

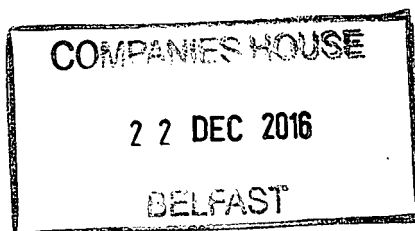
Company Registration No: NI 032886 (Northern Ireland)

STRANGFORD COLLEGE

(Being a company limited by guarantee and having no share capital)

REPORT and FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016



STRANGFORD COLLEGE

COMPANY INFORMATION

Key management personnel	Mr M Weir (Principal) Mr P Maxwell (Vice Principal)	
Directors	Dr Richard Murphy Mr Raymond Murray Mr Brian Small Mr Boyd Ireland Mr Trevor Scroggie Mrs Susan Mackie Mrs Angela Morrow Mrs Lois Totton Mrs Faith Moffett Mr Calvin Allcoat Ms Linda Marshall Ms Anne Hogg Mrs Anne Lyner Mrs Eileen Lenehan Rev Colin Davis	Resigned 8 September 2016 Resigned 8 September 2016 Appointed 9 June 2015 Appointed 24 November 2015 Appointed 5 April 2016
Secretary	Mr Trevor Scroggie	
Company number	NI 032886	
Registered Office	Abbey Road Carrowdore Co. Down BT22 2GB	
Auditors	RSM Northern Ireland 1 Lanyon Quay Belfast BT1 3LG	
Internal Auditors	RSM Northern Ireland 1 Lanyon Quay Belfast BT1 3LG	
Bankers	Bank of Ireland 12 Conway Square Newtownards Co. Down BT23 4DJ	

STRANGFORD COLLEGE

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STRANGFORD COLLEGE

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2016

The directors present their report and financial statements for the year ended 31 March 2016.

Legal status

Strangford College is a company limited by guarantee incorporated on 28 August 1997. The College was established under a Memorandum of Association and is governed under its Articles of Association. The company was incorporated in Northern Ireland and its registered office is Abbey Road, Carrowdore, Newtownards, BT22 2GB.

The College has been granted charitable status by the UK HM Revenue and Customs. It is exempt from using the word 'Limited' in its title.

Further company information is detailed on Page 1.

Mission Statement

Strangford College offers students of all abilities, religion and cultural backgrounds, the opportunity to be educated together in a caring, trusting and inclusive community, which seeks to maximise potential and celebrate achievement.

Public Benefit

Strangford College is a deemed charity awaiting registration with the Charity Commission for Northern Ireland. The members of the Governing Body are the Directors of the charity. In setting and reviewing the College's strategic objectives, the Governing Body has due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education.

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

- High quality teaching for learning
- Strong student support systems
- Links with employers, industry and commerce
- Links with the wider community

Strategic plan

In October 2014 the College adopted a strategic plan for the period from September 2014 to June 2017. The strategic plan identified key priorities for the college in:

- Teaching for Learning
- Assessment for Learning
- CEIAG
- Leadership
- Pastoral Care

The College was inspected in June 2014. The report confirmed a satisfactory performance. A follow up inspection took place in June 2016 which noted progress on the College's key areas for improvement.

STRANGFORD COLLEGE

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2016

Performance Indicators

The College is committed to observing the importance of sector measure and indicators and uses statistics produced by Department of Education to benchmark performance.

Over the past three years, the overall standards attained by the pupils at the end of key stage (KS) 4 have improved and are now in line with the NI average for similar schools. The percentage of Year 12 pupils attaining GCSE grades A* to C or equivalent in at least five subjects, including English and Mathematics, has increased by almost ten percentage points to 44%. The percentage of pupils attaining GCSE grades A* to C or equivalent in at least five subjects in August 2015 has increased by almost 20 percentage points to 69%.

Financial Review

The College generated a surplus of £124,048 (2015: deficit £5,202 as restated under FRS 102) in the year. Of this surplus £54,248 (2015: surplus £13,796) relates to the canteen, £11,486 (2015: surplus £4,099) relates to retained donations, a deficit of £5,848 (2015: surplus £5,810) relates to school societies and trips and a surplus of £64,162 (2015: deficit £28,907) relates to general funds which is largely retained monies from the DENI recurrent grant.

The College's aim is to break even each year.

