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FORM AR27

Trade Union and Labour Relations (Consolidation) Act 1992

ANNUAL RETURN FOR AN EMPLOYERS' ASSOCIATION

Name of Employers' Association:

Year ended:

List No:

Head or Main Office:

Website address (if available)

Has the address changed during the year to which the return relates? Yes No (Tick as appropriate)

General Secretary:

Contact name for queries regarding the completion of this return:

Telephone Number:

e-mail:

PLEASE FOLLOW THE GUIDANCE NOTES IN THE COMPLETION OF THIS RETURN.
Any difficulties or problems in the completion of this return should be directed to the Certification Office as below or by telephone to: 020 7210 3734

The address to which returns and other documents should be sent are:

For Employers' Associations based in England and Wales:
Certification Office for Trade Unions and Employers' Associations
22nd Floor, Euston Tower, 286 Euston Road, London NW1 3JJ

For Employers' Associations based in Scotland:
Certification Office for Trade Unions and Employers' Associations
Melrose House, 69a George Street, Edinburgh EH2 2JG



Directors and Advisers

Chair:	C Stott - AoC Create, ACT, AoC India, F&GP, RC, GC
President & Vice-Chair:	R Atkins – AoC Sport – Resigned 31 July 2015 J Widdowson – Appointed 1 August 2015
Deputy Chair:	D Roberts – AoC Create, AC, RC – Resigned 31 December 2015 K Webb – EC – Appointed 1 January 2016
Directors:	C Booth – AoC Create, F&GP K Clifford – RC – Resigned 31 December 2015 A Constantine - EC M David – F&GP A Khemka – AoC India, EC – Resigned 31 December 2015 J Short – AoC Create, F&GP M White – F&GP, AC, GC, RC, EC P Phillips – EC, RC N Davison – AC M Hunter N Leigh – RC R Mann – GC – Resigned 2 December 2015 G McDonald – AC, EC J Sharma – AoC India, AC A Stott – GC K Webb – EC D Wood – F&GP J Machell – Appointed 1 January 2016, Resigned 24 February 2016
CEO:	M Doel – AoC Create, ACT, AoC Sport, GC & F&GP
Director of Finance:	P J Brophy – AoC Create, ACT, AoC Sport, AoC India, GC & F&GP
Company Secretary:	J Edwards

Boards AoC Create Ltd (AoC Create), AoC India Ltd (AoC India) and AoC Charitable Trust (ACT).

Committees Audit Committee (AC), Employment Committee (EC), Finance and General Purposes (F&GP),
Governors' Council (GC) and Remuneration Committee (RC).

RETURN OF MEMBERS

(see note 9)

NUMBER OF MEMBERS AT THE END OF THE YEAR				
Great Britain	Northern Ireland	Irish Republic	Elsewhere Abroad (including Channel Islands)	TOTALS
335				335

OFFICERS IN POST

(see note 10)

Please attach as an annexe to this form a complete list of all officers in post at the end of the year to which this form relates, with the title of each persons office.

CHANGE OF OFFICERS

Please complete the following to record any changes of officers during the twelve months covered by this return.

Title of Office	Name of Officer ceasing to hold office	Name of Officer Appointed	Date of Change
President President	R Atkins	J Widdowson	31 July 2015 01 August 2015
Board Member Board Member	D Roberts K Clifford		31 December 2015 31 December 2015
Board Member Board Member	A Khemka R Mann		31 December 2015 2 December 2015
Board Member Board Member		K Webb J Machell	1 January 2016 1 January 2016
Board Member Board Member	J Machell		24 February 2016

REVENUE ACCOUNT/GENERAL FUND

(see notes 11 to 16)

Previous Year		£	£
	INCOME		
	From Members Subscriptions, levies, etc		
	Investment income Interest and dividends (gross) Bank interest (gross) Other (specify)		
	Other income Rents received Insurance commission Consultancy fees Publications/Seminars Miscellaneous receipts (specify)		
	TOTAL INCOME		
	EXPENDITURE		
	Administrative expenses Remuneration and expenses of staff Occupancy costs Printing, Stationery, Post Telephones Legal and Professional fees Miscellaneous (specify)		
	Other charges Bank charges Depreciation Sums written off Affiliation fees Donations Conference and meeting fees Expenses Miscellaneous (specify)		
	Taxation		
	TOTAL EXPENDITURE		
	Surplus/Deficit for year		
	Amount of fund at beginning of year		
	Amount of fund at end of year		

ACCOUNTS OTHER THAN THE REVENUE ACCOUNT/GENERAL FUND

(see notes 17 to 18)

ACCOUNT 2		Fund Account	
Name of account:		£	£
Income	From members		
	Investment income		
	Other income (specify)		
	Total Income		
Expenditure	Administrative expenses		
	Other expenditure (specify)		
	Total Expenditure		
	Surplus (Deficit) for the year		
Amount of fund at beginning of year			
Amount of fund at the end of year (as Balance Sheet)			

ACCOUNT 3		Fund Account	
Name of account:		£	£
Income	From members		
	Investment income		
	Other income (specify)		
	Total Income		
Expenditure	Administrative expenses		
	Other expenditure (specify)		
	Total Expenditure		
	Surplus (Deficit) for the year		
Amount of fund at beginning of year			
Amount of fund at the end of year (as Balance Sheet)			

ACCOUNTS OTHER THAN THE REVENUE ACCOUNT/GENERAL FUND

(see notes 17 to 18)

ACCOUNT 4		Fund Account	
Name of account:		£	£
Income	From members		
	Investment income		
	Other income (specify)		
	Total Income		
Expenditure	Administrative expenses		
	Other expenditure (specify)		
	Total Expenditure		
	Surplus (Deficit) for the year		
	Amount of fund at beginning of year		
	Amount of fund at the end of year (as Balance Sheet)		

ACCOUNT 5		Fund Account	
Name of account:		£	£
Income	From members		
	Investment income		
	Other income (specify)		
	Total Income		
Expenditure	Administrative expenses		
	Other expenditure (specify)		
	Total Expenditure		
	Surplus (Deficit) for the year		
	Amount of fund at beginning of year		
	Amount of fund at the end of year (as Balance Sheet)		

ACCOUNTS OTHER THAN THE REVENUE ACCOUNT/GENERAL FUND

(see notes 17 to 18)

ACCOUNT 6		Fund Account	
Name of account:		£	£
Income	From members		
	Investment income		
	Other income (specify)		
	Total Income		
Expenditure	Administrative expenses		
	Other expenditure (specify)		
	Total Expenditure		
	Surplus (Deficit) for the year		
	Amount of fund at beginning of year		
	Amount of fund at the end of year (as Balance Sheet)		

ACCOUNT 7		Fund Account	
Name of account:		£	£
Income	From members		
	Investment income		
	Other income (specify)		
	Total Income		
Expenditure	Administrative expenses		
	Other expenditure (specify)		
	Total Expenditure		
	Surplus (Deficit) for the year		
	Amount of fund at beginning of year		
	Amount of fund at the end of year (as Balance Sheet)		

FIXED ASSETS ACCOUNT

(see note 21)

	Land & Buildings	Fixtures & Fittings	Motor Vehicles & Equipment	Total
	£	£	£	£
COST OR VALUATION				
At start of period				
Additions during period				
Less: Disposals during period				
Less: DEPRECIATION:				
Total to end of period				
BOOK AMOUNT at end of period				
Freehold				
Leasehold (50 or more years unexpired)				
Leasehold (less than 50 years unexpired)				
AS BALANCE SHEET				

ANALYSIS OF INVESTMENTS

(see note 22)

		Other Funds £
QUOTED	British Government & British Government Guaranteed Securities	
	British Municipal and County Securities	
	Other quoted securities (to be specified)	
	TOTAL QUOTED (as Balance Sheet)	
	*Market Value of Quoted Investments	
UNQUOTED	British Government Securities	
	British Municipal and County Securities	
	Mortgages	
	Other unquoted securities (to be specified)	
	TOTAL QUOTED (as Balance Sheet)	
	*Market Value of Unquoted Investments	

* Market value of investments to be stated where these are different from the figures quoted in the balance sheet

ANALYSIS OF INVESTMENT INCOME (CONTROLLING INTERESTS)

(see notes 23 to 25)

Does the association, or any constituent part of the association, have a controlling interest in any limited company?		YES	NO
If YES name the relevant companies:			
COMPANY NAME	COMPANY REGISTRATION NUMBER (if not registered in England & Wales, state where registered)		
INCORPORATED EMPLOYERS' ASSOCIATIONS			
Are the shares which are controlled by the association registered in the association's name		YES	NO
If NO, please state the names of the persons in whom the shares controlled by the association are registered.			
COMPANY NAME	NAMES OF SHAREHOLDERS		
UNINCORPORATED EMPLOYERS ASSOCIATIONS			
Are the shares which are controlled by the association registered in the names of the association's trustees?		YES	NO
If NO, state the names of the persons in whom the shares controlled by the association are registered.			
COMPANY NAME	NAMES OF SHAREHOLDERS		

SUMMARY SHEET

(see notes 26 to 35)

	All funds except Political Funds £	Political Funds £	Total Funds £
INCOME			
From Members	5,187,224		5,187,224
From Investments	(286,228)		(286,228)
Other Income (including increases by revaluation of assets)	4,546,265		4,546,265
Total Income	9,447,261		9,447,261
EXPENDITURE (including decreases by revaluation of assets)	8,575,501		8,575,501
Total Expenditure	8,575,501		8,575,501
Funds at beginning of year (including reserves)	(7,110,315)		(7,110,315)
Funds at end of year (including reserves)	(6,238,555)		(6,238,555)
ASSETS			
Fixed Assets			215,741
Investment Assets			101
Other Assets			6,504,943
		Total Assets	6,720,785
LIABILITIES		Total Liabilities	12,959,340
NET ASSETS (Total Assets less Total Liabilities)			(6,238,555)

NOTES TO THE ACCOUNTS

(see note 36)

All notes to the accounts must be entered on or attached to this part of the return.

