

reigate•college

Report and Financial Statements
Period ended 31st August 2017

Key Management Personnel, Board of Governors and Professional Advisers

Key management personnel

Key management personnel are defined as members of the College Senior Leadership Team and were represented by the following in the period:

From 1st August 2016 to 31st August 2016

Mr S P Oxlade, Principal, Accounting officer

Mr N J Clark, Deputy Principal

Mr C P Whelan, Deputy Principal

From 1st September 2016 to 31st August 2017

Mr N J Clark, Principal

Mr C P Whelan, Chief Executive

Board of Governors

A full list of Governors is given on pages 11 and 12 of these financial statements.

Mr J Allen acted as Clerk to the Corporation throughout the period.

Professional advisers

Financial statements auditors and reporting accountants:

RSM UK Audit LLP
Chartered Accountants
Portland
25 High Street
Crawley
West Sussex
RH10 1BG

Internal auditors:

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

Bankers:

Barclays Bank plc
2nd Floor, 90-92 High Street
Crawley
West Sussex
RH10 1BP

Solicitors:

Irwin Mitchell LLP
Belmont House
Station Way
Crawley
West Sussex
RH101JA

REPORT AND FINANCIAL STATEMENTS for the period ended 31st August 2017

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Members' Report

NATURE, OBJECTIVES AND STRATEGIES

The members present their report and the audited financial statements for the 13 month period ended 31st August 2017.

Legal Status

The Corporation was established under the Further and Higher Education Act 1992 for the purpose of conducting Reigate College. The College is an exempt charity for the purposes of the Charities Act 2011. On 1st September 2017, Reigate College dissolved, transferring its activities, assets and liabilities to Reigate Learning Alliance, a multi-academy trust. Reigate College is now an academy operating as a member of the multi-academy trust. This members' report and the financial statements that follow are the final accounts for Reigate College as a sixth form college and cover the 13 month period 1st August 2016 to 31st August 2017.

Mission Statement

To provide high quality education in a supportive community.

Vision Statement

As the first choice in SE Surrey for 16-19 educational excellence we strive constantly to provide inclusive, exemplary education which responds to the individual learning needs of our students. We recognise that Reigate College is an ambassador for excellence both regionally and nationally and we welcome the responsibility of meeting this challenge.

Public Benefit

Reigate College is an exempt charity under Part 3 of the Charities Act 2011 and following the Machinery of Government changes in July 2016 is regulated by the Secretary of State for Education. The members of the Governing Body, who are trustees of the charity, are disclosed on pages 11 and 12.

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
- Widening participation and tackling social exclusion
- Excellent employment record for students
- Strong student support systems
- Links with employers, industry and commerce.

The delivery of public benefit is covered throughout the Members' Report.

Members' Report (continued)

Federation

In March 2013, the College entered into a Federation with Coulsdon Sixth Form College, which is located in the London Borough of Croydon.

The College's participation in the Federation was approved by the Corporation in July 2013, and this is renewed annually. The College does not have control of Coulsdon Sixth Form College and hence does not produce consolidated financial statements.

Financial Objectives

The College's financial objectives are:

- To achieve an annual operating surplus
- To fund continued capital investment

Members' Report (continued)

Performance Indicators

The College is committed to observing the importance of sector measures and indicators and uses the FE Choices data available on the GOV.UK website which looks at measures such as success rates. Details of the College's success rates can be found on page 4. The College is required to complete the annual Finance Record for the Education and Skills Funding Agency ("ESFA"). The College is assessed by the ESFA as having an "Outstanding" financial health grade.

Going concern

On 1st September 2017, the activities, assets and liabilities of Reigate College were transferred to Reigate Learning Alliance, a multi-academy trust. The activities of the College will continue in the new entity.

FINANCIAL POSITION

Financial results

These results are for the 13 months ended 31st August 2017, on which date the College dissolved. The prior period comparative results are for the 12 months to 31st July 2016.

The College generated a surplus before other comprehensive income in the period of £361,000 (2015/16 £443,000) with total comprehensive income of £809,000 (2015/16 £(142,000)). Net assets at 31st August 2017 were £12,970,000 (31st July 2016 £12,161,000).

The College generated £1,085,000 of cash from operating activities in the period (2015/16 £1,007,000). Cash and short term investments at 31st August 2017 were £2,873,000 (31st July 2016 £3,359,000).

During the period ended 31st August 2017, the College repaid all of its outstanding bank loans.

The College has significant reliance on education sector funding bodies for its principal funding source, largely from recurrent grants. In 2016/17 the funding bodies provided 94% of the College's total income (2015/16 93%).

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's financial regulations include a treasury management policy.

All borrowing requires the authorisation of the Corporation and must comply with the requirements of the College's Funding Agreement.

Reserves Policy

The College has no formal Reserves Policy but recognises the importance of reserves in the financial stability of any organisation, and ensures that there are adequate reserves to support the College's core activities. As at the balance sheet date the Income and Expenditure reserve stands at £10,459,000 (31st July 2016 £9,588,000). It is the Board's intention to continue to increase reserves through the generation of annual operating surpluses.

Members' Report (continued)

CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE

Student Numbers

During the period ended 31st August 2017, the College has delivered estimated activity of £11,073,000 in funding body main allocation funding (2015/16 - £10,212,000). The College achieved 2,283 learners.

Student Achievements

The success of the College remains high, as shown in the following 3 year analysis:

Overall Performance (data source Pro-Achieve)

Year	Starts	Success			Retention			Achievement			High Grades
		% S	% BS	% S-BS	% S	% BS	% S-BS	% S	% BS	% S-BS	% S
2016/17	7,327	94	87	7	96	92	4	98	94	4	57
2015/16	7,002	94	88	6	97	93	4	98	95	3	52
2014/15	7,415	93	87	6	97	93	4	96	94	2	51

S = College Performance BS = Benchmark
High grades are for graded courses only

Members' Report (continued)

Curriculum Developments

The College is a provider of 'distinct 16–19 provision', as described in the DfE's guidelines '*Principles underpinning the organisation of 16–19 provision*'.

The most substantial areas of work are in Science and Mathematics, Business Studies, Public Services, Information and Communication Technology, Sports, Leisure & Tourism, Visual Arts, Performing Arts & Media, Humanities and English & Communications.

The College works closely with a number of schools in the area to ensure that its provision meets the progression needs of local young people; where these needs cannot be met, students are offered detailed advice through partner schools liaison regarding courses in local general further education colleges.

The College has four 'partner schools'. Approximately 39% of the 2016/17 intake came from these schools.

