

CHRIST THE KING SIXTH FORM COLLEGE
(A Company Limited by Guarantee)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

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**REFERENCE AND ADMINISTRATIVE DETAILS
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 Leadership Team and were represented by the following in 2018/19:

- Mr Robert McAuliffe, Collegiate Principal and Accounting Officer (1st August 2018 to 21st March 2019 and Co-Collegiate Principal and Co-Accounting Officer from 22nd March 2019)
- Mrs Shireen Razey, Collegiate Deputy Principal (1st August 2018 to 21st March 2019 and Co-Collegiate Principal and Co-Accounting Officer from 22nd March 2019)
- Mr Ciaran Burns, Collegiate Director of Finance and Estates

Board of Governors

A full list of Governors is given on page 19 of these financial statements.

Mrs Deborah Baldwin acted as Clerk to the Governing Body from June 2016.

Professional advisers

Financial statements auditors and reporting accountants

MacIntyre Hudson LLP
New Bridge Street House
30-34 New Bridge Street
London
EC4V 6BJ

Internal auditors

MacIntyre Hudson LLP
New Bridge Street House
30-34 New Bridge Street
London
EC4V 6BJ

Bankers

Lloyds Bank
Mid Markets
4th Floor
25 Gresham Street
London EC2V 7HN

CHRIST THE KING COLLEGE
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (continued)
FOR THE YEAR ENDED 31 JULY 2019

Solicitors

Doyle Clayton
One Crown Court
Cheapside
London
EC2V 6LR

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 JULY 2019

The Governors present their annual report with the financial statements and auditor's report for Christ the King Sixth Forms for the year ended 31 July 2019.

Strategic Report

LEGAL STATUS

Christ the King College is a Roman Catholic sixth form college, occupying its original site on the border of Blackheath and Lewisham, with a second site acquired in August 2009 in the borough of Bexley and a third site in Brockley acquired from Lewisham Education Authority in February 2013. The College was established in 1992 under The Further and Higher Education Act 1992 as a result of a reorganisation of Roman Catholic secondary schools. The College is an exempt charity under Part 3 of the Charities Act 2011 and from 1 September 2013, is regulated by the Secretary of State for Education.

The members of the Governing Body who are trustees of the charity, are disclosed on page 19.

PUBLIC BENEFIT

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

Many of the current students come from ten partner schools, eight of which are Catholic, the other two being an Anglican denominational school and a community school. The College also attracts students from over 200 other schools and colleges. Some of these institutions are located at a considerable distance from the College, so the travel-to-learn distance can be long. A large proportion of the local population comes from minority ethnic groups and this is reflected in the student intake. The college's Christian values permeate the work of the institution and are reflected in the care and respect staff and students manifest for one another.

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 employment record for students
- Strong student support systems
- Links with employers, industry and commerce.

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2019

MISSION

The College's mission, reviewed by staff and governors in June 2019, as a Catholic College is to be dedicated to the education and development of the whole person, so that all students can realise their full potential:

"To achieve this as a community we will:

- provide the highest standards of teaching and learning;
- expect students to show commitment to their studies and the Christian values of the College;
- provide equality of opportunity, with mutual respect and positive encouragement;
- build and further develop a partnership with parents, schools, parishes, higher education, employers and the local community;
- value staff and support their professional development.

In doing this we will reflect Christ's teaching in the life and work of the whole College."

Our vision for student development is as follows:

"The distinctive vision we have for every student who studies at Christ the King Sixth Forms is informed by our mission, underpinned by our values, distinguished by our community and framed by our location in a leading global city.

In this context our aim is to work with our students so that they are fully prepared to contribute to society as well rounded, self-aware, motivated and knowledgeable young people. To achieve this we will:

- Encourage them to be ambitious and high achieving.
- Challenge them to be resilient, confident creative and courageous.
- Educate them to be articulate, curious, reflective and capable.
- Support them to develop the virtues of loyalty, respect, care and commitment.
- Inspire them to live principled, moral and dignified lives.