Please see Directors' Report and Financial Statement for the Year Ended 31st March 2016.

ACCOUNTING POLICIES

(see notes 37 and 38)

Please see Directors' Report and Financial Statement for the Year Ended 31st March 2016.

SIGNATURES TO THE ANNUAL RETURN

(see notes 39 and 40)

including the accounts and balance sheet contained in the return.

Secretary's Signature: _____ 	Chairman's Signature: _____  <small>(or other official whose position should be stated)</small>
Name: J Edwards _____	Name: C Stott _____
Date: 26/7/2016	Date: 26/7/2016

CHECK LIST

(see note 41)

(please tick as appropriate)

IS THE RETURN OF OFFICERS ATTACHED? (see Page 3)	YES	✓	NO	
HAS THE RETURN OF CHANGE OF OFFICERS BEEN COMPLETED? (see Page 3)	YES	✓	NO	
HAS THE RETURN BEEN SIGNED? (see Note 38)	YES	✓	NO	
HAS THE AUDITOR'S REPORT BEEN COMPLETED (see Note 39)	YES	✓	NO	
IS A RULE BOOK ENCLOSED? (see Note 40)	YES	✓	NO	
HAS THE SUMMARY SHEET BEEN COMPLETED (see Notes 6 and 25 to 34)	YES	✓	NO	

AUDITOR'S REPORT

(see notes 42 to 47)

made in accordance with section 36 of the Trade Union and Labour Relations (Consolidation) Act 1992.

1. In the opinion of the auditors or auditor do the accounts they have audited and which are contained in this return give a true and fair view of the matters to which they relate?
(See section 36(1) and (2) of the 1992 Act and notes 43 and 44)

YES/ NO

If "No" please explain below.

2. Have the auditors or auditor carried out such investigations in the preparation of their audit report as will enable them to form an opinion as to:
- (a) whether the trade union has kept proper accounting records in accordance with section 28 of the 1992 Act;
 - (b) whether it has maintained a satisfactory system of control over its transactions in accordance with the requirements of that section; and
 - (c) whether the accounts to which the report relates agree with the accounting records?
- (See section 36(3) of the 1992 Act, set out in note 43)

YES/ NO

If "No" please explain below.

3. Are the auditors or auditor of the opinion that the union has complied with section 28 of the 1992 Act and has:
- (a) kept proper accounting records with respect to its transactions and its assets and liabilities; and
 - (b) established and maintained a satisfactory system of control of its accounting records, its cash holding and all its receipts and remittances.
- (See section 36(4) of the 1992 Act set out in note 43)

YES/ NO

If "No" please explain below.

4. Please set out a copy of the report made by the auditors or auditor to the union on the accounts to which this AR27 relates. The report is to set out the basis upon which the audit has been conducted and/or such other statement as the auditor considers appropriate. Such a statement may be provided as a separate document.
(See note 45)

AUDITOR'S REPORT (continued)

Please see Directors' Report and Financial Statement for the Year Ended 31st March 2016.

Signature(s) of auditor or auditors:	<i>RSM UK Audit LLP</i>	
Name(s):	<i>RSM UK Audit LLP</i>	
Profession(s) or Calling(s):	<i>Chartered Accountants</i>	Statutory Auditor
Address(es):	<i>25 Farringdon Street London EC4A 4AB</i>	
Date:	<i>4/8/2016</i>	
Contact name and telephone number:	<i>0121 214 3123</i>	

N.B. When notes to the accounts are referred to in the auditor's report a copy of those notes must accompany this return.

Association of Colleges
(Limited by guarantee)

**Directors' report
and
financial statements
for the year ended
31 March 2016**

Registered number: 03216271

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Directors and Advisers (continued)

Registered Office

2 - 5 Stedham Place
London
WC1A 1HU

Solicitors

Mills & Reeve
1 St. James' Court
Whitefriars
Norwich
NR3 1RU

Internal Auditor

Mazars LLP
Regency House
3 Grosvenor Square
Southampton
SO15 2BE

Statutory Auditor

RSM UK Audit LLP
Chartered Accountants
25 Farringdon Street
London EC4A 4AB

Bankers

Barclays Bank PLC
28th Floor, 1 Churchill Place
Canary Wharf
London
E14 5HP

Strategic report

This strategic report for the year ended 31 March 2016 is to be considered alongside the Accounts and Directors' Report for the same financial period.

Overview of the AoC

The Association of Colleges (AoC) was created in 1996 as the single voice to promote the interests of incorporated further education and sixth form colleges in England and Wales. It now also provides members with professional support services.

AoC exists as the essential, influencing voice of colleges in order to:

- develop and promote an environment in which colleges can flourish;
- ensure that colleges are recognised as major contributors to the economic and social prosperity of the nation;
- champion and promote colleges as central to the development of people, skills and knowledge for the nation;
- support the governors and governing bodies of college corporations through the establishment of the Governors' Council to sustain and develop good governance practices throughout the sector.

These principal activities are set out in the Association's founding constitution.

Geographical location and network reach

From its national office in London, AoC, a not-for-profit company limited by guarantee, works with a network of nine regional offices throughout England. These comprise: North East, North West, Yorkshire & Humber, East, East Midlands, West Midlands, South East, London and South West. AoC London is a region in its own right and is not to be confused with AoC. Each regional office is led by a Regional Director.

This regional spread enables the voice of colleges to be heard across England. It also means that AoC remains both close to our member colleges and responsive to their needs. In each area, the Regional Director and their team work to champion and promote their colleges and the contribution they make to local economic and social prosperity.

Regional offices work to ensure that colleges are represented on relevant decision-making bodies and that their views are understood by local partners, including Local Enterprise Partnerships (LEPs). Our regional structure also means we can provide a range of professional development networks, events and information and advice services that support college excellence and helps them to grow and flourish. We manage around 400 regional network meetings each year, giving a chance for everyone to participate. Regional offices are a key way of ensuring that members' views shape and influence AoC policy at all levels, vital in a body which prides itself on being a membership-focused organisation.

AoC Charitable Trust and our wholly owned commercial subsidiary, AoC Create, are also based in London. AoC India is a wholly owned subsidiary company with office space in Delhi, India.

Strategic report (continued)

Our members

AoC's 200 national and regional member engagement groups are one of the main ways in which we engage with our member colleges and a key route through which members can influence AoC's policy and activities. Our portfolio groups, national and regional policy groups, regional networks and standing groups enable Strategic report (continued)

members to drive education policy, talk directly to Government officials and share best practice. We have around a dozen portfolio groups, 20 national policy groups and 130 regional policy groups, all of which meet regularly throughout the year. Notes relating to these policy meetings are always available to members through the relevant channels.

Over 70% of AoC members are engaged in our national portfolio groups. We invite external stakeholders such as employer representatives or Ofsted members to meet AoC alongside college principals, governors and other senior college staff. The groups then discuss how policy is emerging and how it translates into practice.

Annual conference

The Association holds an annual conference and exhibition each November, bringing together the further education sector under one roof to learn, develop, influence, exchange information and network. In recent years, this has been held in Birmingham where not only are there first-class conference and exhibition facilities but the central location makes the event as accessible as possible for the majority of delegates.

Featuring keynote speakers, plenary sessions, breakout sessions, workshops and networking events, this informative and stimulating event is highly regarded by our membership and is the highlight of AoC's events calendar.

Income from members' subscriptions

Funded by a mix of membership subscriptions and commercially generated revenue, we aim to be transparent in our affairs. Our Board, which meets on average four times a year, sets our direction and approves major spends. Subscription rates are calculated on the basis of the size and income of each FE or sixth form college.

The political landscape

AoC's public affairs team has over 25 years' experience of working with MPs in Westminster and with Government departments in Whitehall. Liaising with all political parties (not just the party or parties in government), we lobby to make sure they create policies that are beneficial to member colleges and suggest amendments to legislation. We undertake our work with the help of college principals and chairs of governors.

As well as maintaining good contacts with key MPs from all major political parties, regular activities include suggesting Parliamentary Questions, submitting written evidence to select committees and producing briefings for MPs and Peers to inform debates in both Houses. We brief principals on how to manage their relationship with their local MPs and advise on opportunities to speak directly to MPs on issues that concern them. We also put principals forward to provide spoken evidence to select committees. We are delighted whenever an MP pays tribute to the work their local college is doing or a Minister speaks highly of the sector.

