St Dominic's Sixth Form College

Annual Report and Financial Statements

31 July 2021

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Governing Body	A full list of governors is given on page 13
Key management personnel	Andrew Parkin (Principal and Accounting Officer) Nicola Walsh (Vice Principal) Julie Cope (Assistant Principal) Pavandeep Gill (Assistant Principal) Craig McDonagh (Assistant Principal) Naomi Ross (Assistant Principal) Bryan Johnston (Assistant Principal) Tom Colgan (Finance & HR Director)
Registered office	Mount Park Avenue Harrow on the Hill Middlesex HA1 3HX
Financial statements auditor and reporting accountant	Buzzacott LLP 130 Wood Street London EC2V 6DL
Solicitors	Blake Morgan Apex Plaza Forbury Road Reading RG1 1AX
Bankers	Lloyds Bank plc Harrow Town Centre Branch Harrow Middlesex HA1 2EB
Clerk to the Governors	Sue Jacobs

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 with 289 students to around 1,300 at the start of academic year 2021/22.

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. We were awarded the 'Sunday Times Sixth Form College of the Year' in 2017, which was a great moment for the whole College community and afforded us 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 2021/22. The vast majority of students at St Dominic's join with level 2 English and maths. The College continues to offer level 2 maths in the academic year 2021/22 but there was no demand for English this year as all students have level 4 or above. In 2021 the pass rate for both maths and English was 100%.

The College was oversubscribed in 2021 and received 3,500 applications. After the enrolment process there are currently 682 students in year 1 and 626 in year 2 giving a total College role of 1308 at the time of writing. The College has two main Catholic feeder schools, Sacred Heart Language College and Salvatorian College and numbers from those two schools remain strong overall. The proportion of Catholic students in the College has been declining over time but has stabilised over the last 2 years. The remainder of the cohort comes from a variety of other Catholic schools and a wide range of other schools.

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 2021, approximately 43% of the College's students are from Indian or other Asian backgrounds and 14% are 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 always under review to ensure the most appropriate curriculum for students. The majority of students are taking 3 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 2021, 93% have gone to university with 42% moving to a Russell Group institution. 59% achieved their first-choice institution. This figure demonstrates the excellent impact of our curriculum model and its appropriateness for our students as well as our comprehensive CEIAG programme. The College has been in the top 10% of Sixth Form Colleges nationally for retention on level 3 courses for over five years. Examination results, over time, have enabled students to move onto university or into employment. This is a mark of our sustained success.

2021 headline figures are as follows:

Data measure	**A***	**A* to A**	**A* to B**	**A* to E**
St. Dominic's	16.8%	45.8%	74.4%	99.8%
National %	19.1%	44.8%	70.3%	99.5%

Trends as follows with 2019 data being the last validated:

	A*	**A*/A**	**A*/B**	**A*/E**
2021	16.8%	46%	74%	99.8%
2020	9.0%	35%	66%	99.5%
2019	8.1%	31%	61%	99.1%
2018	7.5%	32%	62%	99.6%

Attainment in the 2021 examination series at A level continued to be above national averages and reflected the broader national results base.

The effect of the global pandemic has been exceptionally well managed by the College over the last 18 months and the vast majority of our curriculum and monitoring and assessment processes have been maintained throughout. A review of online learning was carried out in February 2021 by the College Improvement Partner and feedback from parents and students has been wholly positive.

Implementation of Strategic Plan (continued)

St. Dominic's is an outstanding college and consequently we have judged each section of the SAR accordingly bearing in mind the unprecedented disruption that we have experienced over the last couple of years. 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 latest inspection framework and handbook.

The Principal has been in post almost 10 years, having taken up post in January 2013. A significant number of senior staff have left the college recently with almost all being due to retirement and in 2021, four new Assistant Principals have joined the team. The current senior leadership team are vibrant, enthusiastic and innovative.

