



Notre Dame

CATHOLIC SIXTH FORM COLLEGE

have faith in your future

REPORT OF THE CORPORATION

AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2019

Notre Dame Catholic Sixth Form College
St. Mark's Avenue
Leeds
LS2 9BL

Notre Dame Catholic Sixth Form College

FINANCIAL STATEMENTS for the year ended 31 July 2019

KEY MANAGEMENT PERSONNEL, BOARD OF GOVERNORS AND PROFESSIONAL ADVISERS

Key management personnel

Key management personnel are defined as members of the College Senior Leadership Team (SLT) and were represented by the following during 2018/19:

Justine Barlow	- Principal and CEO; Accounting Officer
Mark Shillito	- Director of Finance and Resources
Sarah Dumont	- Deputy Principal (1 st June to 31 st July 2019)
Michaela Beardsall	- Vice Principal (Human Resources)
Lisa Guest	- Assistant Principal (Quality and Improvement)
Lindsay Brook	- Assistant Principal (Pastoral) (1 st August to 31 st December 2018)
Sarah Dumont	- Assistant Principal (Pastoral) (1 st January to 31 st May 2019)

Board of Governors (Corporation)

A full list of Governors is given on page 13 of these financial statements.
Mark Shillito acted as Clerk to the Corporation throughout the period.

Professional advisers

Financial statements auditors and reporting accountants:

Wylie & Bisset LLP
Chartered Accountants
168 Bath Street
GLASGOW
G2 4TP

Internal auditors

TIAA Ltd
53-55 Gosport Business Centre
Aerodrome Road
Gosport
PO13 0FQ

Bankers

Lloyds Bank plc,
2nd Floor, Lisbon House,
116, Wellington Street,
Leeds,
LS1 4LT

Notre Dame Catholic Sixth Form College

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Notre Dame Catholic Sixth Form College

FINANCIAL STATEMENTS for the year ended 31 July 2019

REPORT OF THE GOVERNING BODY

Nature, objectives and strategies

The members present their report and the audited financial statements for the year ended 31 July 2019.

Legal status

The Corporation was established under Section 28 of the Further and Higher Education Act 1992 for the purpose of conducting Notre Dame Sixth Form College. The Learning and Skills Act 2000 gave the Corporation the status of a Corporation. Hence on 1 April 2001 the Corporation was incorporated as Notre Dame Catholic Sixth Form College.

The Apprenticeships, Skills, Children's and Learning Act 2009, enabled all sixth form colleges (SFC) to Designate to the newly created Sixth Form College Sector. It was confirmed that under the Act all existing rights and privileges of former Voluntary Aided institutions were protected in the new sector. Accordingly, the Corporation approved designation and the College is listed as Designated to the Sixth Form College Sector.

Following the Education Act 2011, which came into force on 31st March 2012, the Catholic Education Service (CES) drafted new Instrument and Articles of Government (I&A) to reflect the new freedoms and responsibilities that now rest with college corporations. These were adopted by the Corporation with effect from 14th October 2015.

The College is an exempt charity for the purposes of part 3 the Charities Act 2011.

Mission

The College's mission is:
"BUILDING A COMMUNITY ON FAITH AND TRUST".

Public Benefit

Notre Dame Catholic Sixth Form College is an exempt charity under Part 3 of the Charities Act 2011 and following the machinery of government changes in July 2016, is regulated by the Secretary of State for Education for Sixth Form Colleges. The members of the Governing Body, who form the Corporation, and are trustees of the Charity, are disclosed on page 13.

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.

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

- High-quality teaching
- Widening participation and tackling social exclusion
- Excellent progression for students
- Robust student support systems
- Links with employers, industry and commerce.

The delivery of public benefit is covered throughout the Report of the Governing Body.

Implementation of strategic plan

The College prepared strategic aims for the period 1 August 2018 to 31 July 2019 as part of the Self-Assessment Report (SAR) and Quality Improvement Plan. There are also property and financial plans for the period. The

Notre Dame Catholic Sixth Form College

FINANCIAL STATEMENTS for the year ended 31 July 2019

REPORT OF THE GOVERNING BODY (CONTINUED)

Implementation of strategic plan (continued)

Corporation approved the SAR and other Plans and regularly monitors the performance of the College against these development plans. The College has an extensive risk management regime and the Corporation also monitors its strategic aims against a risk register and action plan. The following, approved during the year, are included as the College's continuing strategic priorities, and are cross referenced to the risk register and action plan:

1 Catholic Ethos and Reputation

Notre Dame Catholic Sixth Form College continues to have a strong, distinctive Catholic ethos and that the College lives out this ethos through striving to meet the needs and interests of all its stakeholders.

2 Educational Achievement

To continue to be an outstanding College. To provide all learners with the very best in teaching, learning and assessment as reflected in outstanding outcomes and for all learners to enjoy their experience at College.

To provide a curriculum which is responsive to the needs, interests and aspirations of all learners and which fulfils each learner's potential to progress into and have the skills to succeed in Higher Education or employment.

3 Pastoral System

To continue to focus on the student experience ensuring that the College is safe and welcoming and that outstanding opportunities exist for all in study and personal support, enrichment and services.

4 Human and Physical Resources / Financial Management

Ensure the College's long-term financial viability by increasing income and aligning the College's cost base with lower levels of funding.

5 Legislative Requirements

- 5.1 Maintain the effective implementation of the College Health and Safety strategy, ensuring consideration is always given to the health and safety implications of all College activity, thus ensuring a safe environment in which to learn and to work. Continue the work of the College Safeguarding group and ensure that all staff receive the appropriate level of safeguarding training and supervision.
- 5.2 Be proactive in the application of the Equality Act (2010), flexible retirement scheme and the requirements of the Disclosure and Barring Service, ensuring implementation of legislation.

6 Financial Management

Maintain a prudent approach to financial projections by adopting a realistic and pragmatic approach to likely learner numbers, recognising education policy, planning and funding methodology in Leeds and nationally, taking into account local population trends. Review staffing and other costs in the context of the new funding regime, seeking to ensure that needs are met, agreed targets are achieved and strong financial health is maintained.

Performance indicators

The College is committed to observing the importance of sector measures and indicators and uses SFC benchmarks for measures such as Progress, Attainment, Level 2 English and maths, Retention and Destinations. The College is required to complete the annual Finance Record and Financial Plan for the Education and Skills Funding Agency (ESFA). The College is assessed by the ESFA as having a 'Good' financial health grading. The current rating of 'Good' is considered an acceptable outcome.

Notre Dame Catholic Sixth Form College

FINANCIAL STATEMENTS for the year ended 31 July 2019

REPORT OF THE GOVERNING BODY (CONTINUED)

Performance indicators (continued)

Financial Performance Indicators	Target	Actual 2018/19
Current Ratio	1.6	1.7
Cash Days in Hand	26	76
Operating Surplus as a % of income	0%	-1.25%
Accumulated Reserves as a % of income	11%	33%
Pay expenditure as a % of income	75%	75%
Diversity of Income	5%	5%
Financial Health	Good	Good

Financial positions

Financial results

The College generated an operating deficit of £113,000 when including an additional charge for FRS102 under past service costs of £115,000 (for the McCloud/Sargeant judgement). The result, excluding this additional cost is a surplus in the year of £2,000 (2017/18: surplus £2,000).

Accumulated reserves at 31 July 2019 were £560,000 (2018: £1,441,000) and cash reserves were £1.878m (2018: £1.565m).

Tangible fixed asset additions during the year amounted to £191,000.

The College has significant reliance on the ESFA for its principal funding source, largely from recurrent grants. In 2018/19 the funding bodies provided 95.11% of the College's total income.

The College also operates two further bank accounts for non-public monies that are not included in these financial statements. At the 31st July 2019 the College Fund bank account showed a balance of £961 and the Student Council had a bank balance of £3,491.

Treasury policies and objectives

Treasury management is the management of the College's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

The College has a treasury management policy in place, contained within the Financial Regulations. All borrowing requires the authorisation of the Corporation and shall comply with the requirements of the College's Funding Agreement.

All borrowing requires the authorisation of the Accounting Officer and shall comply with the requirement of the Funding Agreement. Following the Education Act 2011, which gives college corporations significant freedoms and responsibilities that are more akin to the private sector, borrowing in future will be the sole concern of the Corporation. The Audit Committee of the Corporation considered the issues raised by the Act, and reported and made recommendations to the Corporation accordingly.

Cash flows and liquidity

Net cashflow from operating activities of £705,000 (2017/18 £421,000 inflow) was strong.