Strategic report (continued)

Communicating with the sector

Our website provides an up-to-date overview on the work of AoC. Whilst some of the content is password-protected for colleges only, much is 'free to view' and accessible to all. All member colleges can access the whole range of information through using their login details. Weekly *Chief Executive Letters* are emailed to all members each Friday and these contain a summary of policy developments, along with commentary from our Chief Executive, Martin Doel. In addition, a comprehensive range of issue-related briefings are communicated with members and we operate an electronic archive of these publications which is accessible to all members.

Recent member surveys praised the in-depth analysis provided by AoC as well as the frequent and relevant policy papers, briefings and reports from the directorates within AoC.

Our political and media relations successes

As a representative organisation, we measure our success by how effectively we are able to positively influence Government policy for the benefit of further education and sixth form colleges and their students. On behalf of our members, we promote issues to Parliament, the media and the public. Campaigns enable us to work with people and organisations who are outside our core audience. Anyone can sign our e-petitions and get involved and this inclusivity is at the heart of how AoC operates. AoC campaigns also raise the profile of colleges.

Our political and media relations successes (continued)

We are pleased that there have been many notable successes in the year ended 31 March 2016.

- We produced a manifesto of policy recommendations for the new Government which colleges used in their local campaigning. Since the General Election, at which the Conservatives were elected with a majority, we have worked hard to influence Ministers to follow our recommendations. Allied with this has been coverage in national and local media supporting our work including in the Daily Mail, The Times and Financial Times.
- The Government's Spending Review was crucially important for our members. We produced a submission to inform the Review which included a number of key recommendations. The results of the Review were better for colleges than many expected and this followed lobbying work by AoC in Parliament and in the media.
- A major success for AoC this year has been the result of many months of campaigning to improve the quality of careers advice given to young people in schools. The Government announced in January 2016 that colleges will be able to visit schools to speak to their pupils.

Subsidiary companies

As reported in Note 11 to the accounts, the Association has three trading subsidiary companies, AoC Create Ltd, AoC India Ltd and AoC Sport Ltd.

Strategic report (continued)

AoC Create Ltd.

AoC Create Ltd is a trading subsidiary of AoC. The principal activity of the company is to provide the best range of highest quality, best value-for-money services needed by further education and associated sectors in England and Wales. These activities include conference, recruitment, training and consultancy services and all the money earned is invested back to benefit AoC member colleges.

AoC India Ltd.

AoC India Ltd, a not-for-profit, limited by guarantee entity, was formed in 2012 and brings together UK and Indian partners to provide UK vocational education and training programmes to India. It is a partnership of UK FE colleges that have jointly funded a Delhi-based office.

- Representing AoC India colleges to key Indian stakeholders, promoting the AoC India brand to potential Indian partners, working closely with key UK stakeholders such as UK Trade & Investment, the British Council and the Home Office.
- Sourcing potential business opportunities for colleges, communicating business opportunities to participating colleges and general market information, helping to form appropriate consortiums to best access the India market and specific opportunities.

AoC Sport Ltd.

AoC Sport Ltd was created from the merger of British Colleges Sport (BCS), English Colleges FA Ltd and the Sport Policy team from the AoC. It commenced trading on 1 August 2014 and it is a wholly-owned subsidiary of AoC. It is a non-profit distributing company with a membership of FE and sixth form colleges. The Company's vision, belief and purpose is:

- To promote college sport and physical activity, we champion the education, employment and health benefits of participation in sport or physical activity.
- To support college sport and physical activity, we are the trusted voice for college sport and physical activity, driving improvement, attracting funding for the sector and shaping the further education sporting landscape
- To deliver college sport and physical activity, we design and deliver competitions, activities and advice that meet the needs of students, member colleges and external agencies.

AoC Charitable Trust

In addition to the trading subsidiaries, the Association manages the AoC Charitable Trust. The Trust is devoted to raising funds and overseeing their application for the benefit of post-16 education. The trust has, since 1994, been administering the annual Beacon Awards. The aim of the Awards is to recognise imaginative and exemplary teaching and learning practice in further education; to draw attention to provision which encourages and supports learners to approach challenges positively and creatively; and to support learning and continuous improvement through the dissemination of Award-bearing practice. The Trust has separate financial statements from the AOC group.

Strategic report (continued)

JISC

AoC is a joint partner of JISC, a company limited by guarantee at £1 per member, with Universities UK and Guild HE. AoC has one nominated representative on the JISC Board. Resolutions are passed with a simple majority vote. JISC is a registered charity and champions the use of digital technologies in UK education and research. JISC is not part of the AOC group for consolidation purposes.

ETF

AoC is one of three founding members of the ETF, a company limited by guarantee at £1 per member with the Association of Employment and Learning Providers (AELP) and the Association of Adult Education and Training Organisations (which operates under the name of HOLEX). AoC is entitled to appoint three of the twelve directors on the Board and Board resolutions are passed with a simple majority vote. ETF is a registered charity and as such operates for the public benefit. AoC does not have a participating interest in ETF and does not derive any benefit from its members, and is not part of AOC group for consolidation purposes.

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 2016. Details of the subsidiaries are not shown in the Directors' report because it is shown in the Strategic Report instead under S414C(11) and Note 11 of the accounts.

Principal activities

The Association of Colleges (AoC) was created in 1996 as the single voice to promote the interests of incorporated further education and sixth form colleges in England and Wales. Details of the principal activities are provided in the strategic report.

AoC exists to represent and promote the interests of colleges and to provide members with professional support services.

Results

The Board reports the Company outturn for the financial year ended 31 March 2016, which is a deficit of £61,100 (2015: surplus £62,981) before tax, adjustments of the Financial Reporting Standard (FRS) 102 requirements, and after contributing £136,349 (2015: £136,349) towards the LPFA deficit in the year. A dividend has been received from AoC Create Ltd of £450,000 (2015: £350,000). During the year the board agreed to a restructuring which resulted in a number of voluntary redundancies. The costs associated with this were £128,963.

In line with the Board's previously stated intention to have reserves that would enable the Association to meet all potential liabilities including those off balance sheet, further very strict monitoring and control of expenditure will continue for the foreseeable future to significantly increase the reserves.

In addition, the Association, in line with all companies, has to comply in full with the reporting requirements of FRS102 and has done so with the impact duly reported as required.

Results (continued)

The London Pension Fund Authority (LPFA) deficit is reported on later in this report and the Board, whilst complying with the FRS102 requirements, believes that the pension deficit as reported by the LPFA better reflects the true liabilities faced by the Association rather than those reported under FRS17 requirements. As such the Association continues to make additional contributions as required by the LPFA towards its deficit.

During the year the Association of Colleges made a donation of £65,500 (2015: £60,500) to the AoC Charitable Trust.

London Pension Fund Authority

As reported in Note 18 to the accounts, the Association's members of staff are eligible to join the London Pension Fund Authority (LPFA) final salary pension scheme. As previously reported, in line with FRS102 requirements the scheme has been under-funded and in deficit for a number of years.

As a result of the tri-annual valuation of the LPFA in March 2014, the trustees of the fund have been required to seek significant contributions from the relevant employing bodies. The Association of Colleges was notified that it was required to contribute an additional £171,100 annually and this additional funding has been budgeted for in full. As in the last financial year, the Board agreed an additional discretionary payment

Directors' report (continued)

towards the deficit of £100,000, over and above the £171,000. This is part of the long term strategy to fully fund the liabilities.

The Board

The members who served on the Board during the year and up to the date of this report are listed on page 3.

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

The Board is provided with regular and timely information on the overall financial performance of the AoC together with other information such as performance against targets, proposed capital expenditure, quality matters and personnel-related matters. The Board meets every two months.

The Board conducts its business through a number of committees. Each committee has terms of reference, which have been approved by the Board. These committees include those for finance and general purposes, remuneration, employment and audit.

The Company Secretary maintains a register of financial and personal interests of Board members and is responsible to the Board for ensuring that all applicable procedures and regulations are complied with. Formal agendas, papers and reports are supplied to Board members in a timely manner, prior to Board meetings. Briefings are also provided on an ad hoc basis. The Board has a strong and independent non-executive element and no individual or group dominates its decision-making process. The Board 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 Chairperson and Chief Executive are separate.

Appointments to the Board

The Association of Colleges holds elections to its Board of Management every year, when one third of the regionally elected Board Members are required to retire. Appointments to the Board are for a three-year term of office.

The President

The AoC President is elected to term between the 1 August and 31 July. The role of the President is to represent the needs of the membership and act as the voice of colleges on behalf of the AoC.

Governors' Council

The Governors' Council aims to reflect the representation achieved by the AoC Board with elected and co-opted Governors from member colleges. The AoC Chair, President, Chief Executive and Director of Finance are all ex-officio members of the Council.

The Council's vision is to develop and use the experience and expertise of Governors to represent their views in AoC policy formulation and to promote good college governance, thus contributing to the mission of the AoC.

Directors' report (continued)

Governors represent a formidable wealth of diverse experience which can be harnessed to help shape and improve the performance of the FE sector. The Governors' Council provides genuine opportunities for Governors to express their views to inform and influence policy makers and partners.