The College has accumulated reserves of £362,513 (2015: £238,465). The reserves have been internally designated, details of which are included in Note 19 to the financial statements.

The College is reliant on recurrent funding from the Department of Education. Other income received is detailed on Page 14.

Risks and Uncertainties

The college has undertaken further work during the year to protect the College's assets and reputation by embedding a system of internal control including financial, operational and risk management. The Board of Directors review regularly the risks factors affecting the college, the likelihood of those risks occurring, their potential impact on the college and the action being taken to reduce and mitigate the risks.

Outlined below is a description of the principal risk factors that may affect the college.

Government funding

The college is totally reliant on continued government funding through the Department of Education. While there is no reason that this should not continue the college mitigates this risk by:

- Ensuring the college is rigorous in delivering high quality education
- Maintaining and managing key relationships with DENI
- Keeping up with changes in funding and managing our costs within the funding provided

Growth of the College

A development proposal to increase enrolment to 670 pupils was approved by the Department of Education in March 2016. There are a number of risks around managing this change. This risk is mitigated by:

- Planning for change – curriculum staff planning
- Building planning – additional accommodation
- Promoting the school- maintaining numbers and interest in the school

STRANGFORD COLLEGE

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2016

Reserves Policy

Reserves are held in respect of general expenses; canteen; school societies and trips and donations. The policy of the Board is to maintain a level of reserves that will ensure the satisfactory operation of all aspects of the College for the foreseeable future. The College does not have an overdraft facility.

Reserves are monitored in line with the requirements of the Department of Education.

Current and Future Development and Performance

The college is striving to grow and has increased its enrolment from 573 in October 2015 to 637 in October 2016. As a result of this, funding from DENI has increased from £2,873,843 in the year ended 31 March 2015 to £3,095,865 in the year ended 31 March 2016.

Students continue to prosper at the College. In particular, performance at GCSE continues to improve with the number of students obtaining 5 A* to C grades increasing from 69 % in August 2015 to 79% in August 2016. Whilst it is too early to make predictions about the success rates for 2016/17 there is no reason not to expect the upward trend of the last few years to continue.

On behalf of the Board



Trevor Scroggie
Secretary

21/12/2016

STRANGFORD COLLEGE

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2016

The Directors who served during the year are as follows:

Mrs Laura Calvin	Resigned 31 August 2015
Mr Patrick McIntyre	Resigned 31 August 2015
Dr Richard Murphy	
Mr Raymond Murray	
Mr Brian Small	
Mr Boyd Ireland	Resigned 8 September 2016
Mr Trevor Scroggie	
Ms Michele Berry	Resigned 10 August 2015
Mrs Susan Mackie	Resigned 8 September 2016
Mrs Angela Morrow	
Mrs Lois Totton	
Mrs Faith Moffett	
Mr Calvin Allcoat	
Ms Linda Marshall	
Ms Anne Hogg	
Mrs Anne Lyner	Appointed 9 June 2015
Mrs Eileen Lenehan	Appointed 24 November 2015

The Directors of the company are also the Governors of the College

Statement of Directors Responsibilities

The Directors of the College are required to present audited financial statements for each financial year.

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the College and the result for that year. In preparing these Financial Statements the Directors are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the Financial Statements on the Going Concern basis unless it is inappropriate to presume that the school will continue in operation.

The Directors are also required to prepare a directors report and a strategic report which describes what the College is trying to do and how it is going about it, including the legal and administrative status of the College. The Directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the College and enable them to ensure that the financial statements comply with the Companies Act 2006, 2015 SORP, FRS 102 and the standards set by the Department of Education for Grant Maintained Integrated Schools. They are also responsible for safeguarding the assets of the College and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STRANGFORD COLLEGE

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2016

The maintenance and integrity of the College website is the responsibility of the governing body 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 presented on the College website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors are responsible for ensuring that funds from DENI are used only in accordance with the Financial Memorandum agreed with the Department and other conditions which the Department may from time to time prescribe. The Directors must ensure that there are appropriate financial and management controls in place sufficient to safeguard public funds and ensure that they are used in accordance with the conditions under which they have been made available. In addition, the Directors are responsible for securing the economic, efficient and effective management of the College's resources and expenditure, so that the benefits that should be derived from the application of public funds by the Department are not put at risk.