The College sets targets for a range of performance indicators measured against past performance and national benchmarks. This year the College is implementing a new assessment process to track and monitor progress rather than to set specific whole College targets, due to the unreliability of the data sets we currently have in Year 2 from Year 11 Centre Assessed Grades. Under normal times, targets are monitored by leaders at all levels from subject teams to the Governing Body, following the College's QA procedures. In the coming academic year all subject teams will be reviewed which will involve the College Improvement Partner, colleagues from other institutions and this process will be directed by the Vice Principal and College nominee. The Equality and Diversity Committee monitors the performance of students by gender, ethnicity, FSM (free school meals), bursary, disability and learning needs and is under the direction of one of the new Assistant Principals. The Committee meet 6 times a year and have broad terms of reference.

We are actively engaged with a wide range of partners and have supported a number of national initiatives. 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 2021 we have joined Challenge Partners to further develop our leadership, management and teaching skills.

In the past year, in addition to all the work around the pandemic, the focus has been on the long-term future of St. Dominic's. Additional classroom capacity has been increased by 10 with the first phase of building work having been completed on the top floor of the Hume Building and the relocation of the Art Department to the Catherine Building. The resulting newly refurbished rooms are excellent and house Business (BTEC and A level), Economics, French, Spanish, Geography, RS and Computer Science. In the coming year the plan is to refurbish the basement floor of the Hume Building with a possible extension. Last year, the £200 per student increase by the government was very welcome news and enabled us to plan further future growth and investment more carefully knowing that there is some additional revenue funding.

Stakeholders

The college has many stakeholders including:

- its current, future and past students; staff including the senior leadership team (page2).
- Organisations it works with. UCAS, Lloyds bank, Ofsted.
- its partner schools, Sacred Heart Language College and Salvatorian College.
- the wider college community.

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

The College had an EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation) of £949,000 (2019/20: £397,000).

The Total Financial Health score for the College has increased to 290 (Outstanding Financial Health) compared to 210 in 2019/20.

	2020/21	2019/20
Current Ratio	100	70
EBITDA	100	50
Borrowing	90	90
Total	290	210

The financial results for 2020/21 continue to improve year on year in spite of extremely rigid funding criteria. Lagged student funding has remained constant. In 2020/21 there were 1,318 funded students compared to 1,315 the previous year.

The ESFA funding allocation has increased from £6,143k to £6,959k. Costs incurred before depreciation, interest and pension scheme adjustments have been kept under tight control, these were £6,251k (2020/21) compared to £6,302k (2019/20) which is a marginal decrease of £51k.

The catering income suffered as a result of COVID, resulting in a lower margin compared to budget by £57k. In addition there was no lettings income in the year, £50k of lettings income was budgeted for. Additional costs were incurred during COVID, however we received a grant of £98k from the GLA to recover these costs.

The College has redeveloped the top floor of the Hume building in time for Autumn term and the final project cost has come in under budget. To help fund the build we have obtained a £300k grant from the GLA to help grow the BTEC offering in the College, and further funding has been obtained from the Diocese of Westminster who have kindly provided a 0% loan of £390k repayable over the next two years. Further capital projects have also taken place during the year, including a new Art Suite and Tutor Office in the Catherine Building. We have invested a further £175k into new computers and servers. This was partly driven by COVID as a result of working from home becoming the new norm.

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.

Cash flows remain positive at £1,255k for the year ended 31 July 2021 which is up from £1,021k for the year ended 31 July 2020, and creditors due within one year are £154k down on the previous year. Debtors due within one year are £15k up from the previous year. The current ratio has improved from 1.58 in 2019/20 to 2.50 in 2020/21.

Financial results (continued)

The college has no formal reserves policy but recognises the importance of reserves in the financial stability of any organisation and ensures that there are adequate reserves to support the college's core activities.

Future performance

Forecast operating results remain positive with student numbers remaining constant. Government changes to funding, mainly due to an increase in the weighting factor and also additional funding received the through High Value course premium has helped put the College on a firmer financial footing. In addition, the funding rate per student remains at £4,188 per annum.

The increase in the employer's Teachers Pension contribution continues to be subsidised by Government. This will potentially cost the College an additional £200k per annum going forward if the funding was withdrawn.

Funding levels from Government cannot drop owing to the ever-increasing pressure on staffing costs coupled with higher running costs. The College would be placed under financial pressure if funding levels drop and we are hoping for an increase in the student funding rate of £4,188 to allow the College to grow.

