

Notre Dame Catholic Sixth Form College

FINANCIAL STATEMENTS for the year ended 31 July 2020

INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF NOTRE DAME CATHOLIC SIXTH FORM COLLEGE FOR THE YEAR ENDED 31 JULY 2020 (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 on 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 Financial Reporting Council'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 (Audit) Limited

Chartered Accountants
Statutory Auditor
168 Bath Street
Glasgow
G2 4TP

Date: 16th December 2020

Notre Dame Catholic Sixth Form College

FINANCIAL STATEMENTS for the year ended 31 July 2020

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 JULY 2020

	Notes	2020 £'000	2019 £'000
INCOME			
Funding body grants	3	9,160	8,633
Tuition fees and education contracts	4	307	330
Other income	5	119	121
Investment income	6	146	1
Total income		<u>9,732</u>	<u>9,085</u>
EXPENDITURE			
Staff costs	7	7,418	7,069
Restructuring costs	7	88	-
Other operating expenses	8	1,690	1,752
Depreciation	11	269	271
Interest and other finance costs	9	259	106
Total expenditure		<u>9,724</u>	<u>9,198</u>
Surplus / (Deficit) before other gains and losses		<u>8</u>	<u>(113)</u>
Surplus / (Deficit) before tax		<u>8</u>	<u>(113)</u>
Taxation	10	-	-
(Deficit) for the year			
Re-measurement of net defined benefit pension scheme		(3,076)	(768)
Other Comprehensive income for the year		<u>(3,076)</u>	<u>(768)</u>
Total Comprehensive Income for the year		<u>(3,068)</u>	<u>(881)</u>
Total Comprehensive Income for the year attributable to Corporation of the College		<u>(3,068)</u>	<u>(881)</u>

Notre Dame Catholic Sixth Form College
FINANCIAL STATEMENTS for the year ended 31 July 2020

BALANCE SHEET AS AT 31 JULY 2020

	Notes	2020 £'000	2019 £'000
Fixed assets			
Tangible assets	11	7,381	7,029
		<u>7,381</u>	<u>7,029</u>
Current assets			
Debtors	12	136	78
Cash at bank and in hand		2,086	1,878
		<u>2,222</u>	<u>1,956</u>
Current liabilities			
Creditors – amounts falling due within one year	13	(1,248)	(1,258)
Net current assets		<u>974</u>	<u>698</u>
Total assets less current liabilities		<u>8,355</u>	<u>7,727</u>
Creditors – amounts falling due after more than one year	14 (iii)	(4,609)	(4,407)
Provisions for liabilities			
Defined benefit pension scheme	18	(5,819)	(2,388)
Other provisions	15	(435)	(372)
Total net assets		<u>(2,508)</u>	<u>560</u>
Unrestricted Reserves			
Income and expenditure reserve		(2,508)	560
Total reserves		<u>(2,508)</u>	<u>560</u>

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

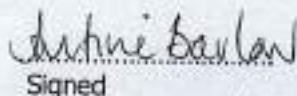
16th December 2020 and were signed on its behalf on that date by:

David Wright



Chair

Justine Barlow



Accounting Officer

Notre Dame Catholic Sixth Form College
FINANCIAL STATEMENTS for the year ended 31 July 2020

STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED 31 JULY 2020

	Income and Expenditure reserve total	
	2019	2018
	£'000	£'000
Balance b/f 1 August	<u>1,441</u>	<u>1,024</u>
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>
	2020	2019
	£'000	£'000
Balance b/f 1 August	<u>560</u>	<u>1,441</u>
Surplus / (Deficit) for the year	8	(113)
Other comprehensive Income	<u>(3,076)</u>	<u>(768)</u>
Total comprehensive income for the year	<u>(3,068)</u>	<u>(881)</u>
Balance at 31 July	<u>(2,508)</u>	<u>560</u>