The size of the College's total borrowing, and its approach to interest rate, has been calculated to ensure a reasonable cushion between the total cost of servicing debt and operating cashflow. During the year this margin was comfortably exceeded.

Notre Dame Catholic Sixth Form College

FINANCIAL STATEMENTS for the year ended 31 July 2019

REPORT OF THE GOVERNING BODY (CONTINUED)

Financial positions (continued)

Reserves policy

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. Reserves will be maintained around the current level. The Corporation has set a performance indicator for reserves as a percentage of income at 11%. In reviewing the level of reserves, the Corporation considers the levels that are freely available for general purposes as well as those subject to restrictions, together with due regard to the LGPS pension deficit.

Members are satisfied that the level of cash is maintained at adequate levels and the College maintains a healthy cashflow.

Current Performance and Future Development

Student numbers

The College is funded according to the number of learners and the hours of activity they generate each year. The College entered into a funding agreement with the funding body where funding was provided for 1,853 full time equivalent (fte) learners (2017/18: 1,875 fte). The academic programme funding amounted to £7.199m. In addition to this, funding was received under Disadvantage and Economic Deprivation of £964k and Additional Learning Support of £54k. This results in total ESFA funding of £8.217m (2017/18: £8.173m). In addition, the Local Authority provided funds for High Cost Additional Learning Support of £33k.

Student achievements

Achievements A Level	Summer 2019		Summer 2018	
	ND	Benchmark	ND	Benchmark
No of subjects	28	--	27	--
Pass rate	98.1%	97.6 %	98.1%	97.6%
Grades A*-B	50.0%	52.9%	49.3%	52.9%
Retention by qualification linear 2-year	87.6%	95.9%	n/a	n/a
ALPs Quality Indicator Grade	4 (0.97)	--	3 (0.98)	--

Achievements AS	Summer 2019		Summer 2018	
	ND	Benchmark	ND	Benchmark
No of AS subjects	1	--	3	--
Pass rate	94.7%	89%	89.6%	89%
Grades A*-B	73.7%	43.5%	35%	43.5%

Achievement at BTEC/CTEC	Summer 2019		Summer 2018	
	ND	Benchmark	ND	Benchmark
No of subjects	7	--	7	--
Pass rate	100%	89%	100%	89%
High Grades D*, D, M	95%	43.5%	95%	43.5%
Retention – linear 2-year	92.1%	--	n/a	n/a
ALPs Quality Indicator Grade	3	--	3	--

Notre Dame Catholic Sixth Form College

FINANCIAL STATEMENTS for the year ended 31 July 2019

REPORT OF THE GOVERNING BODY (CONTINUED)

Current and future development and performance (continued)

Curriculum and other developments

The College uses ALPs to measure the quality of its A Level and B/CTEC provision. A Level ALPs is just below a grade 3 which puts the College in the top 30% of the country for value added and student progress. The College has migrated nearly all of its BTEC provision to the new BTEC 2016 RQF specification, which for many students involves an externally set assignment or exam. Within this context the College has maintained its outstanding ALPS grade 3 (and ALPS grade 2 for BTEC 2010 QCF), demonstrating sustained and consistent quality improvement at all levels. The College has seen a sustained A level pass rate within the context of linear A levels, which has remained broadly consistent over a four-year period. The number of high grades achieved by A level students has again made improvement on 2018, demonstrating a continual upward trend. The percentage of students who gained a place in HE is high at 70%; although the College is seeing more students move into apprenticeships and employment with over 97% progression. The College reviews its curriculum offer annually and in September 2018 introduced Level 3 CTEC Criminology and CTEC Spatial Design to reflect the local economic needs in both the legal and architectural fields. These courses recruited very well.

The College's GCSE maths and English grades are significantly above average for the Sixth Form College Sector with students making outstanding progress from their starting points.

	Summer 2019		Summer 2018	
	ND	Benchmark	ND	Benchmark
GCSE				
Maths 9 - 4	38.0%	22.7%	43.5%	33.1%
English 9 - 4	51.5%	33.1 %	52.1%	22.7%

The College will maintain its commitment to the development of quality improvement systems in curriculum and other service areas. There has been an on-going programme of investment in ICT hardware, software and Network infrastructure, together with a comprehensive annual programme of staff training. This continues to be reviewed in light of future funding levels. The proportion of classrooms with a data projector is now 100% and with an interactive whiteboard is also 100%. The ratio of PCs to students is a very healthy 1:1.8, together with over 100 laptops and 100% of the campus has wi-fi access.

Future developments

The College is the only Sixth Form in Leeds and the surrounding area selected to offer the new T Level Digital course from September 2020. New accommodation and industry standard resources will support this initiative.

Events after the end of the reporting period

There have been no significant post balance sheet events.

The key objectives for 2019/20 are as follows:

The focus of teaching and learning activities for the coming year will be on further improving achievement, and further developing students' knowledge through the new Notre Dame Plus (ND+) sessions, which every subject teacher has as part of their weekly timetable.

The two key focus areas for improvement are to develop students' application of knowledge skills and high-quality feedback to demonstrate measurable progress. Retention and Stretch and Challenge at every level remain constant areas of focus.

Notre Dame Catholic Sixth Form College

FINANCIAL STATEMENTS for the year ended 31 July 2019

REPORT OF THE GOVERNING BODY (CONTINUED)

Current and future development and performance (continued)

Land and buildings

The Corporation occupies and controls the premises for the purpose of conducting a Catholic institution. However, legal title to the premises is vested in Diocese of Leeds Trustee (Diocese), a company limited by guarantee, incorporated under the Companies Acts and authorised to act as a trust corporation. The company itself is not registered as a charity but holds the College premises as part of the assets of the Leeds Diocesan Trust (registered charity No 249404), which are made available for the purposes of furthering the teachings of the Catholic Church.

As part of this arrangement whereby the buildings are occupied on a rent free basis a 'constructive obligation' exists with the Diocese on the issue of maintaining the premises. The Corporation is required by the Diocese to make provision for future premises costs under a programme of planned maintenance.

The cost of the College's planned maintenance programme (pmp) was assessed during summer 2019, at £0.7m, over a period of five years. This replaced the previous survey completed during March 2014. The survey was undertaken by a professional Building Surveying practice.

During 2018/19 a total of £47k was spent on maintenance works identified in the pmp: decorating various areas £6k; roofing to science block £20k; refurbishment of PE changing rooms and foyer £12k and £9k on various internal works to create offices.

The College had loan commitments of £2.1m taken out with Lloyds Banking Group, from a total facility of £3.3m, (arranged as part of the capital project for Cuvilly and science block entrance core in May 2008), over twenty years at 0.35% over the base rate.

Property Strategy

The College negotiated an agreement with the Diocese over Hume House, which houses six classrooms and the Chapel, for use of the building for a minimum period of five years commencing September 2011. This was extended for two years more from September 2016 and again for two further years from September 2018. The College requests that the Diocese will inform the College of the need to vacate Hume House giving a minimum notice of two full academic years, thus enabling the College to prepare a coherent exit strategy. The College and Diocese are actively discussing the future use of Hume House with a new agreement likely to be ratified during 2019/20.

Resources

The College has various resources that it can deploy in pursuit of its strategic objectives. Tangible resources include the main College site and £1.955m of current assets.

Financial

The College has £0.56m of net assets after £2.388m pension liability and long-term debt of £1.338m.

People

The College employs 152 people (expressed as full-time equivalents), of whom 93 are teaching staff.

Reputation

The College has a very good reputation locally and nationally. Maintaining a quality 'brand' is essential for the College's success at attracting students and external relationships.

Principal risks and uncertainties

The College has undertaken work during the year to maintain and develop the system of internal control, including financial, operational and risk management which is designed to protect the College's assets and reputation.

REPORT OF THE GOVERNING BODY (CONTINUED)

Principal risks and uncertainties (continued)

Based on the Quality Improvement plan, the Risk Management Group (SLT) undertakes a comprehensive review of the risks to which the College is exposed. They identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the College. The internal controls are then implemented and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions. In addition to the annual review, the Risk Management Group will also consider any risks which may arise as a result of a new area of work being undertaken by the College.

A Risk Register and Action Plan is maintained by the College which is reviewed at each Audit Committee meeting, each risk area is therefore reviewed at least annually and more frequently where necessary. The Risk Register identifies the key risks, the likelihood of those risks occurring, their potential impact on the College and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

This is supported by a risk management briefings to raise awareness of risk throughout the College. The Risk Register is the prime document used to fulfil the requirements of the Corporation's Board Assurance Framework.