There is a strategic understanding with East Surrey College regarding the range of courses offered by each college. This arrangement ensures that the full breadth of vocational and academic qualifications is provided for the local and regional community.

The College offers all students a range of vocational short courses to enhance their AS and A level provision.

Outside the classroom, an activities programme offers a wide variety of opportunities. In June each year Lower 6 students participate in an Activities Week. This year, over 70 diverse activities were offered which catered for all interests. An active students' union contributes to the community ethos of the College.

Principal

Mr S P Oxlade has resigned as Principal with effect from 31st August 2016. Mr N J Clark has been appointed as Principal, and Mr C P Whelan has been appointed as Chief Executive with effect from 1st September 2016.

Payment Performance

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1st 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%. During the accounting period the College exceeded this target. The College incurred less than £25 (2016 less than £25) of interest charges in respect of late payment for this period.

Events after the end of the reporting period

On 1st September 2017, Reigate College dissolved, transferring its activities, assets and liabilities to Reigate Learning Alliance, a multi-academy trust. Reigate College is now an academy operating as a member of the multi-academy trust. There are currently no other members.

Future prospects

The College plans to continue to improve the facilities on site, but does not anticipate any significant change in student numbers.

Members' Report (continued)

RESOURCES

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

Financial

The College has £12,970,000 of net assets (after £2,372,000 pension liability). Tangible resources include the main college site and the sports field.

People

During the period the College employed an average of 185 people (expressed as full time equivalents), of whom 112 are teaching staff.

Reputation

The College has an excellent reputation locally and nationally. Maintaining a quality brand is essential for the College's success at attracting students and external relationships.

PRINCIPAL RISKS AND UNCERTAINTIES

The College has undertaken further work during the period to develop and embed the system of internal control, including financial, operational and risk management which is designed to protect the College's assets and reputation.

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

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

This is supported by a risk management training programme to raise awareness of risk throughout the College.

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. Failure to deliver participation targets

This could occur if either an insufficient number of students apply, or the College makes inaccurate predictions/estimates of numbers of students enrolling and being retained.

To mitigate this risk, the College has robust marketing and publicity procedures. Curriculum expansion is being considered in order to stimulate new markets. The senior management team regularly reviews application numbers and patterns to ensure the target number of students is enrolled. This will continue in the new entity.

Members' Report (continued)

2. Government funding

The College has considerable reliance on continued government funding through the Education and Skills Funding Agency. In 2016/17, 94% of the College's revenue was public funded and this level is expected to continue. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

The College is aware of an issue which may impact on future funding:

- The demand led funding system which applies a series of factors such as retention rates and social disadvantage to calculate an amount of funding to be received for each learner. Funding has been significantly reduced since 2011 and further cuts are yet to be announced.

This risk is mitigated in a number of ways:

- 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;
- Taking a pro-active role in area based reviews;
- Regular dialogue with the funding bodies.

3. Failure to achieve key performance targets

The College would be at risk if its aggregate success rates fall below Sixth Form College benchmarks. There is a wide range of policies and systems in place to mitigate this risk, including lesson observations, the Learner Improvement Programme, departmental self-assessment, and the A Level AB grade value-added strategy.

4. Failure to provide appropriate infrastructure and resources

The College would be at risk if its accommodation and physical resources were insufficient in terms of volume or quality to meet curriculum needs, or if its human resources were insufficient in terms of experience and/or qualifications to meet curriculum and support needs. The College's financial plan includes investment in its accommodation and physical resources, including maintenance and refurbishment as needed. There are disaster recovery plans in place for the College's premises and IT. The College's staff recruitment and staff development policies ensure that all staff are suitably experienced and qualified.

5. Loss of key staff

If the duties and responsibilities of specialised staff could not be covered within an acceptable timeframe, the College would be at risk. The College organisation chart shows how roles of key specialised staff can be covered at all levels for short terms.

6. Maintain adequate funding of pension liabilities

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 Surrey County Council. Both are multi-employer defined benefit plans. The TPS is an unfunded scheme. The financial statements report the share of the Local Government Pension Scheme deficit on the College's balance sheet in line with the requirements of FRS102. Further information is provided in Note 24.

Members' Report (continued)

STAKEHOLDER RELATIONSHIPS

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

- Students;
- Education sector funding bodies;
- Sixth Form Commissioner;
- Staff;
- Local employers (with specific links);
- Local Authorities;
- Government Offices / Regional Development Agencies / LEPs;
- The local community;
- Other FE institutions;
- Trade unions;
- Professional bodies.

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

Equality

The College aims to encourage all individuals to achieve their full potential by ensuring individuals treat each other with respect, regardless of race (including colour, nationality and ethnic origin), culture, gender, age, health status, disability, linguistic differences, sexuality, sexual orientation, political or religious beliefs, income, social class or any other factor which is not considered relevant. This policy is resourced, implemented and monitored on a planned basis. The College's Equal Opportunities Policy, including its Race Relations Policy and Disability Policy, is available from the Personnel Office. The College is a 'Positive about Disabled' employer and has committed to the principles and objectives of the Positive about Disabled standard. The College considers all employment applications from disabled persons, bearing in mind the aptitudes of the individuals concerned, and guarantees an interview to any disabled applicant who meets the essential criteria for the post. 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, as far as possible, provide identical opportunities to those of non-disabled employees. The College has also implemented an Equality & Diversity training programme which all staff have attended. Refresher training and training for new starters is carried out on an ongoing basis.

Members' Report (continued)

Disability statement

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

- The College has appointed a Learning Support Manager who provides information, advice and arranges support where necessary for students with disabilities.
- There is a range of specialist equipment and assistive technology which the College can make available for use by students.
- The admissions policy for all students is available on the College's website. Appeals against a decision not to offer a place are handled by the Principal.
- The College has made a significant investment in the appointment of learning facilitators to support students with learning difficulties and/or disabilities. 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.
- Achievements and destinations are recorded and evaluated by the College Equality Committee.
- Counselling and welfare services are described in the College Student Diary, which is issued to students together with the Student Code of Conduct leaflets at induction.

Disclosure of information to the auditor

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 Board of Reigate Learning Alliance on behalf of Reigate College on 12th December 2017 and signed on its behalf by:

M Jones

**Mr M Jones
Chair of Reigate Learning Alliance**

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.

The College endeavours to conduct its business:

- in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership);and
- having due regard to the UK Corporate Governance Code 2016 insofar as it is applicable to the further education sector

The College is committed to exhibiting best practice in all aspects of corporate governance. We have not adopted and therefore do not apply the UK Corporate Governance Code or the Foundation Code. 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. 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.

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.

