



**St Dominic's Sixth Form  
College**

**Annual Report and Financial  
Statements**

31 July 2020

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## Operating and Financial Review for the year ended 31 July 2020

<b>Governing Body</b>	A full list of governors is given on page 13
<b>Key management personnel – Senior Leadership Team</b>	Andrew Parkin (Principal and Accounting Officer) Nicola Walsh (Vice Principal) Paul Higginson (Assistant Principal) Peter Jenks (Assistant Principal) Nancy Conoboy (Assistant Principal 0.8) Julie Cope (Assistant Principal) Mike McConigley (Assistant Principal 0.7) Tom Colgan (Finance Director)
<b>Clerk to the Governors</b>	Sue Jacobs
<b>Registered office</b>	Mount Park Avenue Harrow on the Hill Middlesex HA1 3HX
<b>Financial statements auditor and reporting accountant</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Solicitors</b>	Blake Morgan Apex Plaza Forbury Road Reading RG1 1AX
<b>Bankers</b>	Lloyds Bank plc Harrow Town Centre Branch Harrow Middlesex HA1 2EB

### **Legal status**

The College was established as St. Dominic's Sixth Form College in September 1979. Following the Learning and Skills Act of 2000, the Governors of this formerly designated institution were incorporated as from 1 April 2001. The full name of the institution is St. Dominic's Catholic Sixth Form College.

The College was re-designated as a Catholic Sixth Form College under the ASCL Act 2009 (Apprenticeships, Skills, Children and Learning Act) for the purpose of conducting St. Dominic's Sixth Form College. The College is an exempt charity for the purposes of the Charities Act 2011.

### **Mission**

The College's mission statement as approved by its members is as follows:

"St. Dominic's is a Roman Catholic Sixth Form College committed to the personal and spiritual growth of all its members based on Christian values, academic excellence and high quality pastoral care".

### **Implementation of Strategic Plan**

St Dominic's Sixth Form College is situated in the London Borough of Harrow. It is a Roman Catholic designated College within the Diocese of Westminster. It was opened in 1979 and the vast majority of students are aged 16 to 18. There has been a steady growth in enrolment since the College opened from 289 students to over 1,300 at the start of the academic year 2020/21.

Despite significant local competition, the College has maintained its reputation as a centre of academic excellence and this has ensured that it has remained in a strong position, particularly in recent years. In 2017, the College was awarded the 'Sunday Times Sixth Form College of the Year' which was a great moment for the whole community. This afforded the whole community the opportunity to share our expertise and experience with a significant number of other schools and colleges from around the country.

The number of students enrolling at St Dominic's from local Harrow schools remains at just under 60% for the academic year 2020/21. The vast majority of students at St Dominic's join with level 2 English and maths. The College continues to offer level 2 maths and English for the very few students without this qualification. In 2019/20, the pass rate for both English and maths was 100%.

The College was oversubscribed in 2020 and received 3,046 applications. The College continues to have two main Catholic feeder schools, Sacred Heart Language College and Salvatorian College, although the proportion of Catholic students in the College has been declining over time. The remainder of the cohort come from a variety of other Catholic schools and a wide range of other schools across Greater London and the Home Counties.

**Implementation of Strategic Plan** (continued)

Harrow continues to be one of the most ethnically diverse boroughs in London and the student population reflects this. In 2020, approximately 43% of the College's students are from Indian or other Asian backgrounds and 14% are of African or Afro-Caribbean extraction, 10% of the cohort describe themselves as Other, whilst 27%, up from 23.5%, class themselves as White.

A broad post-16 curriculum is offered, mainly comprising subjects at level 3 GCE A level. A small amount of BTEC Extended Diploma is offered as well, although this is currently under review. The majority of students are taking three A levels, which has been a significant change when compared with recent years. The reduction from four to three has been driven primarily by the national change from modular to linear programmes and the very tight fiscal position that Sixth Form Colleges have found themselves in over the last five years.

Progression to university remains high at the College and the curriculum is designed to facilitate this. In 2020, 94% have gone to university, with 42% moving to a Russell Group institution. 55% achieved entrance to their first-choice institution. This figure demonstrates the excellent impact of our curriculum model and its relevance for our students. The College has been in the top 10% of Sixth Form Colleges nationally for retention on level 3 courses for over five years and examination results, over time, have enabled students to move onto university or into employment. This is a mark of our sustained success.

In 2020, due to the global pandemic, the College awarded Centre Assessed Grades and headline figures are as follows:

<b>Data measure</b>	A*	A* to A	A* to B	A* to E
<b>St. Dominic's</b>	9.0%	35.5%	65.5%	99.5%
<b>National %</b>	7.8%	26%	52%	98%

These figures were broadly in-line with College targets and predictions.

With regard to headline figures, there has been little variation between legacy and linear qualifications in each department overall since the new qualifications were introduced in 2015. St. Dominic's continues to be in the top five Colleges nationally at A\* to B. 25.9% of students achieved AAB or higher where two or more were facilitating subjects. In 2019, our average grade was a B- and due to the pandemic, there will be no similar figure published nationally, nor will there be an L3VA produced for 2020.

St. Dominic's is an outstanding College and consequently we have judged each section of the SAR accordingly. The quality of education provided for our students is outstanding overall. The College Improvement Partner agrees, and grades have been aligned with Ofsted criteria in the 2019 inspection framework and handbook.

### Implementation of Strategic Plan (continued)

The Principal, has been in post for almost eight years, having taken up post in January 2013. The current senior leadership team are highly experienced and have been in post for a number of years.

The College sets targets for a range of performance indicators measured against past performance and national benchmarks. These targets are monitored by leaders at all levels from subject teams to the Governing Body, following the College's QA procedures. The Equality and Diversity Committee monitors the performance of students by gender, ethnicity, FSM (free school meals), bursary, disability and learning needs.

We are actively engaged with a wide range of partners and support/lead a number of national initiatives. We are a lead College for the Maths Hub in North West London through the St. Marylebone Teaching Alliance. We are in active partnerships with the following Schools and Sixth Form Colleges: Salvatorian College, Sacred Heart Language College, Woodhouse SFC, St. Charles SFC, Christ the King SFC, St. Francis Xavier SFC, Queen Elizabeth SFC, Stockton SFC, St. Joseph's Primary Harrow Weald, St. George's Primary, St. Robert Southwell, St. Anselm's and St. Joseph's Primary Wembley.

In January 2019, we were successful in our bid for £250,000 in partnership with St Francis Xavier Sixth Form College and St Charles Sixth Form College through the Strategic College Improvement Fund. For a period of 18 months we supported both institutions through a range of pre-planned activities with the aim of improving outcomes and reversing the RI grade achieved by St Charles in their last inspection. This work was concluded in July 2020.

The College will be re-developing the top floor of the Hume Building into a BTEC hub in the summer of 2021, this will cost circa £800,000 to build. This will focus on developing the BTEC program as A Levels are not always the best option for students and we have achieved excellent results at BTEC historically. The College has secured a £300,000 grant from the Greater London Authority and an interest free loan from the Diocese of Westminster of £390,000 to help with the construction of the project.