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JULY 2020

	Notes	2020	2019
		£'000	£'000
Operating activities			
Cash generated from operations	17	1,026	705
Taxation paid	10	-	-
Net cash from operating activities		<u>1,026</u>	<u>705</u>
Investing activities			
Investment income	6	2	1
Purchase of tangible fixed assets	11	<u>(621)</u>	<u>(191)</u>
		<u>(619)</u>	<u>(190)</u>
Financing activities			
Interest paid	9	(65)	(72)
Repayments of borrowings	14 (iv)	<u>(134)</u>	<u>(130)</u>
		<u>(199)</u>	<u>(202)</u>
Increase in cash and cash equivalents in the year		<u>208</u>	<u>313</u>
Cash and cash equivalents at beginning of the year		<u>1,878</u>	<u>1,565</u>
Cash and cash equivalents at end of the year		<u>2,086</u>	<u>1,878</u>

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 2019 (the 2019 FE HE SORP), the College Accounts Direction for 2019 to 2020 and in accordance with Financial Reporting Standard 102 – "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (FRS 102) 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.

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 on 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.

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.

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 prior to the revised survey carried out in summer 2019, and an assessment of the future costs of delivering the maintenance requirements.

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 2019 has been used by the actuary in valuing the pensions liability at 31 July 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of 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 require 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 2020 £'000	Year ended 31 July 2019 £'000
Recurrent grants		
Education and Skills Funding Agency	8,523	8,245
Specific grants		
Education and Skills Funding Agency	554	305
Releases of government capital grants	83	83
Total	9,160	8,633

4 Tuition fees and education contracts

	2020 £'000	2019 £'000
Tuition fees	301	314
Education contracts	6	16
Total	307	330

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Other income

	2020	2019
	£'000	£'000
Lettings	33	41
Miscellaneous income	86	80
Total	119	121

6 Investment income

	2020	2019
	£'000	£'000
Other interest receivable	2	1
Pension finance income	144	-
Total	146	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:

	2020	2019
	No.	No.
Teaching staff	92	93
Non-teaching staff	59	59
Total	151	152

Staff costs for the above persons:

	2020	2019
	£'000	£'000
Wages and salaries	5,441	5,393
Social security costs	545	539
Other pension costs	1,432	1,129
Payroll sub-total	7,418	7,061
Restructuring costs - contractual	76	-
- non-contractual	-	-
Apprentice Levy	12	8
Total	7,506	7,069

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. Compensation was paid to one member of 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, 3.3 (2018/19 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, 3.2 (2018/19 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 2020

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.

	2020	2019
	No.	No.
The number of key management personnel including the Accounting Officer was:	<u>5</u>	<u>*6</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:

** Following the resignation of an Assistant Principal at 31 December*

	Key management personnel		Other staff	
	2020	2019	2020	2019
	No.	No.	No.	No.
£20,001 to £25,000 p.a.	-	*1	-	-
£35,001 to £40,000 p.a.	-	*1	-	-
£60,001 to £65,000 p.a.	1	1	-	-
£70,001 to £75,000 p.a.	-	-	-	-
£75,001 to £80,000 p.a.	2	1	-	-
£80,001 to £85,000 p.a.	-	-	-	-
£85,001 to £90,000 p.a.	1	1	-	-
£90,001 to £95,000 p.a.	-	-	-	-
£95,001 to £100,000 p.a.	-	-	-	-
£100,001 to £105,000 p.a.	-	1	-	-
£105,001 to £110,000 p.a.	1	-	-	-
	<u>5</u>	<u>6</u>	<u>-</u>	<u>-</u>

	2020	2019
	£'000	£'000
Key management personnel (including the Accounting Officer) total compensation is made up as follows:		
Salaries gross of salary sacrifice and waived emoluments	412	383
Benefits in kind	-	-
National Insurance	51	47
	<u>463</u>	<u>430</u>
Pension contributions	89	63
Total emoluments	<u>552</u>	<u>493</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:

	2020	2019
	£'000	£'000
Principal - Salary	107	102
- National Insurance	13	13
- Pension contributions	25	17
Total	<u>145</u>	<u>132</u>

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 (2019 £nil). 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 (2019: None).