Statement of Corporate Governance and Internal Control (continued)

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 Appointment	Term of Office	Date of Resignation	Status of Appointment	Committees Served	Meetings Attended / Total Meetings
Mr M Coleman	08 December 2003 Re-appointed: 07 December 2007 07 December 2011 07 December 2015	4 years	3 May 2017	External Member	Audit (Chair), Personnel & Remuneration and Search & Governance	13/14
Mr I Fortune	02 December 2009 Re-appointed: 03 July 2013	4 years	15 November 2016	External Member	Personnel (Chair), Personnel & Remuneration, Search & Governance	1/1
Mr N Grant	11 December 2012	4 years	13 December 2016	External Member	Audit	3/4
Mr R Hails (Vice Chair)	07 July 2003 Re-appointed: 27 September 2007 27 September 2011 27 September 2015	4 years	31 August 2017	External Member	Management, Personnel & Remuneration, Search & Governance	9/10
Mrs S Hopper	20 September 2004 Re-appointed: 19 September 2008 09 October 2012 27 September 2016	4 years	31 August 2017	Staff Member	Development & Standards	9/10
Mr M Jones (Chair)	27 September 2005 Re-appointed: 27 September 2009 27 September 2013	4 years	31 August 2017	External Member	Chair of the Corporation, Personnel & Remuneration, Search & Governance	6/6
Ms D Hughes	1 January 2015	4 years	31 August 2017	External Member	Development & Standards (Chair from 1 January 2016)	9/9
Mr S Hewes	1 January 2015	4 years	31 August 2017	External Member	Audit (Chair from 3 May 2017)	7/7
Mr C McSharry	1 January 2015	4 years	31 August 2017	External Member	Management	11/11

Name	Date of Appointment	Term of Office	Date of Resignation	Status of Appointment	Committees Served	Meetings Attended / Total Meetings
Mr S P Oxlade	1 January 2012	Ex officio	31 August 2016	Principal and Accounting Officer	Development & Standards, Management, Personnel, Search & Governance	N/A
Mr N Clark	1 September 2016	Ex Officio	31 August 2017	Principal	Development & Standards, Management, Personnel, Search & Governance	13/14
Mr C Whelan	1 September 2016	Ex Officio	31 August 2017	Chief Executive and Accounting Officer	Development & Standards, Management, Personnel, Search & Governance	14/14
Ms P Frankland	16 December 2015	4 years	31 August 2017	External Member	Development & Standards	5/8
Mr R Stephen	11 December 2012 Re-appointed: 11 December 2016	4 years	31 August 2017	External Member	Management (Chair), Personnel & Remuneration, Search & Governance	12/13
Ms S Ferguson	1 November 2015	4 years	31 August 2017	Staff member	Development & Standards	6/9
Mr A Mackenzie	1 September 2016	1 year	31 August 2017	Student Member	Development & Standards	3/6
Mr J Crook	1 September 2016	1 year	31 August 2017	Student Member	Development & Standards	3/6
Mr J Challoner	1 August 2016	4 years	1 January 2017	External Member	Development & Standards	3/4

Mr J Allen acts as Clerk to the Corporation.

Statement of Corporate Governance and Internal Control (continued)

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 each term.

The Corporation conducts its business through a number of committees. Each committee has terms of reference, which have been approved by the Corporation. These committees are Development and Standards, Management, Personnel & Remuneration, Search and Governance, and Audit. Full minutes of all meetings, except those deemed to be confidential by the Corporation, are available on the College's website (www.reigate.ac.uk) or from the Clerk to the Corporation at:

Reigate College
Castlefield Road
Reigate
Surrey, RH2 OSD

The Clerk to the Corporation 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 Chairman and Accounting Officer 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 and Governance Committee responsible for the selection and nomination of any new member for the Corporation's consideration. The Corporation is responsible for ensuring that appropriate training is provided as required.

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

Statement of Corporate Governance and Internal Control (continued)

Corporation performance

Governors bring an excellent range of skills and experience and attendance at meetings is good. They have effective oversight of the College's finances, student performance, curriculum development, quality assurance systems, personnel matters and its audit activities. An induction programme for Governors is in place and opportunities for training and development are clear.

The Corporation is well structured and administered, with a suitable range of sub-committees. The Clerk is very effective. The minutes are purposeful and relevant.

Governors are well informed, receiving sufficient data and analysis to contribute effectively to planning and monitoring the work of the College.

The Corporation carried out a self-assessment of its own performance for the period ended 31st August 2017 and graded itself as "Outstanding" on the Ofsted scale.

Personnel & Remuneration Committee

One of the Committee's responsibilities is to make recommendations to the Corporation on the remuneration and benefits of the Principal and the Chief Executive. Details of the Principal's and Chief Executive's remuneration for the period ended 31st August 2017 is set out in note 7 to the financial statements.

Audit Committee

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

The Audit Committee meets every term and 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 main FE funding bodies, 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 the Audit Committee.

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

The Audit 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.

Statement of Corporate Governance and Internal Control (continued)

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 Accounting Officer (this was the Principal until 31st August 2016, and the Chief Executive thereafter), 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 Funding Agreement between the College and the funding bodies. 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 Reigate College for the period ended 31st August 2017 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 on-going process for identifying, evaluating and managing the College's significant risks that has been in place for the period ended 31st August 2017 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.

Statement of Corporate Governance and Internal Control (continued)

The College has an independent internal audit service which operates in accordance with the requirements of the ESFA'S *Post 16 Audit Code of Practice*. The work of the internal audit service is informed by an analysis of the risks to which the College is exposed, and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the Corporation on the recommendation of the Audit Committee. At minimum, annually, the Head of Internal Audit (HIA) provides the governing body with a report on internal audit activity in the College. The report includes the HIA's independent opinion on the adequacy and effectiveness of the College's system of risk management, controls and governance processes.

Review of effectiveness

As Accounting Officer, the Chief Executive of Reigate College (from 1st September 2016), previously the Principal (until 31st August 2016), 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 and the regularity auditors in their management letters and other reports.

The Accounting Officer has been advised on the implication 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 Management Team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The Senior Management Team and the Audit Committee also receive regular reports from internal audit 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 Management Team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its December 2017 meeting the Corporation carried out the annual assessment for the period ended 31st August 2017 by considering documentation from the senior management team and internal audit, and taking account of events since 31st August 2017.

Based on the advice of the Audit Committee and the Accounting Officer, the Corporation is of the opinion that the College has an adequate and effective framework for governance, risk management and control, and has fulfilled its statutory responsibility for the effective and efficient use of resources, the solvency of the institution and the body and the safeguarding of their assets.