Board Portfolio Groups

The AoC Board nominates portfolio holders to lead policy work in a number of areas. As of June 2014 there are established portfolio groups which concern themselves with the following areas: 14-19 and associated funding, higher education provision and funding in colleges, performance and quality (standards), skills & training, reputation, sport, technology, governance, sustainable futures, urban colleges, quality, international, local government, enterprise, sixth form colleges, learning difficulties & disabilities and academies.

Each portfolio holder convenes a group of college leaders to develop AoC policy positions to reflect college concerns and interests.

Remuneration Committee

Throughout the year ended 31 March 2016, the AoC's remuneration committee comprised ten members of the Board. The committee's responsibilities are to approve proposals regarding remuneration levels for AoC staff and to make recommendations to the Board on the remuneration and benefits of the Chief Executive.

Details of remuneration for the year ended 31 March 2016 are set out in Notes 2 and 3 to the financial statements.

Audit Committee

The Audit Committee comprises eight members of the Board (excluding the Chair, Chief Executive and Director of Finance). The committee operates in accordance with written terms of reference approved by the Board.

The AoC's internal auditors monitor the systems of internal control, risk management controls and governance processes in accordance with an agreed plan of input and report their findings to management and the audit committee. External auditors also meet with the Audit Committee and convey their findings accordingly.

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

Finance and General Purposes Committee (F&GP)

The F&GP Committee comprises seven members of the Board. The committee operates in accordance with written terms of reference approved by the Board and oversees the financial and operational matters relating to the Group.

Employment Committee

The Employment Committee comprises nine members of the Board and operates in accordance with written terms of reference approved by the Board. The Committee oversees research and develops national policy guidance for employment in colleges, as well as negotiating national joint agreements on employment policy and procedure with nationally recognised trade unions.

Statement of Corporate Governance

The AoC is committed to exhibiting best practice in all aspects of corporate governance. This summary describes the manner in which the Association has applied the principles set out in the revised *Combined Code on Corporate Governance* issued by the London Stock Exchange in 2010. Its purpose is to help the reader of the accounts understand how the principles have been applied.

In the opinion of the Board, the AoC complies with all the provisions of the Combined Code in so far as they apply to the further education sector, and it has complied throughout the year ended 31 March 2016.

Principal Risks

A comprehensive risk register is maintained and reviewed on a regular basis by the Audit Committee and the Board. The key risk is the impact of the current government spending cuts and its impact on the Association and its members. The Board is aware of the key risks to the Association and plans accordingly.

The board considers the defined benefit pension scheme (note 18) as a key principal risk, which has been detailed on page 9. The Board considers there to be no other principal risks.

Future developments

The AoC will continue to promote the interests of further education and sixth form colleges and will seek to bid for further project work in support of those colleges. The nine regional offices will continue to represent the interests of their local member colleges, disseminating national policy and providing vital representation around the UK. AoC Create will continue as the commercial arm of AoC, providing high quality professional services to the sector.

Statement as to Disclosure of Information to Auditor

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. The directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Auditor

RSM UK Audit LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006. A resolution for the re-appointment of RSM UK Audit LLP as auditor of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the Board.



P J Brophy
Director
6 July 2016

Statement of Directors' Responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and the group and the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. state whether all applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditor's Report to the Members of Association of Colleges

We have audited the group and parent company financial statements (the "financial statements") on pages 17 to 42. 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 company's members, 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 company's members 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 14, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 March 2016 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

RSM UK Audit LLP

Paul Oxtoby (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP)
Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

3 August 2016

Consolidated Statement of Comprehensive Income
for the year ended 31 March 2016

	Notes	31 March 2016		31 March 2015	
		Group £	Company £	Group £	Company £
Turnover		16,264,954	7,913,489	19,146,303	11,163,842
Cost of sales	4	<u>(11,117,313)</u>	<u>(5,070,566)</u>	(13,585,340)	(8,107,569)
Gross profit		5,147,641	2,842,923	5,560,963	3,056,273
Admin expenses	5	<u>(5,413,331)</u>	<u>(3,492,795)</u>	(4,895,961)	(3,301,291)
Operating (loss)/profit		(265,690)	(649,872)	665,002	(245,018)
Interest receivable and similar income	6a	24,934	471,772	21,966	369,999
Interest payable and similar charges	6b	<u>(308,000)</u>	<u>(308,000)</u>	(282,000)	(282,000)
(Loss)/profit on ordinary activities before taxation	8	(548,756)	(486,100)	404,968	(157,019)
Taxation	7	<u>(103,445)</u>	<u>(12,140)</u>	(204,042)	(23,601)
(Loss)/profit for the financial year	16	<u>(652,201)</u>	<u>(498,240)</u>	200,926	(180,620)
Other Comprehensive Income (net of tax)					
Actuarial gains/(losses) on defined benefit plans		<u>1,370,000</u>	<u>1,370,000</u>	(2,902,000)	(2,902,000)
(Loss)/profit for the Year		<u>(652,201)</u>	<u>(498,240)</u>	200,926	(180,620)
Total comprehensive income for the Year		<u>717,799</u>	<u>871,760</u>	(2,701,074)	(3,082,620)

The result for the year arises from the company's continuing operations.

Statements Of Financial Position

as at 31 March 2016

Registered number: 3216271

	Notes	31 March 2016		31 March 2015	
		Group £	Company £	Group £	Company £
Fixed assets:					
Other intangible assets	9	42,624	-	-	-
Tangible fixed assets	10	257,306	215,741	356,657	303,165
Investments	11	-	101	-	101
		299,930	215,842	356,657	303,266
Current assets:					
Debtors due within one year	12	3,159,782	2,244,809	4,739,295	2,474,739
Cash in bank and in hand		5,555,156	4,260,134	5,712,095	4,705,446
		8,714,938	6,504,943	10,451,390	7,180,185
Current Liabilities:					
Creditors: amounts falling due within one year	13	(5,890,920)	(4,470,340)	(7,469,590)	(5,159,766)
Net current assets		2,824,018	2,034,603	2,981,800	2,020,419
Total assets less current liabilities		3,123,948	2,250,445	3,338,457	2,323,685
Provisions for liabilities	14	(12,692)	-	-	-
Net assets excluding pensions liability		3,111,256	2,250,445	3,338,457	2,323,685
Defined benefit pension scheme liability	18	(8,489,000)	(8,489,000)	(9,434,000)	(9,434,000)
Net liabilities including pensions liability		(5,377,744)	(6,238,555)	(6,095,543)	(7,110,315)
Capital And Reserves					
Pension reserve		(8,489,000)	(8,489,000)	(9,434,000)	(9,434,000)
Profit and loss account		3,111,256	2,250,445	3,338,457	2,323,685
Total Equity		(5,377,744)	(6,238,555)	(6,095,543)	(7,110,315)

The financial statements on pages 17 – 42 were approved and authorised for issue by the Board of Directors on 6 July 2016 and were signed on its behalf by:

C Stott
Chair

6 July 2016



Consolidated Statement of Changes in Equity
for the year ended 31 March 2016

	Pension Reserve	Profit and loss account	Total
	£	£	£
Balance at 1 April 2015	(6,312,000)	2,917,531	(3,394,469)
Profit for the year	(220,000)	420,926	200,926
Other comprehensive income, net of tax: - Actuarial (losses)/gains on defined benefit plans	(2,902,000)	-	<u>(2,902,000)</u>
Total comprehensive income for the year	(3,122,000)	420,926	(2,701,074)
Balance at 31 March 2015	(9,434,000)	3,338,457	(6,095,543)
Loss for the year	(425,000)	(227,201)	(652,201)
Other comprehensive income, net of tax: - Actuarial gains/(losses) on defined benefit plans	1,370,000	-	<u>1,370,000</u>
Total comprehensive income for the year	945,000	(227,201)	717,799
Balance at 31 March 2016	(8,489,000)	3,111,256	(5,377,744)

Company Statement of Changes in Equity
for the year ended 31 March 2016

	Pension Reserve	Profit and loss account	Total
	£	£	£
Balance at 1 April 2015	(6,312,000)	2,504,305	(4,027,695)
Profit for the year	(220,000)	39,380	(180,620)
Other comprehensive income, net of tax: - Actuarial gains/(losses) on defined benefit plans	(2,902,000)	-	<u>(2,902,000)</u>
Total comprehensive income for the year	(3,122,000)	39,380	(3,082,620)
Balance at 31 March 2015	(9,434,000)	2,323,685	7,110,315
Loss for the year	(425,000)	(73,240)	(498,240)
Other comprehensive income, net of tax: - Actuarial gains/(losses) on defined benefit plans	1,370,000	-	<u>1,370,000</u>
Total comprehensive income for the year	945,000	(73,240)	871,759
Balance at 31 March 2016	(8,489,000)	2,250,445	(6,238,556)

Consolidated Statement Of Cash Flows
for the year ended 31 March 2016

	Notes	31 March 2016		31 March 2015	
		Group £	Company £	Group £	Company £
Operating Activities:					
Cash generated from operations	17	258,540	(808,423)	(1,443,123)	(2,382,974)
Taxation		(288,697)	(23,727)	(186,023)	(18,598)
Net Cash (Used In)/From Operating Activities		(30,157)	(832,150)	(1,629,146)	(2,401,572)
Investing Activities:					
Purchase of intangible assets		(56,832)	-	-	-
Goodwill arising from acquisition		-	-	(59,845)	-
Purchase of tangible fixed assets		(94,844)	(84,934)	(232,443)	(169,490)
Proceeds on disposal of fixed assets		-	-	6,675	6,675
Dividends received		-	450,000	-	350,000
Interest received		24,974	21,772	21,966	19,999
Net Cash (Used In)/From Investing Activities		(126,782)	386,838	(263,647)	207,184
Net decrease in cash and cash equivalents		(156,939)	(445,312)	(1,892,793)	(2,194,388)
Cash and cash equivalents at beginning of year		5,712,095	4,705,446	7,604,888	6,899,834
Cash and cash equivalents at end of year		5,555,156	4,260,134	5,712,095	4,705,446
Relating to:-					
Bank balances and short term deposits included in cash at bank and in hand		5,555,156	4,260,134	5,712,095	4,705,446

Notes (forming part of the financial statements)

1. Accounting Policies

General Information

Association of Colleges is a company limited by guarantee domiciled and incorporated in England, registered number: 03216271.