8 Other operating expenses

	2020	2019
	£'000	£'000
Teaching costs	469	437
Non-teaching costs	738	866
Premises costs	483	449
Total	1,690	1,752
Surplus before taxation is stated after charging/(crediting):	2020	2019
	£'000	£'000
Auditors' remuneration:		
Financial statements audit	11	11
Internal audit	6	8
Other services provided by financial statements auditor:		
Other audit related assurance services	3	2
Operating lease rentals	28	28

9 Interest and other finance costs

	2020	2019
	£'000	£'000
Bank loan	65	72
Interest on defined benefit pension liability (note 18)	194	34
Total	259	106

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 2020

NOTES TO THE FINANCIAL STATEMENTS (continued)

11 Tangible fixed assets

	Buildings	Assets under construction	Equipment	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 August 2019	8,731	-	2,418	11,149
Additions	-	501	120	621
At 31 July 2020	<u>8,731</u>	<u>501</u>	<u>2,538</u>	<u>11,770</u>
Depreciation				
At 1 August 2019	2,031	-	2,089	4,120
Charge for year	175	-	94	269
At 31 July 2020	<u>2,206</u>	<u>-</u>	<u>2,183</u>	<u>4,389</u>
Carrying amount at 31 July 2020	<u>6,525</u>	<u>501</u>	<u>355</u>	<u>7,381</u>
Carrying amount at 31 July 2019	<u>6,700</u>	<u>-</u>	<u>329</u>	<u>7,029</u>

Buildings with a net book value of £6.53m 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:

	2020	2019
	£'000	£'000
Trade debtors	2	2
Prepayments and accrued income	134	76
Total	<u>136</u>	<u>78</u>

13 Creditors: amounts falling due within one year:

	2020	2019
	£'000	£'000
Bank loan	134	130
Trade creditors	213	171
Payments received in advance	95	204
Accruals	723	670
Government capital grants	83	83
Total	<u>1,248</u>	<u>1,258</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

14 Creditors: amounts falling due after one year:

	2020	2019
	£'000	£'000
i) Bank loan	1,202	1,336
ii) Government capital grants	3,407	3,071
iii)	<u>4,609</u>	<u>4,407</u>
Bank loans	2020	2019
The bank loan is repayable as follows:	£'000	£'000
iv) In one year or less	129	130
v) Between one and two years	132	132
vi) Between two and five years	396	396
vii) In five years or more	674	808
Total	<u>1,331</u>	<u>1,466</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 2019	372
Expenditure during the year	(19)
Provision in the year	<u>82</u>
At 31 July 2020	<u>435</u>

The provision for planned maintenance is derived from the planned maintenance programme prepared by AHR Building Consultancy Ltd, prepared during summer 2019 and reviewed by the Corporation. The resultant report following the survey highlighted that the works necessary over the next ten years have increased substantially when compared to the previous survey of Easter 2014. This has increased the annual provision to £82k.

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 2020

NOTES TO THE FINANCIAL STATEMENTS (continued)

16 Financial Instruments

The College has the following financial instruments:

	2020	2019
	£'000	£'000
Financial assets		
Financial assets measured at fair value through profit or loss		
Debt instruments measured at amortised cost;		
Trade debtors	2	2
Accrued income	60	(15)
Investments in short term deposits	500	-
Total	562	(13)

The College has the following financial instruments:

	2020	2019
	£'000	£'000
Financial liabilities		
Financial liabilities measured at fair value through profit or loss	-	-
Financial liabilities measured at amortised cost;		
Trade creditors	213	171
Bank loans	1,331	1,466
Accruals	723	670
Total	2,267	2,307

17 Notes to Cash Flow Statement

	2020	2019
	£'000	£'000
Surplus / (Deficit) after tax for the year	8	(113)
Adjustment for:		
Depreciation	269	271
Investment income	(146)	(1)
Interest payable	259	106
Increase / (Decrease) in provisions	63	(44)
Pensions costs less contributions payable	305	278
Operating cash flow before movements in working capital	758	497
(Increase) / Decrease in debtors	(58)	16
Increase in creditors	326	192
Cash generated from operations	1,026	705

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	2020 £'000	2019 £'000
Teachers' Pension Scheme: contributions paid	916	657
West Yorkshire Pension Fund		
Contributions paid	211	195
FRS 102 (28) charge	305	278
Charge to the Statement of Comprehensive Income	516	473
Total pension cost for Year within staff costs	1,432	1,130

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 2019.

