting by the College's internal, regularity and financial statements auditors, who have access to the Committee for independent discussion, without the presence of College management. The Committee also receives and considers reports from the EFA as they affect the College's business.

The College's internal auditors review the systems of internal control, risk management controls and governance processes in accordance with an agreed plan of input and report their findings to management and the Audit Committee.

Management is responsible for the implementation of agreed audit recommendations and internal audit undertakes periodic follow-up reviews to ensure such recommendations have been implemented.

The Audit & Scrutiny Committee also advises the Corporation on the appointment of internal, regularity and financial statements auditors and their remuneration for both audit and non-audit work as well as reporting annually to the Corporation.

Internal control

Scope of responsibility

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

The Corporation has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives, whilst safeguarding the public funds and assets for which he is personally responsible, in accordance with the responsibilities assigned to him in the Financial Memorandum between Newham Sixth Form College and the EFA. He is also responsible for reporting to the Corporation any material weaknesses or breakdowns in internal control.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of College policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Newham Sixth Form College for the year ended 31 July 2016 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Corporation has reviewed the key risks to which the College is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Corporation is of the view that there is a formal ongoing process for identifying, evaluating and managing the College's significant risks that has been in place for the period ending 31 July 2016 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Corporation.

The risk and control framework

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

- comprehensive budgeting systems with an annual budget, which is reviewed and agreed by the governing body
- regular reviews by the governing body of periodic and annual financial reports which indicate financial performance against forecasts
- setting targets to measure financial and other performance
- clearly defined capital investment control guidelines
- the adoption of formal project management disciplines, where appropriate.

Newham Sixth Form College has an internal audit service, which operates in accordance with the requirements of the LSC's *Audit Code of Practice*. The work of the internal audit service is informed by an analysis of the risks to which the College is exposed, and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the Corporation on the recommendation of the audit committee. At a minimum annually, the appointed internal auditors provide the governing body with a report on internal audit activity in the College. The report includes the auditor's independent opinion on the adequacy and effectiveness of the College's system of risk management, controls and governance processes.

Review of effectiveness

As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. His review of the effectiveness of the system of internal control is informed by:

- the work of the internal auditors
- the work of the executive managers within the College who have responsibility for the development and maintenance of the internal control framework
- comments made by the College's financial statements auditors, the regularity auditors (for colleges in plan-led funding), the EFA - appointed funding auditors (for colleges outside plan-led funding) in their management letters and other reports.

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

The senior leadership team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The senior leadership team and the Audit & Scrutiny

Committee also receive regular reports from internal audit and other sources of assurance, which include recommendations for improvement. The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Corporation's agenda includes a regular item for consideration of risk and control and receives reports thereon from the senior leadership team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception.

Governing Body's statement on the College's regularity, propriety and compliance with Funding body terms and conditions of funding

The Corporation has considered its responsibility to notify the Education Funding Agency of material regularity, impropriety and non-compliance with Education Funding Agency terms and conditions of funding, under the funding agreement in place between the College and the Education Funding Agency. As part of its consideration, the Corporation has had due regard to the requirements of the funding agreement.

We confirm, on behalf of the Corporation, that to the best of its knowledge, the Corporation believes it is able to identify any material irregular or improper use of funds by the College, or material non-compliance with the Education Funding Agency's terms and conditions of funding under the College's funding agreement. We further confirm that any instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the Education Funding Agency.

Going Concern

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

Approved by order of the members of the Corporation on 6 December 2016 and signed on its behalf by:

Gail May

Eddie Playfair Principal

F. Rayfi

Governing Body's statement on the College's regularity, propriety and compliance with Funding body terms and conditions of funding

The Corporation has considered its responsibility to notify the Education Funding Agency of material irregularity, impropriety and non-compliance with Education Funding Agency terms and conditions of funding, under the financial memorandum in place between the College and the Education Funding Agency. As part of our consideration we have had due regard to the requirements of the financial memorandum.

We confirm, on behalf of the Corporation, that after due enquiry, and to the best of our knowledge, we are able to identify any material irregular or improper use of funds by the College, or material non-compliance with the Education Funding Agency's terms and conditions of funding under the College's financial memorandum.

We confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Education Funding Agency.

Gail May Chair

6 December 2016

Eddie Playfair Principal

6 December 2016

Statement of Responsibilities of the Members of the Corporation

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

Within the terms and conditions of the Financial Memorandum agreed between the EFA and the Corporation of the College, the Corporation, through its Principal, is required to prepare financial statements for each financial year in accordance with the 2007 *Statement of Recommended Practice – Accounting for Further and Higher Education Institutions* and with the Accounts Direction issued by the EFA, and which give a true and fair view of the state of affairs of the College and the result for that year.

In preparing the financial statements, the Corporation is required to:

- select suitable accounting policies and apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare financial statements on the going concern basis, unless it is inappropriate to assume that the College will continue in operation.