The future direction of the College is guided by Government funding and as such the Governors rely heavily on the 4-year Financial Forecasts. There is now a potential opportunity to convert to Academy status, this has not been an option before owing to the Catholic status of the College. This will be explored further in the coming years in conjunction with Government funding levels.

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 risk and uncertainties are within the control of the College. Major risk categories that face the College are listed below.

- Future government funding cutbacks;
- Recruitment and retention of staff;
- Difficulty of increasing the number of students on role;
- Maintaining the standard of estates and buildings; and
- COVID 19 Pandemic.

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 the drop in funding, this is however an unquantifiable amount.

- 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.

- The College has a target student recruitment number each year but has reached capacity at 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 6 years.

- Certain buildings on the estate fall into category C and D as classified by the Building 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.

- 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 therefore drawn up alternative timetables that will allow home study for students and thus maintain the continuity of teaching. We 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 2021/22 academic year.

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 out in the Equality Act 2010.

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.

Disability statement (continued)

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.

Trade union facility time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require the college to publish information on facility time arrangements for trade union officials at the college. One member of staff is the allocated Trade Union rep, time spent on Trade Union activities is minimal.

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 Governing Body on 9th December 2021

D Martin
Chair – Governing Body

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 2021. 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 December 2011, which it formally adopted in August 2012.

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.

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 / Finance & General Purposes Quality & Standards Remuneration	12 of 13
Maura Coumbe	Re-appointed 01.09.19	31.08.23	Foundation Member	Finance & General Purposes Search	11 of 11
Sister Karen d'Artois	01.05.19	31.08.22	Foundation Member	Audit Catholicity & Curriculum	7 of 9
Paula Eavis	Re-appointed 01.09.19	10.12.20	Co-opted Member	Chair: HR	2 of 3
Sylvia Farooqi	01.01.20	31.08.21	Parent Member	Catholicity & Curriculum	7 of 7
Noel Feeney	Re-appointed 01.01.20	31.08.23	Foundation Member	Quality & Standards	7 of 7
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	12 of 12
Edel Kinsella O'Brien	01.09.18	31.08.21	Staff Member	Catholicity & Curriculum	3 of 7
Paul Lorenzato	01.01.20	31.08.21	Parent Member	Audit	4 of 6
David Martin	Re-appointed 01.04.17	31.08.21	Foundation Member	Chair: Finance & General Purposes Remuneration	9 of 9
Christopher Moseley	Re-appointed 01.09.18	31.08.22	Foundation Member	Finance & General Purposes Remuneration	9 of 9
James O'Flynn	Re-appointed 01.09.20	31.08.24	Foundation Member	Audit Quality & Standards	6 of 9
Anne O'Shea	Re-appointed 01.09.18	31.08.22	Foundation Member	Chair: Catholicity & Curriculum	7 of 7
Andrew Parkin	01.01.13	Duration	Principal	All Committees (except Audit/Remuneration)	18 of 18
Neville Ransley	Re-appointed 01.11.20	31.08.24	Foundation Member	Chair: Quality & Standards Search	6 of 7
Ian Rogers	Re-appointed 01.09.17	31.08.21	Foundation Member	Chair: Audit	5 of 6
Marcia Taylor	01.04.21	31.03.24	Foundation Member		1 of 1
Jeea Chadha	01.01.20	31.03.21	Student Member	Quality & Standards	3 of 5
Cathal Doherty	01.01.20	31.03.21	Student Member	Quality & Standards	2 of 5
Mitul Matthews	01.04.21	31.12.21	Student Member	Quality & Standards	1 of 1
Juliette Nola	01.04.21	31.12.21	Student Member	Quality & Standards	1 of 1

Due to COVID, the end / start date of the Student Members was amended compared to the previous year.

Additionally, the following students were appointed as Observers to the Catholicity & Curriculum Committee:

Clara Moscaliuc and Michael Mujuzi / Daniel Simao and Samini Subramaniam - their end / start dates were also amended.