Outlined below is a description of the principal risk factors that may affect the College. Not all the factors are within the College's control. Other factors besides those listed below may also adversely affect the College.

1. Government funding

The College has considerable reliance on continued government funding through the further education (FE) sector funding bodies. In 2018/19, 95.11% of the College's revenue was ultimately public funded and this level of requirement is expected to continue. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

The College is aware of issues which may impact on its future funding:

- Government policy to champion Free Schools and Academies and provide more favourable funding settlements and rates per student;
- Academisation of local schools;
- the Government policy commitment to grant-in-aid fund future teacher pay awards in schools and academies, but not the SFC sector;
- the likelihood of further cuts in public spending all have an increasingly negative impact on the SFC sector's funding stream.

This risk is mitigated in a number of ways:

- Funding is derived through a number of direct and indirect contractual arrangements.
- By ensuring the College is rigorous in delivering high quality education.
- Considerable focus and investment is placed on maintaining and managing key relationships and regular dialogue with funding agencies and the Local Authority.
- Ensuring the College is focused on those priority sectors which will continue to benefit from public funding.
- Regular dialogue with funding bodies including via the Sixth Form Colleges' Association and the Association of Catholic Sixth Form Colleges.

2. Maintain adequate funding of pension liabilities

The financial statements report the share of the pension scheme deficit on the College's balance sheet in line with the requirements of FRS 102. The College has no direct control on this element.

3. Expansion of post-16 Academy Programme and Free Schools

New post-16 Free Schools/Colleges opened in Leeds and Bradford during September 2019, in addition to one that opened in 2015 and a University Technical College that opened in September 2016. The College is mindful of the potential consequences of such uncertainties through this competition and will seek to take part in all discussions at every opportunity, considering this alongside demographic and enrolment trend information.

4. Failure to maintain the financial viability of the College

Notre Dame Catholic Sixth Form College

FINANCIAL STATEMENTS for the year ended 31 July 2019

REPORT OF THE GOVERNING BODY (CONTINUED)

Principal risks and uncertainties (continued)

The College's current financial health grade is classified as "Good" as described above. This is largely the consequence of a small surplus and a high loan value to the value of building assets on the balance sheet (i.e. only buildings bought with exchequer funds). Notwithstanding that, the continuing challenge to the College's financial position remains the constraint on FE funding arising from the ongoing cuts in public sector spending/increases in employers' pension contributions, whilst maintaining the student experience. This risk is mitigated in a number of ways:

- by rigorous budget setting procedures and sensitivity analysis;
- regular in-year budget monitoring;
- robust financial controls and Exploring efficiencies.

Stakeholder relationships

In line with other colleges and with universities, Notre Dame has many stakeholders. These include Students and carers; Education Sector Funding Bodies; Sixth Form Commissioner; Staff; the Diocese; local employers (with specific links); Local Authorities; Government Offices; the local community; other HE and FE institutions; Trades Unions; Professional bodies.

The College recognises the importance of these relationships and engages in regular communication through the College Marketing, Careers and Admissions teams, also through the website, publications and meetings.

Staff and student involvement

The College considers good communication with its staff to be very important and to this end the staff receive regular briefings from the Principal. There are regular Staff meetings, Curriculum area, Heads of Department, Pastoral and Tutor meetings. The Corporation has two members who are staff, who are elected to the Corporation by ballot of the whole staff. The College encourages student involvement and under the Instrument and Articles of Government the Corporation has two Student Governors who are elected by ballot of the whole student body.

The Student Handbook sets out a framework of the services, which the College aims to provide to students.

Equal opportunities and employment of disabled persons

The College's Equality plan sets out how the College will satisfy its duties under the Equality Act to eliminate all behaviour prohibited by the Equality Act 2010, to foster good relations between persons with or without protected characteristics and promote equality of opportunity regardless of gender, gender identity, marital or civil partnership status, family responsibility, pregnancy, maternity and paternity, ethnicity, race, colour, nationality, class, HIV status, age, religion or belief, disability, or sexual orientation, unrelated criminal convictions, trade union activity or any other relevant criteria.

The College aims to comply with this duty, in both the delivery of its services and the employment of its staff. It is created by Notre Dame's Governing Body in line with the Equality Act 2010 and is the foundation of all the College's other policies – particularly the Special educational needs policy, Admissions policy, Bullying and harassment policy and the Code of conduct. All of these policies can be found on the College Moodle site.

The College publishes an Annual Human Resources Report that contains details on Equality Objectives to ensure compliance with all relevant equality legislation including the Equality Act 2010.

The College considers all applications from disabled persons, bearing in mind the aptitude of the individuals concerned. The College is committed to interviewing all applicants with a disability who meet the minimum criteria for a job vacancy and to consider them on their abilities.

The College ensures there is a mechanism in place to discuss at any time, but at least once a year, with disabled employees what can be done to make sure they can develop and use their abilities.

Notre Dame Catholic Sixth Form College

FINANCIAL STATEMENTS for the year ended 31 July 2019

REPORT OF THE GOVERNING BODY (CONTINUED)

Stakeholder relationships (continued)

Equal opportunities (continued)

The College takes action to ensure that all employees develop a high level of equality and diversity awareness through appropriate training and discussion.

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 updated each year and monitored by managers and Governors and published on the College website.

The College is a 'Disability Confident Employer' (formally two-ticks). The College considers all employment applications from disabled persons, bearing in mind the aptitudes of the individuals concerned, and guarantees an interview to any disabled applicant who meets the essential criteria for the post.

Disability statement

The College seeks to achieve the objectives set down in the Equality Act 2010.

- a) As part of its property strategy the College initiated its access audit. Professional advisors conducted a full access audit, and the results of this formed the basis of bids for funding of capital projects aimed at improving access. There are now only two areas in College which remain inaccessible to people with restricted mobility.
- b) There is a range of specialist equipment, such as radio aids and specialist hardware/software, which the College can make available to use by students and a range of assistive technology is available in the Learning Support centre.
- c) The Admissions Policy for all students is described in College publications. Appeals against a decision not to offer a place are dealt with under the policy.
- d) The College has made a significant investment in the appointment of specialists to support students with learning difficulties and/or disabilities. There are Learning Mentors and 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 during the College's application procedures and in the Student Handbook. In addition, Counselling and welfare services are offered on-site by a social worker employed by Catholic Care. The College also has a full time Lay Chaplain on the staff.

Disclosure of information to auditors

The members 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 he or she ought to have taken to be aware of any relevant audit information and to establish that the College's auditors are aware of that information.

Approved by order of the members of the Corporation on 18th December 2019 and signed on its behalf by:

David Wright

Chair

Notre Dame Catholic Sixth Form College

FINANCIAL STATEMENTS for the year ended 31 July 2019

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

The following statement is provided to enable readers of the Annual Report and Financial Statements of the College to obtain a better understanding of its governance and legal structure. This statement covers the period from 1 August 2018 to 31 July 2019 and up to the date of approval of the annual report and financial statements.

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); and having due regard to the UK Corporate Governance Code 2016 insofar as it is applicable to the FE sector.

The College is committed to exhibiting best practice in all aspects of corporate governance. 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 FE sector and best practice.

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 Corporation

The members who served on the Corporation during the year and up to the date of signature of this report were as follows:

Name	Date of Appointment	Term of Office	Date of Resignation	Status of Appointment	Committees Served	Attendance
Mrs M Ramsden	01/02/99	12/02/22	31/08/19	Foundation Governor appointed by the Diocese	Chair of Corporation, Curriculum & Standards (C&S); Finance & Physical Resources (F&PR); Human Resources *(HR); Search.	78%
Mr J P Casey	01/12/01	12/02/22		"	Chair of Audit	100%
Mr D Wright**	29/02/04	12/02/22		"	Vice Chair of Corporation, F&PR; C&S; Search.	60%
Mrs A O'Malley	17/12/09	16/12/20		"	C&S; HR*	62%
Prof M House	26/06/14	25/06/22		"	C&S; Search.	80%
Mr J Barnes**	01/04/16	10/04/20		"	Audit; HR*	100%
Fr M Hall	20/06/17	19/06/21		"	Audit	75%
Fr T Swinglehurst	01/05/18	30/04/22		"	C&S; Search.	67%
Ms H Hayden	01/12/17	31/11/21		"	C&S	56%
Mrs S A Elzouki	16/03/16	15/03/19	15/03/19	Elected by parents of the students	--	50%
Mr C West	01/01/06	31/12/20		Co-opted	F&PR	60%
Mr P Brennan	12/10/16	11/10/20	14/12/18	"	C&S	100%
Mrs C Herring	01/03/16	28/02/19	28/02/19	Elected by the Staff	C&S	100%
Mrs S Barber	01/03/19	28/02/22		Elected by the Staff	C&S	100%
Mrs J Barlow	30/04/18			Principal	C&S; F&PR; HR; Search.	100%
Mr F Abulula	01/09/18	31/07/19		Elected by the student body	--	100%
Mr M Shillito	01/09/98				Clerk to the Corporation	95%

*including Remuneration

** Following the retirement of Mrs M Ramsden, Mr D Wright was elected as Chair from 1st September 2019, with Mr J Barnes elected as Vice Chair.