Statement of Corporate Governance and Internal Control (continued)

Going concern

On 1st September 2017, Reigate College dissolved, transferring its activities, assets and liabilities to Reigate Learning Alliance, a multi-academy trust. Reigate College is now an academy operating as a member of the multi-academy trust.

These financial statements have been prepared on a basis other than going concern as the College ceased trading 31st August 2017. The activities of the College will continue in the new entity, and hence no adjustment is required to the carrying value of the assets and liabilities as at 31st August 2017.

On the basis that the activities, assets and liabilities of the College transferred, by way of a gift to the Reigate Learning Alliance, a multi-academy trust on 1st September 2017 the financial statements have, as required by FRS 102, been prepared on a basis that the College is not a going concern. However, no material adjustments arose as a result of ceasing to apply the going concern basis as the College's activities will continue and assets and liabilities have been transferred to the multi-academy trust at book value.

Approved by order of the members of the Board of Reigate Learning Alliance on behalf of Reigate College on 12th December 2017 and signed on its behalf by:

M Jones

C P Whelan

Mr M Jones

Mr C P Whelan

Chair of Reigate Learning Alliance

Accounting Officer of Reigate Learning Alliance

12th December 2017

12th December 2017

Statement of Regularity, Propriety and Compliance

The Corporation has considered its responsibility to notify the Education and Skills Funding Agency (“ESFA”) of material irregularity, impropriety and non-compliance with terms and conditions of funding, under the College’s funding agreement. As part of our consideration we have had due regard to the requirements of the funding agreement.

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 terms and conditions of funding under the College’s funding agreement.

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 ESFA.

M Jones

C P Whelan

Mr M Jones

Mr C P Whelan

Chair of Reigate Learning Alliance

Accounting Officer of Reigate Learning Alliance

12th December 2017

12th December 2017

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 College's Funding Agreement with the ESFA, the Corporation, through its Accounting Officer, is required to prepare financial statements for each financial year in accordance with the *2015 Statement of Recommended Practice – Accounting for Further and Higher Education* and with the *College Accounts Direction for 2016 to 2017* issued jointly by the Skills Funding Agency and the Education and Skills Funding Agency, 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 which govern them. In addition they are responsible for ensuring that funds from the Education and Skills Funding Agency are used only in accordance with the Financial Agreement with the Education and Skills Funding Agency and any other conditions that may be prescribed from time to time. Members of the Corporation must ensure that there are appropriate financial and management controls in place 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 from the Education and Skills Funding Agency are not put at risk.

Approved by order of the members of the Board of Reigate Learning Alliance on behalf of Reigate College on 12th December 2017 and signed on its behalf by:

M Jones

**Mr M Jones
Chair of Reigate Learning Alliance**

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF REIGATE LEARNING ALLIANCE IN RESPECT OF REIGATE COLLEGE

Opinion

We have audited the financial statements of Reigate College for the period ended 31st August 2017 which comprise the college statement of comprehensive income, the college balance sheet, the college statement of changes in reserves, the college statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is 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' as set out in our engagement letter dated 10th October 2017.

In our opinion the financial statements:

give a true and fair view of the state of the Dissolved College's affairs as at 31st August 2017 and of the Dissolved College's surplus of income over expenditure for the period then ended; and

have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Dissolved College and Reigate Learning Alliance in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – non going concern basis

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements. As described in note 1, the College dissolved on 31st August 2017 and its activities, assets and liabilities transferred to Reigate Learning Alliance. The financial statements for the period ended 31st August 2017 have been drawn up on a basis other than that of going concern.

No material adjustments arose as a result of ceasing to apply the going concern basis.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Report and Financial Statements other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Post-16 Audit Code of Practice 2016 to 2017 issued by the Department for Education requires us to report to you in respect of Reigate College if, in our opinion:

adequate accounting records have not been kept;

the financial statements are not in agreement with the accounting records; or

we have not received all the information and explanations required for our audit.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF REIGATE LEARNING ALLIANCE IN RESPECT OF REIGATE COLLEGE (continued)

Responsibilities of the Trustees of Reigate Learning Alliance in respect of Reigate College

As explained more fully in the Statement of Responsibilities of the Members of the Corporation [set out on page 19], the Trustees are responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Corporation determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Dissolved College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Dissolved College or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's report.

This report is made solely to the Trustees of Reigate Learning Alliance in respect of Reigate College, as a body, in accordance with the Funding Agreement published by the Education Funding Agency and our engagement letter dated 10th October 2017. Our audit work has been undertaken so that we might state to the Corporation, as a body, those matters we are required under our engagement letter dated 10th October 2017 to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Corporation, as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

RSM UK AUDIT LLP
Chartered Accountants
Portland
25 High Street
Crawley
West Sussex

Date:

Statement of Comprehensive Income

	Notes	Period ended 31st August 2017 £'000	Year ended 31st July 2016 £'000
INCOME			
Funding body grants	2	11,214	10,409
Tuition fees and education contracts	3	17	16
Other income	4	654	650
Investment income	5	14	17
Donations and Endowments	6	52	59
Total income		11,951	11,151
EXPENDITURE			
Staff costs	7	7,880	7,526
Other operating expenses	8	2,990	2,558
Depreciation	11	648	552
Interest and other finance costs	9	72	72
Total expenditure		11,589	10,708
Surplus for the period		361	443
Actuarial surplus / (loss) in respect of pensions schemes	24	448	(585)
Total Comprehensive Income for the year		809	(142)

Statement of Changes in Reserves

	Income and Expenditure account £'000	Revaluation reserve £'000	Total £'000
Balance at 31st July 2016	9,588	2,573	12,161
Surplus from the income and expenditure account	361	-	361
Actuarial loss in respect of pension schemes	448	-	448
Transfers between revaluation and income and expenditure reserves	62	(62)	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	871	(62)	809
	<hr/>	<hr/>	<hr/>
Balance at 31st August 2017	10,459	2,511	12,970
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Balance Sheet

	Notes	31st August 2017 £'000	31st July 2016 £'000
Non current assets			
Tangible assets	11	15,302	14,286
		<u>15,302</u>	<u>14,286</u>
Current assets			
Stocks		15	10
Debtors	13	183	86
Investments		-	804
Cash at bank and in hand		2,873	2,555
		<u>3,071</u>	<u>3,455</u>
Less: Creditors – amounts falling due within one year	14	<u>(1,642)</u>	<u>(1,357)</u>
Net current assets		<u>1,429</u>	<u>2,098</u>
Total assets less current liabilities		16,731	16,384
Creditors – amounts falling due after more than one year	15	(1,389)	(1,636)
Provisions			
Defined benefit obligations	24	<u>(2,372)</u>	<u>(2,587)</u>
Total net assets		<u>12,970</u>	<u>12,161</u>
Unrestricted Reserves			
Income and expenditure account	21	10,459	9,588
Revaluation reserve		<u>2,511</u>	<u>2,573</u>
Total unrestricted reserves		<u>12,970</u>	<u>12,161</u>