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 Governing Body. These committees are Finance & General Purposes, Remuneration, Search, Audit, Quality & Standards, Human Resources, Catholicity & Curriculum and COVID 19 Action Committee. Full minutes of all meetings, except those deemed to be confidential by the Governing Body, 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 Governing Body for ensuring that all applicable procedures and regulations are complied with. The appointment, evaluation and removal of the Clerk are matters for the Governing Body as a whole. Formal agendas, papers and reports are supplied to Governors in a timely manner, prior to Governing Body meetings. During the COVID pandemic the majority of committee meetings have been held via Microsoft Teams. 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. There are no situations where COVID-19 has impacted value for money.

Appointments to the Governing Body

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 2021, 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 2021 are set out in note 5 to the financial statements.

Audit Committee

The Audit Committee comprises four 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.

Audit Committee (continued)
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 2021 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 2021 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;

Internal control (continued)

The risk and control framework (continued)

- 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
- 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 2021. For that year, the College management and Governors have assessed the internal controls and developed a Governing Body 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. Office Test carried out an internal audit on the College Health & Safety systems. The main recommendation concerned regular reviews of risk assessments.
- Fire Safety. Office Test carried out an internal audit on the College Fire Safety systems. The main recommendation is to undertake a Fire Compartmentation survey with a view to carrying out any remedial work. The assembly point signage also needed reviewing.

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; and
- 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

Internal control (continued)

Review of effectiveness (continued)

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.

The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its December 2021 meeting, the Governing Body carried out the annual assessment for the year ended 31 July 2021 by considering documentation from the Senior Leadership Team, and taking account of events since 31 July 2021.

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".

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.

D Martin
Chair – Governing Body
9th December 2021

A Parkin
Principal
9th December 2021

Governing Body's statement on the College's regularity, propriety and compliance with ESFA terms and conditions of funding 31 July 2021

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

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 College, or material non-compliance with the Education and Skills Funding Agency's terms and conditions of funding under the grant funding agreements and contracts with the ESFA.

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.

D Martin
Chair – Governing Body
9th December 2021

A Parkin
Principal and Accounting Officer
9th December 2021

The members of the Governing Body, as charity Trustees, 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 and within the Members Report, an Operating and Financial review for each financial year in accordance with the Statement of Recommended Practice – Accounting for Further and Higher Education, the College Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency, and adheres to the UK's Generally Accepted Accounting Practice 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;
- prepare financial statements on the going concern basis, unless it is inappropriate to assume that the College will continue in operation; and
- prepare an Operating and Financial Review which describes what it is trying to do and how it is going to achieve it, including 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 of incorporation including the Further and Higher Education Act 1992 and the 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.

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 ESFA are used only in accordance with the grant funding agreements with the ESFA 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 ESFA are not put at risk.

Signed on behalf of the Governing Body on 9th December 2021.

D Martin
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 2021 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 2021 and of its surplus 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

In auditing the financial statements, we have concluded that the members of the Governing 'Body's' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the College's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the members of the Governing Body with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The members of the Governing Body are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;

- we identified the laws and regulations applicable to the College through discussions with management, and from our knowledge and experience of the sector;

- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the College, including the Further and Higher Education Act 1992, funding agreements with the ESFA and associated funding rules, ESFA regulations, data protection legislation, anti-bribery, safeguarding, employment, health and safety legislation;

Auditor's responsibilities for the audit of the financial statements (continued)

- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and

- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the College's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and

- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;

- tested journal entries to identify unusual transactions; and

- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;

- reading the minutes of Governing Body meetings;

- enquiring of management as to actual and potential litigation and claims; and

- reviewing any available correspondence with HMRC and the College's legal advisors (although none was noted as being received by the College).

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the members of the Governing Body and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

Auditor's responsibilities for the audit of the financial statements (continued)

A further description of our responsibilities is available on the Financial Reporting Council's website at 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 College's members, 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 College's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College and the College's members as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP

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

15 December 2021

In accordance with the terms of our engagement letter dated 4 August 2021 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, are applied for the purposes intended by Parliament, and the financial transactions conform to the authorities that 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 Code. 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 2020 to 31 July 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Code issued by the ESFA. 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.