The Corporation is also required to prepare a Members Report which describes what it is trying to do and how it is going about it, including the legal and administrative status of the College.

The Corporation is responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the College, and which enable it to ensure that the financial statements are prepared in accordance with the relevant legislation of incorporation and other relevant accounting standards. It is responsible for taking steps that are reasonably open to it in order to safeguard the assets of the College and to prevent and detect fraud and other irregularities.

The maintenance and integrity of the College website is the responsibility of the Corporation of the College; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the Corporation are responsible for ensuring that expenditure and income are applied for the purposes intended by Parliament and that the financial transactions conform to the authorities that govern them. In addition they are responsible for ensuring that funds from the EFA are used only in accordance with the Financial Memorandum with the EFA and any other conditions that the EFA may prescribe from time to time. Members of the Corporation must ensure that there are appropriate financial and management controls in place in order to safeguard public and other funds and to ensure they are used properly. In addition, members of the Corporation are responsible for securing economical, efficient and effective management of the College's resources and expenditure, so that the benefits that should be derived from the application of public funds by the EFA are not put at risk.

Approved by order of the members of the Corporation on 6 December 2016 and signed on its behalf by:

Gail May

Chair of the Corporation

Independent Auditor's Report to the Corporation of Newham Sixth Form College

We have audited the financial statements of Newham Sixth Form College for the year ended 31 July 2016, which comprise the statement of comprehensive income, the statement of changes in reserves, the balance sheet, the statement of cash flows, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the Corporation, as a body, in accordance with the College's Articles of Government. Our audit work has been undertaken so that we might state to the Corporation those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College and the Corporation as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of corporation and auditor

As explained more fully in the Statement of Responsibilities of the Members of the Corporation, the Corporation are responsible for the preparation of financial statements which give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion, the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the College's affairs as at 31 July 2016 and of the College's deficit of expenditure over income for the year then ended.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Joint Audit Code of Practice issued jointly by the Skills Funding Agency and the Education Funding Agency, require us to report to you if, in our opinion:

- proper accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns;
- all the information and explanations required for the audit were not received.

Buzzacott LLP

Chartered Accountants and Registered Auditor

suxualt U

130 Wood Street

London

EC2V 6DL

Date: 16 December 2016

Independent Auditor's Report on Regularity to the Corporation of Newham Sixth Form College ('the Corporation') and the Secretary of State for Education acting through Education Funding Agency

In accordance with the terms of our engagement letter dated 13 October 2016 and further to the requirements of the funding agreement with Education Funding Agency, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest that in all material respects the expenditure disbursed and income received by Newham Sixth Form College ('the College') during the period 1 August 2015 to 31 July 2016 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

This report is made solely to the Corporation and the Education Funding Agency, Our review work has been undertaken so that we might state to the Corporation and the Education Funding Agency, those matters we are required to state to it in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Corporation and the Education Funding Agency, for our review work, for this report, or for the opinion we have formed.

The framework that has been applied is set out in the Join Audit Code of Practice issued jointly by Skills Funding Agency and Education Funding Agency. In line with this framework, our work has specifically not considered income received from the main funding grants generated through the Individual Learner Records (ILR) returns, for which Education Funding Agency has other assurance arrangements in place.

This report is made solely to the corporation of Newham Sixth Form College and the Education Funding Agency in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the corporation of Newham Sixth Form College and Education Funding Agency those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the corporation of Newham Sixth Form College and Education Funding Agency for our work, for this report, or for the conclusions we have formed.

Respective responsibilities of the Newham Sixth Form College and the reporting accountants

The corporation of Newham Sixth Form College is responsible, under the requirements of the Further & Higher Education Act 1992, subsequent legislation and related regulations, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this review are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Joint Audit Code of Practice. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 August 2015 to 31 July 2016 have not been applied to purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Joint Audit Code of Practice issued jointly by Skills Funding Agency and Education Funding Agency. We performed a limited assurance engagement as defined in that framework.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity of the college's income and expenditure.

The work undertaken to draw conclusion includes:

An assessment of the risk of material irregularity and impropriety across all of the College's activities:

Date: 16 December 2016

Independent Auditor's Report on Regularity to the Corporation of Newham Sixth Form College ('the Corporation') and the Secretary of State for Education acting through Education Funding Agency

- Further testing and review of self-assessment questionnaire including enquiry, identification of control
 processes and examination of supporting evidence across all areas identified as well as additional
 verification work where considered necessary; and
- Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

Conclusion

In the course of our work nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 August 2015 to 31 July 2016 has not been applied to purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Buzzacott LLP Statutory Auditor