In the coming academic year, the focus will be on the long-term future of St. Dominic's. Currently we are at maximum capacity in terms of student numbers and have no additional space to grow without extra classrooms. As noted above, we have had plans drawn up to convert the top floor of the Hume Building and create additional classroom space. This work begins in April 2021. The £200 per student funding increase by the government was very welcome news and has enabled us to plan our future growth and investment more carefully knowing that there is some additional revenue funding.

## Operating and Financial Review for the year ended 31 July 2020

### Public benefit

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

### Financial objectives

The College's financial objectives are:

- ◆ to achieve an annual operating surplus;
- ◆ to further improve the College's shorter term liquidity;
- ◆ to pay all supplier invoices within 30 days or to their terms if shorter;
- ◆ to maintain the financial viability of the College; and
- ◆ to maintain at least 'Good' financial health.

### Performance indicators

Learner success rates continue to be above benchmark. St Dominic's Sixth Form College is ranked fifth on the national College tables for A\* to B at A2 level. The College forms one of the 10 members of the Maple Group, which consists of the top 10 Colleges in the country by A2 results.

### Student achievements

Students continue to perform to a high standard. The Performance Tables produced by the Department for Education over the last five years show that St. Dominic's was the highest non-selective performing provider both in Harrow and in London West in terms of average points score per student.

### Financial results

For 2019/20, for the College had an EBITDA (Earnings before Interest Tax Depreciation and Amortisation) of £397k (2018/19: £309k).

The Total Financial Health score for the College has increased to 210 (Good Financial Health) compared to 190 in 2018/19. The individual health score as a percentage has improved on all three health measures.

	2020	2019
Current Ratio	(1.58) 70	(1.33) 60
EBITDA	(5.90%) 50	(4.69%) 40
Borrowing	(2.70%) 90	(4.11%) 90
Total	210	190

## Operating and Financial Review for the year ended 31 July 2020

### Financial results (continued)

The financial results for 2019/20 continue to improve year on year in spite of extremely rigid funding criteria. Lagged funding has increased as a result of an increase in student numbers from the 2018/19 financial year. The net increase in student numbers (1,314 (2019/20) – 1,283 (2018/19)) is 31, this represents an increase of 2.4% (3.3% increase 2018/19) of the student roll.

In terms of the ESFA funding allocation, this has increased in 2019/20 by £197k. Costs incurred before depreciation, interest and pension scheme adjustments have been kept under tight control, these were £6,302k (2019/20) compared to £6,093k (2018/19). This increase of a marginal increase of £290k is mainly made up of increased pension costs, where a £189k grant has been received and recognised within income to reduce the impact of increased employers' contributions.

There are exceptional additional costs incurred due to the coronavirus pandemic totalling £26k and there has also been the loss of lettings revenue since March 2020 which has cost the College in the region of £25k. The College canteen is an in-house operation and we have kept all the staff on full pay since the outbreak of coronavirus, however we have lost an additional £18k in catering gross margin. In total, coronavirus has cost the College an additional £69k up to 31 July 2020.

Tangible fixed asset additions during the year amounted to £79k, this was split £43k to land and buildings, £26k to furniture and £10k to computer equipment.

In September 2008, the College contracted an additional line of credit with Lloyds TSB Bank plc to help with the financing of the property strategy. Loans are repayable in quarterly instalments until July 2022.

The principal funding source continues to be the Education and Skills Funding Agency: 92% 2019/20 (93% 2018/19) of total income.

Cash balances remain positive at £1,021k at 31 July 2020 which is up from £665k at July 2019. Creditors due within one year are £93k up on the previous year end figures which is mainly due to unpaid examination fees at year end as payment terms have been extended to 90 days. We will also be expecting a retrospective credit from the examination bodies in due course as no actual exams were sat. Debtors due within one year are £18k down. The current ratio has improved from 1.33 in 2018/19 to 1.58 in 2019/20.

### Future performance

Forecast operating results remain positive with a marginal increase in current student numbers forecast. The Government made announcements earlier in the year which will have a positive effect on future funding levels. The College will benefit from an increase in the weighting factor and also additional funds will be received through the High Value course premium, this is in addition to an increase in the flat funding rate per student before any adjustments which for 2020/21 stands at £4,188 per student.

### **Future performance** (continued)

The increase in the employer's Teachers' Pension contribution is being subsidised for eight months of 2020/21 but no further announcements on this subsidy have been made. This will potentially cost the College an additional £200k per annum going forward.

The College has secured a £300k grant from the Greater London Authority to re-develop the top floor of the Hume building into a BTEC hub that will enable student growth up to circa 1,400 students. We have also secured a 0% interest loan from the Diocese of Westminster totalling £390k to help with the re-development. Due to the coronavirus pandemic this development has been put on hold until the 2020/21 school year and no grant or loan income has been received at the date of signing these accounts.

The Governing Body made the decision to reduce the curriculum offer to three A Levels for all students from September 2019, this has relieved the pressure on teaching resources and in time may result in cost savings for the College.

### **Principal risks and uncertainties**

The College has reviewed the key risks (particularly funding) to which it is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The College is of the view that there is an ongoing process for identifying, evaluating and managing these significant risks which are presented to the Audit Committee, and insured where feasible. Not all risks and uncertainties are within the control of the College. Major risk categories that face the College are listed below.

- ◆ Future government funding cutbacks;
- ◆ Future impact of the coronavirus (COVID 19) pandemic;
- ◆ Difficulty of increasing the number of students on roll;
- ◆ Recruitment and retention of staff; and
- ◆ Maintaining the standard of estates and buildings.

### **Actions required to minimise the potential risk**

- ◆ Government funding levels are beyond the College's control. Strict financial budgeting ensures that the College will be aware of the financial impact of government cutbacks well in advance and will aim to mitigate any drop in funding, this is however an unquantifiable amount.
- ◆ Detailed risk assessments to contain and manage the COVID 19 pandemic have been drawn up and actioned. Weekly meetings of the COVID 19 action Committee take place to manage and react to current issues arising from the pandemic. Due to the uncertainty caused by the pandemic and the possibility of potential future lockdowns, we have drawn up alternative timetables that will allow home study for students and thus maintain the continuity of teaching. We

### **Actions required to minimise the potential risk (continued)**

- ◆ have also invested heavily in IT to enable online teaching and utilised the Microsoft Teams technology to enable lessons and College meetings to continue. Student numbers have been maintained through the pandemic and funding levels have been assured for the 2020/21 academic year.
  
- ◆ The College has a target student recruitment number each year but has reached capacity at just over 1,300 students. If this were not to be achieved each year it would affect funding levels and may well affect results in the long term. The College has achieved excellent A Level results and remains one of the best in the country on A\* to B grade results. This ensures healthy student recruitment and maintains the high calibre of incoming students to the College. The College has been heavily over-subscribed for the last six years.
  