Approach (continued)

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 Governing Body' 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 2020 to 31 July 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Buzzacott LLP

Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

15 December 2021

Statement of Comprehensive Income Year to 31 July 2021

	Notes	**2021 £'000**	2020 £'000
Income			
Funding body grants	1	**7,120**	6,312
Fees and recharges	2	**—**	5
Other grants and contracts	3	**336**	316
Other income	4	**145**	235
Total income		**7,601**	6,868
Expenditure			
Staff costs	5	**5,626**	5,243
Other operating expenses	6	**1,206**	1,353
Depreciation	8	**379**	408
Interest and other finance costs	7	**46**	34
Total expenditure		**7,257**	7,038
Surplus/(Deficit) before tax		**344**	(170)
Taxation		**—**	—
Surplus/(Deficit) for the year		**344**	(170)
Actuarial gain (loss) in respect of pension schemes	17	**374**	(1,381)
Total Comprehensive Income for the year		**718**	(1,551)
Represented by:			
Unrestricted comprehensive income		**718**	(1,551)

Statement of Changes in Reserves Year to 31 July 2021

	Income and Expenditure account £'000	Revaluation Reserve £'000	**Total £'000**
Balance at 31 July 2019	3,101	1,800	**4,901**
Deficit from the income and expenditure account	(170)	—	**(170)**
Other comprehensive income – Actuarial losses	(1,381)	—	**(1,381)**
Transfers between revaluation and income and expenditure reserves	50	(50)	**—**
Total comprehensive income for the year	(1,501)	(50)	**(1,551)**
Balance at 31 July 2020	1,600	1,750	**3,350**
Surplus from the income and expenditure account	344	—	**344**
Other comprehensive income – Actuarial Gains	374	—	**374**
Transfers between revaluation and income and expenditure reserves	50	(50)	**—**
Total comprehensive income for the year	768	(50)	**718**
Balance at 31 July 2021	2,368	1,700	**4,068**

Balance Sheet as at 31 July 2021

	Notes	**2021 £'000**	2020 £'000
Fixed assets			
Tangible fixed assets	8	**10,928**	10,283
		10,928	10,283
Current assets			
Trade and other receivables	9	**75**	60
Cash and cash equivalents	14	**1,255**	1,021
		1,330	1,081
Less: Creditors – amounts falling due within one year	10	**(700)**	(854)
Net current assets		**630**	227
Total assets less current liabilities		**11,558**	10,510
Less: Creditors – amounts falling due after more than one year	11	**(4,929)**	(4,634)
Provisions			
Defined benefit obligations	13	**(2,561)**	(2,526)
Total net assets		**4,068**	3,350
Unrestricted reserves			
Income and expenditure account		**2,368**	1,600
Revaluation reserve		**1,700**	1,750
Total unrestricted reserves		**4,068**	3,350

The financial statements of pages 28 to 50 were approved and authorised for issue by the Governing Body on 9th December 2021 and were signed on its behalf on that date by:

David Martin
Chair

Andrew Parkin
Accounting Officer

Statement of Cash Flows Year ended 31 July 2021

	Notes	2021 £'000	2020 £'000
Cash flows from operating activities			
(Deficit)/surplus for the year		**344**	(170)
Adjustment for non cash items			
Depreciation		**379**	409
(Increase)/decrease in debtors		**(15)**	18
(Decrease)/Increase in creditors due within one year		**(154)**	89
(Decrease)/Increase in creditors due after one year		**200**	(140)
Pension costs less contributions payable		**409**	315
Adjustment for investing or financing activities			
Interest payable		**46**	13
Net cash flow from operating activities		**1,209**	534
Cash flows from investing activities			
Payments made to acquire fixed assets		**(1,024)**	(79)
		(1,024)	(79)
Cash flows from financing activities			
Interest paid		**(46)**	(13)
Repayments of amounts borrowed		**95**	(86)
		49	(99)
Increase in cash and cash equivalents in the year		**234**	356
Cash and cash equivalents at 1 August 2020	14	**1,021**	665
Cash and cash equivalents at 31 July 2021	14	**1,255**	1,021

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 2019 (the 2019 FE HE SORP), the College Accounts Direction for 2020 to 2021 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 as modified by the use of previous valuations as deemed cost at transition for certain non-current assets.