The financial statements on pages 22 to 50 were approved by the Board of Reigate Learning Alliance on behalf of Reigate College and authorised for issue on 12th December 2017 and were signed on its behalf by:

M Jones

Mr M Jones
Chair of Reigate Learning Alliance

C P Whelan

Mr C P Whelan
Accounting Officer of Reigate Learning Alliance

Statement of Cash Flows

		Period ended 31st August 2017 £'000	Year ended 31st July 2016 £'000
Cash generated from operations	10	1,085	1,007
Investing activities			
Interest received		14	17
Purchase of tangible fixed assets		<u>(1,322)</u>	<u>(1,019)</u>
		<u>(1,308)</u>	<u>(1,002)</u>
Financing activities			
Interest paid		(3)	(4)
Repayments of borrowings		<u>(260)</u>	<u>(76)</u>
		<u>(263)</u>	<u>(80)</u>
Decrease in cash and cash equivalents in the		<u><u>(486)</u></u>	<u><u>(75)</u></u>
Cash and cash equivalents at beginning of the period	17	3,359	3,434
Cash and cash equivalents at end of the period	17	2,873	3,359

NOTES TO THE ACCOUNTS

1 Accounting policies

Statement of accounting policies

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

Basis of preparation

These financial statements have been prepared in accordance with the *Statement of Recommended Practice: Accounting for Further and Higher Education 2015* (the 2015 FE HE SORP), the *College Accounts Direction for 2016 to 2017* 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 entity and has therefore applied the relevant public benefit requirements of FRS102. These financial statements have been prepared for the 13 months ended 31st August 2017, on which date the College dissolved. The prior period comparative results are for the 12 months to 31st July 2016.

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.

General information

The Corporation was established under the Further and Higher Education Act 1992 for the purpose of conducting Reigate College as an English sixth form college. The address of the College's principal place of business is Castlefield Road, Reigate, Surrey RH2 0SD. The nature of the College's operations are set out in the Members' Report on pages 1 to 9.

Basis of accounting

The financial statements are prepared under the historical cost convention as modified by the use of previous valuations as deemed cost at transition for certain fixed assets.

Basis of consolidation

The financial statements include the results of the College only on the basis that the results of Castlefield Enterprises Limited which is dormant and 100% owned by the College are immaterial to the College. Accordingly a consolidated income and expenditure account and balance sheet has not been prepared for the period under review. In accordance with FRS 102, the activities of the student union have not been consolidated because the College does not control those activities. The financial statements are made up to 31st August 2017. In the opinion of the Governors, the College does not have control of Coulsdon Sixth Form College, and hence it is not included in the financial statements.

Going concern

On the basis that the activities, assets and liabilities of the College transferred, by way of a gift to the Reigate Learning Alliance, a multi-academy trust, on 1st September 2017 the financial statements have, as required by FRS 102, been prepared on a basis that the College is not a going concern. However, no material adjustments arose as a result of ceasing to apply the going concern basis as the College's activities will continue and assets and liabilities have been transferred to the multi-academy trust at book value.

NOTES TO THE ACCOUNTS**1 Accounting policies (continued)****Recognition of income**

Funding body recurrent grants are accounted for under the accrual model as permitted by FRS 102. They are measured in line with best estimates for the period of what is receivable and depend on the particular income stream involved. The final grant income is normally determined with the conclusion of the period end reconciliation process with the funding body following the period 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, and is recognised when receivable.

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

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

Retirement benefits

Retirement benefits to employees of the College are principally provided by Teachers' Pensions Scheme (TPS) and the Local Government Pension Scheme (LGPS), which are multi-employer defined benefit plans.

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 the Government Actuary on the basis of valuations using a projected unit method. The TPS is a multi-employer scheme but sufficient information is not available to use defined benefit accounting and therefore it is accounted for as a defined contribution scheme, with the amount charged to the statement of comprehensive income being the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments.

The LGPS is a funded scheme, and the assets of the scheme are held separately. Pension schemes are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. 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. The net interest cost on the net defined benefit liability/asset is charged to comprehensive income and included within finance costs. Re-measurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in other comprehensive income.

NOTES TO THE ACCOUNTS**1 Accounting policies (continued)****Short term employment benefits**

Short term employment benefits such as salaries and compensated absences (holiday pay) are recognised as an expense in the period 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.

Tangible fixed assets

Tangible fixed assets are stated at 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

Land and buildings inherited from the Local Education Authority are stated in the balance sheet at valuation on the basis of depreciated replacement cost as the open market value for existing use is not readily obtainable. The associated credit is included in the revaluation reserve. The difference between depreciation charged on the historic cost of assets and the actual charge for the period calculated on the revalued amount is released to the income and expenditure reserve on an annual basis. Building improvements made since incorporation are included in the balance sheet at cost. Other buildings are included in the balance sheet at cost. Freehold land is not depreciated. Freehold buildings are depreciated over their expected useful economic life to the College of between 20 and 50 years. The College has a policy of depreciating major adaptations to buildings over the period of their useful economic life of between 10 and 50 years.

Where buildings are constructed with the aid of specific grants, they are capitalised and depreciated as above. The related grants are credited to a deferred capital grant account and are released to the income and expenditure account over the expected useful economic life of the related asset on a 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.

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

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

On adoption of FRS 102, the College followed the transitional provision to retain the book value of land and buildings, which were revalued in 1992, 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 31st August 2017. They are not depreciated until they are brought into use.

NOTES TO THE ACCOUNTS

1 Accounting policies (continued)

Subsequent expenditure on existing fixed assets

Where significant expenditure is incurred on tangible fixed assets it is charged to the income and expenditure account in the period it is incurred, unless it meets one of the following criteria, in which case it is capitalised and depreciated on the relevant basis:

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

Equipment

Equipment costing less than £1,000 per individual item is written off to the income and expenditure account in the period of acquisition. All other equipment is capitalised at cost. Equipment inherited from the local education authority is included in the balance sheet at valuation.

Inherited equipment has been depreciated on a straight line basis over its remaining useful economic life to the College of between one and three years from incorporation and is now fully depreciated.