- ◆ Teachers in Colleges are paid less than those in schools and as such, staff may be reluctant to join the College due to the variation in salary levels. Our location, being on the border of inner-London, has a potential impact on the recruitment of teachers. St Dominic's is located in the 'outer' London salary band and therefore staff are paid considerably less than those working in the 'inner' London salary band. We work with the various teacher training colleges in and around London as a means of recruiting staff and advertise in the TES to ensure national coverage for all vacant posts.
  
- ◆ Certain buildings on the estate fall into category C and D as classified by the Condition Improvement Fund (BCIF). These buildings require ongoing capital expenditure to maintain adequate teaching facilities at the College. As the BCIF was withdrawn from 2014/15, the College aims to maintain the standards of these buildings by making bids to the replacement scheme known as the Condition Improvement Fund (CIF). The CIF does not place unrealistic completion targets of the following March to complete the project which has been the case for the BCIF. However the CIF fund is open to Colleges and Academies and reduces our chances of a successful bid, so far we have had four unsuccessful bids. The College has however been successful in 3 separate bids from the Greater London Authority (GLA). Firstly £50k towards new passenger lifts, secondly £300k towards the development of the BTEC hub in the Hume Building and finally £97k towards the COVID safety costs.

### **Staff and student involvement**

The College believes good communication with staff and students to be very important. There is an effective communication strategy, which includes all staff meetings, a daily staff bulletin, weekly staff briefing, and a Student Council. Formal representation of staff is through the recognised trade unions. In addition, members of staff are able to elect two staff Governors. There is also a regular student newsletter and two student representatives on the Governing Body. Each year students are invited to give feedback to the College through enrolment, induction and leaver satisfaction surveys.

**Taxation**

None of the College's activities fall to be charged to corporation tax.

**Equal opportunities and employment of disabled persons**

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

The College's Single Equality Policy is published on the College's website.

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

**Disability statement**

The College seeks to achieve the objectives set down in the Disability Discrimination Act 1995 as amended by the Special Education Needs and Disability Acts 2001 and 2005.

- a) As part of its accommodation strategy the College updated its access audit. The College considers access matters at the Estates and Risk Management Team Meetings (reporting to the Finance and General Purposes Committee). The Estates and Risk Management Team provides information, advice and arranges support where necessary for students with disabilities.
- b) There is a list of specialist equipment, which the College can make available for use by students and a range of assistive technology is available in the learning centre. Any equipment not held by the College required by a disabled person will be sourced and provided so long as the person remains at the College.
- c) The admissions policy allows for appeals against a decision not to offer a place which are dealt with under the appropriate appeals process.
- d) The College has made a significant investment in the appointment of specialist staff to support students with learning difficulties and/or disabilities. There are a number of student support assistants who can provide a variety of support for learning. There is a continuing programme of staff development to ensure the provision of a high level of appropriate support for students who have learning difficulties and/or disabilities.
- e) Specialist programmes are described in College prospectuses, and achievements and destinations are recorded and published in the standard College format.

## **Operating and Financial Review for the year ended 31 July 2020**

### **Going concern**

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

The overall financial position has improved in 2019/20 with a financial health score increasing to 210. However, after the Local Government Pension Scheme non-cash adjustments to expenditure of £294,000 we have a deficit for the year of £170,000 (excluding £50,000 revaluation reserve movement). The triennial valuation for the LGPS has marginally increased the contribution rate from 20.9% to 21.2%. In addition, the scheme had an actuarial loss of £1,381,000 which has increased the overall deficit on the scheme to £2,526,000. This large increase is due to LGPS revaluation adjustments and the state of the current stock markets due to the coronavirus pandemic.

The cash position which is the truest measure of financial health has increased from £665,000 to £1,021,000 in 2019/20 and the College has forecast a surplus budget for 2020/21. Forecasts beyond 2020/21 have improved considerably due to the recent government funding increases. There is still very strong demand to enter St Dominic's as we are four times oversubscribed. In addition, the College was awarded the Sunday Times Sixth Form College of the year for 2017 which ensures that demand for a place remains high. The College is restricted on how much it can grow due to the demographics of the area and the existing infrastructure of the College. The College cannot convert to an Academy at present which means we are disadvantaged as a Sixth Form College due to non-recovery of our VAT and no assistance with insurance premium. This would save the College around £150,000 per annum.

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

### **Disclosure of information to auditors**

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

### **Signed on behalf of the Board on 10 December 2020**

P A Freely  
Chair – Governing Body

## Statement of Corporate Governance and Internal Control 31 July 2020

The following statement is provided to enable readers of the annual report and accounts of the College to obtain a better understanding of its governance and legal structure.

The College endeavours to conduct its business:

- ◆ In accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership);
- ◆ In full accordance with the guidance to colleges from the Association of Colleges in The English Colleges' Foundation Code of Governance ("the Foundation Code"); and
- ◆ Having due regard to the UK Corporate Governance Code ("the Code") insofar as it is applicable to the further education sector.

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

In the opinion of the Governors, the College complies with all the provisions of the Foundation Code, and it has complied throughout the year ended 31 July 2020. The Governing Body recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times. In carrying out its responsibilities, it takes full account of The English Colleges' Foundation Code of Governance issued by the Association of Colleges in March 2015, which it formally adopted in August 2015.

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

## Statement of Corporate Governance and Internal Control 31 July 2020

### The Governing Body

The members who served on the Governing Body during the year and up to the date of approval of the financial statements were:

NAME	DATE OF APPOINTMENT	CURRENT TERM OF OFFICE EXPIRES	STATUS OF APPOINTMENT	COMMITTEE MEMBERSHIP	ATTENDANCE
Honor Beck	Re-appointed 01.09.18	31.08.22	Foundation Member	Catholicity & Curriculum HR Quality & Standards Remuneration	13 of 14
Maura Coumbe	Re-appointed 01.09.19	31.08.23	Foundation Member	Audit Search	7 of 7
Sister Karen d'Artois	01.05.19	31.08.22	Foundation Member	Catholicity & Curriculum	5 of 6
Paula Eavis	Re-appointed 01.09.19	Expired 31.08.20	Co-opted Member	Finance & General Purposes Chair: HR	9 of 11
Sylvia Farooqi	01.01.20	31.08.21	Parent Member		1 of 1
Noel Feeney	Re-appointed 01.01.20	31.08.23	Foundation Member	Quality & Standards	6 of 7
Lori Fiori	06.12.18	Expired 31.08.20	Parent Member	Audit	2 of 3
Susan Firth	Re-appointed 01.09.18	31.08.21	Staff Member	Quality & Standards	7 of 7
Patrick Freely	Re-appointed 01.09.18	31.08.22	Foundation Member	Chair: Governing Body Finance & General Purposes HR Chair: Remuneration Chair: Search	13 of 14
Edel Kinsella O'Brien	01.09.18	31.08.21	Staff Member	Catholicity & Curriculum	3 of 6
Paul Lorenzato	01.01.20	31.08.21	Parent Member		1 of 1
David Martin	Re-appointed 01.04.17	31.08.21	Foundation Member	Chair: Finance & General Purposes Remuneration	8 of 9
Christopher Moseley	Re-appointed 01.09.18	31.08.22	Foundation Member	Finance & General Purposes Remuneration	8 of 9
James O'Flynn	Re-appointed 01.09.16	Expired 31.08.20	Foundation Member	Quality & Standards Audit	9 of 9
Anne O'Shea	Re-appointed 01.09.18	31.08.22	Foundation Member	Chair: Catholicity & Curriculum	5 of 6
Andrew Parkin	01.01.13	Duration	Principal	All Committees (except Audit/Remuneration)	17 of 20
Neville Ransley	Re-appointed 01.09.17	Expired 31.08.20	Foundation Member	Chair: Quality & Standards Search	7 of 9
Ian Rogers	Re-appointed 01.09.17	31.08.21	Foundation Member	Chair: Audit	4 of 5
Kavisha E-Fernando	01.01.19	31.12.19	Student Member	Catholicity & Curriculum	3 of 3
Sarthak Panvelkar	01.01.19	31.12.19	Student Member	Catholicity & Curriculum	3 of 3
Jeea Chadha	01.01.20	Expires 31.12.20	Student Member	Quality & Standards	3 of 3
Cathal Doherty	01.01.20	Expires 31.12.20	Student Member	Quality & Standards	3 of 3