Sixteen Governors served during the year, three left the Board and one joined; twelve served throughout the year.

Notre Dame Catholic Sixth Form College

FINANCIAL STATEMENTS for the year ended 31 July 2019

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (continued)

The Corporation (continued)

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

The Corporation is provided with regular and timely information on the overall financial performance of the College together with other information such as performance against funding targets, proposed capital expenditure, student welfare and academic achievements, quality matters and personnel-related matters such as health and safety and environmental issues. The Corporation meets on a half-termly basis.

The Corporation conducts its business through a number of committees. Each committee has terms of reference, which have been approved by the Corporation. These committees are Finance and Physical Resources, Human Resources (including Remuneration), Audit, Search and Curriculum and Standards.

Minutes of all meetings, except those deemed to be confidential by the Corporation, are available on the College's website www.notredamecoll.ac.uk or from the Clerk to the Corporation at: Notre Dame Catholic Sixth Form College, St Mark's Avenue, LEEDS, LS2 9BL

The Clerk to the Corporation maintains a register of financial and personal interests of the Governors. 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 Corporation, who is responsible to the Board for ensuring that all applicable procedures and regulations are complied with. The appointment, evaluation and removal of the Clerk are matters for the Corporation as a whole.

Formal agenda, papers and reports are supplied to Governors in a timely manner, prior to Board meetings. Briefings are also provided on an ad hoc basis.

The Corporation has a strong and independent non-executive element and no individual or group dominates its decision making process. The Corporation considers that each of its non-executive members is independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement.

There is a clear division of responsibility in that roles of the Chair and Accounting Officer are separate.

Appointments to the Corporation

Foundation Governors are appointed by the Bishop or his delegate. Any other appointments to the Corporation are a matter for the consideration of the Corporation as a whole. The Corporation is responsible for ensuring that appropriate training is provided as required.

Members of the Corporation are appointed for a term of office not exceeding four years.

Corporation Performance

The Corporation considered governance as grade 2 in the latest College Self-assessment Report. The improvement plan has targets to increase attendance by some members and facilitate succession planning by liaising with the diocese. The sector average attendance at governor meetings of 78% is adopted as the target, nine Governors met the target (9 in 2017/18). Ten Governors improved their attendance year-on-year and overall attendance at all meetings improved to 79% (72% 2017/18).

The Board is therefore satisfied that there is a robust level of engagement, commitment and challenge shown by Governors that engenders a positive impact on College performance.

Remuneration Committee

During the year ending 31 July 2019, the College's Human Resources Committee (including Remuneration) comprised four members of the Corporation. The Committee's responsibilities are to make recommendations to the Board on the remuneration and benefits of the Accounting Officer and other senior postholders. Details of remuneration for the year ended 31 July 2019 are set out in note 7 to the financial statements.

Notre Dame Catholic Sixth Form College

FINANCIAL STATEMENTS for the year ended 31 July 2019

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (continued)

Audit Committee

The Audit Committee comprises at least three Governors excluding staff and student Governors; and contains two audit / finance specialists. The Committee operates in accordance with written terms of reference approved by the Corporation.

The Audit Committee meets on a regular basis and provides a forum for reporting by the College's internal, regularity and financial statements auditors, who have access to the Committee for independent discussion, without the presence of College management. The Committee also receives and considers reports from the main FE funding bodies, as they affect the College's business.

The College's internal auditors review the systems of internal control, risk management controls and governance processes in accordance with an agreed plan of input and report their findings to management and the Audit Committee.

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

The Audit Committee also advises the Corporation on the appointment of internal auditors, regularity reporting accountants and financial statements auditors; and their remuneration for, both, audit and non-audit work as well as reporting annually to the Corporation.

Internal Control

Scope of responsibility

The Corporation 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 Corporation 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 she is personally responsible, in accordance with the responsibilities assigned to her in the Financial Agreement between Notre Dame Catholic Sixth Form College and the Funding Bodies. She is also responsible for reporting to the Corporation 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 on-going 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 Notre Dame Catholic Sixth Form College for the year ended 31 July 2019 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Corporation 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 Corporation is of the view that there is a formal on-going process for identifying, evaluating and managing the College's significant risks that has been in place for the period ending 31 July 2019 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Corporation.

Notre Dame Catholic Sixth Form College

FINANCIAL STATEMENTS for the year ended 31 July 2019

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (continued)

Audit Committee (Continued)

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 Corporation
- regular reviews by the Corporation 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
- the adoption of formal project management disciplines, where appropriate.

Notre Dame Catholic Sixth Form College has engaged an internal audit service, which operates in accordance with the requirements of the ESFA Post 16 Audit Code of Practice. The work of the internal audit service is informed by an analysis of the risks to which the College is exposed, and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the Corporation on the recommendation of the Audit Committee. At minimum, annually, the Head of Internal Audit (HIA) provides the Corporation with a report on internal audit activity in the College, where appropriate. The report includes the HIA's independent opinion on the adequacy and effectiveness of the College's system of risk management, controls and governance processes.

Review of effectiveness

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

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

The Accounting Officer has been advised on the implications of the result of her review of the effectiveness of the system of internal control by the Audit Committee which oversees the work of the internal auditor, and other sources of assurance and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Accounting Officer and SLT receive reports setting out key performance and risk indicators and consider possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness briefings. The Principal, SLT and the Audit Committee also receive regular reports from internal audit and other sources of assurance, 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 Corporation's agenda includes a regular item for consideration of risk and control and receives reports thereon from the SLT and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its meeting, held 11th December 2019, the Corporation carried out the annual assessment for the year ended 31 July 2019 by considering documentation from the Principal, SLT and the Internal Audit Service, and taking account of events since 31 July 2019.

Based on the advice of the Audit Committee and the Accounting Officer, the Corporation 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".

Notre Dame Catholic Sixth Form College

FINANCIAL STATEMENTS for the year ended 31 July 2019

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (continued)

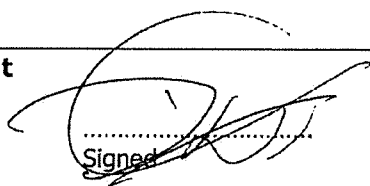
Going concern

After making appropriate enquiries, the Corporation considers that the College has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

Accordingly, after consideration of the loan facilities and the two year (and longer term) financial plans, 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.

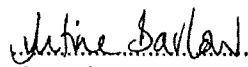
Approved by order of the members of the Corporation on 18th December 2019 and signed on its behalf by:

David Wright


Signed

Chair

Justine Barlow


Signed

Accounting
Officer

Notre Dame Catholic Sixth Form College

FINANCIAL STATEMENTS for the year ended 31 July 2019

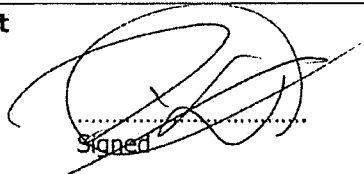
GOVERNING BODY'S STATEMENT ON THE COLLEGE'S REGULARITY, PROPRIETY AND COMPLIANCE WITH FUNDING BODY TERMS AND CONDITIONS OF FUNDING

The Corporation has considered its responsibility to notify the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with terms and conditions of funding, under the funding agreements and contracts in place between the College and the Education and Skills Funding Agency, or any other public funder. As part of our consideration we have had due regard to the requirements of all funding agreements and contracts.

We confirm, on behalf of the Corporation, 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 College's funding agreements and contracts.

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.

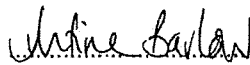
David Wright


Signed

Chair

18th December 2019

Justine Barlow


Signed

**Accounting
Officer**

18th December 2019

Notre Dame Catholic Sixth Form College

FINANCIAL STATEMENTS for the year ended 31 July 2019

STATEMENT OF RESPONSIBILITIES OF THE MEMBERS OF THE CORPORATION

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

Within the terms and conditions of the Funding Agreements and contracts between the Education and Skills Funding Agency (ESFA) and the Corporation of the College, the Corporation, through its Accounting Officer, is required to prepare financial statements for each financial year in accordance with the 2015 *Statement of Recommended Practice – Accounting for Further and Higher Education Institutions* and with the Accounts Direction for 2018/19 financial statements issued by the ESFA and the UK's Generally Accepted Accounting Policies, and which give a true and fair view of the state of affairs of the College and its surplus/deficit of Income over Expenditure for that period.