Mxock U

130 Wood Street

London

EC2V 6DL

NEWHAM SIXTH FORM COLLEGE

Statements of Comprehensive Income

Notes	s		
		2016 £'000	2015 £'000
INCOME		2 000	2.000
0 ,0	2	15,868	16,734
	3 4	115 179	141 313
	5 _	50	66
Total income		16,212	17,254
EXPENDITURE			
	6	11,872	12,166
· · · · · · · · · · · · · ·	6	89	-
	7 9	2,689 1,701	3,016 2,001
	8	129	103
		40.400	47.000
Total expenditure	_	16,480	17,286
(Deficit)/surplus before other gains and losses		(268)	(32)
Loss on disposal of assets	9 _	-	(281)
(Deficit)/surplus for the year	_	(268)	(313)
Actuarial loss in respect of pensions schemes 20	0	(1,080)	(687)
Total Comprehensive Income for the year	-	(1,348)	(1,000)

Statement of Changes in Reserves

	Income and Expenditure account (excluding Pension Reserve)	Pension Reserve	Income and Expenditure account Including Pension Reserve	Revaluation reserve	Total
	£'000	£'000	£'000	£'000	£'000
Restated balance at 1st August 2014	11,191	(2,260)	8,931	6,658	15,589
Surplus/(deficit) from the income and expenditure account	57	(370)	(313)	-	(313)
Other comprehensive income/actuarial losses	•	(687)	(687)		(687)
Transfers between revaluation and income and expenditure reserves	459	•	459	(459)	м
	516	(1,057)	(541)	(459)	(1,000)
Balance at 31st July 2015	11,707	(3,317)	8,390	6,199	14,589
Surplus/(deficit) from the income and expenditure account	198	(466)	(268)	-	(268)
Other comprehensive income/actuarial losses	-	(1,080)	(1,080)		(1,080)
Transfers between revaluation and income and expenditure reserves	174		174	(174)	-
Total comprehensive income for the year	372	(1,546)	(1,174)	(174)	(1,348)
Balance at 31st July 2016	12,079	(4,863)	7,216	6,025	13,241

NEWHAM SIXTH FORM COLLEGE

Balance Sheet as at 31 July

Notes		Restated
	2016 £'000	2015 £'000
Fixed assets		
Tangible fixed assets 9	21,610	17,908
	21,610	17,908
Current assets		
Trade and other receivables 10	231	416
Investments 11	-	1,218
Cash and cash equivalents	2,880	5,083
	3,111	6,717
Less: Creditors – amounts falling due within one year 12	(3,029)	(2,591)
Net current assets	82	4,126
Total assets less current liabilities	21,692	22,034
Less: Creditors – amounts falling due after more than one year Provisions 13	(3,449)	(3, 856)
Defined benefit obligations 14,20	(4,863)	(3,317)
Other provisions 14	(139)	(272)
Total net assets	13,241	14,589
Unrestricted reserves		
Income and Expenditure account excluding Pension Reserve	12,079	11,707
Pension Reserve 20	(4,863)	(3,317)
Income and expenditure account including Pension Reserve	7,216	8,390
Revaluation reserve	6,025	6,199
Total unrestricted reserves	13,241	14,589

The financial statements on pages 22 to 45 were approved and authorised for issue by the Corporation on

6 December 2016 and were signed on its behalf on that date by:

Gail Mav

Chair

Eddie Playfair Accounting Officer

F. Payfi

NEWHAM SIXTH FORM COLLEGE

Statement of Cash Flows

			Restated
	Notes	2016 £'000	2015 £'000
Cash inflow from operating activities			
Deficit for the year		(268)	(313)
Adjustment for non cash items		4 704	0.004
Depreciation		1,701 (467)	2,001
Deferred capital grants released to income		(467) 185	(899) (164)
Decrease/(increase) in debtors		(204)	287
(Increase)/decrease in creditors due within one year Decrease in provisions		(133)	(116)
Pensions costs less contributions payable		342	267
Adjustment for investing or financing activities			
Investment income		(50)	(66)
Interest payable		129	103
Loss on sale of fixed assets		_	281
Net cash flow from operating activities		1,235	1,381
Cash flows from investing activities			
Investment income		50	66
Withdrawal of deposits		1,218	2,591
Payments made to acquire fixed assets		(4,768)	(3,124)
Deferred capital grants received		67	1,069
		(3,433)	602
Cash flows from financing activities Interest paid		(5)	-
	•	(5)	-
Increase / (decrease) in cash and cash equivalents in the year	t	(2,203)	1,983
Cash and cash equivalents at beginning of the year	15	5,083	3,100
Cash and cash equivalents at end of the year	15	2,880	5,083

Notes to the Accounts:

1. Statement of accounting policies and estimation techniques

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2015 (the 2015 FE HE SORP), the College Accounts Direction for 2015 to 2016 and in accordance with Financial Reporting Standard 102 – "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (FRS 102). The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the College's accounting policies.

Transition to the 2015 FE HE SORP

The College is preparing its financial statements in accordance with FRS 102 for the first time and consequently has applied the first time adoption requirements. Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the College has amended certain accounting policies to comply with FRS 102 and the 2015 FE HE SORP. The trustees have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

An explanation of how the transition to the 2015 FE HE SORP has affected the reported financial position, financial performance and cash flows of the consolidated results of the College is provided in note 20.