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 2020-21 with an outstanding Financial Health score. The triennial valuation for the LGPS has marginally increased contributions from 20.9% to 21.2%. The scheme had an actuarial gain of £374,000 but other FRS102 adjustments for the year has increased the LGPS provision to £2,561,000.

Accounting policies (continued)

Going Concern (continued)
The cash position which is the truest measure of financial health has increased from £1,021,000 to £1,255,000 in 2020/21 and the College has forecast a surplus budget for 2021/22. Forecasts beyond 2021/22 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 has been awarded the Sunday Times Sixth Form College of the year for 2017 which will ensure 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.

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.

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)

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.

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.

Accounting policies (continued)

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 2019 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.

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.

Accounting policies (continued)

Tangible fixed assets (continued)

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.

Borrowing Costs

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

Leased assets

Costs in respect of operating leases are charged 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.

Financial Liabilities

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Accounting policies (continued)

Financial Liabilities (continued)

All loans, investments and short-term deposits held by the group are classified as basic financial instruments in accordance with FRS 102. These instruments are initially recorded at the transaction price less any transaction costs (historical cost). FRS 102 requires that basic financial instruments are subsequently measured at amortised cost, however the college has calculated that the difference between the historical cost and amortised cost basis is not material and so these financial instruments are stated on the balance sheet at historical cost. Loans and investments that are payable or receivable within one year are not discounted.

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.

Judgements in applying accounting policies

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

Determine whether leases entered into by the college either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

Determine whether there are indicators of impairment of the 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.

Other key sources of estimation uncertainty

Accounting policies (continued)

Judgements in applying accounting policies (continued)
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.

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. The actuary has used a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 to value the pensions liability at 31 July 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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.

1 Funding council grants

	2021 £'000	2020 £'000
Recurrent grants		
Education and Skills Funding Agency – 16 to 18 funding	**6,959**	6,143
Specific grants		
Releases of government capital grants	**161**	169
Total	**7,120**	6,312

2 Fees and recharges

	2021 £'000	2020 £'000
Exam fees	**—**	5
Total	**—**	5

3 Other grants and contracts

	2021 £'000	2020 £'000
Other grants and contracts	**336**	316
Total	**336**	316

4 Other income

	2021 £'000	2020 £'000
Catering and residences	**84**	172
Other grant income	**30**	32
Miscellaneous income	**31**	31
Total	**145**	235

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:

	2021 No.	2020 No.
Teaching staff	**56**	54
Non teaching staff	**41**	43
	97	97

5. **Staff costs** (continued)

Staff costs for the above persons

	2021 £'000	2020 £'000
Wages and salaries	**3,836**	3,792
Social security costs	**393**	373
Other pension costs	**1,397**	1,078
Total	**5,626**	5,243

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.

	2021 No.	2020 No.
The number of key management personnel including the Accounting Officer was:	**6**	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:

	Key management personnel		**Other staff**	
	2021 No.	2020 No.	**2021 No.**	2020 No.
£15,001 to £20,000	**1**	—		
£30,001 to £35,000	**—**	1		
£45,001 to £50,000	**—**	1		
£55,001 to £60,000	**—**	1		
£65,001 to £70,000	**1**	1	**—**	—
£70,001 to £75,000	**2**	2	**—**	—
£80,001 to £85,000	**—**	1	**—**	—
£85,001 to £90,000	**1**	—	**—**	—
£115,000 to £120,000	**—**	1	**—**	—
£125,001 to £130,000	**1**	—	**—**	—
	6	8	**—**	—

Key management personnel compensation is made up as follows:

	2021 £'000	2020 £'000
Salaries	**441**	534
Employers National Insurance	**56**	65
Benefits in kind	**17**	13
	514	612
Pension contributions	**105**	120
Total contributions	**619**	732

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:

	2021 £'000	2020 £'000
Salaries	**118**	108
Benefits in kind	**10**	9
	128	117
Pension contributions	**29**	24