In doing this we expect that students' progress from Christ the King as valuable contributors to society, confident in their ability to thrive and ready to realise their full potential."

The college's approach to Character Education was summarised and forms part of the college vision. This same vision continues today.

"In the context of our mission as a Catholic Sixth Form College, Grace is a divinely given talent, a blessing or prayer. Grace is a virtue and way of being, characterised by courteous goodwill.

Our Character Education Programme – The CTK Graces – is the articulation of our mission and the distinctive vision we have for every student who studies at Christ the King College.

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2019

The CTK Graces signify the character traits that we explicitly develop in students so that they model the expectations, habits and behaviours inherent in a scholarly approach to learning. These are:

- Grit
- Respect
- Awareness
- Curiosity
- Endeavour
- Self-control

In doing this we enrich our communities and challenge our students to "live a good life in all its fullness," Ut Vitam Habeant.

PRINCIPAL ACTIVITY

The College provides specialist sixth form education for young people aged 16-19, studying BTEC or A Level courses at one of the three sixth forms, St Mary's, Emmanuel or Aquinas. All students who join Christ the King are enrolled onto a differentiated Graduate Programme which consists of activities, experiences and opportunities which help to ensure every student achieves their potential and is guided towards an appropriate and aspirational progression route.

REVIEW OF DEVELOPMENTS IN 2018-2019

A research based approach to teaching and learning pedagogy was continued across the college so that the successes of the London Schools Excellence Fund (LSEF) project could continue to be embedded. This resulted in the development of an approach to teaching and learning that is based on what has been termed "the four pillars of learning". These are planning, delivery, assessment and continuing professional development (CPD). All staff inset was arranged in order to ensure consistency in understanding and application of these principles.

Evidence-informed CPD was supported via the continuation of staff bursaries involving individual action research undertaken by staff. This led to a range of separate projects being trialled in specific areas of the college, across all three sites. It also helped to ensure a diverse and innovative range of ideas emerged. Such activity fully supported the newly developed approach to teaching and learning and helped to encourage staff involvement with it at all levels.

In line with national guidelines, the curriculum has continued to develop so that all A Levels are now fully linear. New BTEC Level 3 programmes were also introduced, meaning that externally examined units now feature as part of the assessment process.

In August 2019 the College achieved good examination success, with overall achievement rates being up on 2018 and above the national benchmark for sixth form colleges. Pass rates were also in line with national averages for A Level and BTEC.

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2019

Each year the college's Development Plan, Risk Management Plan, Self-Assessment Report and processes, the ILT Strategy and other planning processes lead to the formulation of strategic objectives for the coming academic year. Delivery of these objectives is planned in advance and recorded in the Operational Plan. Each objective is task driven and action planned. Progress with tasks is regularly reviewed by the Senior Leadership Team (SLT). This means that as well as a strategic approach to the identification of college priorities, there is also a very detailed approach to the planning and monitoring of their delivery. In 2018/19 the strategic objectives were successfully delivered.

FUTURE DEVELOPMENTS

The college's priority is to provide the best sixth form education with the highest quality teaching and learning in the local area. Through the distinctive educational opportunities provided as a highly successful Catholic sixth form provider, the college will review its curriculum offer to ensure it meets national and regional priorities so that it provides a coherent learning programme for every student.

In September 2019, Christ the King Sixth Forms have announced plans to create the borough's first Catholic selective sixth form in 2020/2021. CTK Aquinas will launch as a selective A Level centre for excellence. The Christian values of the Catholic college, combined with a high quality curriculum, developed in partnership with independent schools and the scholarship graduate programme, will appeal to those with top GCSE grades. Students will be taught in a purpose built sixth form, by specialist teachers with a focus on progressing to the UK's top Universities.