The 2015 FE HE SORP requires colleges to prepare a single statement of comprehensive income, and not the alternative presentation of a separate income statement and a statement of other comprehensive income. This represents a change in accounting policy from the previous period where separate statements for the Income and Expenditure account and for the Statement of Total Recognised Gains and Losses were presented.

The application of first time adoption allows certain exemptions from the full requirements of the FRS 102 and the 2015 FE HE SORP in the transition period. The following exemptions have been taken in these financial statements:

 Revaluation as deemed cost – at 1st August 2014, the College has retained the carrying values of freehold properties as being deemed cost and measured at fair value

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention as modified by the use of previous valuations as deemed cost at transition for certain non-current assets.

Going concern

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

The College currently has a £3m committed loan facility with Lloyds Bank plc on terms negotiated in spring 2016, this loan is not secured on any College assets. The terms of the existing agreement are committed until December 2022. The College's forecasts and financial projections indicate that it will be able to operate within this existing facility and covenants for the foreseeable future.

Accordingly the College has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future, and for this reason will continue to adopt the going concern basis in the preparation of its Financial Statements.

1. Statement of accounting policies and estimation techniques (continued)

Recognition of income

Government revenue grants include funding body recurrent grants and other grants and are accounted for under the accrual model as permitted by FRS 102. Funding body recurrent grants are measured in line with best estimates for the period of what is receivable and depend on the particular income stream involved. Any under or over achievement for the Adult Skills Budget is adjusted for and reflected in the level of recurrent grant recognised in the income and expenditure account. The final grant income is normally determined with the conclusion of the year end reconciliation process with the funding body following the year end, and the results of any funding audits. 16-18 learner-responsive funding is not normally subject to reconciliation and is therefore not subject to contract adjustments.

Grants (including research grants) from non-government sources are recognised in income when the College is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

Government capital grants are capitalised, held as deferred income and recognised in income over the expected useful life of the asset, under the accrual method as permitted by FRS 102. Other capital grants are recognised in income when the College is entitled to the funds subject to any performance related conditions being met.

Income from tuition fees is stated gross of any expenditure which is not a discount and is recognised in the period for which it is received.

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

Accounting for post-employment benefits

Post-employment benefits to employees of the College are principally provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). These are defined benefit plans, which are externally funded and contracted out of the State Second Pension.

The TPS is an unfunded scheme. Contributions to the TPS are calculated so as to spread the cost of pensions over employees' working lives with the College in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of valuations using a prospective benefit method. The TPS is a multi-employer scheme and the College is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution plan and the contributions recognised as an expense in the income statement in the periods during which services are rendered by employees.

The LGPS is a funded scheme. The assets of the LGPS are measured using closing fair values. LGPS liabilities are measured using the projected unit credit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Comprehensive Income and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The return on pension plan assets and changes in assumptions underlying the present value of plan liabilities is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

Short term Employment benefits

Short term employment benefits such as salaries and compensated absences (holiday pay) are recognised as an expense in the year in which the employees render service to the College. Any unused benefits are accrued and measured as the additional amount the College expects to pay as a result of the unused entitlement.

1. Statement of accounting policies and estimation techniques (continued)

Non-current Assets - Tangible fixed assets

Tangible fixed assets are stated at deemed cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to the date of transition to the 2015 FE HE SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

Land and buildings

Freehold buildings are depreciated on a straight line basis over their expected useful lives as follows:

Freehold Buildings 20-50 years

Refurbishments/Building improvements 10 years

Freehold land is not depreciated.

Freehold buildings are depreciated over their expected useful economic life to the College of between 20 and 50 years. The College has a policy of depreciating major adaptations to buildings over the period of their useful economic life of between 10 and 50 years.

Where land and buildings are acquired with the aid of specific grants, they are capitalised and depreciated as above. The related grants are credited to a deferred income account within creditors, and are released to the income and expenditure account over the expected useful economic life of the related asset on a systematic basis consistent with the depreciation policy. The deferred income is allocated between creditors due within one year and those due after more than one year.

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

On adoption of FRS 102, the College followed the transitional provision to retain the book value of land and buildings, which were revalued prior to 31 July 1999, as deemed cost but not to adopt a policy of revaluations of these properties in the future.

Assets under construction

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

Subsequent expenditure on existing fixed assets

Where significant expenditure is incurred on tangible fixed assets after initial purchase it is charged to income in the period it is incurred, unless it increases the future benefits to the College, in which case it is capitalised and depreciated on the relevant basis.

Equipment

Equipment costing less than £1,000 per individual item is recognised as expenditure in the period of acquisition. All other equipment is capitalised at cost.