Auditors

The auditors, RSM Northern Ireland, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditors

So far as the Directors are aware, there is no relevant audit information of which the College's auditors are unaware. Additionally, the Directors have taken all the necessary steps that they ought to have taken as Directors in order to make themselves aware of all relevant audit information and to establish that the College's auditors are aware of that information.

On behalf of the Board



Trevor Scroggie
Secretary

.....21/12/2016.....

STRANGFORD COLLEGE

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

FOR THE YEAR ENDED 31 MARCH 2016

Introduction

The Board of Directors are entrusted with public funds and therefore have a particular duty to observe the highest standards of corporate governance at all times and to ensure they are discharging their duties with due regard for the proper conduct of public business. The guiding principles are that the Board of Directors should:-

- Observe the highest standards of integrity and objectivity in the transaction of all its business, and in particular in the management of funds;
- Wherever possible follow a policy of openness and transparency
- Be accountable for the activities and performance of the College; and
- Exercise proper stewardship of public funds and maximise value for money.

Scope of responsibility of Responsible Officer

The role of the responsible officer is:

- To provide adequate review of financial management procedures which will provide the Board of Directors with ongoing assurance as to the satisfactory operation of the school's finance function.
- To provide assurance to the Board of Directors as to the correct introduction and maintenance of sound internal financial controls, financial and otherwise.
- To provide assurance to the Board of Directors as to the efficient, economical and effective management of the resources and expenditure, capital assets, equipment and staff of the school.
- To provide assurance to the Board of Directors that financial considerations are fully taken into account in reaching decisions and in their execution.

College Governance and Management Structure

The Board of Directors consists of 16 members, the Principal and no more than 3 persons co-opted. Of the voting members 6 are foundation directors, 4 are elected by DENI, 4 are elected by parents and 2 elected from the teaching staff.

DENI and NICIE are entitled to elect members to the Board of Directors.

The Board of Directors manage the College in accordance with the Memorandum of Association.

STRANGFORD COLLEGE

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

FOR THE YEAR ENDED 31 MARCH 2016

The Directors who served the governing body during the year and up to the date of signature of this report are as follows:

Director	Date of Appointment / Resignation	Term of Office	Status of Appointment	Committees Served	Attendance in the financial year
Mr Raymond Murray Chairman	A 1/09/2010	4 years (2 nd Term)	NICIE Foundation	Chairperson	4/4
Mrs Laura Calvin	R 31/08/2015	4 years	NICIE Foundation	Education	1/1
Mr Patrick McIntyre	R 31/08/2015	4 years	NICIE Foundation	Finance	1/1
Mr Brian Small	A 25/01/2012	4 years (2 nd Term)	NICIE Foundation	Finance	3/4
Mr Boyd Ireland	R 08/09/2016	4 years	PARENT	Education	3/4
Mr Trevor Scroggie	A 25/01/2012	4 years (2 nd Term)	PARENT	Finance	2/4
Ms Anne Hogg	A 03/03/2015	4 years	DENI	Finance	4/4
Mrs Faithe Moffett	A 24/09/2016	4 years	NICIE Foundation	Finance	3/4
Ms Michele Berry	R 10/08/2015	4 years	NICIE Foundation	Finance	0/1
Mrs Susan Mackie	R 08/09/2016	4 years	PARENT	Education	3/4
Mrs Angela Morrow	R 30/06/2016	4 years	DENI	Education	2/4
Mr Calvin Allcoat	A 13/01/2015	4 years	PARENT	Finance	4/4
Mrs Lois Totton	A 15/10/2013	4 years	DENI	Education	2/4
Ms Linda Marshall	A 23/05/2015	4 years	Teacher Rep	Education	3/4
Dr Richard Murphy	A 16/11/2010	4 years (2 nd Term)	Teacher Rep	Education	4/4
Mrs Anne Lyner	A 9/06/2015	4 years	DENI	Education	3/3
Mrs Eileen Lenehan	A 24/11/2015	4 years	NICIE Foundation	Education	2/2
Rev Colin Davis	A 5/04/2016	4 years	NICIE Foundation	Education	0/0

The Directors are provided with regular and timely information on the overall financial performance of the College together with other information such as teaching targets, personnel- related matters such as health and safety and environmental issues. The directors normally meet as a full Board bi monthly.

The Directors conduct their business through a number of committees. Each committee has terms of reference which have been approved by the Board. These committees are Education and Finance and General Purposes.