Additionally, the following students were appointed as Observers to the Catholicity & Curriculum Committee:  
Clara Moscaliuc and Michael Mujuzi

### **The Governing Body** (continued)

The Governing Body conducts its business through a number of committees. Each committee has terms of reference that have been approved by the Board. These committees are Finance & General Purposes, Remuneration, Search, Audit, Quality & Standards, Human Resources and Catholicity & Curriculum. Full minutes of all meetings, except those deemed to be confidential by the Board, are available from the Clerk to the Governors.

The Clerk to the Governing Body maintains a register of financial and personal interests of the Governors and Senior Post Holders. The register is available for inspection at the above address. All Governors are able to take independent professional advice in furtherance of their duties at the College's expense and have access to the Clerk to the Governing Body, who is responsible to the Governors for ensuring that all applicable procedures and regulations are complied with. The appointment, evaluation and removal of the Clerk are matters for the Board as a whole. Formal agendas, papers and reports are supplied to Governors in a timely manner, prior to Governors' meetings. Briefings are also provided on an ad hoc basis. The Governing Body has a strong and independent non-executive element and no individual or group dominates its decision-making process. The Governing Body considers that each of its non-executive members is independent of management and free from any business or other relationship that could materially interfere with the exercise of their independent judgement. There is a clear division of responsibility in that the roles of the Chairman and Principal are separate.

### **Appointments to the Board**

Any new appointments of Foundation Governors to the Governing Body are a matter for the consideration of the Diocese of Westminster and as to other Governors, the Governing Body as a whole. The Governing Body has a Search Committee, consisting of four members, which is responsible for the selection and nomination of any new member. The Governing Body is responsible for ensuring that appropriate training is provided as required. Members of the Governing Body are appointed for a term of office not exceeding four years.

### **Remuneration Committee**

Throughout the year ended 31 July 2020, the College's Remuneration Committee comprised three members. The Committee's responsibilities are to make recommendations to the Governing Body on the remuneration and benefits of the Principal and other Senior Post Holders. Details of remuneration for the year ended 31 July 2020 are set out in note 5 to the financial statements.

### **Audit Committee**

The Audit Committee comprises five members (excluding the Principal and Chair). The Committee operates in accordance with written terms of reference approved by the Governing Body. The Audit Committee meets twice a year and provides a forum for reporting by the College's financial statements auditors, who have access to the Committee for independent discussion, without the presence of College management. The Committee also receives and considers reports from the ESFA as they affect the College's business.

### Internal control

#### ***Scope of responsibility***

The Governing Body is ultimately responsible for the College's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss. The Governing Body has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives, whilst safeguarding the public funds and assets for which they are personally responsible, in accordance with the responsibilities assigned to him in the Financial Memorandum between St. Dominic's Sixth Form College and the ESFA. He is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

#### ***The purpose of the system of internal control***

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of College policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in St. Dominic's Sixth Form College for the year ended 31 July 2020 and up to the date of approval of the annual report and accounts.

#### ***Capacity to handle risk***

The Governing Body has reviewed the key risks to which the College is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the College's significant risks that has been in place for the year ended 31 July 2020 and up to the date of approval of the annual report and financial statements. The process is regularly reviewed by the Governing Body.

#### ***The risk and control framework***

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

- ◆ comprehensive budgeting systems with an annual budget, which is reviewed and agreed by the Governing Body;
- ◆ regular reviews by the Governing Body of periodic and annual financial reports which indicate financial performance against forecasts;
- ◆ setting targets to measure financial and other performance;
- ◆ clearly defined capital investment control guidelines; and

**Internal control** (continued)

***The risk and control framework*** (continued)

- ◆ the adoption of formal project management disciplines, where appropriate.

St. Dominic's Sixth Form College has appointed an internal audit service for the year ended 31 July 2020. For that year, the College management and Governors have assessed the internal controls and developed a Board Assurance Framework, clearly showing the mapping of assurance sources against the risks identified. The College analysed the risks to which it was exposed and a programme of assurance was agreed with the Audit Committee. The Committee was provided with regular reports on this assurance activity in the College which included:

- ◆ Health and Safety;
- ◆ Fire Safety; and
- ◆ Financial Controls.

***Review of effectiveness***

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

- ◆ the work of the internal auditors, where applicable;
- ◆ the work of the executive managers within the College who have responsibility for the development and maintenance of the internal control framework;
- ◆ comments made by the College's financial statements auditor and the regularity reporting accountant in their management letters and other reports.

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

The Senior Leadership Team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The Senior Leadership Team and the Audit Committee also receive regular reports from internal audit, which include recommendations for improvement. The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Governing Body's agenda includes a regular item for consideration of risk and control and receives reports thereon from the Senior Leadership Team and the Audit Committee.

**Internal control** (continued)

***Review of effectiveness*** (continued)

The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its December 2020 meeting, the Governing Body carried out the annual assessment for the year ended 31 July 2020 by considering documentation from the Senior Leadership Team, and taking account of events since 31 July 2020.

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

P A Freely  
Chair – Governing Body  
10 December 2020

A Parkin  
Principal  
10 December 2020

**Governing Body's statement on the College's regularity, propriety and compliance with ESFA terms and conditions of funding 31 July 2020**

The Governing Body has considered its responsibility to notify the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with terms and conditions of funding, under the Governing Body' grant funding agreements and contracts with the Education and Skills Funding Agency. As part of our consideration we have had due regard to the requirements of grant funding agreements and contracts with the Education and Skills Funding Agency.