Capitalised equipment is depreciated on a straight-line basis over its remaining useful economic life as follows:

computer equipment 3 years
 furniture, fixtures and fittings 5 years

Borrowing costs

Borrowing costs which are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised. Otherwise they are recognised as expenditure in the period in which they are incurred.

Leased assets

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Any lease premiums or incentives relating to leases signed after 1st August 2014 are spread over the minimum lease term.

Investments

Current investments comprise cash deposits which are held with banks and building societies operating in the London market and licensed by the Financial Conduct Authority with more than three months maturity at the balance sheet date. Investments are stated at cost.

1. Statement of accounting policies and estimation techniques (continued)

Cash and cash equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. An investment qualifies as a cash equivalent when it has maturity of 3 months or less from the date of acquisition.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

All loans, investments and short term deposits held by the College are classified as basic financial instruments in accordance with FRS 102. These instruments are initially recorded at the transaction price less any transaction costs (historical cost). FRS 102 requires that basic financial instruments are subsequently measured at amortised cost, however the College has calculated that the difference between the historical cost and amortised cost basis is not material and so these financial instruments are stated on the balance sheet at historical cost. Loans and investments that are payable or receivable within one year are not discounted.

Foreign currency translation

Transactions denominated in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the end of the financial period with all resulting exchange differences being taken to income in the period in which they arise.

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 sections 478-488 of the 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.

The College is exempt in respect of Value Added Tax, so that it cannot recover the 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 and contingent liabilities

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.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in the statement of comprehensive income in the period it arises.

A contingent liability arises from a past event that gives the College a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the College. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the balance sheet but are disclosed in the notes to the financial statements.

Agency arrangements

The College acts as an agent in the collection and payment of discretionary support funds. Related payments received from the funding bodies and subsequent disbursements to students are excluded from the income and expenditure of the College where the College is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

1. Statement of accounting policies and estimation techniques (continued)

Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, management have made the following judgements:

- Determine whether leases entered into by the College either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the group's tangible assets, including goodwill.
 Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

Tangible fixed assets

Tangible fixed assets, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note [26], will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 July 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

NEWHAM SIXTH FORM COLLEGE

Notes to the Accounts (continued):

2 Funding council grants	2016 £'000	2015 £'000
Recurrent grants		
Education Funding Agency Skills Funding Agency High Needs Student Funding from Local Authority Specific Grants Releases of government capital grants	15,182 70 164 452	15,739 65 257 673
Total	15,868	16,734
3 Tuition fees and education contracts Education contracts	2016 £'000 115	2015 £'000
Education contracts		
4 Other income	2016 £'000	2015 £'000
Other income generating activities Other grant income Non government capital grants Miscellaneous income	43 72 15 49	226 54
Total	179	313
5 Investment income	2016 £'000	2015 £'000
Other interest receivable	50	66

6 Staff costs

The average number of persons (including key management personnel) employed by the College during the year, described as full-time equivalents, was:

	2016 No.	2015 No.
Teaching staff	135	143
Non teaching staff	105	111
	240	254
Staff costs for the above		
persons	2016	2015
	£'000	£'000
Wages and salaries	9,205	9,447
Social security costs	806	769
Other pension costs	1, 421	1,290
Payroll sub total	11,432	11,506
Contracted out staffing services	529	660
	11,961	12,166

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College and are represented by the Senior Leadership Team which comprises the Principal (also the Accounting Officer), Vice Principal, Directors and Heads of School.

Emoluments of Key management personnel, Accounting Officer and other higher paid staff

	2016 No.	2015 No.
The number of key management personnel including the Accounting Officer was:	8	8

6 Staff costs (continued)

The number of key management personnel and other staff who received annual emoluments, excluding pension contributions but including benefits in kind, in the following ranges was:

	Key management personnel		Other s	taff
	2016 No.	2015 No.	2016 No.	2015 No.
£60,001 to £70,000	2	4	-	-
£70,001 to £80,000	1	-	-	-
£110,001 to £120,000	1	1_		••
-	4	5	-	>A
Key management personnel compensation is	made up as fo	llows:		
			2016	2015
			£'000	£'000
Salaries			536	590
Pension contributions			85	82
Total emoluments			621	672

There were no amounts due to key management personnel that were waived in the year, nor any salary sacrifice arrangements in place.

The above compensation includes amounts payable to the Principal (also the Accounting Officer, who is the highest paid officer) of:

	2016 £'000	2015 £'000
Salaries	119	117
Pension contributions	19	16

7 Other operating expenses

	2016	2015
	£'000	£'000
Teaching costs	99	455
Non teaching costs	1,424	1,570
Premises costs	866	991
Total	2,689	3,016
Other operating expenses include:	2016	2015
	£'000	£'000
Auditors' remuneration:		
Financial statements audit	20	20
Internal audit	17	16
Other services provided by the financial statements auditors	2	8
Hire of assest under operating leases	56	244
8 Interest payable		
	2016	2015
	£'000	£'000
On bank loans, overdrafts and other loans:	5	_
	5	
Pension finance costs (note 25)		
•	124	103
Total		
	129	103