The finance committee maintains a register of financial and personal interests of the Directors. Formal agendas, papers and reports are supplied to Directors in a timely manner, prior to Board or Committee meetings.

STRANGFORD COLLEGE

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

FOR THE YEAR ENDED 31 MARCH 2016

Board performance and effectiveness

The College underwent a school inspection in June 2016 with the outcome of the report confirming a satisfactory performance.

Appointments to the Board

Any new appointments to the Board are a matter for the consideration of the Board as a whole. The Board undertakes an annual skills audit to identify and recruit the appropriate skills to the College. The Board is responsible for ensuring that appropriate training is provided. Members of the Board of Directors are appointed for a term of four years. A maximum of two terms can be served.

The Chair and Deputy Chair are elected/ re-elected annually.

Remuneration

No remuneration was received by the Directors in the year. No expenses were reimbursed or paid by the College in the year.

Finance and Audit Committee

The Finance Committee normally meets on a bi monthly basis and provides a forum for reporting on matters arising from external and internal audit.

The College's internal auditors review the systems of internal control, risk management controls and governance processes. Management is responsible for the implementation of agreed audit recommendations and the finance committee undertakes periodic reviews to ensure such recommendations have been implemented.

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

STRANGFORD COLLEGE

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

FOR THE YEAR ENDED 31 MARCH 2016

Risk

The Directors have 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 Board of Directors are of the view that there is a process for identifying, evaluating and managing the College's significant risks.

Internal Audit

Strangford College has appointed Internal Auditors and an annual review is carried out of internal control systems within the College.

The overall statement of assurance on the system of internal control is informed by: the findings relating to each system reviewed; the actions evidenced by management to address any shortcomings; the outcomes of previous reviews undertaken; and the overall criticality of the said systems to the achievement of the overall aims and objectives of Strangford College.

The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve aims and objectives; it can therefore provide only reasonable but not absolute assurance.

The areas reviewed by the internal auditors this financial year were human resources, expenses, budgeting and payroll. Of the areas considered, the internal auditors issued an overall opinion of limited assurance. The College have analysed the risks to which it is exposed and plan to address these weaknesses to ensure the overall aims and objectives of Strangford College are met.

Register of Interest/ Related Parties

A register of pecuniary interests of all members of the Board of Directors is maintained by the finance committee. There are no related party transactions during this financial year.

On behalf the Board



.....
Trevor Scroggie
Secretary

21/12/2016

STRANGFORD COLLEGE

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF STRANGFORD COLLEGE ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

We have audited the financial statements of Strangford College for the year ended 31 March 2016 which comprise the Statement of Comprehensive Income, Statement of Changes in Reserves, the Balance Sheet, the Statement of Cash Flows and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the College's Board of Directors as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the College's Board of Directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College and the College's Board of Directors as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Directors and auditor

As explained more fully in the Directors Responsibilities Statement set out on page 6, the Directors are responsible for the preparation of financial statements which give a true and fair view.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the College's affairs as at 31 March 2016 and of its surplus for the year then ended;
- the financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102;
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

STRANGFORD COLLEGE

**INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF STRANGFORD COLLEGE
ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015 (continued)**

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors Annual Report (including the Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



D W Gray FCA (Senior Statutory Auditor)
For and behalf of RSM Northern Ireland
Chartered Accountants
Statutory Auditor

21/12/2016

Number One
Lanyon Quay
Belfast
BT1 3LG

STRANGFORD COLLEGE
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2016

		2016	2015
	Notes	Total	Total (Restated)
		£	£
INCOME			
Funding body grants	2	3,247,456	3,027,141
Other income	3	179,966	159,870
Donations	4	11,719	7,960
Investment income	5	118	203
TOTAL INCOME		3,439,259	3,195,174
EXPENDITURE			
Staff costs	8	2,522,443	2,391,818
Other operating expenses	9	674,434	690,224
Depreciation	13	118,334	118,334
Interest and other finance costs	10	-	-
TOTAL EXPENDITURE		3,315,211	3,200,376
Surplus/(Deficit) before other gains and losses		124,048	(5,202)
Gain/(loss) on disposal of assets		-	-
Surplus/(deficit) before tax		124,048	(5,202)
Taxation	11	-	-
Surplus/(deficit) for the year		124,048	(5,202)
Total comprehensive income for the year		124,048	(5,202)
Represented by:			
Restricted comprehensive income in the year		-	-
Unrestricted comprehensive income in the year		124,048	(5,202)
		124,048	(5,202)

All amounts above relate to the continuing operations of the college.

