

A REPORT BY THE AUDITOR GENERAL FOR SCOTLAND UNDER SECTION 22(3) OF THE  
PUBLIC FINANCE AND ACCOUNTABILITY (SCOTLAND) ACT 2000

**THE 2002/03 AUDIT OF GLASGOW COLLEGE OF FOOD TECHNOLOGY**

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1. I have received the audited accounts of Glasgow College of Food Technology for the year ended 31 July 2003. The auditor's report on the accounts is not qualified but contains a paragraph, drawing attention to the College's dependency on the continuing support of the Scottish Further Education Funding Council, in the context of the College's accumulated deficit.
2. I submit these accounts and the auditor's report in terms of section 22(4) of the Public Finance and Accountability (Scotland) Act 2000, together with this report which I have prepared under section 22(3) of the Act outlining the College's financial position.
3. In the year ended 31 July 2003, Glasgow College of Food Technology obtained a valuation for its land and buildings. The valuation showed that the net book value for the estate was £1,681,000 less than the value in the College's records at that time. The College has reflected the reduction in the value of the assets in the accounts. This has contributed to the College reporting a deficit on continuing operations of £1,977,000, on its Income and Expenditure Account for the period ended 31 July 2003 and a historical cost deficit of £191,000. As a result at 31 July 2003 the accumulated deficit on the College's Income and Expenditure Reserve was £43,000.
4. In this context, the auditor's report, which is incorporated at pages 10 to 11 of the accounts, refers to the College's financial position in the following terms:  
  
"Going Concern  
  
In forming my opinion, I have considered the adequacy of the disclosures made in Note 29 to the financial statements in relation to the dependency of the College on the continuing support of the Scottish Further Education Funding Council. In view of the significance of this uncertainty in the context of the College's accumulated deficit of £43,000 at 31 July 2003, I consider that it should be drawn to your attention. My opinion is not qualified in this respect."
5. Subsequent to the signing of the accounts, the College of Food Technology has agreed with the Scottish Further Education Funding Council that due to the proposed merger of the College with the Glasgow College of Building and Printing, and the exceptional nature of the asset revaluation in the year ended 31 July 2003, which led to the accumulated deficit, the College is not required to submit a financial recovery plan.
6. At 31 July 2003, the college had a cash balance of £1,582,000 and net current assets of £317,000.



**ROBERT W BLACK**  
Auditor General for Scotland