In another first, Christ the King Sixth Forms will also be launching London's only Catholic sixth form centre for vocational students. CTK Emmanuel will provide high level technical and vocational qualifications. It will offer the widest range of university focused vocational courses in the area and will be London's only dedicated sixth form specialising in vocational courses. Currently, almost 90% of Christ the King's BTEC students' progress onto university, which is significantly higher than the national average. In 2018, 50% of Christ the King students that secured a place at a Russell Group University, had studied a Level 3 BTEC Qualification

CTK St Mary's will continue to provide an extensive range of both A Level and high level BTEC qualifications at its sixth form in Sidcup. Joint Collegiate Principal Shireen Razeq says: "Over the past 12 months, we have consulted extensively with staff, parents, alumni, universities, our employer advisory boards and Catholic partners. As a result we have built a distinct picture of why students and parents choose each of our sixth forms as a place to study, what they value about their environment and teaching, and where there are additional opportunities to supply something unique which is not currently offered within the local community."

The three sixth forms will provide an extensive choice for local students across London and Kent with a wide range of courses on offer to suit all abilities and aspirations, and a place for all hardworking, ambitious students. Christ the King Chair of Governors, Rupert Evenett says; "We believe that across each of Christ the King Sixth Forms, we are able to offer every young person with ambition, drive and aspiration the chance to study up to the highest level and gain entry to leading universities. Our Christian values are underpinned by our CTK graces, built on character education, which are; grit, respect, awareness, curiosity, endeavour and self-control. These values are key to the success of our students and key to our sixth form communities."

Implementation of strategic plan

In July 2018 the College adopted a strategic and quality improvement plan for the period 1 August 2018 to 31 July 2019. This strategic plan includes property and financial plans. The Governing Body monitors the performance of the College against these plans. The plans are reviewed and updated each year. The College's continuing strategic objectives are:

1 Taking forward the curriculum – improving outcomes for students

The overall aim is to ensure that there is a strong, coherent curriculum offer established in the context of the CTK Mission and Vision for Students in which teaching and learning practices are consistently good or better so that students are challenged to be the best they can be and achieve outstanding outcomes.

2 Finance, ILT, data, accommodation and other resource management

The overall aim is to ensure that there are strong robust central services that are highly effective and are delivered efficiently in the same way across all three sites.

3 Catholicity, leadership, management, reputation and quality

The overall aim is to take forward leadership and management at all levels so that the collegiate is guided by a clear and strong catholic mission and is robust, at the forefront of Key Stage 5 educational thinking, recognised for its high quality systems and processes and has a strong reputation for excellence.

The College is on target for achieving these objectives.

The College's specific objectives for 2018/19 and achievement of those objectives is addressed below.

1. Taking forward the curriculum – improving outcomes for students

- 1.1 Review the CTK Approach to Study Programmes, ensuring our coherent approach to students' learning is strengthened through well defined and differentiated Graduate Programmes that shape the student experience.
- 1.2 Ensure all courses are data informed and expertly planned so that each course or subject can demonstrate that it meets the needs of all students regardless of their starting point and can show how every student is making good or better progress and are being retained on their programme of study.
- 1.3 Drive forward the CTK Approach to Teaching, Learning and Assessment, ensuring there is full engagement by leaders and teachers with its contents so that it is core to how teaching and learning delivery expectations are set and met.
- 1.4 Implement a revised, centrally developed attendance strategy ensuring staff and students at all three sites are clear about expectations, know what they need to do to improve attendance and consistently follow college processes.
- 1.5 Take forward and further strengthen the collegiate approach to the leadership of science and maths ensuring that the outcomes and recommendations of the research pilot are fully and efficiently implemented.

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2019

- 1.6 Further develop and test the effectiveness of collegiate approaches to subject leadership with a focus on Creative Arts, Level 2 Maths & English and Maths & English skills across the curriculum.
- 1.7 Further develop and test strategies that build character, ensuring that the CTK Graces are at the core of our work and that collegiate systems and processes are modelled in the same way at each site so that they reinforce expectations.
- 1.8 Take forward the Hall Structures so that that pastoral provision is carefully targeted, fully integrated as part of each Graduate Programme, promotes learner involvement and supports strong progression.
- 1.9 Review and strengthen the collegiate RE and Spirituality strategy so that our mission as a Catholic college is strengthened and taken forward.