The notes on pages 18 – 31 form part of these financial statements

STRANGFORD COLLEGE
STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 MARCH 2016

	Income and expenditure account		
	Restricted	Unrestricted	Total
	£	£	£
Restated balance at 1 April 2014	-	243,667	243,667
Surplus/(deficit) from the income and expenditure account	-	(5,202)	(5,202)
Other comprehensive income	-	-	-
Balance at 31 March 2015	-	238,465	238,465
Surplus/(deficit) from the income and expenditure account	-	124,048	124,048
Other comprehensive income	-	-	-
Balance at 31 March 2016	-	362,513	362,513


The notes on pages 18 – 31 form part of these financial statements

STRANGFORD COLLEGE
BALANCE SHEET AS AT 31 MARCH 2016

	Notes	2016 £	2016 £	2015 £ (Restated)	2015 £ (Restated)
Fixed assets					
Tangible assets	13		4,499,681		4,618,015
Current assets					
Debtors	14	26,077		29,649	
Cash at bank and in hand		519,424		499,558	
		<u>545,501</u>		<u>529,207</u>	
Creditors: amounts falling due within one year	15	<u>(301,322)</u>		<u>(409,076)</u>	
Net current assets			<u>244,179</u>		<u>120,131</u>
Total assets less current liabilities			4,743,860		4,738,146
Creditors – amounts falling due after more than one year	16		(4,381,347)		(4,499,681)
Net Assets			<u>362,513</u>		<u>238,465</u>
Unrestricted Funds					
Income and expenditure account	19		362,513		238,465
			<u>362,513</u>		<u>238,465</u>

The financial statements on pages 14 – 31 were approved and authorised for issue by the Board on 21/12/2016 and were signed on its behalf on that date by:


 Trevor Scroggie
 Director


 Calvin Allcoat
 Director

Company Registration No. NI 032886

The notes on pages 18 – 31 form part of these financial statements

STRANGFORD COLLEGE
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016 £	2015 £
Cash flow from operating activities:			
Surplus/(Deficit) for the year		124,048	(5,202)
Adjustment for non-cash items			
Depreciation		118,334	118,334
Deferred capital grant released to income		(118,334)	(118,334)
(Increase)/Decrease in debtors		3,572	7,252
(Decrease)/Increase in creditors		(107,754)	37,542
Adjustment for investing activities			
Investment income		(118)	(203)
Net cash inflow from operating activities		19,748	39,389
Cash flows from investing activities:			
Investment income		118	203
Net cash inflow from investment activities		118	203
Cash flows from financing activities:			
Interest paid		-	-
Net cash outflow from financing activities		-	-
Increase in cash and cash equivalents in the year		19,866	39,592
Cash and cash equivalents at the beginning of the year	17	499,558	459,966
Cash and cash equivalents at the end of the year	17	519,424	499,558

The notes on pages 18 – 31 form part of these financial statements

STRANGFORD COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

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

1.1 Basis of preparation

These financial statements have been prepared on the going concern basis in accordance with the Statement of Recommended Practice (2015 SORP), in accordance with Financial Reporting Standards (FRS 102) and the Companies Act 2006. The College is a public benefit entity and has therefore applied the relevant public benefit entity requirements of FRS 102.

The financial statements are prepared in accordance with the historical cost convention.

The accounts are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

Transition to the 2015 SORP

This is the first year that the accounts have been prepared under the 2015 SORP and FRS 102. Some of the FRS 102 recognition, management, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the College has amended certain accounting policies to comply with FRS 102 and the 2015 SORP. Details of changes arising due to the transition are included in note 23.

1.2 Going concern

The activities of the College, together with factors likely to affect its future development and performance are set out in the Strategic Report. The financial position of the College, its cash flow, liquidity and borrowings are described in the financial statements and accompanying notes.

The College's forecasts and financial projections indicate that it will be able to continue in operational existence for the foreseeable future.

The College is satisfied that there is no reason to believe that the College's future funding will not be forthcoming to meet the College's liabilities as they fall due. It has accordingly been considered appropriate to adopt a going concern basis for the preparation of these financial statements.