In preparing the financial statements the Corporation 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 were followed, subject to any material departure disclosed and explained in the financial statements
- prepare financial statements on the going concern basis unless it is inappropriate to assume that the College will continue in operation.

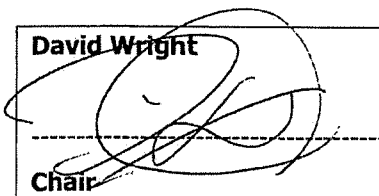
The Corporation is also required to prepare a report of the Governing Body which describes what it is trying to do and how it is going about it, including the legal and administrative status of the College.

The Corporation is responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the College, and to enable it to ensure that the financial statements are prepared in accordance with the relevant legislation of incorporation, including Further and Higher Education Act 1992 and Charities Act 2011, and other relevant accounting standards. It is responsible for taking steps that are reasonably open to it in order to safeguard 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 Corporation 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 Corporation 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 Funding Agreements and contracts with the ESFA and any other conditions that may be prescribed from time to time. Members of the Corporation must ensure that there are appropriate financial and management controls in place sufficient to safeguard public and other funds and ensure they are used properly. In addition, members of the Corporation 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 from the ESFA are not put at risk.

Approved by order of the members of the Corporation on 18th December 2019 and signed on its behalf by:

<p>David Wright</p>  <p>Chair</p>
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Notre Dame Catholic Sixth Form College

FINANCIAL STATEMENTS for the year ended 31 July 2019

INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF NOTRE DAME CATHOLIC SIXTH FORM COLLEGE FOR THE YEAR ENDED 31 JULY 2019

Opinion

We have audited the financial statements of Notre Dame Catholic Sixth Form College (the 'college') for the year ended 31 July 2019 which comprise the Statement of Comprehensive Income, the Statement of Changes in Reserves, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies and other explanatory information. 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 2019, and of its income and expenditure and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Statement of Recommended Practice - Accounting for Further and Higher Education.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The other information comprises the information included in the report and financial statements, other than the financial statements and our auditor's report thereon. The Corporation is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Notre Dame Catholic Sixth Form College

FINANCIAL STATEMENTS for the year ended 31 July 2019

INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF NOTRE DAME CATHOLIC SIXTH FORM COLLEGE FOR THE YEAR ENDED 31 JULY 2019 (continued)

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 Audit Code of Practice issued by the Education and Skills Funding Agency requires us to report to you if, in our opinion:

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

Responsibilities of the Corporation

As explained more fully in the Statement of Responsibilities of the Members of the Corporation, the Corporation is responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Corporation 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 Corporation 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 Corporation 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 responsibility is to audit and express an opinion the financial statements in accordance with applicable law and with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

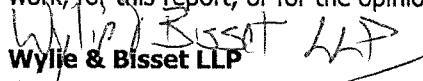
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Corporation, as a body, in accordance with the Financial Memorandum published by Education and Skills Funding Agency.

Our audit work has been undertaken so that we might state to the Corporation, as a body, those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility for any other purpose or for or to any other person, for our audit work, for this report, or for the opinions we have formed.


Wylie & Bisset LLP
Chartered Accountants

Statutory Auditor
168 Bath Street
Glasgow
G2 4TP

Date: 18th December 2019

Notre Dame Catholic Sixth Form College

FINANCIAL STATEMENTS for the year ended 31 July 2019

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 JULY 2019

	Notes	2019 £'000	2018 £'000
INCOME			
Funding body grants	3	8,633	8,471
Tuition fees and education contracts	4	330	273
Other income	5	121	121
Investment income	6	1	-
Total income		<u>9,085</u>	<u>8,865</u>
EXPENDITURE			
Staff costs	7	7,069	6,991
Restructuring costs	7	-	28
Other operating expenses	8	1,752	1,479
Depreciation	11	271	249
Interest and other finance costs	9	106	116
Total expenditure		<u>9,198</u>	<u>8,863</u>
(Deficit) / Surplus before other gains and losses		<u>(113)</u>	<u>2</u>
(Deficit) / Surplus before tax		<u>(113)</u>	<u>2</u>
Taxation	10	-	-
(Deficit) / Surplus for the year			
Re-measurement of net defined benefit pension scheme		(768)	415
Other Comprehensive income for the year		<u>(768)</u>	<u>415</u>
Total Comprehensive Income for the year		<u>(881)</u>	<u>417</u>
Total Comprehensive Income for the year attributable to Corporation of the College		<u>(881)</u>	<u>417</u>

Notre Dame Catholic Sixth Form College

FINANCIAL STATEMENTS for the year ended 31 July 2019

BALANCE SHEET AS AT 31 JULY 2019

	Notes	2019 £'000	2018 £'000
Fixed assets			
Tangible assets	11	7,029	7,109
		<u>7,029</u>	<u>7,109</u>
Current assets			
Debtors	12	78	94
Cash at bank and in hand		1,878	1,565
		<u>1,956</u>	<u>1,659</u>
Current liabilities			
Creditors – amounts falling due within one year	13	(1,258)	(981)
Net current assets		<u>698</u>	<u>678</u>
Total assets less current liabilities		<u>7,727</u>	<u>7,787</u>
 Creditors – amounts falling due after more than one year	 14 (iii)	 (4,407)	 (4,621)
Provisions for liabilities			
Defined benefit pension scheme	18	(2,388)	(1,309)
Other provisions	15	(372)	(416)
Total net assets		<u>560</u>	<u>1,441</u>
Unrestricted Reserves			
Income and expenditure reserve		560	1,441
Total reserves		<u>560</u>	<u>1,441</u>

The financial statements on pages 22 to 40 were approved and authorised for issue by the Corporation on:

18th December 2019 and were signed on its behalf on that date by:

David Wright

Chair

Signed

Justine Barlow

Accounting Officer

Signed

Notre Dame Catholic Sixth Form College
FINANCIAL STATEMENTS for the year ended 31 July 2019

STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED 31 JULY 2019

	Income and Expenditure reserve total	
	2018	2017
	£'000	£'000
Balance b/f 1 August	<u>1,024</u>	<u>343</u>
Surplus for the year	2	9
Other comprehensive income	<u>415</u>	<u>672</u>
Total comprehensive income for the year	<u>417</u>	<u>681</u>
Balance at 31 July	<u>1,441</u>	<u>1,024</u>
	2019	2018
	£'000	£'000
Balance b/f 1 August	<u>1,441</u>	<u>1,024</u>
(Deficit) / Surplus for the year	(113)	2
Other comprehensive income	<u>(768)</u>	<u>415</u>
Total comprehensive income for the year	<u>(881)</u>	<u>417</u>
Balance at 31 July	<u>560</u>	<u>1,441</u>

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JULY 2019

	Notes	2019	2018
		£'000	£'000
Operating activities			
Cash generated from operations	17	705	421
Taxation paid	10	-	-
Net cash from operating activities		<u>705</u>	<u>421</u>
Investing activities			
Investment income	6	1	-
Purchase of tangible fixed assets	11	<u>(191)</u>	<u>(147)</u>
		<u>(190)</u>	<u>(147)</u>
Financing activities			
Interest paid	9	(72)	(78)
Repayments of borrowings	14 (iv)	<u>(130)</u>	<u>(130)</u>
		<u>(202)</u>	<u>(208)</u>
Increase in cash and cash equivalents in the year		<u>313</u>	<u>66</u>
Cash and cash equivalents at beginning of the year		1,565	1,499
Cash and cash equivalents at end of the year		<u>1,878</u>	<u>1,565</u>

Notre Dame Catholic Sixth Form College

FINANCIAL STATEMENTS for the year ended 31 July 2019

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

General information

Notre Dame Catholic Sixth Form College is a corporation established under the Further and Higher Education Act 1992 as an English general college of FE. The address of the College's principal place of business is given on page 14. The nature of the College's operations are set out in the Report of the Governing Body.

Basis of accounting

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2015 (the 2015 FE HE SORP), the College Accounts Direction for 2018 to 2019 and in accordance with Financial Reporting Standard 102 – "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (FRS 102) under the historical cost convention. The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented, unless otherwise stated.