We confirm on behalf of the Governing Body that after due enquiry, and to the best of our knowledge, we are able to identify any material irregular or improper use of funds by the Governing Body, or material non-compliance with the terms and conditions of funding, under the Governing Body' grant funding agreements and contracts with the Education and Skills Funding Agency, or any other public funder.

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

P A Freely  
Chair – Governing Body  
10 December 2020

A Parkin  
Principal  
10 December 2020

## Statement of Responsibilities of the Members of the Governing Body 31 July 2020

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

Within the terms and conditions of the Funding Agreement between the Education and Skills Funding Agency and the Governing Body of the College, the Governing Body, through its Accounting Officer, is required to prepare financial statements for each financial year in accordance with the Statement of Recommended Practice – Accounting for Further and Higher Education, the Education and Skills Funding Agency's College Accounts Direction 2019 to 2020 and the UK'S Generally Accepted Accounting Practice, and which give a true and fair view of the state of affairs of the College and the result for that year.

In preparing the financial statements, the Governing Body is required to:

- ◆ select suitable accounting policies and apply them consistently;
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- ◆ assess whether the College is a going concern, noting the key supporting assumptions, qualifications or mitigating actions, as appropriate (which must be consistent with other disclosures in the accounts and auditor's report);
- ◆ prepare financial statements on the going concern basis unless it is inappropriate to assume that the College will continue in operation.

The Governing Body is also required to prepare a Governor's Report that describes what it is trying to do and how it is going about it, including information about the legal and administrative status of the College.

The Governing Body is responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the College, and which enable it to ensure that the financial statements are prepared in accordance with the relevant legislation including the Further and Higher Education Act 1992 and Charities Act 2011, and other relevant accounting standards. It is responsible for taking steps that are reasonably open to it in order to safeguard the assets of the College and to prevent and detect fraud and other irregularities.

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

## **Statement of Responsibilities of the Members of the Governing Body 31 July 2020**

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

Signed on behalf of the Governing Body on 10 December 2020.

P A Freely  
Chair – Governing Body

**Independent Auditor's Report to the Governing Body of St Dominic's Sixth Form College**

**Opinion**

We have audited the financial statements of St Dominic's Sixth Form College (the 'College') for the year ended 31 July 2020 which comprise the statement of comprehensive income, the statement of changes in reserves, the balance sheet, the statement of cash flows, the principal accounting policies, and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the College's affairs as at 31 July 2020 and of its deficit of income over expenditure for the year then ended; and
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

**Basis for opinion**

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

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- ◆ the Governing Body's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- ◆ the Governing Body has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the College's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Post 16 Code of Practice issued by the Education and Skills Funding Agency requires us to report to you if, in our opinion:

- ◆ proper accounting records have not been kept; or
- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ we have not received all the information and explanations we require for our audit.

**Responsibilities of the Governing Body**

As explained more fully in the statement of responsibilities of members of the Governing Body, the Governing Body is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at

[www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of our report**

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

Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

**Reporting Accountant's Assurance Report on Regularity to the Governing Body of St Dominic's Sixth Form College and Secretary of State for Education** year to 31 July 2020

In accordance with the terms of our engagement letter dated 15 July 2019 and further to the requirements of the funding agreement with Education and Skills Funding Agency we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest that in all material respects the expenditure disbursed and income received by St Dominic's Sixth Form College during the period 1 August 2019 to 31 July 2020 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

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

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

**Respective responsibilities of St Dominic's Sixth Form College and the reporting accountant**

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

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Audit Code of Practice. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 August 2019 to 31 July 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Reporting Accountant's Assurance Report on Regularity to the Governing Body of St Dominic's Sixth Form College and Secretary of State for Education** year to 31 July 2020

**Approach**

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

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

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

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

The work undertaken to draw to our conclusion includes:

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

**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 August 2019 to 31 July 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Buzzacott LLP  
Chartered Accountants  
130 Wood Street  
London  
EC2V 6DL

## Statement of Comprehensive Income Year to 31 July 2020

	Notes	2020 £'000	2019 £'000
<b>Income</b>			
Funding body grants	1	6,312	6,115
Fees and recharges	2	5	6
Other grants and contracts	3	316	148
Other income	4	235	314
<b>Total income</b>		<b>6,868</b>	<b>6,583</b>
<b>Expenditure</b>			
Staff costs	5	5,243	5,000
Other operating expenses	6	1,353	1,298
Depreciation	8	408	437
Interest and other finance costs	7	34	30
<b>Total expenditure</b>		<b>7,038</b>	<b>6,765</b>
<b>Deficit before tax</b>		<b>(170)</b>	<b>(182)</b>
Taxation		—	—
<b>Deficit for the year</b>		<b>(170)</b>	<b>(182)</b>
Actuarial loss in respect of pension schemes	17	(1,381)	(272)
<b>Total comprehensive income for the year</b>		<b>(1,551)</b>	<b>(454)</b>
<b>Represented by:</b>			
<b>Unrestricted comprehensive income</b>		<b>(1,551)</b>	<b>(454)</b>

## Statement of Changes in Reserves Year to 31 July 2020

	Income and Expenditure account £'000	Revaluation Reserve £'000	Total £'000
<b>Balance at 31 July 2018</b>	3,505	1,850	<b>5,355</b>
Deficit from the income and expenditure account	(182)	—	<b>(182)</b>
Other comprehensive income – Actuarial loss on respect of pension schemes (note 17)	(272)	—	<b>(272)</b>
Transfers between revaluation and income and expenditure reserves	50	(50)	—
<b>Total comprehensive income for the year</b>	<b>(404)</b>	<b>(50)</b>	<b>(454)</b>
<b>Balance at 31 July 2019</b>	3,101	1,800	<b>4,901</b>
Deficit from the income and expenditure account	(170)	—	<b>(170)</b>
Other comprehensive income – Actuarial loss on respect of pension schemes (note 17)	(1,381)	—	<b>(1,381)</b>
Transfers between revaluation and income and expenditure reserves	50	(50)	—
<b>Total comprehensive income for the year</b>	<b>(1,501)</b>	<b>(50)</b>	<b>(1,551)</b>
<b>Balance at 31 July 2020</b>	1,600	1,750	<b>3,350</b>

## Balance Sheet as at 31 July 2020

	Notes	2020 £'000	2019 £'000
<b>Fixed assets</b>			
Tangible fixed assets	8	<u>10,283</u>	<u>10,613</u>
		<b>10,283</b>	<b>10,613</b>
<b>Current assets</b>			
Trade and other receivables	9	<b>60</b>	78
Cash and cash equivalents	14	<u>1,021</u>	<u>665</u>
		<b>1,081</b>	<b>743</b>
<b>Less: Creditors – amounts falling due within one year</b>	10	<b>(854)</b>	(761)
<b>Net current assets (liabilities)</b>		<u><b>227</b></u>	<u>(18)</u>
<b>Total assets less current liabilities</b>		<b>10,510</b>	10,595
<b>Less: Creditors – amounts falling due after more than one year</b>	11	<b>(4,634)</b>	(4,864)
<b>Provisions</b>			
Defined benefit obligations	17	<b>(2,526)</b>	(830)
<b>Total net assets</b>		<u><b>3,350</b></u>	<u>4,901</u>
<b>Unrestricted reserves</b>			
Income and expenditure account		<b>1,600</b>	3,101
Revaluation reserve		<b>1,750</b>	1,800
<b>Total unrestricted reserves</b>		<u><b>3,350</b></u>	<u>4,901</u>