All assets are depreciated on a straight-line basis over their useful economic life as follows:

Building improvements	Over 20 years
Motor vehicles	Over 4 years
Computer equipment	Over 3 years
Scientific and technical equipment	Over 10 years
Grounds improvements	Over 10 years

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

Borrowing costs

Borrowing costs are recognised as expenditure in the period in which they are incurred.

Leased Assets

Costs in respect of operating leases are charged to comprehensive income on a straight line basis over the lease term.

Investments

Current asset investments comprise sums on short term deposits with recognised banks and building societies. The College's investment in its subsidiary company is included at cost.

Stocks

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

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.

NOTES TO THE ACCOUNTS

1 Accounting policies (continued)

Financial assets and liabilities

Financial assets and liabilities are recognised when the College becomes party to the contractual provision of the instrument.

All financial assets and liabilities are initially measured at transaction price (including transaction costs) unless the arrangement constitutes a financing transaction (in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument). A financial asset or liability that is receivable or payable within one year is not discounted unless it is a financing transaction.

De-recognition of financial assets and liabilities

A financial asset is de-recognised when the contractual rights to cash flows expire or are settled, or if substantially all of the risks and rewards are transferred to another party. A financial liability is de-recognised when the obligation specified in the contract is discharged, cancelled or expires.

Taxation

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

The College receives no similar exemption in respect of Value Added Tax. For this reason the College is generally unable to recover input VAT it suffers on goods and services purchased. Capital costs and non-pay expenditure are therefore shown inclusive of VAT with any partial recovery netted off against these figures.

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 distributing Bursary Support funds from the funding bodies. Payments received from the funding bodies and subsequent disbursements to students are excluded from the income and expenditure of the College where the College does not have control of the economic benefit related to the transaction.

NOTES TO THE ACCOUNTS

1 Accounting policies (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 college'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 24, 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 31st March 2016 has been used by the actuary in valuing the pensions liability at 31st August 2017. 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.

NOTES TO THE ACCOUNTS

2 Funding body grants

	Period ended 31st August 2017 £'000	Year ended 31st July 2016 £'000
Recurrent grants		
Education Funding Agency	11,151	10,351
Specific Grants		
Releases of government capital grants	63	58
Total	<u>11,214</u>	<u>10,409</u>

3 Tuition fees and education contracts

	Period ended 31st August 2017 £'000	Year ended 31st July 2016 £'000
Tuition fees	<u>17</u>	<u>16</u>

4 Other income

	Period ended 31st August 2017 £'000	Year ended 31st July 2016 £'000
Catering income	538	461
Miscellaneous income	116	189
Total	<u>654</u>	<u>650</u>

NOTES TO THE ACCOUNTS

5 Investment income

	Period ended 31st August 2017 £'000	Year ended 31st July 2016 £'000
Interest receivable	14	17

6 Donations

	Period ended 31st August 2017 £'000	Year ended 31st July 2016 £'000
Unrestricted donations	52	59

NOTES TO THE ACCOUNTS

7 Staff costs

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

	Period ended 31st August 2017 No.	Year ended 31st July 2016 No.
Teaching staff	112	109
Non teaching staff	66	62
Catering staff	7	7
	185	178

Staff costs for the above persons

	Period ended 31st August 2017 £'000	Year ended 31st July 2016 £'000
Wages and salaries	6,038	5,847
Social security costs	577	481
Other pension costs including FRS 102 (28) charge of £164,000 (2016 £110,000)	1,265	1,148
Settlement payments *	-	50
	7,880	7,526

* Settlement payments made were non – contractual and approved by the Corporation.

Staff costs are reduced by £105,000 (2016 £84,000), which has been recharged to Coulsdon College and Holmesdale Infant School in respect of services provided.

NOTES TO THE ACCOUNTS

7 Staff costs (continued)

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 College Senior Leadership Team which comprised the Principal and the Chief Executive during the period ended 31st August 2017.

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

	2017	2016
	No.	No.
The number of key management personnel including the Accounting Officer was:	2	3

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 staff	
	Period ended 31st August 2017	Year ended 31st July 2016	Period ended 31st August 2017	Year ended 31st July 2016
	No.	No.	No.	No.
£60,001 to £70,000	-	2	3	-
£70,001 to £80,000	2	-	-	-
£110,001 to £120,000	-	1	-	-
	<u>2</u>	<u>3</u>	<u>3</u>	<u>-</u>

NOTES TO THE ACCOUNTS

7 Staff costs (continued)

Key management personnel's emoluments are made up as follows:

	Period ended 31st August 2017 £'000	Year ended 31st July 2016 £'000
Salaries	167	239
National Insurance Contributions	20	30
Pension contributions	31	39
Total emoluments	<u><u>218</u></u>	<u><u>308</u></u>

The above emoluments include amounts payable to the Accounting Officer (who is also the highest paid officer):

	Period ended 31st August 2017 £'000	Year ended 31st July 2016 £'000
Salaries	80	116
National Insurance Contributions	10	16
Pension contributions	13	19
Total emoluments	<u><u>103</u></u>	<u><u>151</u></u>

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

NOTES TO THE ACCOUNTS

8 Other operating expenses

	Period ended 31st August 2017 £'000	Year ended 31st July 2016 £'000
Teaching costs	709	616
Non teaching costs	1,306	1,095
Premises costs	<u>974</u>	<u>847</u>
Total	<u>2,989</u>	<u>2,558</u>
 Surplus is stated after charging:		
	Period ended 31st August 2017 £'000	Year ended 31st July 2016 £'000
Auditors' remuneration:		
Financial statements audit and regularity assurance report	18	19
Non-audit services	<u>9</u>	<u>-</u>
Payable to financial statements auditors	<u>27</u>	<u>19</u>
Internal audit	8	4
Hire of assets under operating leases	<u>59</u>	<u>50</u>

NOTES TO THE ACCOUNTS

9 Interest payable

	Period ended 31st August 2017 £'000	Year ended 31st July 2016 £'000
On bank loans repayable wholly or partly in more than 5 years	3	4
Pension finance costs	69	68
Total	72	72

10 Notes to cash flow statement

	Period ended 31st August 2017 £'000	Year ended 31st July 2016 £'000
Surplus for the period	361	443
Adjustment for:		
Depreciation	648	552
Investment income	(14)	(17)
Interest payable	3	4
Pensions costs less contributions payable	164	110
Changes to measurement of net finance cost on defined benefit plans	69	68
Operating cash flow before movements in working capital	1,231	1,160
(Increase) / decrease in stocks	(5)	(1)
(Increase) / decrease in debtors	(97)	(49)
Increase / (decrease) in creditors due within one year	20	(50)
Increase / (decrease) in creditors due after one year	(64)	(53)
Cash generated from operations	1,085	1,007