The address of the Company's registered office and principal place of business is 2- 5 Stedham Place, London, WC1A 1HU.

The Group consists of Association of Colleges and all of its subsidiaries.

The Company's and the Group's principle activities and nature of operations are disclosed in the Strategic Report.

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

Basis of Preparation

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, and under the historical cost convention.

The company meets the definition of a public benefit entity under FRS 102. Monetary amounts in these financial statements are rounded to the nearest whole pound except where otherwise indicated.

First Time Adoption of FRS 102

These consolidated and company financial statements are the first consolidated and company financial statements of Association of Colleges prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). The consolidated and company financial statements of Association of Colleges for the year ended 31 March 2015 were prepared in accordance UK GAAP.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from UK GAAP. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the directors have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'. Adjustments are recognised directly in retained earnings at the transition date.

Reconciliations and descriptions of the effect of the transition to FRS 102 on;

- (i) the consolidated equity at the date of transition to FRS 102;
- (ii) the consolidated equity at the end of the comparative period;
- (iii) the consolidated profit or loss for the comparative period reported under UK GAAP;
- (iv) the company equity at the date of transition to FRS 102;
- (v) the company equity at the end of the comparative period; and
- (vii) the company profit or loss for the comparative period reported under UK GAAP are given in Note 26.

Notes (Continued)

Under FRS 102, the Consolidated Statement of Cash Flows presents changes in cash and cash equivalents (which include cash in hand, deposits repayable on demand and overdrafts and short-term, highly liquid investments), showing changes arising from operating activities, investing activities and financing activities separately. Under previous UK GAAP, the Consolidated Cash Flow Statement presented changes in cash (which includes cash in hand, deposits repayable on demand and overdrafts) under the headings of operating activities, returns on investments and servicing of finance, taxation, capital expenditure and financial investment, acquisitions and disposals, equity dividends paid, management of liquid resources, and financing.

Basis of Consolidation

The consolidated financial statements incorporate those of Association of Colleges Reporting Group Limited and all of its subsidiaries. All financial statements are made up to 31 March 2016.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

Going Concern

The financial statements have been prepared on the assumption that the Company will continue as a going concern. The company will be able to meet its obligations in full for the next 12 months from the date of signing the accounts and no material uncertainties related to events or conditions that may cast significant doubt about the ability of the company to continue as a going concern have been identified by the directors. The Board has reviewed and approved a three-year budget together with twelve-month cash flow forecast. The Board receives monthly management accounts with cash flow forecasts for the group.

Functional and Presentational Currencies

The consolidated financial statements are presented in sterling which is also the functional currency of the Company.

Income Recognition

Turnover represents the amounts (excluding value added tax) derived from the provision of services to members.

Turnover is made up of subscription income from members, income for project-related work and the turnover of AoC Create Ltd resulting from its commercial activities.

External funding is received for national projects. These projects generally tend to have a lifespan of two to three years. The project income is released in to the profit and loss account in the financial year in which the relevant expenditure is incurred.

Subscription income is recognised in the profit and loss account for the year to which it relates. Subscription income relating to subsequent accounting periods is deferred.

Interest income is accrued on a time-apportioned basis, by reference to the principal outstanding at the effective interest rate.

Notes (Continued)

Intangible Fixed Assets (Other Than Goodwill)

Intangible assets are initially recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised to profit or loss on a straight-line basis over their useful lives, as follows:

Purchased computer software: 4 years [25% per annum].

The Company's policy is to charge the full year's amortisation in the year of acquisition and charge no amortisation in the year of disposal.

Tangible Fixed Assets and Depreciation

Tangible fixed assets are initially measured at cost and are subsequently measured at cost less accumulated depreciation and accumulated impairment losses. Depreciation is provided to write off the cost by equal instalments over their estimated useful economic lives as follows:

Motor vehicles - 4 years [25% per annum]

Office equipment - 4 years [25% per annum]

The Company's policy is to charge the full year's depreciation in the year of acquisition and charge no depreciation in the year of disposal.

Impairment of fixed assets

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the Company estimates the recoverable amount of the asset or, for goodwill, the recoverable amount of the cash-generating unit to which the goodwill belongs.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairments of revalued assets are treated as a revaluation loss. All other impairment losses are recognised in profit or loss.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in profit or loss or, for revalued assets, as a revaluation gain. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date.

Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the

Notes (Continued)

financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Current and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Operating Lease

Rental costs arising under operating leases are charged to the income and expenditure account on a straight line basis over the period of the lease.

Employee Benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the Company and Group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Pension Scheme Arrangements

The Association's employees may elect to be members of the London Pensions Fund Authority (LPFA) pension fund or be auto-enrolled into the Flexible Retirement Plan run by the Pensions Trust. LPFA is a funded defined benefit scheme, whereas the Flexible Retirement Plan is a defined contribution scheme.

For defined contribution schemes the amount charged to the profit and loss account is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

For defined benefit schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions paid in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

The assets of the scheme are held separately from the company in separate trustee-administered funds. Full actuarial valuations, by a professionally qualified actuary, are obtained at least every three years, and updated to reflect current conditions at each balance sheet date. The pension scheme assets are measured at fair value. The pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency. A pension scheme asset is recognised on the balance sheet only to the extent that the surplus may be recovered by reduced future contributions or to the extent that the trustees have agreed a refund from the scheme at the balance sheet date. A pension scheme liability is recognised to the extent that the company has a legal or constructive obligation to settle the liability.

Gains or losses recognised in profit or loss are:

- The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost.

Notes (Continued)

- Net interest on the net defined benefit asset/liability comprises the interest cost on the defined benefit obligation and interest income on the plan assets, calculated by multiplying the fair value of the plan assets at the beginning of the period by the rate used to discount the benefit obligations.

Gains or losses recognised in other comprehensive income are:

- Actuarial gains and losses.
- The difference between the interest income on the plan assets and the actual return on the plan assets.

Financial Instruments

Association of Colleges has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when Association of Colleges becomes a party to the contractual provisions of the instrument, and are offset only when Association of Colleges currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

- **Financial Assets**

Trade Debtors – Trade debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

- **Financial Liabilities**

Trade Creditors – Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Financial Instruments (continued)

- **Derecognition of Financial Asset And Liabilities**

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another part that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Provisions

Provisions are recognised when Association of Colleges has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and that obligation can be estimated reliably. Provisions are measured at the best estimate of the amounts required to settle the obligation.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Notes *(Continued)*

Restructuring

Provisions for restructuring costs are recognised when the Company has a legal obligation or a constructive obligation arising from a detailed formal plan for the restructuring which has been notified to affected parties.

Reserves

Reserves of the Association of Colleges represent the following:

Pension Reserve

The cumulative actuarial gains and losses on the defined benefit pension scheme.

Profit and loss account

Cumulative profit and loss net of distributions to owners

Critical Accounting Estimates And Areas Of Judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

In the opinion of the directors, there were no judgements made that have a significant effect on the amounts recognised in the financial statements nor any key assumptions or estimates made which might cause a material adjustment.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

The defined benefit pension scheme is valued based on a number of assumptions. The details and sensitivities of key assumptions have been reflected in note 18.

Notes (continued)

2. Staff Numbers

The average monthly number of persons employed by the company (including directors) during the twelve-month period was as follows:

By activity	2016		2015	
	Group	Company	Group	Company
Services to members	52	31	46	28
Administration and operations	60	26	62	28
	112	57	108	56

Executive Directors & Officers

	2016		2015	
	Group	Company	Group	Company
£60,001 to £70,000	7	3	9	7
£70,001 to £80,000	7	5	6	4
£80,001 to £90,000	6	5	1	1
£90,001 to £100,000	-	-	1	1
£100,001 to £110,000	1	-	2	1
£110,001 to £120,000	2	2	2	2
£120,001 to £130,000	1	1	-	-
£160,001 to £170,000	-	-	1	1
£170,001 to £180,000	1	1	-	-
	25	17	22	17

The amount paid to the highest paid director was £174,400 (2015: £160,700); pension costs for this individual were £27,455 (2015: £25,167).