The financial statements of pages 26 to 46 were approved and authorised for issue by the Governing Body on 10 December 2020 and were signed on its behalf on that date by:

Patrick Freely  
Chair

Andrew Parkin  
Accounting Officer

**Statement of Cash Flows** Year ended 31 July 2020

	Notes	2020 £'000	2019 £'000
<b>Cash flows from operating activities</b>			
Deficit for the year		(170)	(182)
<b>Adjustment for non cash items</b>			
Depreciation		409	436
Decrease in debtors		18	57
Increase in creditors due within one year		89	66
Decrease in creditors due after one year		(140)	(175)
Pension costs less contributions payable		315	218
<b>Adjustment for investing or financing activities</b>			
Interest payable		13	17
<b>Net cash flows provided by operating activities</b>		<b>534</b>	<b>437</b>
<b>Cash flows from investing activities</b>			
Payments made to acquire fixed assets		(79)	(118)
		<b>(79)</b>	<b>(118)</b>
<b>Cash flows from financing activities</b>			
Interest paid		(13)	(17)
Repayments of amounts borrowed		(86)	(81)
		<b>(99)</b>	<b>(98)</b>
<b>Increase in cash and cash equivalents in the year</b>		<b>356</b>	<b>221</b>
Cash and cash equivalents at 1 August 2019	14	<b>665</b>	444
Cash and cash equivalents at 31 July 2020	14	<b>1,021</b>	665

**Accounting policies**

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

**Basis of preparation**

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2015 (the 2015 FE HE SORP), the College Accounts Direction for 2019 to 2020 and in accordance with Financial Reporting Standard 102 – “The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland” (FRS 102). The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

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

**Basis of accounting**

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

**Going concern**

The activities of the College, together with the factors likely to affect its future development and performance are set out in the Operating and Financial Review. The financial position of the College, its cashflow, liquidity and borrowings are described in the financial statements and accompanying notes.

The overall financial position has improved in 2019/20 with a financial health score increasing to 210. However, after the Local Government Pension Scheme non-cash adjustments to expenditure of £294,000 we have a deficit for the year of £170,000 (excluding £50,000 revaluation reserve movement). The triennial valuation for the LGPS has marginally increased the contribution rate from 20.9% to 21.2%. In addition, the scheme had an actuarial loss of £1,381,000 which has increased the overall deficit on the scheme to £2,526,000. This large increase is due to LGPS revaluation adjustments and the state of the current stock markets due to the coronavirus pandemic.

**Accounting policies** (continued)

**Going concern** (continued)

The cash position which is the truest measure of financial health has increased from £665,000 to £1,021,000 in 2019/20 and the College has forecast a surplus budget for 2020/21. Forecasts beyond 2020/21 have improved considerably due to the recent government funding increases. There is still very strong demand to enter St Dominic's as we are four times oversubscribed. In addition, the College was awarded the Sunday Times Sixth Form College of the year for 2017 which ensures that demand for a place remains high. The College is restricted on how much it can grow due to the demographics of the area and the existing infrastructure of the College. The College cannot convert to an Academy at present which means we are disadvantaged as a Sixth Form College due to non-recovery of our VAT and no assistance with insurance premium. This would save the College around £150,000 per annum.

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

**Recognition of income**

Government revenue grants include funding body recurrent grants and other grants and are accounted for under the accrual model as permitted by FRS 102. Funding body recurrent grants are measured in line with best estimates for the period of what is receivable and depend on the particular income stream involved. 16-18 learner-responsive funding is not normally subject to reconciliation and is therefore not subject to contract adjustments.

Where part of a government grant is deferred, the deferred element is recognised as deferred income within creditors and allocated between creditors due within one year and creditors due after more than one year as appropriate.

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

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

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

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

**Accounting policies** (continued)

**Agency arrangements**

The College acts as an agent in the collection and payment of Discretionary Learner Support Funds. Related payments received from the funding bodies and subsequent disbursements to students are excluded from the Income and Expenditure account and are shown separately in Note 19, except for the 5 per cent of the grant received which is available to the College to cover administration costs relating to the grant.

**Post-retirement benefits**

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

The TPS is an unfunded scheme. Contributions to the TPS are calculated so as to spread the cost of pensions over employees' working lives with the College in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of valuations using a prospective benefit method.

The TPS is a multi-employer scheme and the College is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution plan and the contributions recognised as an expense in the income statement in the periods during which services are rendered by employees.

The LGPS is a funded scheme. The assets of the LGPS are measured using closing fair values. LGPS liabilities are measured using the projected unit credit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred.

Net interest on the net defined benefit liability is also recognised in the Statement of Comprehensive Income and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

**Accounting policies** (continued)

**Short term employment benefits**

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

**Tangible fixed assets**

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

***Land and buildings***

Land and buildings are held in trust by the Roman Catholic Diocese of Westminster and are stated in the balance sheet at valuation on the basis of depreciated replacement cost as the open market value for existing use is not readily obtainable. Buildings improvements made since incorporation are included in the balance sheet at cost. Freehold land is not depreciated. Freehold buildings are depreciated over their expected useful economic life to the College of 50 years.

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

Finance costs, which are directly attributable to the construction of land and buildings, are not capitalised as part of the cost of those assets.

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

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

**Accounting policies** (continued)

**Tangible fixed assets** (continued)

***Subsequent expenditure on existing fixed assets***

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

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

***Equipment***

Equipment costing less than £1,000 per individual item is written off to the income and expenditure account in the year of acquisition. All other equipment is capitalised at cost.

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

Computers and related equipment	4 years
All other furniture and equipment	4 and 10 years

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

**Leased assets**

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

**Cash and cash equivalents**

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. An investment qualifies as a cash equivalent when it has maturity of 3 months or less from the date of acquisition.

**Accounting policies** (continued)

**Taxation**

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

The College is not registered for Value Added Tax, so it cannot recover any VAT charged on its inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

**Provisions**

Provisions are recognised when

- ◆ the College has a present legal or constructive obligation as a result of a past event;
- ◆ it is probable that a transfer of economic benefit will be required to settle the obligation; and
- ◆ a reliable estimate can be made of the amount of the obligation.

**Judgement in applying accounting policies and key sources of estimation uncertainty**

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

- ◆ Determining whether there are indicators of impairment of the College's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- ◆ Determining whether the financial statements should be prepared on a going concern basis. The factors surrounding this are discussed above.