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, 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 2020

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 23.7% (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 £916,000 (2019: £657,000).

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 2020 were £292,000, of which employer's contributions totalled £211,000 and employees' contributions totalled £81,000. The agreed contribution rates for future years are 17.2% 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 2019 updated to 31 July 2020 by a qualified independent actuary.

	At 31 July 2020	31 July 2019
Rate of increase in salaries	3.55%	3.45%
Future pensions increases	2.3%	2.2%
Discount rate	1.4%	2.2%
Inflation assumption (CPI)	2.3%	2.2%

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

	At 31 July 2020 years	31 July 2019 years
<i>Retiring today</i>		
Males	21.8	22.2
Females	24.6	25.4
<i>Retiring in 20 years</i>		
Males	22.5	23.2
Females	25.7	27.2

NOTES TO THE FINANCIAL STATEMENTS (continued)

18 Retirement Benefits (continued)

	2020	2019
	£'000	£'000
Equity instruments	4,843	5,058
Government bonds	623	637
Other bonds	312	231
Property	268	277
Cash	100	135
Other	87	97
Total fair value of plan assets	6,233	6,435
Actual return on plan assets	(400)	686

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

	2020	2019
	£'000	£'000
Fair value of plan assets	6,233	6,435
Present value of plan liabilities	(12,052)	(8,823)
Present value of unfunded liabilities	-	-
Net pensions liability	(5,819)	(2,388)

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

	2020	2019
	£'000	£'000
Amounts included in staff costs		
Current service cost	(516)	(357)
Past service cost	-	(115)
Net interest on the net defined benefit pension liability	(50)	(34)
Total	(566)	(506)

	2020	2019
	£'000	£'000
Changes in the present value of defined benefit obligations		
Defined benefit obligations at start of period	8,823	6,896
Current service cost	516	357
Past service cost	-	115
Interest cost	194	193
Contributions by scheme participants	81	77
Actuarial loss / (gains)	2,532	1,295
Benefits paid	(94)	(110)
Defined benefit obligations at end of period	12,052	8,823

Notre Dame Catholic Sixth Form College

FINANCIAL STATEMENTS for the year ended 31 July 2020

NOTES TO THE FINANCIAL STATEMENTS (continued)

18 Retirement Benefits (continued)

Changes in fair value of plan assets	2020 £'000	2019 £'000
Fair value of plan assets at start of period	6,435	5,587
Interest income	144	159
Return on plan assets (excluding net interest on the net defined benefit liability)	(544)	527
Employer contributions	211	195
Contributions by scheme participants	81	77
Benefits paid	(94)	(110)
Fair value of plan assets at end of period	6,233	6,435

19 Amounts Disbursed as Agent

Learner Support Funds	2020 £'000	2019 £'000
Funding body grants including brought forward balances	194	182
Disbursed to students	(180)	(171)
Administration costs	(10)	(9)
Balance unspent as at 31 July	4	2

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

20 Capital Commitments

	2020 £'000	2019 £'000
Commitments contracted for at 31 July	139	--

21 Financial commitments under operating leases

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

Payments due:	2020 £'000	2019 £'000
Not later than one year	28	28
Later than one year and not later than five years	48	76
	76	104

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 2020

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 September 2020 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 2019 to 31 July 2020 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

The framework that has been applied is set out in the 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 2019 to 31 July 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

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 2020

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 2019 to 31 July 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Wylie & Bisset (Audit) Limited

Chartered Accountants
Statutory Auditor
168 Bath Street
Glasgow
G2 4TP

Date: 16th December 2020