The CEO pay to median pay ratio for the AoC group is 5.5.

	2016		2015	
	Group	Company	Group	Company
Money purchase enhancement	66	26	46	9
Defined benefit schemes	63	49	62	47

The two executive directors are both members of the defined benefit scheme. Total directors' remuneration amounted to £288,378 (2015: £285,815) and the pensions costs were £46,489 (2015: 43,773).

Notes (continued)

3. Staff Costs

	2016		2015	
	Group	Company	Group	Company
	£	£	£	£
<i>The aggregate payroll costs were as follows:</i>				
Wages and salaries	5,588,885	3,415,144	4,821,810	3,053,977
Pension adjustment	117,000	117,000	(62,000)	(62,000)
Social security costs	549,526	324,296	479,869	304,621
<i>Pension costs</i>				
London Pension Fund Authority	600,567	400,555	535,813	366,848
LPFA deficit	271,166	136,349	271,166	136,349
Defined Contribution Scheme	168,817	65,941	125,818	60,038
	7,295,961	4,459,285	6,172,476	3,859,833

During the year ended March 2016, the Governance team which had previously been granted funded, transferred to core AoC in recognition of the importance of this service to members.

4. Cost of Sales

	2016		2015	
	Group	Company	Group	Company
	£	£	£	£
Salaries	4,216,532	2,613,870	3,715,159	2,339,395
Pension adjustment	66,848	66,848	(35,048)	(35,048)
Legal expenses	57,419	57,419	92,221	92,221
Printing, postage, stationery and publications	39,634	39,634	81,776	81,776
Projects	1,618,404	1,618,404	4,989,565	4,989,565
Press and media	161,315	161,315	155,067	155,067
Research	176,384	176,384	156,429	156,429
Commercial activities	4,437,124	-	4,089,280	-
Other professional	247,680	240,719	261,221	248,494
International	95,973	95,973	79,670	79,670
	11,117,313	5,070,566	13,585,340	8,107,569

Notes (continued)

5. Administrative Expenses

	2016		2015	
	Group	Company	Group	Company
	£	£	£	£
Staff and other costs	3,036,755	1,824,678	2,564,371	1,662,634
Pension adjustment	50,152	50,152	(26,952)	(26,952)
LPFA additional contribution	271,166	136,349	271,166	136,349
Travel and meeting costs	512,660	364,221	499,142	375,274
Premises, office and insurance costs	819,644	634,099	783,423	586,091
Telephone costs	125,960	82,853	132,112	94,569
Depreciation	209,446	173,361	203,586	181,807
Irrecoverable VAT	172,703	148,294	219,018	204,877
Consultants	54,672	-	45,545	-
Audit and accountancy	50,884	39,384	61,973	49,773
Print, post and stationery	31,020	-	22,278	-
Bad debt	10,580	-	2,184	-
Other	67,689	39,404	58,270	36,869
Amortisation of goodwill	-	-	59,845	-
	5,413,331	3,492,795	4,895,961	3,301,291

6a. Interest Receivable and Similar Income

	2016		2015	
	Group	Company	Group	Company
	£	£	£	£
Income from unlisted fixed asset investments	-	450,000	-	350,000
Bank interest	24,934	21,772	21,966	19,999
	24,934	471,772	21,966	369,999

Notes (continued)

6b. Interest Payable And Similar Charges

	2016		2015	
	Group	Company	Group	Company
	£	£	£	£
Interest arising from:				
Net interest on the net defined benefit pension liability	(308,000)	(308,000)	(282,000)	(282,000)
	(308,000)	(308,000)	(282,000)	(282,000)

7. Taxation

	2016		2015	
	Group	Company	Group	Company
	£	£	£	£
Current tax:				
UK corporation tax	90,753	12,140	204,042	23,601
Adjustments in respect of previous periods	-	-	-	-
Total current tax	90,753	12,140	204,042	23,601
Deferred tax:				
Origin and reversal of timing differences	12,692	-	-	-
Total deferred tax	12,692	-	-	-
Total tax on profit on ordinary activities	103,445	12,140	204,042	23,601

Factors affecting the tax charge for the year:

Profit/(Loss) on ordinary activities before tax	(548,756)	(486,100)	701,968	139,981
Tax on profit on ordinary activities at standard CT rate (20% (2015: 21%))	(109,751)	(97,220)	220,478	29,396
Expenses not deductible for tax purposes	223,687	199,360	102,352	68,353
Group income	-	(90,000)	(115,000)	(73,500)
Marginal relief	-	-	(648)	(648)
Adjustments to tax charge in respect of previous periods	-	-	-	-
Depreciation in excess of Capital allowances	(7,148)	-	(5,609)	-
Other short term timing differences	(3,343)	-	2,469	-
Current tax charge for the period	103,445	12,140	204,042	23,601

The corporation tax rate of 20% relates to the company only.

Factors affecting tax charges for future periods

The company has a deferred tax liability of £12,692 (2015: nil). This is shown at a corporation tax rate of 18% (2015: nil). This has been analysed in Provisions for liabilities (see note 14).

Notes (continued)

8. Profit on Ordinary Activities Before Taxation

	2016		2015	
	Group	Company	Group	Company
	£	£	£	£
Profit is stated after crediting:				
Profit on disposal of tangible fixed assets	1,003	1,003	6,675	6,675
And after charging:				
Operating lease rentals on land & buildings	240,840	229,000	236,893	229,000
Depreciation on tangible fixed assets	195,238	173,361	203,586	181,807
Amortisation on other intangible fixed assets	14,208	-	-	-
Auditor's remuneration – audit services	32,950	21,450	33,650	21,450
Auditor's remuneration – non-audit services	28,459	17,934	28,323	28,323

**9. Other Intangible Assets
(Group)**

	Purchased Computer Software £	Total £
Cost		
1 April 2015	-	-
Additions		
- Separately acquired	56,832	56,832
As at 31 March 2016	56,832	56,832
Amortisation and impairment		
1 April 2015	-	-
Amortisation charged in the year	14,208	14,208
As at 31 March 2016	14,208	14,208
Carrying amount		
As at 31 March 2016	42,624	42,624
As at 31 March 2015	-	-

Other intangible assets relates to the AOC Create website developed during the year. The amortisation charges for the year are recognised within administrative expenses.

Notes (continued)

10. Tangible Fixed Assets

	Group			Company		
	Office Equipment £	Motor Vehicles £	Total £	Office Equipment £	Motor Vehicles £	Total £
Cost						
As at 31 March 2015	923,000	52,600	975,600	748,160	52,600	800,760
Additions	74,389	27,495	101,884	64,439	27,495	91,934
Disposals	-	(23,990)	(23,990)	-	(23,990)	(23,990)
As at 31 March 2016	997,389	56,105	1,053,494	812,599	56,105	868,704
Depreciation						
As at 31 March 2015	593,797	25,146	618,943	472,449	25,146	497,595
Disposal	-	(17,993)	(17,993)	-	(17,993)	(17,993)
Charge for year	181,212	14,026	195,238	159,335	14,026	173,361
As at 31 March 2016	775,009	21,179	796,188	631,784	21,179	652,963
Net book value						
As at 31 March 2016	222,380	34,926	257,306	180,815	34,926	215,741
As at 31 March 2015	329,203	27,454	356,657	275,711	27,454	303,165

11. Subsidiary Undertakings

	2016 £	2015 £
Fixed asset investments		
AoC Create Ltd.	100	100
AoC Sport Ltd.	1	1
Trading results – profit/(loss) for the year		
AoC Create Ltd.	316,794	689,141
AoC India Ltd.	(41,953)	35,537
AoC Sport Ltd.	21,198	6,867
Reserves – as at 31 March		
AoC Create Ltd.	809,534	942,840
AoC India Ltd.	23,413	65,366
AoC Sport Ltd.	28,065	6,867

Notes (continued)

11. Subsidiary Undertakings (continued)

The Company owns 100% of the £100 equity shareholding in AoC Create Ltd, a company registered in England and Wales on 22 July 1994. The Company made a profit before tax and dividend paid for the year ended 31 March 2016 of £399,936 (2015: £868,395). AoC India Ltd and AoC Sport Ltd are not-for-profit companies limited by guarantee.

The company also controls AoC Charitable Trust, a charity registered in England and Wales, and Scotland. The Charitable Trust is not included in the Group's Consolidated Accounts as it is immaterial to the group. A copy of those accounts is available from the company's website.