2. Finance, ILT, data, accommodation and other resource management

The overall aim is to ensure that there are strong robust central services that are highly effective and are delivered efficiently in the same way across all three sites. The following objectives will guide this work:

- 2.1 In the context of funding reductions, continue to develop the college finance systems so that they are robust and support best value principles, in order to ensure the college retains its Outstanding financial category.
- 2.2 Review the 2018/19 ILT strategy and develop a new strategy for 2019/20 so that the IT network and services support high quality, best practice teaching and learning across the college.
- 2.3 Implement a centrally developed data strategy that ensures a robust approach to data production so that teachers and leaders know how they can use data at all levels to take students forward.
- 2.4 Review and further develop plans to improve accommodation so the whole college estate is well managed and fit for purpose.
- 2.5 Ensure college contracted services are of a high quality, deliver best practice principles and provide value for money.
- 2.6 Ensure the college is a safe and secure environment and that health and safety procedures and practices are robust and well understood across the collegiate.

3. Catholicity, leadership, management, reputation and quality

The overall aim is to take forward leadership and management at all levels so that the collegiate is guided by a clear and strong catholic mission and is robust, at the forefront of Key Stage 5 educational thinking, recognised for its high quality systems and processes and has a strong reputation for excellence. The following objectives will guide this work:

- 3.1 Ensure the Catholic mission underpins all of the college's work and that the Catholic ethos continues to permeate all aspects of college life.
- 3.2 Further strengthen and drive forward the collegiate Professional Development Strategy so that teachers, support staff and leaders are well supported in taking forward their professional practice and in developing as sixth form specialists who lead the way in the research and development of their field of expertise.
- 3.3 In the context of a changing landscape review college structures to ensure the three site collegiate is led and managed in a coherent, efficient and well organised way with strong central services, aligned to coherent processes replicated at all three sites.
- 3.4 Ensure safeguarding arrangements are robust and systematically managed across the three sites.
- 3.5 Review and take forward the Quality Strategy so that the benefits of being a three college institution are fully realised, so that there is clarity and coherence of practice across the collegiate and so that its impact can be measured and evaluated.
- 3.6 Ensure the governing body continues to meet the requirements of the DFE, the EFSA and the Diocese and is proactive in setting the strategic direction of the college in the context of its mission, meeting national, regional and local priorities.
- 3.7 Develop and take forward a clear, highly effective marketing strategy that strengthens the college reputation for excellence, ensures it retains a high profile nationally, regionally and locally, helps to build and cement strategic relationships and leads to strong levels of recruitment at each site.

FINANCIAL OBJECTIVES

The College's financial objectives and key performance indicators are;

- To retain a financial health grade of 'Outstanding' for 2018/19
- Have a current ratio in excess of 2.5
- Have in excess of 100 cash days at the end of 2018/19
- Have a general reserve of at least 25% of income
- Maintain salary costs at <70% of core allocation in 2018/19
- Maintain salary costs at <70% of expenditure
- Limit the net cash outflow to <£2,000,000
- Retain non-ESFA income above 2% of total income

GOVERNORS' REPORT (continued)
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The College is committed to observing the importance of sector measures and indicators and uses the FE Choices data available on the GOV.UK website which looks at measures such as success rates. The College is required to complete the annual Finance Record for the Education and Skills Funding Agency ("ESFA"). The College is assessed by the ESFA as having an "Outstanding" financial health grading. The current rating of Outstanding is considered an acceptable outcome.

A series of performance indicators have been agreed to monitor the successful implementation of the policies.

FINANCIAL POSITION

Financial results

The College achieved a surplus before pension gains and losses in the year of £158,000 (2017/18 – deficit of £148,000). The College made a deficit after Actuarial gains/losses on the defined benefit pension schemes of £870,000 (2017/18 - £752,000).

The College has accumulated reserves of £8,667,000. The College wishes to continue to accumulate reserves and cash balances in order to maintain a contingency fund.