**Accounting policies** (continued)

**Judgement in applying accounting policies and key sources of estimation uncertainty** (continued)

Other key sources of estimation uncertainty:

- ◆ **Tangible fixed assets**  
Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
  
- ◆ **Local Government Pension Scheme**  
The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 17, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 July 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of pension liability.

**Notes to the Financial Statements** Year to 31 July 2020

**1 Funding body grants**

	<b>2020</b>	2019
	<b>£'000</b>	£'000
<b>Recurrent grants</b>		
Education and Skills Funding Agency – 16 to 18 funding	<b>6,143</b>	5,934
<b>Specific grants</b>		
Releases of government capital grants	<b>169</b>	181
<b>Total</b>	<b>6,312</b>	6,115

**2 Fees and recharges**

	<b>2020</b>	2019
	<b>£'000</b>	£'000
Exam fees	<b>5</b>	6
<b>Total</b>	<b>5</b>	6

**3 Other grants and contracts**

	<b>2020</b>	2019
	<b>£'000</b>	£'000
Other grants and contracts	<b>316</b>	148
<b>Total</b>	<b>316</b>	148

**4 Other income**

	<b>2020</b>	2019
	<b>£'000</b>	£'000
Catering and residences	<b>172</b>	233
Other grant income	<b>32</b>	32
Miscellaneous income	<b>31</b>	49
<b>Total</b>	<b>235</b>	314

**5 Staff costs**

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

	<b>2020</b>	2019
	<b>No.</b>	No.
Teaching staff	<b>54</b>	56
Non teaching staff	<b>43</b>	44
	<b>97</b>	100

Average staff numbers described as headcount was;

	<b>2020</b>	2019
	<b>No.</b>	No.
Teaching staff	<b>61</b>	63
Non teaching staff	<b>60</b>	61
	<b>121</b>	125

5 Staff costs (continued)

**Staff costs for the above persons**

	<b>2020</b> <b>£'000</b>	2019 £'000
Wages and salaries	<b>3,792</b>	3,817
Social security costs	<b>373</b>	370
Other pension costs (note 17)	<b>1,078</b>	813
<b>Total</b>	<b>5,243</b>	5,000

**Key management personnel**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College and are represented by the individuals listed on page 2.

	<b>2020</b> <b>No.</b>	2019 No.
The number of key management personnel including the Accounting Officer was:	<b>8</b>	8

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

	<b>Key management personnel</b>		<b>Other staff</b>	
	<b>2020</b> <b>No.</b>	2019 No.	<b>2020</b> <b>No.</b>	2019 No.
£30,001 to £35,000	<b>1</b>	—		
£45,001 to £50,000	<b>1</b>	1		
£50,001 to £55,000	—	1		
£55,001 to £60,000	<b>1</b>	1		
£65,001 to £70,000	<b>1</b>	3	—	—
£70,001 to £75,000	<b>2</b>	—	—	—
£75,001 to £80,000	—	1	—	—
£80,001 to £85,000	<b>1</b>	—	—	—
£110,000 to £115,000	—	1	—	—
£115,001 to £120,000	<b>1</b>	—	—	—
	<b>8</b>	8	—	—

Key management personnel compensation is made up as follows:

	<b>2020</b> <b>£'000</b>	2019 £'000
Salaries	<b>534</b>	546
Employers National Insurance	<b>65</b>	66
Benefits in kind	<b>13</b>	10
	<b>612</b>	622
Pension contributions	<b>120</b>	83
<b>Total contributions</b>	<b>732</b>	705

**5 Staff costs** (continued)

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

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

	<b>2020</b> <b>£'000</b>	2019 £'000
Salaries	<b>108</b>	105
Benefits in kind	<b>9</b>	9
	<b>117</b>	114
Pension contributions	<b>24</b>	18

The Governors have adopted the AoC's Senior Staff Remuneration Code in July 2019 and assess pay in line with its principles.

The remuneration package of key management staff, including the Principal, is subject to annual review by the Remuneration Committee of the Governing Body who use benchmarking information to provide objective guidance.

The Principal reports to the Governors, who undertakes an annual review of his performance against the College's overall objectives using both qualitative and quantitative measures of performance.

Relationship of Principal pay and remuneration expressed as a multiple:

	<b>2020</b>	2019
Principal's basic salary as a multiple of the median of all staff	<b>3.24</b>	3.20
Principal' total remuneration as a multiple of the median of all staff	<b>3.11</b>	3.15

**6 Other operating expenses**

	<b>2020</b> <b>£'000</b>	2019 £'000
Teaching costs	<b>768</b>	673
Non-teaching costs	<b>328</b>	366
Premises costs	<b>257</b>	259
<b>Total</b>	<b>1,353</b>	1,298

	<b>2020</b> <b>£'000</b>	2019 £'000
Auditor's remuneration:		
Financial statements audit	<b>15</b>	15
Internal audit	<b>2</b>	2
Hire of assets under operating leases	<b>18</b>	18

## Notes to the Financial Statements Year to 31 July 2020

### 7 Interest payable

	2020 £'000	2019 £'000
On bank loans, overdrafts and other loans	13	17
Pension finance costs (note 17)	21	13
<b>Total</b>	<b>34</b>	<b>30</b>

### 8 Tangible fixed assets

	Freehold Land and buildings £'000	Equipment £'000	Total £'000
<b>Cost or valuation</b>			
At 1 August 2019	13,299	1,954	15,253
Additions	43	36	79
<b>At 31 July 2020</b>	<b>13,342</b>	<b>1,990</b>	<b>15,332</b>
<b>Depreciation</b>			
At 1 August 2019	3,139	1,502	4,641
Charge for the year	267	141	408
<b>At 31 July 2020</b>	<b>3,406</b>	<b>1,643</b>	<b>5,049</b>
<b>Net book value at 31 July 2020</b>	<b>9,936</b>	<b>347</b>	<b>10,283</b>
Net book value at 31 July 2019	10,160	452	10,612

### 9 Debtors

	2020 £'000	2019 £'000
Trade receivables	10	14
Prepayments and accrued income	50	64
<b>Total</b>	<b>60</b>	<b>78</b>

### 10 Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Bank loans (note 12)	89	85
Trade payables	248	53
Other taxation and social security	122	163
Accruals and deferred income	226	259
Deferred income – government capital grants	169	201
<b>Total</b>	<b>854</b>	<b>761</b>

### 11 Creditors: amounts falling due after one year

	2020 £'000	2019 £'000
Bank loans (note 12)	95	185
Deferred income – government capital grants	4,539	4,679
<b>Total</b>	<b>4,634</b>	<b>4,864</b>

## 12 Maturity of debt

### Bank loans

Bank loans are repayable as:

	<b>2020</b> <b>£'000</b>	2019 £'000
In one year or less	<b>89</b>	85
Between one and two years	<b>95</b>	185
<b>Total</b>	<b>184</b>	270

## 13 Provisions

	Defined benefit obligations £'000	<b>Total</b> <b>£'000</b>
At 1 August 2019	830	<b>830</b>
Expenditure in the period	315	<b>315</b>
Transferred from income and expenditure account	1,381	<b>1,381</b>
<b>At 31 July 2020</b>	<b>2,526</b>	<b>2,526</b>

Defined benefit obligations relate to the liabilities under the College's membership of the Local Government Pension Scheme. Further details are given in note 17.