	2021	2020
Principal's basic salary as a multiple of the median of all staff	**3.08**	3.11
Principal's total remuneration as a multiple of the median of all staff	**3.24**	3.24

6 Other operating expenses

	2021 £'000	2020 £'000
Teaching costs	**690**	768
Non teaching costs	**250**	328
Premises costs	**266**	257
Total	**1,206**	1,353

	2021 £'000	2020 £'000
Auditor's remuneration:		
Financial statements audit	**16**	15
Internal audit	**—**	2
Hire of assets under operating leases	**18**	18

7 Interest payable

	2021 £'000	2020 £'000
On bank loans, overdrafts and other loans	**8**	13
Pension finance costs (note 17)	**38**	21
Total	**46**	34

8 Tangible fixed assets

	Freehold Land and buildings £'000	Equipment £'000	**Total £'000**
Cost or valuation			
At 1 August 2020	13,342	1,990	**15,332**
Additions	646	378	**1,024**
At 31 July 2021	13,988	2,368	**16,356**
Depreciation			
At 1 August 2020	3,406	1,643	**5,049**
Charge for the year	271	108	**379**
At 31 July 2021	3,677	1,751	**5,428**
Net book value at 31 July 2021	10,311	617	**10,928**
Net book value at 31 July 2020	9,936	347	**10,283**

9 Debtors

	2021 £'000	2020 £'000
Trade receivables	**4**	10
Prepayments and accrued income	**70**	50
Total	**74**	60

10 Creditors: amounts falling due within one year

	2021 £'000	2020 £'000
Bank loans (note 12)	**101**	89
Diocese loan	**200**	—
Trade payables	**48**	248
Other taxation and social security	**102**	122
Accruals and deferred income	**81**	226
Deferred income – government capital grants	**168**	169
Total	**700**	854

11 Creditors: amounts falling due after one year

	2021 £'000	2020 £'000
Loans (note 12)	**190**	95
Deferred income – government capital grants	**4,739**	4,539
Total	**4,929**	4,634

12 Maturity of debt

Loans

Loans are repayable as:

	2021 £'000	2020 £'000
Lloyds loans		
In one year or less	**101**	89
Between one and two years	**—**	95
Diocese of Westminster loan		
In one year or less	**200**	—
Between one and two years	**190**	—
Total	**491**	184

Lloyds loans (5.29% and 5.78% interest) to be repaid in full within 1 year. Diocese of Westminster loan is 0% interest and is due to be repaid within 2 years.

13 Provisions

	Defined benefit obligations £'000	**Total £'000**
At 1 August 2020	2,526	**2,526**
Expenditure in the period	409	**409**
Transferred from income and expenditure account	(374)	**(374)**
At 31 July 2021	2,561	**2,561**

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 2020 £'000	Cash flows £'000	**At 31 July 2021 £'000**
Cash and cash equivalents	1,021	234	**1,255**
Total	1,021	234	**1,255**

15 Lease obligations

At 31 July 2021 the College had minimum lease payments under non-cancellable operating leases as follows:

	2021 £'000	2020 £'000
Other		
Not later than one year	**16**	14
Later than one year and not later than five years	**57**	—
	73	14

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.

	2021 £'000	**2021 £'000**	2020 £'000	2020 £'000
Teachers' Pension Scheme: contributions paid		**798**		542
Local Government Pension Scheme:				
Contributions paid	**228**		242	
FRS 102 (28) charge	**371**		294	
Charge to the Statement of Comprehensive Income		**599**		536
Total pension cost (note 5)		**1,397**		1,078

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.

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 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 Teachers' Pension Budgeting and Valuation Account

Under the unfunded TPS, teachers' contributions on a 'pay-as-you-go' basis, and employers' contributions, 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)

The Teachers' Pension Budgeting and Valuation Account *(continued)*

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 2019. 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. DfE has agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2020-21 academic year.

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

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest actuarial review of the TPS was carried out as at 31 March 2019 and in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The key results of the valuation are:

- employer contribution rates have increased from 16.48% to 23.6% of pensionable pay form September 2019

- total scheme liabilities for service to the effective date of £191.5 billion, and notional assets of £176.6 billion, giving a notional past service deficit of £14.9 billion;

17 Defined benefit obligations (continued)

Valuation of the Teachers' Pension Scheme *(continued)*

- an employer cost cap of 10.9% of pensionable pay.