Tangible fixed asset additions during the year amounted to £125,000. This related to land and buildings being developed.

Reserves Policy

The reserves of Christ the King Sixth Form have been built up over a number of years as a result of prudent finance management and additional income arising from growth in learner numbers. The reserves at 31st July 2019 total £8,667,000. The College's Reserve Policy is reviewed by Governors every Spring in preparation for preparing the Annual Budget. It's guiding principles on the minimum level of reserves are;

- (a) Provide for a minimum number of one hundred cash days.
- (b) Provide for pension liability and other contingencies.
- (c) Provide for projects which improve college services and infrastructure that cannot be provided for from recurrent income.

Going concern

The College prepares detailed financial forecasts covering a period of three years. These include scenario analyses that assess the very significant impact that future government policy and spending decisions will have on the College's financial position.

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

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2019

The College has significant reliance on the Education and Skills Funding Agency for its principal funding source, largely from recurrent grants. In 2018/19 the ESFA provided 90% of the College's total income.

TREASURY POLICY 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 separate treasury management policy in place.

Short term borrowing for temporary revenue purposes would be authorised by the Accounting Officer. All other borrowing would require the authorisation of the Governing Body and shall comply with the requirements of the Funding Agreement.

Cash flows and liquidity

The College does not have any borrowings.

CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE INDICATORS

Key performance indicator	Measure/Target	Actual for 2018/19
Student number targets	2531	2368
Student achievement/progression	98%	98%
Operating surplus/EBITDA as % of income	5%	4.1%
Ofsted rating	Good	Good

Student numbers

In 2018/19 the College has delivered activity that has produced £15,342,000 in funding body main allocation funding (2017/18 – £15,530,000). The number of students recruited was below the College target. Consequently, under the lagged funding system, the income for the College will be reduced in 2019/20. The under-recruitment by approximately 160 students mainly affected the Emmanuel site, and 'A' Level programmes in particular. Planned staffing reductions and efficiency savings will allow the College to manage the lower level of income in the next academic year.

Student achievements

Student achievements were broadly in line with national benchmarking for 'A' Levels and BTEC programmes. Value added performance declined at 'A' Level but was positive for BTEC provision. Value added will continue to be an area of specific focus for 2019/20.

Curriculum developments

The College has a national reputation for curriculum innovation and change. It has introduced new courses in many areas of the curriculum in order to meet student needs better. A particular strength is in making students ready for the next stage in their lives, including progression to university.

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2019

Many of our students have low levels of prior educational achievement. Our Graduate Programmes are designed to ensure all students are supported and challenged to achieve their potential. Our approach to Study Programmes ensures students have a coherent engaging curriculum offer that encourages ambitious progression.

Payment performance

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires Colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. The target set by the Treasury for payment to suppliers within 30 days is 95% per cent. During the accounting period 1 August 2018 to 31 July 2019, the College had a policy in place in order to achieve this aim. The College incurred no interest charges in respect of late payment for this period.

Events after the end of the reporting period

Since 31st July 2019, the Co-Principal, Mr Rob McAuliffe and the Collegiate Director of Finance and Estates, Mr Ciaran Burns have announced their retirement and will leave their posts on 31st December 2019. On that date the Co-Principal, Mrs Shireen Razey will become the Principal of Christ the King Sixth Forms.

Mr Daniel Powell was appointed to the College on 27th August 2019 as Vice Principal Finance and Resources.

Future prospects

The College has a strong foothold in South East London as a specialist sixth form provider, educating some 2,300 students across three sites. It has successfully taken on two failing 16-18 schools ensuring their future by improving outcomes and establishing financial stability. This is a work in progress and in the next two years the structures and processes established as a three site institution will continue to be consolidated and strengthened.

The College is on the cutting edge of wider pedagogical and professional developments and as a specialist in sixth form education it will continue to further this work regionally through links with partner schools and nationally through its professional associates. As part of the Area Review Process the College submitted an expression of interest for academisation. However it is noted by the Area Review Team that this cannot be taken further until agreement on protocols has been reached between the Catholic Education Service (CES) and DfE.