## 14 Cash and cash equivalents

	At 1 August 2019 £'000	Cash flows £'000	At 31 July 2020 £'000
Cash and cash equivalents	665	356	<b>1,021</b>
<b>Total</b>	<b>665</b>	<b>356</b>	<b>1,021</b>

## 15 Lease obligations

At 31 July 2020 the College had minimum lease payments under non-cancellable operating leases as follows:

	<b>2020</b> <b>£'000</b>	2019 £'000
<b>Equipment</b>		
Not later than one year	<b>14</b>	18
Later than one year and not later than five years	—	15
	<b>14</b>	33

## 16 Events after the reporting period

There are no events after the reporting period.

**17 Defined benefit obligations**

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of the TPS was 31 March 2016 and of the LGPS 31 March 2019.

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

	2020 £'000	2020 £'000	2019 £'000	2019 £'000
Teachers' Pension Scheme: contributions paid		542		390
Local Government Pension Scheme:				
Contributions paid	242		218	
FRS 102 (28) charge	294		205	
Charge to the Statement of Comprehensive Income		536		423
<b>Total pension cost (note 5)</b>		<b>1,078</b>		<b>813</b>

***Teachers' Pension Scheme***

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools, colleges and other educational establishments. Membership is automatic for teachers and lecturers at eligible institutions. Teachers and lecturers are able to opt out of the TPS.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act. Retirement and other pension benefits are paid by public funds provided by Parliament.

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

**17 Defined benefit obligations (continued)**

***Teachers' Pension Scheme***

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

The valuation of the TPS is carried out in line with regulations made under the Public Service Pension Act 2013. Valuations credit the teachers' pension account with a real rate of return assuming funds are invested in notional investments that produce that real rate of return.

The latest actuarial review of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education (the Department in April 2019). The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £198 billion giving a notional past service deficit of £22 billion.

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/9). The DfE has agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2019-20 academic year.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website.

The pension costs paid to TPS in the year amounted to £542,000 (2019: £390,000). A £189k grant was received in year and recognised within income to reduce the impact of increased employers' contributions.

#### ***Local Government Pension Scheme***

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by Harrow Local Authority. The total contribution made for the year ended 31 July 2020 was £317,000 of which employer's contributions totalled £242,000 and employees' contributions totalled £75,000. The agreed contribution rates for future years are 21.2 % for employers and range from 5.5% to 7.5% cent for employees, depending on salary.

**17 Defined benefit obligations (continued)**

***Principal Actuarial Assumptions***

The following information is based upon a full actuarial valuation of the fund at 31 March 2019 updated to 31 July 2020 by a qualified independent actuary.

	<b>At 31 July 2020 %</b>	At 31 July 2019 %
Rate of increase in salaries	<b>2.90</b>	2.70
Future pensions increases	<b>2.20</b>	2.40
Discount rate for scheme liabilities	<b>1.40</b>	2.10
Inflation assumption (CPI)	<b>2.20</b>	2.40
Commutation of pensions to lump sums	<b>50.00</b>	50.00

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

	<b>At 31 July 2020</b>	At 31 July 2019
<i>Retiring today</i>		
Males	<b>22.00</b>	21.20
Females	<b>24.30</b>	23.50
<i>Retiring in 20 years</i>		
Males	<b>23.10</b>	22.30
Females	<b>26.30</b>	25.00

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

	<b>Fair value at 31 July 2020 £'000</b>	Fair value at 31 July 2019 £'000
Equities	<b>5,097</b>	5,721
Bonds	<b>1,033</b>	930
Property	<b>551</b>	500
Cash	<b>207</b>	0
<b>Total market value of assets</b>	<b>6,888</b>	7,151
<b>Weighted average expected long term rate of return</b>	<b>6.5%</b>	6.5%
<b>Actual return on plan assets</b>	<b>£570,000</b>	£408,000

**17 Defined benefit obligations** (continued)

***Principal Actuarial Assumptions***

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

	<b>2020</b>	2019
	<b>£'000</b>	£'000
Fair value of plan assets	<b>6,888</b>	7,151
Present value of plan liabilities	<b>(9,414)</b>	(7,981)
<b>Net pension liability (note 13)</b>	<b>(2,526)</b>	(830)

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

	<b>2020</b>	2019
	<b>£'000</b>	£'000
<b>Amounts included in staff costs</b>		
Current service cost	<b>534</b>	430
<b>Total</b>	<b>534</b>	430
<b>Amounts included in interest and other finance costs</b>		
Net interest charge	<b>21</b>	13
	<b>21</b>	13
<b>Amounts recognised in other comprehensive income</b>		
Return on pension plan assets	<b>(570)</b>	408
Experience losses arising on defined benefit obligations	<b>(811)</b>	(680)
Amount recognised in Other Comprehensive Income	<b>(1,381)</b>	(272)

***Movement in net defined benefit liability during the year***

	<b>2020</b>	2019
	<b>£'000</b>	£'000
Deficit in scheme at 1 August	<b>(830)</b>	(340)
Movement in year:		
. Current service cost	<b>(534)</b>	(430)
. Employer contributions	<b>240</b>	225
. Net interest on the defined liability	<b>(21)</b>	(13)
. Actuarial loss	<b>(1,381)</b>	(272)
<b>Net defined benefit liability at 31 July</b>	<b>(2,526)</b>	(830)

**17 Defined benefit obligations (continued)**

***Principal Actuarial Assumptions***

***Asset and Liability Reconciliation***

Changes in the present value of defined benefit obligations	2020 £'000	2019 £'000
<b>Defined benefit obligations at 1 August</b>	<b>7,981</b>	6,743
Current service cost	534	430
Interest cost	173	194
Contributions by Scheme participants	75	63
Experience gains and losses on defined benefit obligations	811	680
Estimated benefits paid	<b>(160)</b>	(129)
<b>Defined benefit obligations at 31 July</b>	<b>9,414</b>	7,981

**Reconciliation of assets**

<b>Fair value of plan assets at 1 August</b>	<b>7,151</b>	6,403
Interest on plan assets	152	181
Return on plan assets	<b>(570)</b>	408
Employer contributions	240	225
Contribution by Scheme participants	75	63
Estimated benefits paid	<b>(160)</b>	(129)
<b>Assets at 31 July</b>	<b>6,888</b>	7,151

**18 Related party transactions**

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

**19 Amounts disbursed as agent**

***Learner support funds***

	2020 £'000	2019 £'000
Funding body grants – bursary support	<b>150</b>	150
	<b>150</b>	150
Disbursed to students	<b>(120)</b>	(141)
Administration costs	<b>(7)</b>	(7)
Balance unspent as at 31 July, included in creditors	<b>23</b>	2

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