STRANGFORD COLLEGE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

1.3 Recognition of Income

Government Grants

Funding body recurrent grants and other revenue grants are accounted for under the accrual model as permitted by FRS 102. Grants are recognised in income over the period in which the College recognises the related costs for which the grant is intended to compensate. Where part of a government grant is deferred it is recognised as deferred income within creditors and allocated between creditors due within one year and creditors due after more than one year as appropriate.

Capital Grants

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.

Non-grant income

Income received from canteen services and other fund raising activities is recognised when a right to consideration is obtained from the performance of contractual obligations.

Donations

Donations with no restrictions are recognised in income when the College is entitled to the funds.

Donations with donor imposed restrictions are recognised in income when the College is entitled to the income. Income is retained within the restricted reserve until such time as it is utilised in line with the restrictions at which point the income is released to general reserves through a reserve transfer.

1.4 Pensions

The two principal pension schemes for the college's staff are the Northern Ireland Teacher's Pension Scheme (NITPS) and the Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC) defined benefit schemes, which are externally funded and contracted out of the State Earnings-Related Pension Scheme.

The NITPS is an unfunded contributory, voluntary membership scheme administered by the Department of Education. The current regulations under which the scheme operates are the *Teachers' Superannuation Regulations (NI) 1998 (as amended)*. The NITPS is a multi-employer scheme and the college is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The NITPS is therefore treated as a defined contribution scheme and the contributions recognised as they become payable each year.

NILGOSC is a defined benefit scheme which is externally funded and contracted out of the second state Pension Scheme. The Funds are valued every three years by actuaries using the projected unit method. At present disaggregated figures are unavailable leaving the College unable to identify its share of the underlying assets and liabilities of the scheme. In absence of this information NILGOSC is treated as a defined contribution scheme with contributions being recognised as they become payable each year. In the near future disaggregated figures are to become available and when they do the scheme will be accounted for as a defined benefit scheme in accordance with FRS 102. Under this treatment a pension scheme asset or liability is recognised in the balance sheet based on the fair value of assets held in the college's defined benefit scheme and the scheme's liabilities.

STRANGFORD COLLEGE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

1.5 Employee benefits

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

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are held at cost less accumulated depreciation, adjusted for any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

College premises

2% Straight Line

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

The school was vested in September 2003. The associated grant for the premises is accounted for in accordance with the revenue recognition policies above.

In accordance with Department of Education policy, the purchase of equipment not associated with the provision or alteration of premises is charged to the Statement of Comprehensive Income.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets are offset, with the net amounts presented in the accounts when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

STRANGFORD COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

1.8 Financial instruments (continued)

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.9 Leases

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.10 Foreign currency translation

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

1.11 Taxation

As an exempt charity the College benefits by being broadly exempt from taxation in respect of income or capital gains received within categories covered by sections 478-488 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes

1.12 Provisions

Provisions are recognised when the College has a present legal or constructive obligation as a result of a past event. It is probable that a transfer of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

STRANGFORD COLLEGE
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FOR THE YEAR ENDED 31 MARCH 2016

1.13 Critical accounting estimates and judgements

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The following are the critical judgements that the company has made in the process of applying the College's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Holiday Pay Accrual

The holiday pay accrual is calculated by reference to untaken holidays at the year end.

Teaching staff

Due to the nature of teaching staff contracts and the misaligned academic and financial years a significant teaching holiday pay accrual has formed. The teaching staff accrual has been calculated on aggregate based on the predetermined holidays set by the College.

Non-teaching staff

The holiday year for non-teaching staff is in line with the financial year. Untaken holidays are recorded and the costs accrued on a staff by staff basis.

Pensions

As noted in the pension accounting policy above the College contributes to the Northern Ireland Teachers' Pension Scheme and the Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC) Scheme. Both Schemes are Defined Benefit Schemes however as sufficient information is not available to use defined benefit accounting the College has accounted for the schemes as if they were Defined Contribution Schemes in line with FRS 102.

Depreciation and Residual Value

The Directors have reviewed the asset life and residual value of the school premises and have concluded that they are appropriate.