RESOURCES

The College has various resources that it can deploy in pursuit of its strategic objectives. Tangible resources include the new sports hall at the Sidcup site.

FINANCIAL

The College has £8,675 million of net assets (2017/18 - £9,337 million), including £2,885 million pension liability (2017/18 - £1,674 million) and long term debt of £9,093 million (2017/18 - £9,950 million).

PEOPLE

The College employs 205 people (expressed as full time equivalents), of whom 129 are teaching staff.

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2019

REPUTATION

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

Based on the strategic plan, the Risk Management Plan ensures a comprehensive review of the risks to which the College is exposed. It identifies 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 reviews their effectiveness and progress against risk mitigation actions. In addition to the annual review, the Senior Leadership Team (SLT) also considers any risks which may arise as a result of a new area of work being undertaken by the College.

A risk register is maintained at the College level which is reviewed at least annually by the Audit Committee 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. The SLT regularly reviews the risk register, ensuring key activities to navigate risks are on track.

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.

Government funding

1. Problems arising from financial constraints

Risk Area: Government Policy changes compromise the college's ability to deliver high quality education for 16-19 year olds and to develop a sustainable 14-19 curriculum.

This risk is mitigated as follows:

- Ensure the College is proactive in local, regional and national policy developments
- Ensure the College is fully engaged with the local commissioning process
- Commissioning and funding development are tracked and emerging funding scenarios are modelled
- Staffing costs are kept within a 70% margin of recurrent funding
- Opportunities to maximise funding on 16-19 developments are fully utilised
- Reviews of course offers to meet needs of applicants both full and part-time students

GOVERNORS' REPORT (continued)
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2. Student Enrolments

Risk Area: Student enrolments below or in excess of planned numbers

The risk is mitigated as follows:

- Monitoring of subject choices after initial guidance interviews
- Monitoring at strategic times of applications and comparisons with previous years
- Analyses of retention statistics to give early indications of shortfalls
- High level review of marketing and reputation strategy
- Staff skills audit to limit effects
- College study programmes and approaches to learning are outstanding

3. Increased Competition

Risk Area: Ad hoc development of local provision that compromises the institution

The risk is mitigated as follows:

- Ensure that College publicity reflects its gender and ethnic balance
- Monitoring applications to identify emergence of trends in under representation in any groups
- Continue to raise the profile of the College as a high quality provider
- Countering risks that have been identified elsewhere that could reduce applications and enrolments
- Maintenance of the high standards of teaching and learning currently existing

4. Failure to maintain and further develop the funding of teaching and learning

Risk Area: Success rates and value added benchmarks not met. The risk is mitigated as follows:

- Ensure QAS processes are robust and are accurate reflection of college provision
- Underperformance is challenged
- Lesson observation scheme is fully implemented and undertaken consistently across the College
- Ensure good practice is shared across the College
- Ensure College systems support staff in the delivery of good quality teaching and learning

5. Poor inspection or provider reviews

Risk Area: Lower grades for the institution or subject areas are given. The risk is mitigated as follows:

- Risks identified elsewhere that could lead to lowering standards have been identified
- The early identification of all concerns through the College
- Quality Assurance process
- All identified areas of weakness are addressed through departmental plans and corrective action implemented
- All QAS including the self-assessment process reflect the requirements of the ESFA and Ofsted
- All staff are suitably prepared for reviews and inspection
- Rigorous quality assurance checks in place for all aspects of college work
- Regular monitoring of progress of departmental action plans
- Thorough and accurate self-assessment reports are available

6. Change in College leadership have a detrimental effect on the college

Risk Area: Changes to the Collegiate SLT Team result in weakened executive leadership and a period of instability. The risk is mitigated as follows:

- Ensure the recruitment processes for the Executive Principal and other Senior Posts are carefully targeted, fit for purpose, well planned and robust

STAKEHOLDER RELATIONSHIPS

In line with other colleges and universities, Christ the King Sixth Forms has many stakeholders. These include:

- Students;
- Education sector funding bodies;
- Roman Catholic Archdiocese of Southwark;
- Staff;
- Partner Schools
- Local employers (with specific links);
- Local authorities;
- Local Enterprise Partnerships (LEPs);
- The local community;
- Other FE institutions;
- Trade unions;
- Professional bodies.