NOTES TO THE ACCOUNTS

11 Tangible fixed assets

	Land & buildings £'000	Assets in the course of construction £'000	Equipment & ground works £'000	Total £'000
Cost or valuation				
At 1st August 2016	18,311	39	933	19,283
Additions	11	1,340	313	1,664
Transfers		(39)	39	-
At 31st August 2016	18,322	1,340	1,285	20,947
Depreciation				
At 1st August 2016	4,488	-	509	4,997
Charge for the year	488	-	160	648
At 31st August 2016	4,976	-	669	5,645
Net book value at 31st August 2017	13,346	1,340	616	15,302
Net book value at 31st July 2016	13,823	39	424	14,286

Land and buildings were valued in 1994 at depreciated replacement cost by a firm of independent chartered surveyors. If inherited land and buildings had not been revalued before being deemed as cost on transition they would have been included at the following historical cost amounts:

	£'000
Cost	Nil
Aggregate depreciation based on cost	Nil
Net book value based on cost	Nil

NOTES TO THE ACCOUNTS

12 Investments

The College holds one ordinary share of £1 in a dormant subsidiary, Castlefield Enterprises Limited, which is 100% of the subsidiary's share capital.

13 Debtors

	31st August 2017 £'000	31st July 2016 £'000
Amounts falling due within one year:		
Trade debtors	6	35
Prepayments and accrued income	177	51
Total	183	86

14 Creditors: amounts falling due within one year

	31st August 2017 £'000	31st July 2016 £'000
Bank loans (note 16)	-	77
Payments received in advance	506	61
Trade creditors	502	140
Other creditors	129	110
Other taxation and social security	272	260
Accruals	175	651
Deferred income - government capital grants	58	58
Total	1,642	1,357

Included within accruals is an amount of £Nil (2016 £582,000) in respect of accrued short term employment benefits.

NOTES TO THE ACCOUNTS

15 Creditors: amounts falling due after one year

	31st August 2017 £'000	31st July 2016 £'000
Bank loans (note 16)	-	183
Deferred income - government capital grants	1,389	1,453
Total	1,389	1,636

16 Maturity of debt

	31st August 2017 £'000	31st July 2016 £'000
Bank loans are repayable as follows:		
In one year or less	-	77
Between one and two years	-	32
Between two and five years	-	77
In five years or more	-	74
Total	-	260

All bank loans were repaid in full in June 2017.

17 Cash and cash equivalents

	At 1st August 2016 £'000	Cash flows £'000	At 31st August 2017 £'000
Cash at bank and in hand	2,555	318	2,873
Current asset investments	804	(804)	-
Debt due within 1 year	(77)	77	-
Debt due after 1 year	(183)	183	-
Total	3,099	(226)	2,873

NOTES TO THE ACCOUNTS

18 Financial instruments

	31st August 2017 £'000	31st July 2016 £'000
Financial assets measured at amortised cost		
Debtors	6	35
Total	6	35
Financial liabilities measured at amortised cost		
Bank loans	-	260
Trade creditors	502	140
Other creditors	129	110
Accruals	175	651
Total	806	1,161

19 Capital commitments

	31st August 2017 £'000	31st July 2016 £'000
Commitments contracted for at 31st August / 31st July	829	155

20 Lease obligations

The College had minimum lease payments under non-cancellable operating leases as follows:

	31st August 2017 £'000	31st July 2016 £'000
Assets other than land and buildings		
Not later than one year	54	5
Later than one year and not later than five years	131	165
	185	170

NOTES TO THE ACCOUNTS

21 Income and expenditure reserve

	31st August 2017 £'000	31st July 2016 £'000
Income and expenditure account excluding pension reserve	12,831	12,175
Pension reserve	<u>(2,372)</u>	<u>(2,587)</u>
Income and expenditure account including pension reserve	<u><u>10,459</u></u>	<u><u>9,588</u></u>

22 Contingent liabilities

There are no contingent liabilities.

23 Events after the reporting period

On 31st August 2017, Reigate College dissolved, transferring its activities, assets and liabilities to Reigate Learning Alliance, a multi-academy trust. Reigate College is now an academy, operating as a member of the multi-academy trust.

NOTES TO THE ACCOUNTS

24 Retirement benefits

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 Surrey County Council. Both are defined benefit schemes.

Total pension cost for the year	Period ended 31st August 2017 £'000	Year ended 31st July 2016 £'000
Teachers Pension Scheme: contributions paid	643	659
Local Government Pension Scheme:		
Contributions paid	458	379
FRS 102 (28) charge	164	110
Charge to the Statement of Comprehensive Income	622	489
Total pension cost for the year within staff costs	1,265	1,148

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of the TPS was 31st March 2012, and of the LGPS 31st March 2016. There were no outstanding or prepaid contributions at either the beginning or the end of the financial period.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions, along with those made by employers, are credited to the Exchequer.

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

The latest actuarial valuation 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 in June 2014. The key results of the valuation and subsequent consultation are:

- Total scheme liabilities for service (pensions currently payable and the estimated cost of future benefits) of £191.5 billion
- Value of notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) of £176.6 billion
- Notional past service deficit of £14.9 billion
- Assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings
- Rate of real earnings growth is assumed to be 2.75%
- Assumed nominal rate of return is 5.06%

The TPS valuation for 2012 determined an employer rate of 16.48% (including a 0.08% administration fees), which was payable from September 2015. The next valuation of the TPS is currently underway based on March 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

24 Retirement benefits (continued)

The pension costs paid to TPS in the period amounted to £643,000 (2016: £659,000)

The TPS is a multi-employer pension plan and there is insufficient information to account for the scheme on as a defined benefit plan so it is accounted for as a defined contribution plan.

FRS 102 (28)

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

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.

NOTES TO THE ACCOUNTS

24 Retirement benefits (continued)

Local Government Pension Scheme

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by Surrey County Council. The total contributions made for the period ended 31st August 2017 were £586,000 of which employer's contributions totalled £458,000 and employees' contributions totalled £128,000. The agreed contribution rate for employer's contributions for the period 1st April 2017 to 31st August 2017 is 20.4% with an annual deficit contribution of £46,000, and from 1st September 2017 is 19% with an annual deficit contribution of £46,000. Employees' contributions range from 5.5% to 12.5%, depending on salary.

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31st March 2016 updated to 31st August 2017 by a qualified independent actuary.