12. Debtors: Amounts Falling Due Within One Year

	2016		2015	
	Group £	Company £	Group £	Company £
Accrued income	856,910	518,127	846,419	568,913
Trade debtors	1,718,107	539,642	3,260,580	1,194,724
Amounts owed by subsidiary undertakings	-	829,469	-	269,480
Amounts owed by AoC Charitable Trust	19,974	19,973	86,030	86,030
Prepayments	324,746	102,856	245,368	81,153
Other debtors	240,045	234,742	300,898	274,439
	3,159,782	2,244,809	4,739,295	2,474,739

13. Creditors: Amounts Falling Due Within One Year

	2016		2015	
	Group £	Company £	Group £	Company £
Deferred income	2,868,864	1,811,825	3,070,351	1,827,708
Trade creditors	447,076	265,929	688,228	289,435
Amounts owed to subsidiaries	-	88,878	45,939	-
Corporation tax	2,722	8,749	200,666	20,336
Other taxation and social security	157,008	157,008	151,966	151,966
VAT	87,456	31,951	293,645	150,498
Other creditors	1,863,354	1,863,198	2,653,663	2,653,593
Amounts held on behalf of third parties	53,500	53,500	19,417	19,417
Accruals	410,940	189,302	345,715	46,813
	5,890,920	4,470,340	7,469,590	5,159,766

The membership subscription period for the Association runs from the 1 August to the 31 July and, as such, four months of the subscription is treated as deferred income. Deferred income is fully released to income in the subsequent year.

Other creditors include deferred project income carried forward. During the year the Association successfully bid for a significant number of projects and hence the substantial level of funds carried forward. These balances represent income relating to specific projects that have a timescale to completion of several years.

Notes (continued)

Included within other creditors is an amount due to the LPFA pension fund of £96,110 (2015: £89,069). This has been paid since the year end.

14. Provisions for liabilities (Group)

Provisions for deferred tax has been made as follows:

	2016	2015
	£	£
Deferred tax liabilities	12,692	-
Total	12,692	-

The major deferred tax liabilities and assets recognised by the Company are:

	2016	2015
	£	£
Accelerated capital allowances	13,692	-
Other	(1,000)	-
Total	12,692	-

The deferred tax liability of £12,692 (2015: nil) is expect to reverse within 12 months and relates to fixed asset timing differences and pension creditor.

The movement in deferred tax comprises of:

	2016	2015
	£	£
Opening deferred tax liability/(asset)	-	-
Charged to profit or loss	12,692	-
Closing deferred tax liability/(asset)	12,692	-

There was no unprovided deferred taxation at 31 March 2016 (2015: 3,611)

15. Financial Instruments

The carrying amount of the Association of Colleges financial instruments at 31 March were:

	2016		2015	
	Group	Company	Group	Company
	£	£	£	£
Financial assets				
Debt instruments measured at amortised cost	8,365,193	5,552,645	10,119,990	6,743,522
Total	8,365,193	5,552,645	10,119,990	6,743,522
Financial liabilities				
Measured at amortised cost	857,884	455,232	1,033,699	336,248
Total	857,884	455,232	1,033,699	336,248

Notes (continued)

16a. Accumulated Reserve

	2016		2015	
	Group £	Company £	Group £	Company £
1 April 2015	(6,095,543)	(7,110,315)	(3,394,469)	(4,027,695)
Retained (loss)/profit for the year	(652,201)	(498,240)	200,926	(180,620)
31 March 2016	(6,747,744)	(7,608,555)	(3,193,543)	(4,208,315)

16b. Movement in Members' Fund

	2016		2015	
	Group £	Company £	Group £	Company £
(Loss)/profit for the year	(652,201)	(498,240)	200,926	(180,620)
Opening members' fund	(6,095,543)	(7,110,315)	(3,394,469)	(4,027,695)
	(6,747,744)	(7,608,555)	(3,193,543)	(4,208,315)
Pension actuarial gain/(loss)	1,370,000	1,370,000	(2,902,000)	(2,902,000)
	(5,377,744)	(6,238,555)	(6,095,543)	(7,110,315)

17. Reconciliation Of Profit After Tax To Net Cash Generated From/(Used In) Operations

	2016		2015	
	Group £	Company £	Group £	Company £
(Loss)/Profit after tax	(652,201)	(498,240)	200,926	(180,620)
Adjustments for:				
Depreciation of tangible fixed assets	195,238	173,361	203,586	181,807
Amortisation of intangible assets	14,208	-	59,845	-
(Profit) on sale of fixed assets	(1,003)	(1,003)	(6,675)	(6,675)
Defined benefit pension schemes	117,000	117,000	(62,000)	(62,000)
Dividend received	-	(450,000)	-	(350,000)
Interest receivable	(24,934)	(21,772)	(21,966)	(19,999)
Interest payable	308,000	308,000	282,000	282,000
Taxation	103,444	12,140	204,042	23,601
Operating cash flows before movements in working capital	59,752	(360,514)	859,758	(131,886)
Decrease/(increase) in debtors	1,585,963	232,293	(2,227,633)	(1,194,276)
Decrease in creditors	(1,387,175)	(680,202)	(75,248)	(1,056,812)
Cash generated from/(used in) operations	258,540	(808,423)	(1,443,123)	(2,382,974)

Notes (continued)

Cash And Cash Equivalents

	2016		2015	
	Group	Company	Group	Company
	£	£	£	£
Cash and cash equivalents represent:-				
Cash at bank	<u>5,555,156</u>	<u>4,260,134</u>	<u>5,715,095</u>	<u>4,705,446</u>

18. Pensions and Similar Obligations - Group and Company

The Association's employees may elect to hold a personal money purchase scheme to which the Association will contribute, or they may elect to be members of the London Pensions Fund Authority (LPFA) pension fund.

LPFA

LPFA is a funded defined benefit scheme, with the assets held in separate trustee-administered funds. The pension cost is assessed every three years in accordance with the advice of an independent qualified actuary. The latest available actuarial valuation of the scheme was performed as at 31 March 2016 using the market-related method. The valuation was carried out by Barnett Waddingham and a summary of the relevant sections of their report follows.

The agreed contribution rates for future years are 16.7% (2015: 16.7%) for employers and range between 5.5% - 12.5% for employees, depending on pensionable salary. The total contribution expected to be made to the LPFA by the AoC Group for the year to March 2017 is £989,000.

Valuation Assumptions

The major categories of plan assets as a percentage of total plan assets as at 31 March 2016 are shown below:

Year ended:	31 March 2016 % p.a.	31 March 2015 % p.a.
Equities	46%	43%
Target return funds	21%	29%
Alternative assets	10%	9%
Cash	13%	11%
Other bonds	10%	8%

Notes (continued)

18. Pensions and Similar Obligations – Group and Company (continued)

The London Pension Fund Authority Retirement Benefits Scheme is an independently administered pension scheme. It is a defined benefit scheme based on final pensionable salary. Life expectancy is based on the PFA92 and PMA92 tables, projected to calendar year 2033 for non-pensioners and 2017 for pensioners. Based on these assumptions, the average future life expectancies at age 65 are summarised as below:

	Males	Females
Current pensioners	23.3 years	25.5 years
Future pensioners	25.6 years	27.8 years

The pension cost is assessed in accordance with the advice of an independent professionally qualified actuary using the projected accrued benefit method and is not materially different from that arising from the current employer's contribution rate.

Retirement Benefits

Under the transitional requirements of FRS102, the Association is required to disclose further information on assets and liabilities of the scheme on a market value basis at the end of the accounting period. The information is set out below:

Actuarial assumptions	2016	2015	2014	2013	2012
Discount rate at 31 March	3.8%	3.4%	4.5%	4.7%	4.6%
Salary increase rate	4.3%	4.3%	4.7%	4.3%	4.2%
Pension increase rate/inflation	2.5%	2.5%	2.9%	2.6%	2.5%

The expected return on plan assets was determined by considering the expected returns available on the assets underlying the current investment portfolio. Expected yields on bonds are based on gross redemption yields at the balance sheet date whilst the expected returns on the equity and property investments reflect the long-term real rates of return experienced in the respective markets.

Amounts recognised in the balance sheet	2016 £(000)	2015 £(000)
Fair value of employer assets	16,534	16,004
Present value of funded liabilities	25,023	(25,438)
Net (liability)	(8,489)	(9,434)

Amounts recognised in profit or loss accounts	2016 £(000)	2015 £(000)
Current service cost	853	739
Net interest on the defined liability	308	282
Administration expenses	24	21
Total	1,185	1,042

Notes (continued)

18. Pensions and Similar Obligations – Group and Company (continued)

Reconciliation in the present value of the defined benefit obligation	2016 £(000)	2015 £(000)
Opening defined benefit obligation	25,438	20,606
Current service cost	853	739
Interest cost	864	942
Contributions by members	285	310
Actuarial gains/(losses)	(2,053)	3,227
Estimated benefits paid (net of transfers in)	(364)	(386)
Closing defined benefit obligation	25,023	25,438

Reconciliation of fair value of employer assets	2016 £(000)	2015 £(000)
Opening fair value of employer assets	16,004	14,294
Interest on assets	556	660
Contributions by members	285	310
Contributions by employer	760	822
Return on assets less interest	(683)	325
Administration expenses	(24)	(21)
Benefits paid (net of transfers in and including unfunded)	(364)	(386)
Closing fair value of employer assets	16,534	16,004

The total return on the fund assets for the year to 31 March 2016 is (£127,000).