The College recognises the importance of these relationships and engages in regular communication with them through the College Internet site and by meetings.

Equal opportunities

Christ the King Sixth Forms is committed to equality of opportunity and this aim is implicit in the Catholic ethos of the College and made explicit in the College Mission Statement.

This Single Equality Scheme is intended to ensure that we meet these duties, by bringing together existing equality schemes and action plans into one cohesive plan. The Scheme helps to demonstrate that equality and diversity are at the heart of what we do, makes it clear what we are asking of all those we work with and avoids duplication and confusion.

The College affirms the unique value of each member of our community and recognises their individual dignity. We also recognise the diversity of the community to which we belong and the responsibility this imposes on us. We expect these values to be upheld and promoted by all members of the College.

The College will seek to express its ethos – based on Catholic values – and create a welcoming and secure environment. As a cohesive community aware of its responsibilities to each other and broader society we will strive to combat all forms of discrimination.

College displays, publicity and social and educational events reflect the varied life experiences, interests and cultures of both students and staff.

The College seeks to support students in their educational ambitions and encourage them to aspire to the best possible outcomes. This includes providing every student with a personal tutor and the opportunity for careers guidance.

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2019

Appropriate support is offered to students with particular learning difficulties, physical disabilities or special needs to maximise their educational opportunities at the College.

Students for whom English is not their first language are provided with the additional support required to fully access the curriculum.

In line with the mission of the College, students who are experiencing difficulties in either their work or personal lives are offered or directed to appropriate support. This includes the support service provided through Tutors, Heads of Hall and by the College Chaplaincy Team.

Christ the King's Single Equality Scheme has been developed to set out our commitment to diversity and equality and to address the statutory duties introduced by the following pieces of UK legislation;

- Race Relations (Amendment) Act 2000
- Disability Discrimination Act 2005
- Equality Act 2006 and 2010

The Single Equality Scheme (SES) contains the College Race, Disability and Gender Equality Schemes (as Annexes A, B and C), and our equality action plan for the three schemes. The equality schemes are underpinned by a comprehensive Equality Action Plan (Annex D) which explains how we aim to implement the schemes.

Disability statement

The College is opposed to all forms of discrimination aimed at people with disabilities or learning difficulties/needs, and we welcome the legal duties contained in the Disability Discrimination Act 1995 and the Special Educational Needs and Disability Act 2001 as they apply to this institution.

The College affirms the unique value of each member of our community and recognises their individual dignity and specific needs. We also celebrate the diversity of our community and accept the responsibility this places on us. We expect these values to be upheld and promoted by all members of the College to ensure that disability of any sort is not a barrier to any student or member of staff.

Education Health Care Plan

The College welcomes applications from all potential students including those who have a formal education health care plan. The College will take all reasonable steps to ensure that the individual needs of students with such plans are met.

Access to Buildings

The College aims to ensure that students, staff and visitors with disabilities have access to its buildings. However, it is recognised that the age and current design of the buildings do not facilitate full disabled access at present.

The College is continually investing in improving and upgrading its facilities for students, staff and visitors with a physical disability. In December 2003 the College undertook an access audit in order to identify reasonable adjustments to premises where people with disabilities might otherwise be substantially disadvantaged.

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2019

Subsequent to the access audit recommendations, the College has implemented a schedule of works based upon not only refurbishments of existing buildings but also a planned removal of existing barriers to access where they put people with physical disability at a disadvantage. The college regularly reviews access issues and endeavours to improve access arrangements on all sites as part of any remodelling and maintenance works.

Lifts have been installed to provide better access to some floors thus making the College more accessible to people using wheelchairs.

Additional ramps and automatic doors have been installed to facilitate movement in the College.