	At 31st August 2017	At 31st July 2016
Pension Increase Rate	2.4%	1.9%
Salary Increase Rate	2.7%	3.4%
Discount Rate for scheme liabilities	2.5%	2.4%
Inflation assumption (CPI)	2.4%	1.9%
Commutation of pensions to lump sums		
Pre - April 2008 service	25%	25%
Post - April 2008 service	63%	63%

The current mortality assumptions include sufficient allowance for future changes in mortality rates. The average future life expectancies at age 65 are:

	At 31st August 2017	At 31st July 2016
<i>Current Pensioners</i>		
Males	22.5	22.5
Females	24.6	24.6
<i>Future Pensioners*</i>		
Males	24.1	24.5
Females	26.4	26.9

* Figures assume members aged 45 as at the last formal valuation date.

NOTES TO THE ACCOUNTS

24 Retirement benefits (continued)

Local Government Pension Scheme (continued)

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

	Fair Value at 31st August 2017 £'000	Fair Value at 31st July 2016 £'000
Equities	5,508	4,531
Bonds	1,028	975
Property	588	361
Cash	220	138
Total fair value of plan assets	7,344	6,005
Actual return on plan assets	762	283
Long term discount rate	2.7%	2.4%

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

	Fair Value at 31st August 2017 £'000	Fair Value at 31st July 2016 £'000
Fair value of plan assets	7,344	6,005
Present value of plan liabilities	(9,715)	(8,591)
Present value of unfunded liabilities	(1)	(1)
Net pensions (liability)	(2,372)	(2,587)

NOTES TO THE ACCOUNTS

24 Retirement benefits (continued)

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

	Fair Value at 31st August 2017 £'000	Fair Value at 31st July 2016 £'000
Amounts included in staff costs		
Current service cost	622	489
Total	622	489
Amounts included in interest and other finance costs		
Pension finance costs	69	68
	69	68
Amounts recognised in Other Comprehensive Income		
Return on pension plan assets	762	283
Change in demographic assumptions	107	-
Change in financial assumptions	(482)	(922)
Other experience remeasurements	61	54
Amounts recognised in Other Comprehensive Income	448	(585)

NOTES TO THE ACCOUNTS

24 Retirement benefits (continued)

Movement in net defined benefit liability during the period

	2017	2016
	£'000	£'000
Deficit in scheme at 1st August	(2,587)	(1,824)
Movement in year:		
Employer service cost (net of employee contributions)	(622)	(458)
Employer contributions	458	348
Net interest on the defined liability / asset	(69)	(68)
Actuarial gain or loss	448	(585)
Net defined (liability) / asset at 31st August / 31st July	(2,372)	(2,587)

Asset and Liability Reconciliation

	2017	2016
	£'000	£'000
Changes in the present value of defined benefit obligations		
Defined benefit obligations at 1st August	8,592	7,014
Current service cost	622	458
Interest cost	230	261
Contributions by Scheme participants	128	93
Change in demographic assumptions	(107)	-
Change in financial assumptions	482	922
Other experience remeasurements	(61)	(54)
Estimated benefits paid	(170)	(102)
Defined benefit obligations at 31st August / 31st July	9,716	8,592

Changes in fair value of plan assets

Fair value of plan assets at 1st August	6,005	5,190
Interest on plan assets	161	193
Return on plan assets	762	283
Employer contributions	458	348
Contributions by Scheme participants	128	93
Estimated benefits paid	(170)	(102)
Fair value of plan assets at 31st August / 31st July	7,344	6,005

NOTES TO THE ACCOUNTS

24 Retirement benefits (continued)

Deficit contributions

The College has entered into an agreement with the LGPS to make additional contributions of £28,000 per annum in addition to normal funding levels until the next full valuation at which point the situation will be reviewed again.

25 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 inevitable that transactions will take place with organisations in which a member of the Board of Governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the College's financial regulations and normal procurement procedures. There are no significant such transactions which require disclosure.

No Governor has received any remuneration or waived any payments from the College during the period (2015/16 none).

Key management personnel compensation is disclosed in note 7.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE TRUSTEES OF REIGATE LEARNING ALLIANCE IN RESPECT OF REIGATE COLLEGE, AND THE SECRETARY OF STATE FOR EDUCATION ACTING THROUGH THE DEPARTMENT FOR EDUCATION

Conclusion

We have carried out an engagement, in accordance with the terms of our engagement letter dated 10 October 2017 and further to the requirements of the Funding Agreement published by the Education Funding Agency to obtain limited assurance about whether the expenditure disbursed and income received by Reigate College (the 'Dissolved College') during the period 1 August 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

In the course of our work, [except for the matters listed below] nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period [insert the start date of the period for which the annual report and financial statements have been prepared] has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Basis for conclusion

The framework that has been applied is set out in the Post-16 Audit Code of Practice 2016 to 2017 issued by the Department for Education. In line with this framework, our work has specifically not considered income received from the main funding grants generated through the Individualised Learner Record (ILR) returns, for which Education and Skills Funding Agency has other assurance arrangements in place.

We are independent of the Dissolved College and Reigate Learning Alliance in accordance with the ethical requirements that are applicable to this engagement and we have fulfilled our ethical requirements in accordance with these requirements. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion

Responsibilities of the governing body of Reigate Learning Alliance in respect of Reigate College for regularity

The governing body of the Dissolved College was responsible, under the funding agreement and the requirements of the Further & Higher Education Act 1992, subsequent legislation and related regulations and guidance, 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. The governing body of Reigate Learning Alliance is responsible for preparing the Governing body's Statement of Regularity, Propriety and Compliance.

Reporting accountant's responsibilities for reporting on regularity

Our responsibilities for this engagement 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 Post-16 Audit Code of Practice 2016 to 2017.

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 the procedures performed vary in nature and timing from, and are less in extent than for a reasonable assurance engagement; consequently, a limited assurance engagement 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.

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 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including the specific requirements of the funding agreement with the Education Funding Agency and high level financial control areas where we identified a material irregularity is likely to arise. We undertook detailed testing, on a sample basis, on the identified areas where a material irregularity is likely to arise where such areas are in respect of controls, policies and procedures that apply to classes of transactions.

This work was integrated with our audit of the financial statements of the Dissolved College and evidence was also derived from the conduct of that audit to the extent it supports the regularity conclusion.

This report is made solely to the Trustees of Reigate Learning Alliance in respect of Reigate College, and the Secretary of State for Education acting through the Department for Education in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Trustees of Reigate Learning Alliance, in respect of Reigate College, and the Secretary of State for Education acting through the Department for Education 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 Reigate Learning Alliance and the Secretary of State for Education acting through the Department for Education for our work, for this report, or for the conclusion we have formed.

RSM UK Audit LLP

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Date: 12/12/17