STRANGFORD COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
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2. Funding body grants

	Total Funds 2016 £	Total Funds 2015 £
DENI recurrent grant	2,993,960	2,815,357
DENI VAT grant	33,257	34,964
DENI school meals grant	101,905	58,486
Release of DENI capital grant	118,334	118,334
	3,247,456	3,027,141

3. Other income

	Total Funds 2016 £	Total Funds 2015 £
School meals	109,589	105,024
School societies and trips	66,260	54,163
Other grant income	3,500	-
Miscellaneous income	617	683
	179,966	159,870

4. Donations

	Total Funds 2016 £	Total Funds 2015 £
Unrestricted donations	11,719	7,960
	11,719	7,960

5. Investment Income

	Total Funds 2016 £	Total Funds 2015 £
Bank interest	118	203
	118	203

STRANGFORD COLLEGE
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FOR THE YEAR ENDED 31 MARCH 2016

6. Canteen

	2016	2015
	£	£
Income		
DENI school meals grant	101,905	58,486
School meals income	109,589	105,024
	<u>211,494</u>	<u>163,510</u>
Expenditure		
Staff costs	72,328	53,529
Non staff costs	84,918	96,185
	<u>157,246</u>	<u>149,714</u>
Net surplus	<u>54,248</u>	<u>13,796</u>

7. School societies and trips

	2016	2015
	£	£
Income		
School societies and trips	66,260	54,163
Expenditure		
School societies and trips	72,108	48,353
Net surplus/(deficit)	<u>(5,848)</u>	<u>5,810</u>

8. Staff costs

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

	2016	2015
	No.	No.
Teaching staff	36	34
Non-teaching staff	46	39
	<u>82</u>	<u>73</u>

Staff costs for the above persons:

	2016	2015
	£	£
		(Restated)
Wages and salaries	2,045,532	1,996,247
Social Security costs	134,121	132,892
Other pension costs	342,790	262,679
	<u>2,522,443</u>	<u>2,391,818</u>

STRANGFORD COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

8. 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 Governing Body.

	2016 No.	2015 No.
The number of key management personnel including the Principal was:	<u>2</u>	<u>2</u>

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

	Key management personnel		Other staff	
	2016 No.	2015 No.	2016 No.	2015 No.
£60,001 to £70,000 p.a	1	-	-	-
> £70,001 p.a	-	-	-	-
	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>

Key management personnel compensation is made up as follows:

	2016 £	2015 £
Wages and salaries	114,678	111,178
Social Security costs	11,260	10,891
Benefits in kind	-	-
	<u>125,938</u>	<u>122,069</u>
Pension contributions	20,298	15,194
Total key management personnel compensation	<u>146,236</u>	<u>137,263</u>

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

STRANGFORD COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

9. Other operating expenses

	Total Funds	Total Funds
	2016	2015
	£	£
Premises costs	203,065	210,578
Direct educational costs	208,342	218,332
School societies and trips	72,107	48,354
Canteen costs	84,918	96,185
Administration costs	106,002	116,775
	674,434	690,224

Other operating expenses include:

	2016	2015
	£	£
Auditors' remuneration:		
Financial statements audit	2,250	2,000
Internal audit	1,950	1,950
Other services provided by the financial statements auditor:		
School meals audit	375	375
FRS 102 company accounts	2,000	1,500
Other services provided by internal auditors:	-	-
(Profits)/losses on disposal of fixed assets	-	-
Hire of assets under operating leases	-	-

10. Interest and other finance costs

	2016	2015
	£	£
On bank loans, overdrafts and other loans	-	-

11. Taxation

The Directors do not believe the College was liable for any corporation tax arising out of its activities during this period.

STRANGFORD COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
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12. Pension costs

The College operates two main pension schemes, both of which are defined benefit schemes. The assets are held separately from the College in independently administered funds. Both schemes have been treated as defined contribution schemes as per the College's accounting policy.

The Northern Ireland Teachers' Pension Scheme is administered by the Department of Education. The Directors consider that any changes in funding are not likely to be material and would be covered by increased grants. The pension charge for the year represents contributions due from the College and amounted to £265,123 (2015: £201,808). A balance of £202 (2015: £Nil) was due to the scheme at the year end.

Non-teaching staff are members of the Northern Ireland Local Government Officers Superannuation Committee Scheme. The Directors rely on NILGOSC to advise on the level of contributions required under this scheme. The pension charge for the year represents contributions due from the College and amounted to £81,386 (2015: £62,683). A balance of £412 (2015: £Nil) was due to the scheme at the year end.