The new employer contribution rate for the TPS was implemented in September 2015.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website at the following location:

https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx

Scheme changes

Following the Hutton report in March 2011 and the subsequent consultations with trade unions and other representative bodies on reform of the TPS, the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

Regulations giving effect to a reformed Teachers' Pension Scheme came into force on 1 April 2014 and the reformed scheme commenced on 1 April 2015.

The pension costs paid to TPS in the year amounted to £798,000 (2020: £542,000).

FRS 102 (28)

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

17 Defined benefit obligations (continued)

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 2021 was £334,000 of which employer's contributions totalled £254,000 and employees' contributions totalled £80,000. 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.

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2019 updated to 31 July 2021 by a qualified independent actuary.

	At 31 July 2021 %	At 31 July 2020 %
Rate of increase in salaries	**3.55**	2.90
Future pensions increases	**2.85**	2.20
Discount rate for scheme liabilities	**1.60**	1.40
Inflation assumption (CPI)	**2.85**	2.20
Commutation of pensions to lump sums	**50.00**	50.00

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

	At 31 July 2021 Years	At 31 July 2020 Years
Retiring today		
Males	**22.20**	22.00
Females	**24.60**	24.30
Retiring in 20 years		
Males	**23.50**	23.10
Females	**26.90**	26.30

17 Defined benefit obligations (continued)

Local Government Pension Scheme

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

	Fair value at 31 July 2021 £'000	Fair value at 31 July 2020 £'000
Equities	**6,105**	5,097
Bonds	**1,254**	1,033
Property	**669**	551
Cash	**335**	207
Total market value of assets	**8,363**	6,888
Actual return on plan assets	**£1,218,000**	£570,000

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

	2021 £'000	2020 £'000
Fair value of plan assets	**8,363**	6,888
Present value of plan liabilities	**(10,924)**	(9,414)
Net pension liability (note 13)	**(2,561)**	(2,526)

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

	2021 £'000	2020 £'000
Amounts included in staff costs		
Current service cost	**625**	534
Total	**625**	534
Amounts included in interest and other finance costs		
Net interest charge	**38**	21
	38	21
Amounts recognised in other comprehensive income		
Return on pension plan assets	**1,218**	(570)
Experience losses arising on defined benefit obligations	**(844)**	(811)
Amount recognised in Other Comprehensive Income	**374**	(1,381)

17 Defined benefit obligations (continued)

***Local Government Pension Scheme** (continued)*

Movement in net defined benefit liability during the year

	2021 £'000	2020 £'000
Deficit in scheme at 1 August	**(2,526)**	(830)
Movement in year:		
. Current service cost	**(625)**	(534)
. Employer contributions	**254**	240
. Net interest on the defined (liability)/asset	**(38)**	(21)
. Actuarial gain (loss)	**374**	(1,381)
Net defined benefit liability at 31 July	**(2,561)**	(2,526)

Asset and Liability Reconciliation

	2021 £'000	2020 £'000
Changes in the present value of defined benefit obligations		
Defined benefit obligations at 1 August	**9,414**	7,981
Current service cost	**625**	534
Interest cost	**135**	173
Contributions by Scheme participants	**80**	75
Experience gains and losses on defined benefit obligations	**844**	811
Estimated benefits paid	**(174)**	(160)
Defined benefit obligations at 31 July	**10,924**	9,414
Reconciliation of assets		
Fair value of plan assets at 1 August	**6,888**	7,151
Interest on plan assets	**97**	152
Return on plan assets	**1,218**	(570)
Employer contributions	**254**	240
Contribution by Scheme participants	**80**	75
Estimated benefits paid	**(174)**	(160)
Assets at 31 July	**8,363**	6,888

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

	2021 £'000	2020 £'000
Funding body grants – bursary support	**122**	150
	122	150
Disbursed to students	**(97)**	(120)
Administration costs	**(7)**	(7)
Balance unspent as at 31 July, included in creditors	**18**	23

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.