9 Tangible fixed assets

a Taligible likeu assets	Land and buildings Freehold Assets under		Equipment	Total
	£'000	Construction £'000	£'000	£'000
Cost or valuation At 1 August 2015	24,597	1,093	2,639	28,329
Additions	37	4,848	518	5,403
At 31 July 2016	24,634	5,941	3,157	33,732
Depreciation At 1 August 2015	8,722	-	1,699	10,421
Charge for the year	1,002	-	699	1,701
At 31 July 2016	9,724	<u></u>	2,398	12,122
Net book value at 31 July 2016	14,910	5,941	759	21,610
Net book value at 31 July 2015	15,875	1,093	940	17,908

The College's policy is to carry all assets at historic cost, except for inherited assets which are included on the balance sheet at valuations existing at 31 July 1999. The assets were valued on incorporation and have not been updated since.

If inherited land and buildings had not been valued, they would have been included at zero cost and zero net value based on cost.

The College has plans in place for the redevelopment of the Prince Regent Land Campus. The Assets Under Construction shown in the table above is Phase One of this programme which is now close to completion and expected to be completed before the end of the 2016 calendar year.

Tangible fixed assets with a net book value of £nil (2015: £281k) were disposed of during the year for £nil (2015: £nil). The 2015 disposal related entirely to the disposal of inherited buildings which had been demolished as part of Phase One of the Campus redevelopment plan. As such had the historic cost been used rather than inherited value no loss would have been booked as a result of the demolitions.

No assets are held under finance leases.

During the year the College entered into a bank loan with Lloyds Bank plc. The facility value is £3m (with a temporary increase to £3.6m between January and May 2017), however at the period end none of this facility had been drawn. The loan will be drawn down as and when required. The loan is unsecured and has been agreed as an initial revolving credit facility with no mandatory repayments, on 31 December 2017 the loan converts to a term loan, amortising over a notional 15 year repayment profile, with the first repayment due April 2018. The loan is committed until 31 December 2022.

NEWHAM SIXTH FORM COLLEGE

Notes to the Accounts (continued):

10 Debtors

Amounts falling due within one year:	2015 £'000	2015 £'000
Trade receivables Prepayments and accrued income Other Debtors	3 179 49	75 165 176
Total	231	416
11 Current investments	2015 £'000	2015 £'000
Short term deposits	-	1,218
Total	-	1,218

Deposits are held with banks and building societies operating in the London market and licensed by the Financial Conduct Authority with more than three months maturity at the balance sheet date. The interest rates for these deposits are fixed for the duration of the deposit at time of placement.

12 Creditors: amounts falling due within one year

	2016	2015
	£'000	£'000
Trade payables	172	547
Other taxation and social security	382	391
Accruals and deferred income	1,843	1,023
Other Creditors	173	178
Deferred income - government capital grants	459	452
Total	3,029	2,591

Accruals and deferred income includes £477k (2015: £408k) for employee holiday leave accruals.

13 Creditors: amounts falling due after one year

, and an	2016 £'000	2015 £'000
Deferred income - government capital grants	3,449	3,856
Total	3,449	3,856

14 Provisions	Defined benefit Obligations	Other	Total
	£'000	£'000	£'000
At 1 August 2015	3,317	272	3,589
Expenditure in the period Transferred from income and expenditure account	- 1,546	(101) (32)	(101) 1,514
At 31 July 2016	4,863	139	5,002

Defined benefit obligations relate to the liabilities under the College's membership of the Local Government Pension Scheme. Further details are given in Note 20.

15 Cash and cash equivalents

	At 1 August 2015 £'000	Cash flows £'0 00	At 31 July 2016 £'000
Cash and cash equivalents	5,083	(2,203)	2,880
Total	5,083	(2,203)	2,880
16 Capital commitments		2016 £'000	2015 £'000
Commitments contracted for at 31 July		3,253	7,407

The commitments relate to Phase one of the campus masterplan

17 Lease Obligations

At 31 July the College had minimum lease payments under non-cancellable operating leases as follows:

	2016 £'000	2015 £'000
Other		~ 000
Not later than one year	53	53
Later than one year and not later than five years	30	82
	83	135

18 Contingent liabilities

There are no contingent liabilities to report.

19 Events after the reporting period

There are no events after the reporting period to report.

20 Defined benefit obligations

The College's employees belong to two principal post-employment benefit plans: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by London Borough of Newham. Both are multi-employer defined-benefit plans.