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

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

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

Going concern

The activities of the College, together with the factors likely to affect its future development and performance are set out in the Report of the Governing Body. The financial position of the College, its cash flow, liquidity and borrowings are presented in the Financial Statements and accompanying Notes.

The College enjoys a strong working relationship with its bankers and has received support that the requirements of the new SORP does not affect negatively the bank covenants or other performance indicators.

Accordingly, after consideration of the loan facilities and the two year (and longer term) financial plans, 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

Grants – government and non-government

Government revenue grants are accounted for under the accrual model and are recognised where a reliable estimate of the fair value of the asset received or receivable can be made on a systematic basis over the periods in which the related costs for which the grant compensates are recognised.

16-18 learner-responsive funding is not normally subject to reconciliation and is therefore not subject to contract adjustments and is recognised when receivable.

Notre Dame Catholic Sixth Form College

FINANCIAL STATEMENTS for the year ended 31 July 2019

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1 Accounting policies (continued)

Recognition of income (continued)

Grants from non-government sources, including grants relating to assets, are recognised in income when the College has met the performance-related conditions and the grant will be received. Income received in advance of performance related conditions being met is recognised as a liability.

Government capital grants for assets, other than land, are accounted for under the accrual model. The grant income received or receivable will be recognised over the expected useful life of the asset, with any amount of the asset-related grant that is deferred being recognised as deferred income. The deferred income is allocated between creditors due within one year and those due after more than one year.

Funding for free meals in FE is also accounted for under the performance model.

Other income

Income from the supply of services is recognised at fair value of the consideration received or receivable and represents the value of services to the extent there is a right to consideration.

Income from tuition fees is recognised over the period for which it is received.

All income from short-term deposits is accrued in the period in which it is earned on a receivable basis.

Retirement benefits

Retirement benefits to employees of the College are principally provided by Teachers' Pensions Scheme (TPS) and the West Yorkshire Pension Fund (WYPF), which are multi-employer defined benefit plans.

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 the Government Actuary on the basis of valuations using a projected unit method. The TPS is a multi-employer scheme but sufficient information is not available to use defined benefit accounting and therefore it is accounted for as a defined contribution scheme, with the amount charged to the statement of comprehensive income is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

The WYPF is a funded scheme, and the assets of the scheme are held separately. Pension schemes are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. 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. The net interest cost on the net defined benefit liability/asset is charged to comprehensive income and included within finance costs. Re-measurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in other comprehensive income.

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. The cost of any unused holiday entitlement the College expects to pay in future periods is recognised in the period the employees' services are rendered.

Notre Dame Catholic Sixth Form College

FINANCIAL STATEMENTS for the year ended 31 July 2019

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1 Accounting policies (continued)

Enhanced Pensions

The actual cost of any enhanced ongoing pension to a former member of staff is paid by a college annually. An estimate of the expected future cost of any enhancement to the ongoing pension of a former member of staff is charged in full to comprehensive income in the year that the member of staff retires. In subsequent years a charge is made to provisions in the balance sheet using the enhanced pension spreadsheet provided by the funding bodies.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Land and buildings

Land and buildings are stated at cost at the date of transition to FRS 102 less accumulated depreciation and accumulated impairment losses.

Buildings owned by third parties

Legal title to the land and buildings occupied by the College is vested in the Diocese of Leeds Trustee. The Corporation occupies the College premises for the purpose of conducting the institution. No rentals pass, other than for Hume House energy re-charge.

Buildings acquired, built and funded by the Diocese of Leeds Trustee, but occupied by the College are not recognised in the financial statements. Obligations associated with occupancy are set out below under provisions as explained in the Report of the Governing Body.

Equipment

Equipment costing less than £2,500 per individual item or set of items acquired together is recognised as expenditure in the period of acquisition. All other equipment is capitalised and recognised at cost less accumulated depreciation and accumulated impairment losses.

Depreciation and residual values

Freehold land is not depreciated. Depreciation on other assets is calculated, using the straight line basis, to write off the cost of each asset to its estimated residual value over its expected useful lives, as follows:

- Freehold buildings – over periods up to 50 years
- Furniture, fixtures and fittings – 5 years
- Computer equipment - 5 years

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

Subsequent costs, including replacement parts, are only capitalised when it is probable that such costs will generate future economic benefits. All other costs of repairs and maintenance are expenses as incurred.

Impairments of fixed assets

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, an estimate is made of the recoverable amount of the asset. Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairment of revalued assets, are treated as a revaluation loss. All other impairment losses are recognised in comprehensive income.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in comprehensive income or, for revalued assets,

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1 Accounting policies (continued)

Impairment of fixed assets (continued)

as a revaluation gain. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

Borrowing costs

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

Leased assets

Operating leases

All leases are operating leases and annual rents are charged to comprehensive income 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 Instruments

The College has chosen to adopt Sections 11 and 12 of FRS 102 in full in respect of financial instruments.

Financial assets and liabilities

Financial assets and financial liabilities are recognised when the College becomes a party to the contractual provisions of the instrument.

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.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets measured at fair value through the profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless arrangement constitutes a financing transaction. A financial asset or financial liability that is payable or receivable in one year is measured at the undiscounted amount expected to be received or paid net of impairment, unless it is a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

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

Financial assets and financial liabilities are offset only when there is a current legally enforceable right to set off the recognised amounts and the intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

Notre Dame Catholic Sixth Form College

FINANCIAL STATEMENTS for the year ended 31 July 2019

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1 Accounting policies (continued)

Taxation

The College is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the College is potentially exempt from taxation in respect of income or capital gains received within categories covered by sections 478-488 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The College receives no similar exemption in respect of value added tax. For this reason the College is generally unable to recover input VAT it suffers on goods and services purchased. Capital costs and non-pay expenditure are therefore shown inclusive of VAT with any partial recovery netted off against these figures.

Provisions and contingent liabilities

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 the amount of the obligation can be reliably measured.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised as a finance cost in the statement of comprehensive income in the period it arises.

A contingent liability arises from a past event that gives the College a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the College. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be reliably measured.

Contingent liabilities are not recognised in the balance sheet but are disclosed in the notes to the financial statements.

Agency arrangements

The College acts as an agent in distributing discretionary support funds from the funding bodies. Payments received from the funding bodies and subsequent disbursements to students are excluded from the income and expenditure of the College where the College does not have control of the economic benefit related to the transaction.

2 Critical accounting judgements and estimation uncertainty

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

Critical areas of judgement

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

- Determined 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.
- Assessed the maintenance works required as per the College's agreement with the Diocese of Leeds (Trustee) and computed a provision accordingly. The provision is dependent upon an assessment of the work performed to date against the survey carried out in Easter 2014, since updated summer 2019 and an assessment of the future costs of delivering the maintenance requirements.

Notre Dame Catholic Sixth Form College

FINANCIAL STATEMENTS for the year ended 31 July 2019

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 Critical accounting judgements and estimation uncertainty (continued)

Critical accounting estimates and assumptions

- Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, maintenance programmes, economic utilisation and physical condition of the assets are taken into account. Residual value assessments consider issues such as future market conditions and the remaining life of the asset.

- West Yorkshire Pension Fund

The present value of the West Yorkshire Pension Fund 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 18, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 July 2019. 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.

- Impairment of fixed assets

The College considers whether tangible fixed assets are impaired. Where an indication of impairment is identified the estimation of the recoverable amount of the asset or the recoverable amount of the cash-generating unit is required. These will requires an estimation of the future cash flow and selection of an appropriate discount rates in order to calculate the net present value of those cash flows.

3 Funding Body Grants

	Year ended 31 July 2019 £'000	Year ended 31 July 2018 £'000
Recurrent grants		
Education and Skills Funding Agency	8,245	8,173
Specific grants		
Education and Skills Funding Agency	305	215
Releases of government capital grants	83	83
Total	8,633	8,471

4 Tuition fees and education contracts

	2019 £'000	2018 £'000
Tuition fees	314	230
Education contracts	16	43
Total	330	273

Notre Dame Catholic Sixth Form College

FINANCIAL STATEMENTS for the year ended 31 July 2019

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Other income

	2019 £'000	2018 £'000
Lettings	41	30
Miscellaneous income	80	91
Total	121	121

6 Investment income

	2019 £'000	2018 £'000
Other interest receivable	1	-
Total	1	-

7 Staff costs and key management personnel remuneration

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

	2019 No.	2018 No.
Teaching staff	93	96
Non-teaching staff	59	57
Total	152	153

Staff costs for the above persons:	2019 £'000	2018 £'000
Wages and salaries	5,393	5,419
Social security costs	539	550
Other pension costs	1,129	1,013
Payroll sub-total	7,061	6,982
Restructuring costs - contractual	-	28
- non contractual	-	-
Apprentice Levy	8	9
Total	7,069	7,019

Restructuring costs were approved by the human resources committee under its delegated authority from Corporation.