Re-measurements in other comprehensive income		
	2016 £(000)	2015 £(000)
Return on Fund assets in excess of interest	(683)	325
Change in financial assumptions	2,053	(3,227)

Amounts for the current & previous periods	2016 £(000)	2015 £(000)	2014 £(000)	2013 £(000)	2012 £(000)
Value of plan assets	16,534	16,004	14,294	13,227	11,097
Defined benefit obligation	(25,023)	(25,438)	(20,606)	(17,750)	(16,242)
Deficit	(8,489)	(9,434)	(6,312)	(4,523)	(5,145)
Experience gains on liabilities		-	788	-	-
Experience adjustments on plan assets		28	(144)	945	(569)

Notes (continued)

19. Commitments Under Operating Leases

The total future minimum lease payments under non-cancellable operating lease rentals are as follows:

	2016		2015	
	Group £	Company £	Group £	Company £
Amounts due:				
Within 1 year	240,840	229,000	229,000	229,000
Between 1 and 5 years	19,083	19,083	248,083	248,083
Total	259,923	248,083	447,083	447,083

20. Contingent Liability

There are no contingent liabilities at the time the accounts were signed (2015: none).

21. World Federation of Colleges & Polytechnics (WFCP)

The Association has agreed to act as Treasurer for WFCP and accordingly the US Dollar cash balance has been included within the cash balances (at the applicable exchange rate as at the 31 March 2016) in these financial statements. The liability, within creditors as funds held on behalf of third parties. The total balance held at year end was £53,500 (2015: £19,417)

22. Post Balance Sheet Event

There are no post balance sheet events to report.

23. Controlling Party

As at 31 March 2016, the Group was not controlled by one single controlling party.

24. Related Party Transactions

The following transactions occurred during the period and relate to the membership subscriptions payable by the colleges to which each director (during their term as director of the Association of Colleges) relates and for the services provided by AoC Create Ltd, AoC India and AoC Sport Ltd.

The AoC has taken advantage of the exemption available in FRS 102 (33.15) not to provide information relating to transactions between itself as the holding Company and its wholly owned trading subsidiaries, AoC Create Ltd, AoC India Ltd and AoC Sport Ltd.

No guarantees have been given or received.

Notes (continued)

24. Related Party Transactions (continued)

Director	Related Party		2015/16				2014/15			
			Transactions During Year		Balance Outstanding @		Transactions During Year		Balance Outstanding @	
			AOC	CREATE	AOC	CREATE	AOC	CREATE	AOC	CREATE
R Atkins	Exeter College	To 31/07/2015	28,671	21,791	-	-	34,241	10,220	3,213	(40)
C Booth	Barnsley College		29,728	32,781	-	(481)	35,819	9,254	2,963	693
K Clifford	Cirencester College	To 31/12/15	13,833	4,303	-	-	13,135	2,141	-	-
A Constantine	Cambridge Regional College		25,186	7,295	-	-	22,810	5,910	-	-
M David	Reaseheath College		-	10,532	-	-	-	3,563	-	-
N Davison	Bishop Auckland College		12,801	4,624	-	359	13,201	8,198	-	50
M Hunter	Xaverian College		7,617	-	-	2,169	7,038	600	-	600
A Khemka	West Notts College	To 31/12/15	33,143	25,594	-	-	31,560	2,843	-	-
N Leigh	Stephenson College		13,349	3,084	-	-	-	852	-	-
J Machell	Alton College	1/1/16-24/2/16	-	539	-	180	-	-	-	-
R Mann	Burton & South Derbyshire College	To 02/12/15	-	425	-	-	-	-	-	-
G McDonald	Tower Hamlets		19,907	18,970	-	(347)	-	23,774	-	22,134
P Phillips	Weston College		28,671	22,594	-	4,747	27,920	17,190	-	6,684
D Roberts	Brockenhurst College	To 31/12/15	17,360	9,301	-	-	22,021	2,144	250	198
J Sharma	Walsall College		29,143	8,056	-	359	2,106	821	2,106	821
J Short	SELF EMPLOYED		-	-	-	-	27,615	10,736	-	780
A Stott	North Nottinghamshire College		19,131	600	-	-	-	347	-	347
C Stott	City of Bath College		25,525	25,567	-	5,456	18,418	21,315	(500)	19,299
K Webb	East Berkshire College		21,525	7,064	-	359	-	4,435	-	1,244
M White	Teeside University		-	-	-	-	16,220	4,253	-	-
J F Widdowson	New College Durham	From 01/08/15	-	1,249	-	-	26,725	33,789	-	-
D Wood	Lancaster & Morecambe College		12,116	1,559	-	-	-	397	-	397

Director	Related Party		2015/16				2014/15			
			Transactions During Year		Balance Outstanding @		Transactions During Year		Balance Outstanding @	
			INDIA	SPORT	INDIA	SPORT	INDIA	SPORT	INDIA	SPORT
R Atkins	Exeter College	To 31/07/2015	-	-	-	-	12,000	12,437	-	236
C Booth	Barnsley College		-	2,198	-	-	-	3,272	-	456
K Clifford	Cirencester College	To 31/12/15	-	1,710	-	-	-	2,140	-	-
A Constantine	Cambridge Regional College		-	3,055	-	-	-	2,332	-	-
M David	Reaseheath College		-	1,633	-	-	-	1,180	-	-
N Davison	Bishop Auckland College		-	-	-	-	-	-	-	-
M Hunter	Xaverian College		-	1,655	-	-	-	-	-	-
A Khemka	West Notts College	To 31/12/15	14,400	-	-	-	12,000	-	-	-
N Leigh	Stephenson College		-	1,000	-	-	-	-	-	-
J Machell	Alton College	1/1/16-24/2/16	-	-	-	-	-	-	-	-
R Mann	Burton & South Derbyshire College	To 02/12/15	18,400	1,060	-	-	12,000	-	-	-
G McDonald	Tower Hamlets		-	-	-	-	-	-	-	-
P Phillips	Weston College		-	3,720	-	125	-	2,354	-	180
D Roberts	Brockenhurst College	To 31/12/15	-	1,441	-	-	-	2,764	-	-
J Sharma	Walsall College		18,400	2,448	-	-	12,000	-	-	-
J Short	SELF EMPLOYED		-	-	-	-	-	1,127	-	-
A Stott	North Nottinghamshire College		-	396	-	-	-	-	-	-
C Stott	City of Bath College		-	1,841	-	-	-	1,500	-	-
K Webb	East Berkshire College		-	1,081	-	-	-	-	-	-
M White	Teeside University		-	-	-	-	2,250	-	-	(380)
J Widdowson	New College Durham	From 01/08/15	-	1,956	-	-	-	1,233	-	-
D Wood	Lancaster & Morecambe College		-	2,200	-	-	-	50	-	50

During the year, the Association contributed £65,500 (2015: £60,500) to the AoC Charitable Trust.

The AoC has appointed a member to the Board of Education and Training Foundation. As such, the related party transactions during the year have totalled £406,496 (2015: £1,720,396) and the balance remaining at the year-end is £61,780 (2015: £396,102).

25. Remuneration of Key Management Personnel

The total remuneration of the directors and the regional directors, who are considered to be the key management personnel of the Company, was £1,478,533 (2015: £1,397,437).

Notes (continued)

26. First Time Adoption of FRS 102

Reconciliations Of Consolidated Equity	1 April 2014	31 March 2015
	Notes	Notes
	£	£
Consolidated equity as previously reported under UK GAAP	(3,394,469)	(3,394,469)
Profit for the year		200,926
Reduction in income on plan assets held in retirement benefit plans	A	(2,902,000)
Consolidated equity reported under FRS 102	<u>(3,394,469)</u>	<u>(6,095,543)</u>

Reconciliation Of Consolidated Profit Or Loss	Year Ended 31 March 2015
	Notes
	£
Consolidated profit or loss as previously reported under UK GAAP	497,926
Reduction in income on plan assets held in retirement benefit plans	A
Consolidated profit or loss reported under FRS 102	<u>200,926</u>

Reconciliations Of Company Equity	1 April 2014	31 March 2015
	Notes	Notes
	£	£
Company equity as previously reported under UK GAAP	(4,027,695)	(4,027,695)
Profit for the year		(180,620)
Reduction in income on plan assets held in retirement benefit plans	A	(2,902,000)
Company equity reported under FRS 102	<u>4,027,695</u>	<u>(7,110,315)</u>

Notes (continued)

26. First Time Adoption of FRS 102 (continued)

Reconciliation Of Consolidated Profit Or Loss	Year Ended 31 March 2015
Notes	£
Consolidated profit or loss as previously reported under UK GAAP	116,380
Reduction in income on plan assets held in retirement benefit plans	(297,000)
Consolidated profit or loss reported under FRS 102	(180,620)

TRANSITION TO FRS 102

A – Interest income on plan asset

The expected rate of return of (£6,000) on plan assets held in retirement benefit plans was recognised in profit or loss under previous UK GAAP for the year ended 31 March 2015. In the same period a difference of (£282,000) between the actual return and the expected return was recognised in other comprehensive income. Under FRS 102, interest liability of (£308,000) was recognised on the plan assets using the discount rate applied to the defined benefit obligations which is based on market yields for high quality corporate bonds. The amount recognised in other comprehensive income was (£308,000) being the difference between the actual return and the interest liability recognised in profit or loss.