Total pension cost for the year		2016 £'000		2015 £'000
Teachers' Pension Scheme: contributions paid		784		731
Local Government Pension Scheme:				
Contributions paid	301		295	
FRS 102 (28) charge	336		264	
Charge to the Statement of Comprehensive Income		637		559
Total Pension Cost for Year		1,421	-	1,290

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £142k (2015; £148k) were payable to the schemes and are included in creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although teachers and lecturers are employed by various bodies, their retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. Under the unfunded TPS, teachers' contributions on a 'pay-as-you-go' basis, and employers' contributions, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

20 Defined benefit obligations (continued)

Valuation of the Teachers' Pension Scheme

The latest actuarial review of the TPS was carried out as at 31 March 2012 and in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education (the Department) on 9 June 2014. The key results of the valuation are:

- employer contribution rates were set at 16.48% of pensionable pay;
- total scheme liabilities for service to the effective date of £191.5 billion, and notional assets of £176.6 billion, giving a notional past service deficit of £14.9 billion;
- an employer cost cap of 10.9% of pensionable pay.

The new employer contribution rate for the TPS was implemented in September 2015.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website at the following location: https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx

Scheme Changes

Following the Hutton report in March 2011 and the subsequent consultations with trade unions and other representative bodies on reform of the TPS, the Department published a Proposed Final Agreement, setting out the design for a reformed TPS implemented from 1 April 2015. The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

Regulations giving effect to a reformed Teachers' Pension Scheme came into force on 1 April 2014 and the reformed scheme commenced on 1 April 2015.

The pension costs paid to TPS in the year amounted to £784k (2015: £731k)

FRS 102 (28)

Under the definitions set out in FRS 102 (28.11), the TPS is a multi-employer pension scheme. The College is unable to identify its share of the underlying assets and liabilities of the scheme.

Accordingly, the College has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The College has set out above the information available on the plan and the implications for the College in terms of the anticipated contribution rates.

64 94

Notes to the Accounts (continued):

20 Defined benefit obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined-benefit plan, with the assets held in separate funds adminstered by London Borough of Newham Local Authority. The total contribution made for the year ended 31 July 2016 was £464k, of which employer's contributions totalled £301k and employees' contributions totalled £163k. The agreed contribution rates for future years are 12.1 % for employers and range from 5.5% to 12.5% cent for employees, depending on salary.

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2013 updated to 31 July 2016 by a qualified independent actuary

	At 31 July 2016	At 31 July 2015
Rate of increase in salaries	4.00%	* 4.60%
Future pensions increases	2.20%	2.80%
Discount rate for scheme liabilities	2.60%	3.90%
Inflation assumption (CPI)	2.20%	2.80%
Commutation of pensions to lump sums	50%	50%

^{*} Note that for 31 July 2016 the assumption for increases in salaries is 1.75% pa for the first 5 years, followed by 4.00% pa thereafter.

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

	At 31 July 2016	At 31 July 2015
	years	years
Retiring today		
Males	22.10	22.10
Females	24.60	24.40
Retiring in 20 years		
Males	24.40	24.20
Females	26.90	26.80

20 Defined benefit obligations (continued)

Local Government Pension Scheme (Continued)

The College's share of the assets in the plan and the expected rates of return were:

	Long- term rate of return expected at 31 July 2016	Fair Value at 31 July 2016	Long- term rate of return expected at 31 July 2015	Fair Value at 31 July 2015
		£'000		£'000
Equities	68.00%	5,325	68.00%	5,534
Bonds	9.00%	841	10.00%	779
Property	7.00%	683	9,00%	749
Cash	18.00%	1633	5.00%	385
Other	8.00%	736	8.00%	641
Total market value of assets		9,218		8,088

The amount included in the balance sheet in respect of the defined benefit pension plan is as follows:

	2016 £'000	2015 £'000
Fair value of plan assets	9,218	8,088
Present value of plan liabilities	(14,081)	(11,405)
Net pensions (liability)/asset (Note 14)	(4,863)	(3,317)

Amounts recognised in the Statement of Comprehensive Income in respect of the plan are as follows:

	2016 £'000	2015 £'000
Amounts included in staff costs	607	FFO
Current service cost Total	637 637	559 559
i otas		
Amounts included in interest payable		
Net interest charge	124	103
	124	103

20 Defined benefit obligations (continued)

Local Government Pension Scheme (Continued)

Return on pension plan assets Changes in assumptions underlying the present value of plan liabilities	557 (1,637)	330 (1,017)
Amount recognised in Other Comprehensive Income	(1,080)	(687)
Movement in net defined benefit (liability/asset during the year)		
,	2016	2015
	£'000	£'000
Surplus/(deficit) in scheme at 1 August Movement in year:	(3,317)	(2,260)
Current service cost	(637)	(559)
Employer contributions	301	295
Net interest on the defined (liability)/asset	(124)	(103)
Administrative expenses	(6)	(3)
Actuarial gain or loss	(1,080)	(687)
Net defined benefit (liability)/asset at 31 July	(4,863)	(3,317)
Asset and Liability Reconciliation		
	2016	2015
	£'000	£'000
Changes in the present value of defined benefit obligations		
Defined benefit obligations at start of period	11,405	9,348
Current Service cost	637	559
Interest cost	444	415
Contributions by Scheme participants	163	165
Changes in financial assumptions	1,637	1,017
Estimated benefits paid	(205)	(99)
Defined benefit obligations at end of period	14,081	11,405

Reconci	liation	of Assets
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	2016	2015
	£'000	£'000
Fair value of plan assets at start of period	8,088	7,088
Interest on plan assets	320	312
Return on plan assets	557	330
Employer contributions	301	295
Contributions by Scheme participants	163	165
Administrative expense	(6)	(3)
Estimated benefits paid	(205)	(99)
Assets at end of period	9,218	8,088

21 Related party transactions

Owing to the nature of the College's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is likely that transactions may take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the College's financial regulations and normal procurement procedures.