Key management personnel compensation

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 SLT which comprises the Principal, Deputy Principal, Director of Finance & Resources, Vice Principal and one Assistant Principal. No compensation was paid to key management personnel for loss of office. The Corporation's approach to the pay of key management personnel is proportionate, transparent and represents value for money in relation to the accountability of the postholders. The relationship between the Accounting Officer's salary and that of all other employees expressed as a pay multiple is, 2.59; (calculated by listing salaries of all staff employed in July to obtain the Median. The pay multiple = Accounting Officer salary divided by this Median). The relationship between the Accounting Officer's total emoluments and that of all other employees expressed as a pay multiple is, 3.02.

The salary was benchmarked against the SFC sector with performance monitoring throughout the year; academic, financial and other strategic objectives were met as set out above in the Report of the Governing Body.

Notre Dame Catholic Sixth Form College

FINANCIAL STATEMENTS for the year ended 31 July 2019

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Staff costs and key management personnel remuneration (continued)

7 Emoluments of Key management personnel, Accounting Officer and other staff.

	2019 No.	2018 No.
The number of key management personnel including the Accounting Officer was:	<u>**6</u>	<u>*7</u>
The number of key management personnel and other staff receiving annual emoluments, excluding pension contributions and employer's national insurance but including benefits in kind, in the following ranges was:		
<i>*following the retirement of the previous Principal at 29 April 2018 and</i>	Key management personnel	Other staff
<i>** the resignation of the DP 30 June and an AP at 31 December 2018</i>	2019 No.	2018 No.
£20,001 to £25,000 p.a.	**1	-
£25,001 to £30,000 p.a.	-	*1
£35,001 to £40,000 p.a.	**1	-
£55,001 to £60,000 p.a.	-	2
£60,001 to £65,000 p.a.	1	-
£70,001 to £75,000 p.a.	-	1
£75,001 to £80,000 p.a.	1	2
£80,001 to £85,000 p.a.	-	1
£85,001 to £90,000 p.a.	1	-
£100,001 to £105,000 p.a.	1	-
	<u>6</u>	<u>7</u>
Key management personnel (including the Accounting Officer) total compensation is made up as follows:	2019 £'000	2018 £'000
Salaries gross of salary sacrifice and waived emoluments	383	453
Benefits in kind	-	-
National Insurance	47	56
	<u>430</u>	<u>509</u>
Pension contributions	63	73
Total emoluments	<u>493</u>	<u>582</u>

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

The above emoluments include amounts payable to the Accounting Officer (who is also the highest paid of key management personnel) of:

	2019 £'000	2018 £'000
Retired Principal - Salaries	-	78
- National Insurance	-	10
- Pension contributions	-	13
Total	<u>-</u>	<u>101</u>
Current Principal - Salaries	102	26
- National Insurance	13	3
- Pension contributions	17	4
Total	<u>132</u>	<u>33</u>

Notre Dame Catholic Sixth Form College

FINANCIAL STATEMENTS for the year ended 31 July 2019

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Staff costs and key management personnel remuneration (continued)

7 Governors' remuneration

The Accounting Officer and the staff governor members only receive remuneration in respect of services they provide undertaking their roles of Principal and members of staff under contracts of employment and not in respect of their roles as governors. The other members of the Corporation did not receive any payments from the College in respect of their roles as governors.

The total expenses paid to or on behalf of the Governors during the year was £nil as no Governors claimed (2018 £249; two Governors). This represents travel and subsistence expenses and other out of pocket expenses incurred in attending Governor meetings and charity events in their official capacity.

No Governor has received any remuneration or waived payments from the College during the year (2018: None).

8 Other operating expenses

	2019	2018
	£'000	£'000
Teaching costs	437	407
Non-teaching costs	866	733
Premises costs	449	339
Total	1,752	1,479
	2019	2018
	£'000	£'000
Surplus before taxation is stated after charging/(crediting):		
Auditors' remuneration:		
Financial statements audit	11	11
Internal audit	8	7
Other services provided by financial statements auditor:		
Other audit related assurance services	2	2
Operating lease rentals	28	33

9 Interest and other finance costs

	2019	2018
	£'000	£'000
Bank loan	72	78
Net interest on defined benefit pension liability (note 18)	34	38
Total	106	116

10 Taxation

The members do not believe the College is liable for any corporation tax arising out of its activities during this year.

Notre Dame Catholic Sixth Form College
FINANCIAL STATEMENTS for the year ended 31 July 2019

NOTES TO THE FINANCIAL STATEMENTS (continued)

11 Tangible fixed assets

	Buildings £'000	Equipment £'000	Total £'000
Cost			
At 1 August 2018	8,731	2,227	10,958
Additions	-	191	191
At 31 July 2019	<u>8,731</u>	<u>2,418</u>	<u>11,149</u>
Depreciation			
At 1 August 2018	1,856	1,993	3,849
Charge for year	175	96	271
At 31 July 2019	<u>2,031</u>	<u>2,089</u>	<u>4,120</u>
Carrying amount at 31 July 2019	6,700	329	7,029
Carrying amount at 31 July 2018	<u>6,875</u>	<u>234</u>	<u>7,109</u>

Buildings with a net book value of £6.7m have been financed by exchequer funds, through for example the receipt of capital grants; should these assets be sold, the College may be liable under the terms of the Funding Agreement to surrender the proceeds.

12 Debtors

Amounts falling due within one year:

	2019 £'000	2018 £'000
Trade debtors	2	5
Prepayments and accrued income	76	89
Total	<u>78</u>	<u>94</u>

13 Creditors: amounts falling due within one year:

	2019 £'000	2018 £'000
Bank loan	130	130
Trade creditors	171	27
Payments received in advance	204	163
Accruals	670	578
Government capital grants	83	83
Total	<u>1,258</u>	<u>981</u>

Notre Dame Catholic Sixth Form College

FINANCIAL STATEMENTS for the year ended 31 July 2019

NOTES TO THE FINANCIAL STATEMENTS (continued)

14 Creditors: amounts falling due after one year:

	2019 £'000	2018 £'000
i) Bank loan	1,336	1,466
ii) Government capital grants	3,071	3,155
iii)	<u>4,407</u>	<u>4,621</u>
Bank loans	2019	2018
The bank loan is repayable as follows:	£'000	£'000
iv) In one year or less	130	130
v) Between one and two years	132	133
vi) Between two and five years	396	396
vii) In five years or more	808	937
Total	<u>1,466</u>	<u>1,596</u>

As part of the approvals for the Cuvilly building Capital Project, the College had an agreed facility with Lloyds Banking Group for £3.3m at 0.35% over the base rate. In total, at 1st August 2011 £2.647m had been drawn down from Lloyds. No further drawdown will be made on the facility.

15 Provisions for liabilities

	Planned Maintenance £'000
At 1 August 2018	416
Expenditure during the year	(47)
Provision in the year	<u>3</u>
At 31 July 2019	<u>372</u>

The provision for planned maintenance is derived from the planned maintenance programme prepared by Faithfull & Gould (Building Surveying) Ltd, prepared during Easter 2014 and reviewed by the Corporation. The resultant report following the survey highlighted that the works necessary over the next ten years have reduced substantially when compared to the previous survey. This is predominantly as a result of the extensive investment made on the premises over the last few years, which reduced the annual provision to £3k. The PMP was reviewed in summer 2019. As stated above.

As explained in the Report of the Governing Body the College occupies the premises, which are owned by Diocese of Leeds Trustee (Diocese) and therefore has a constructive obligation for maintenance.

Notre Dame Catholic Sixth Form College
FINANCIAL STATEMENTS for the year ended 31 July 2019

NOTES TO THE FINANCIAL STATEMENTS (continued)

16 Financial instruments

The College has the following financial instruments:

	2019	2018
	£'000	£'000
Financial assets		
Financial assets measured at fair value through profit or loss		
Debt instruments measured at amortised cost;	-	-
Trade debtors	2	5
Accrued income	(15)	39
Investments in short term deposits	-	-
Total	(13)	44

The College has the following financial instruments:

	2019	2018
	£'000	£'000
Financial liabilities		
Financial liabilities measured at fair value through profit or loss	-	-
Financial liabilities measured at amortised cost;		
Trade creditors	171	27
Bank loans	1,466	1,596
Accruals	670	578
Total	2,307	2,201

17 Notes to Cash Flow Statement

	2019	2018
	£'000	£'000
(Deficit) / Surplus after tax for the year	(113)	2
Adjustment for:		
Depreciation	271	249
Investment income	(1)	-
Interest payable	106	116
Decrease in provisions	(44)	(20)
Pensions costs less contributions payable	278	165
Operating cash flow before movements in working capital	497	512
Decrease / (Increase) in debtors	16	(44)
Increase / (Decrease) in creditors	192	(47)
Cash generated from operations	705	421

Notre Dame Catholic Sixth Form College

FINANCIAL STATEMENTS for the year ended 31 July 2019

NOTES TO THE FINANCIAL STATEMENTS (continued)

18 Retirement Benefits

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 West Yorkshire Pension Fund (WYPF) for non-teaching staff, which is managed by Bradford MDC. Both are multi-employer defined-benefit plans.