13. Fixed Assets

	Freehold Land & buildings £
Cost	
At 1 April 2015 & 31 March 2016	<u>5,916,688</u>
Depreciation	
At 1 April 2015	1,298,673
Charge for year	<u>118,334</u>
At 31 March 2016	<u>1,417,007</u>
Net Book Value	
At 31 March 2016	<u><u>4,499,681</u></u>
At 31 March 2015	<u><u>4,618,015</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

14. Debtors

	2016 £	2015 £
Other debtors	-	6,458
Prepayments and accrued income	26,077	23,191
	26,077	29,649

15. Creditors: amounts falling due within one year

	2016 £	2015 £ (Restated)
Trade creditors	10,011	66,477
Accruals and deferred income	172,363	224,265
Deferred income – government capital grants	118,334	118,334
Other Creditors	614	-
	301,322	409,076

16. Creditors: amounts falling due after one year

	2016 £	2015 £ (Restated)
Deferred income – government capital grants	4,381,347	4,499,681
	4,381,347	4,499,681

17. Cash and cash equivalents

	At 1 April 2015 £	Cash Flow £	At 31 March 2016 £
Cash and cash equivalents	499,558	19,866	519,424
Overdrafts	-	-	-
	499,558	19,866	519,424

STRANGFORD COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

18. Financial instruments

The carrying values of the College's financial assets and liabilities are summarised by category below:

	2016	2015
	£	£
Financial assets		
<i>Measured at amortised cost</i>		
Trade and other debtors	-	6,458
Cash at bank and in hand	519,424	499,558
Financial liabilities		
<i>Measured at amortised cost</i>		
Trade and other creditors	10,625	66,477

The College's income, expense, gains and losses in respect of financial instruments are summarised below:

Interest income and expense

Total interest income for financial assets at amortised cost	118	203
Total interest expense for financial liabilities at amortised cost	-	-

19. Unrestricted funds

	General	Canteen	Societies & Trips	Donations	Total
Income	3,149,786	211,494	66,260	11,719	3,439,259
Expenditure	(3,085,624)	(157,246)	(72,108)	(233)	(3,315,211)
Net surplus/(deficit)	64,162	54,248	(5,848)	11,486	124,048
Opening balance	40,925	93,936	49,853	53,751	238,465
Closing balance	105,087	148,184	44,005	65,237	362,513

20. Contingent liabilities

The College had no contingent liabilities as at 31 March 2016.

21. Events after the reporting period

There are no events to report after the reporting period.

STRANGFORD COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

22. Related Party Transactions

A register of interests of all members of the board of Directors is maintained by the finance committee. No related party transactions were noted during the year.

The total expenses paid to or on behalf of Directors during the year was £Nil; (2015:£Nil).

No Director has received any remuneration or waived payments from the College during the year (2015: £Nil).

23. Transition to FRS 102 and the 2015 SORP

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

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

		At 31 March 2015	At 1 April 2014
		£	£
Financial Position			
Total reserves under previous SORP		4,960,289	5,100,773
Employee leave accrual	a)	(103,809)	(120,757)
Government capital grant reclassification	b)	(4,618,015)	(4,736,349)
Total reserves under 2015 SORP		238,465	243,667

		At 31 March 2015	At 1 April 2014
		£	£
Financial Performance			
Deficit for the year under previous SORP		(140,484)	(136,331)
Employee leave accrual	a)	16,948	(120,757)
Government capital grant release	b)	118,334	118,334
Deficit for the year under 2015 SORP		(5,202)	(138,754)

STRANGFORD COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

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

a) Recognition of short term employment benefits

No provision for short term employment benefits such as holiday pay was made under the previous UK GAAP. Under FRS 102 the costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused entitlement is recognised in the period in which the employee's services are received. An accrual of £120,757 was recognised at 1 April 2014, and £103,809 at 31 March 2015. The accrual movement of £16,948 has been charged to Comprehensive Income in the year ended 31 March 2015.

b) Government capital grant

The capital grant received for the College premises is now recognised under the accruals model. The deferred element of the government capital grant is now recognised within creditors and allocated between creditors due within one year and creditors due after more than one year. This capital grant was previously restricted and recognised in a designated reserve. Previously a transfer from the designated reserve to the general reserve was made in line with the expected useful life of the asset. The capital grant is now released to the statement of comprehensive income in line with the expected useful life of the College premises.