The total expenses paid to or on behalf of the Governors during the year was £17; 1 governor (2015: £21; 1 governor). This represents travel and subsistence expenses and other out of pocket expenses incurred in attending Governor meetings and charity events in their official capacity. No Governor has received any remuneration or waived payments from the College during the year (2015: None).

22 Amounts disbursed as agent

Learner support funds

Learner Support runus	2016 £'000	2015 £'000
Funding body grants – bursary support	617	627
Disbursed to students Administration costs	(585) (30)	(598) (29)
Balance unspent as at 31 July, included in creditors	2	_

Funding body grants are available solely for students. In the majority of instances, the College only acts as a paying agent. In these circumstances, the grants and related disbursements are therefore excluded from the Statement of Comprehensive Income.

23 Transition to FRS 102 and the 2015 FE HE SORP

The year ended 31st July 2016 is the first year that the College has presented its financial statements under FRS 102 and the 2015 FE HE SORP. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31st July 2015 and the date of transition to FRS 102 and the 2015 FE HE SORP was therefore 1st August 2014. As a consequence of adopting FRS 102 and the 2015 FE HE SORP, a number of accounting policies have changed to comply with those standards.

An explanation of how the transition to FRS 102 and the 2015 FE HE SORP has affected the College's financial position, financial performance and cash flows, is set out below.

	Note	1st August 2014 £'000	31st July 2015 £'000
Financial Position			
Total reserves under previous SORP		16,011	14,997
Employee leave accrual	(a)	(422)	(408)
Total effect of transition to FRS 102 and 2015 FE HE SORP	•	(422)	(408)
Total reserves under 2015 FE HE SORP		15,589	14,589
Financial Performance		Year ended 31st July 2015 £'000	
Surplus for the year under previous SORP		(205)	
Movement in employee leave accrual Changes to measurement of net finance cost and admin cost on defined benefit plans	(a) (b)	14 (122)	
Pensions provision – actuarial loss	(c)	(687)	
Total effect of transition to FRS 102 and 2015 FE HE SORP	-	(795)	
Total comprehensive income for the year under 2015 FE HE SOR	Р [(1,000)	

23 Transition to FRS 102 and the 2015 FE HE SORP (continued)

a) Recognition of short term employment benefits

No provision for short term employment benefits such as holiday pay was made under the previous UK GAAP. Under FRS 102 the costs of short-term employee benefits are recognised as a liability and an expense. The annual leave year runs to 31st July each year for non-teaching staff, however staff are allowed to carry over 5 days of leave to take in the August following the year end, meaning that, at the reporting date, there was a total of 90 days unused holiday leave for non-teaching staff. Further to this all teaching staff and some non-teaching staff work term time only, but are paid all year round, therefore the pay they receive in August of each year, up to the start of the new academic term, is treated as holiday entitlement earned in the previous financial year. The cost of these unused holiday entitlements is recognised in the period in which the employee's services are received. An accrual of £422k was recognised at 1 August 2014, £408k at 31 August 2015. Following a re-measurement exercise in 2015/16, the movement on this provision of £14k has been charged to Comprehensive Income in the year ended 31 July 2015.

b) Change in recognition of defined benefit plan finance costs

The net pension finance cost recognised in the Income and Expenditure account for the year ended 31st July 2015 under the previous UK GAAP was the net of the expected return on pension plan assets and the interest on pension liabilities. FRS 102 requires the recognition in the Statement of Comprehensive Income, of a net interest cost, calculated by multiplying the net plan obligations by the market yield on high quality corporate bonds (the discount rate applied), this is a significantly more conservative methodology and therefore results in a higher charge to interest cost in the Statement of Comprehensive Income. The change has had no effect on net assets as the measurement of the net defined benefit plan obligation has not changed. Instead, the decrease in the surplus for the year has been mirrored by a reduction in the actuarial losses presented within Other Comprehensive Income

c) Presentation of actuarial gains and losses within Total Comprehensive Income

Actuarial gains and losses on the College's defined benefit plans were previously presented in the Statement of Total Recognised Gains and Losses (STRGL), a separate statement to the Income and Expenditure account. All such gains and losses are now required under FRS 102 to be presented within the Statement of Comprehensive Income, as movements in Other Comprehensive Income.