Total pension cost for the year	2019 £'000	2018 £'000
Teachers' Pension Scheme: contributions paid	657	681
West Yorkshire Pension Fund		
Contributions paid	195	167
FRS 102 (28) charge	<u>278</u>	<u>165</u>
Charge to the Statement of Comprehensive Income	<u>473</u>	<u>332</u>
Total pension cost for Year within staff costs	<u>1,130</u>	<u>1,013</u>

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 (published 5th March 2019) and of the LGPS 31 March 2016.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act 1972 and are paid by public funds provided by Parliament.

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

The latest actuarial valuation was carried out as at 31 March 2016 and in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published in June 2014. The key results of the valuation and subsequent consultation are:

- Total scheme liabilities for service (pensions currently payable and the estimated cost of future benefits) of £218.1 billion
- Value of notional assets (estimated future contributions together with the proceeds from the notional investments held the valuation date) of £196.1 billion

Notre Dame Catholic Sixth Form College

FINANCIAL STATEMENTS for the year ended 31 July 2019

NOTES TO THE FINANCIAL STATEMENTS (continued)

18 Retirement Benefits (continued)

- Notional past service deficit of £22 billion
- Assumed real rate of return is 2.0% in excess of prices and 2% in excess of earnings
- Rate of real earnings growth is assumed to be 2.2%
- Assumed nominal rate of return is 4.86%

The employer contribution rate is 23.6% (including a 0.08% administration fees). The employer contribution rate will be payable until the next valuation (as at March 2020) becomes publicly available, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2023.

The pension costs paid to TPS in the year amounted to £657,000 (2018: £681,000). The TPS is a multi-employer pension plan and there is insufficient information to account for the scheme on as a defined benefit plan so it is accounted for as a defined contribution plan.

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/2019/04/teachers-pensions-valuation-report.aspx>

West Yorkshire Pension Fund

The West Yorkshire Pension Fund is a funded defined-benefit plan, with the assets held in separate funds administered by Bradford MDC. The total contributions made for the year ended 31 July 2019 were £272,000, of which employer's contributions totalled £195,000 and employees' contributions totalled £77,000. The agreed contribution rates for future years are 16.2% for employers and range from 5.5% to 12.5% for employees, depending on salary.

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2016 updated to 31 July 2019 by a qualified independent actuary.

	At 31 July 2019	At 31 July 2018
Rate of increase in salaries	3.45%	3.35%
Future pensions increases	2.2%	2.1%
Discount rate	2.2%	2.8%
Inflation assumption (CPI)	2.2%	2.1%

The average life expectancy for a pensioner retiring at 65 on the reporting date is:

	At 31 July 2019 years	At 31 July 2018 years
<i>Retiring today</i>		
Males	22.2	22.1
Females	25.4	25.3
<i>Retiring in 20 years</i>		
Males	23.2	23.1
Females	27.2	27.1

Notre Dame Catholic Sixth Form College
FINANCIAL STATEMENTS for the year ended 31 July 2019

NOTES TO THE FINANCIAL STATEMENTS (continued)

18 Retirement Benefits (continued)

	2019	2018
	£'000	£'000
Equity instruments	5,058	4,167
Government bonds	637	603
Other bonds	231	196
Property	277	235
Cash	135	123
Other	97	263
Total fair value of plan assets	6,435	5,587
Actual return on plan assets	686	415

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

	2019	2018
	£'000	£'000
Fair value of plan assets	6,435	5,587
Present value of plan liabilities	(8,823)	(6,896)
Present value of unfunded liabilities	-	-
Net pensions liability	(2,388)	(1,309)

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

	2019	2018
	£'000	£'000
Amounts included in staff costs		
Current service cost	(357)	(332)
Past service cost	(115)	-
Net interest on the net defined benefit pension liability	(34)	(38)
Total	(506)	(370)

	2019	2018
	£'000	£'000
Changes in the present value of defined benefit obligations		
Defined benefit obligations at start of period	6,896	6,534
Current service cost	357	332
Past service cost	115	-
Interest cost	193	170
Contributions by scheme participants	77	71
Actuarial loss / (gains)	1,295	(132)
Benefits paid	(110)	(79)
Defined benefit obligations at end of period	8,823	6,896

Notre Dame Catholic Sixth Form College

FINANCIAL STATEMENTS for the year ended 31 July 2019

NOTES TO THE FINANCIAL STATEMENTS (continued)

18 Retirement Benefits (continued)

Changes in fair value of plan assets	2019 £'000	2018 £'000
Fair value of plan assets at start of period	5,587	5,013
Interest income	159	132
Return on plan assets (excluding net interest on the net defined benefit liability)	527	283
Employer contributions	195	167
Contributions by scheme participants	77	71
Benefits paid	(110)	(79)
Fair value of plan assets at end of period	6,435	5,587

19 Amounts Disbursed as Agent

Learner Support Funds	2019 £'000	2018 £'000
Funding body grants including brought forward balances	182	203
Disbursed to students	(171)	(187)
Administration costs	(9)	(9)
Balance unspent as at 31 July	<u>2</u>	<u>7</u>

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.

20 Capital Commitments

	2019 £'000	2018 £'000
Commitments contracted for at 31 July	<u>--</u>	<u>40</u>

21 Financial commitments under operating leases

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

	2019 £'000	2018 £'000
Payments due:		
Not later than one year	28	28
Later than one year and not later than five years	76	104
	<u>104</u>	<u>132</u>

22 Related party transactions

Key management compensation disclosure is given in note 7. Foundation Governors (FG) are appointed by the Bishop. FG have additional responsibilities to the Bishop: to know and implement the Bishop's policies on education; to act for the good of Catholic education as a whole within the diocese and to secure the long-term future of Catholic education. There are no related party transactions.



Notre Dame Catholic Sixth Form College

FINANCIAL STATEMENTS for the year ended 31 July 2019

REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY

To: The corporation of Notre Dame Catholic Sixth Form College and Secretary of State for Education, acting through the Department for Education ('the Department')

In accordance with the terms of our engagement letter dated 16 August 2019 and further to the requirements of the financial memorandum with Education and Skill 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 Notre Dame Catholic Sixth Form College during the period 1 August 2018 to 31 July 2019 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 Post-16 Audit Code of Practice ("the Code") issued by the Department. In line with this framework, our work has specifically not considered income received from the main funding grants generated through the Individualised Learner Record returns, for which the Department has other assurance arrangements in place.

This report is made solely to the corporation of Notre Dame Catholic Sixth Form College and the Department in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the corporation of Notre Dame Catholic Sixth Form College and the Department 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 Notre Dame Catholic Sixth Form College and the Department for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Notre Dame Catholic Sixth Form College and the reporting accountant

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

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the 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 2018 to 31 July 2019 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 Department. We performed a limited assurance engagement as defined in that framework.

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

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

Notre Dame Catholic Sixth Form College

FINANCIAL STATEMENTS for the year ended 31 July 2019

REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY (continued)

Approach (continued)


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

The work undertaken to draw to our conclusion includes:

- Documenting the framework of authorities which govern the activities of the College;
- Undertaking a risk assessment based on our understanding of the general control environment and any weaknesses in internal controls identified by our audit of the financial statements;
- Reviewing the self-assessment questionnaire which supports the representations included in the Chair of Governors and Accounting Officer's statement on regularity, propriety and compliance with the framework of authorities;
- Testing transactions with related parties;
- Confirming through enquiry and sample testing that the College has complied with its procurement policies and that these policies comply with delegated authorities; and
- Reviewing any evidence of impropriety resulting from our work and determining whether it was significant enough to be referred to in our regularity report.

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 2018 to 31 July 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.


Wylie & Bisset LLP
Chartered Accountants
Statutory Auditor
168 Bath Street
Glasgow
G2 4TP

Date: 18th December 2019