Improved signage has also been put in place to increase accessibility for all students.

The College currently has ramped access to the main reception areas. There are toilets specifically built for disabled use throughout the College.

Where a student has particular access needs, most lessons not requiring specialist equipment can be timetabled into classrooms which have full disabled access.

It is the intention of the College that it would have anticipated the requirements of students with disabilities and other users of the College with disabilities and provided reasonable adjustments in order to make the College as accessible as possible in compliance with the DDA 1995 and the Special Education Needs and Disability Act 2001.

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 Governing Body on 3rd December 2019 and signed on its behalf by:



Dr Rupert Evenett
Chair

**GOVERNANCE STATEMENT
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 accounts of the College to obtain a better understanding of its governance and legal structure. This statement covers the period from 1st August 2018 to 31st July 2019 and up to the date of approval of the annual report and financial statements.

The College endeavours to conduct its business:

- i. in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership);
- ii. in full accordance with the guidance to colleges from the Association of Colleges in The Code of Good Governance for English Colleges ("the Code"); and
- iii. having due regard to the UK Corporate Governance Code 2016 insofar as it is applicable to the further education sector.

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

In the opinion of the Governors, the College complies with/exceeds all the provisions of the Code, and it has complied throughout the year ended 31 July 2019. The Governing Body recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times. The Governing Body is currently considering the revised Code of Good Governance for English Colleges issued by the Association of Colleges in March 2015.

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 JULY 2019

The Governing Body

The members who served on the Governing Body during the year and up to the date of signature of this report were as listed in the table below:

Governor	Term of Office (no of terms)	Date of Resignation	Status of Appointment	Committees Served	Overall Attendance in 2018/19
Dr R Evenett	Until 31 st Dec 2019 (3)		Foundation Chair of Governors	F&R Remuneration Search	100%
Mr R McAuliffe	From 1 st Sept 2017		Co-Principal ex officio	F&R Q&C Search	100%
Mrs S Razey	From 18 th March 2019		Co-Principal ex officio	F&R Q&C Search	100%
Mgr N Rothon	LEA - Until 31 st Aug 2009 (4) Foundation - until 2021 (3)		LEA Foundation	F&R Remuneration Search	93%
Miss M Burt	Until 31 st May 2020 (3)		Foundation	A&R	78%
Miss S Mellish	Until 20 th Oct 2021 (3)		Foundation	Q&C	78%
Mrs T Gilpin	Until 23 rd Oct 2021 (2)		Foundation	F&R Remuneration	92%
Mrs S Gyde	Until 31 st Oct 2021 (2)		Foundation	Q&C (Chair)	86%
Mrs H Wilkinson	Until 18 th Dec 2022 (2)		Foundation	Q&C (Vice Chair)	91%
Mrs N Simpson	Until 31 st July 2022 (1)		Foundation	A&R	63%
Mr J Ochere	From 4 th Oct 2016		Co-opted	Q&C	64%
Matthew Miller	From 5 th Feb 2019		Student	Q&C	67%
Victoria Odubote	From 2 nd Oct 2018	Graduated from College July 2019	Student	Q&C	67%
Sade Sekoni	From 2 nd Oct 2018	Graduated from College July 2019	Student	Q&C	75%
Royann Whyte	From 5 th Dec 2017	Graduated from College July 2019	Student	Q&C	100%
Miss S Orlowski	From 5 th Dec 2017		Teaching Staff	A&R	100%
Mr N Bush	From 5 th Dec 2017		Support Staff	A&R	63%

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 JULY 2019

Foundation Governor re-appointment is currently in process for Mrs S Gyde,

Foundation Governor appointment is currently in process for 2 people who will hopefully become governors in 2020.

Mr Andrew Lantry is co-opted as Chair of Audit Committee from 15th November 2017

Mrs Deborah Baldwin acts as Clerk to the Governing Body since June 2016.

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

The Governing Body 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, quality matters and personnel-related matters such as health and safety and environmental issues. The Governing Body meets at least once each term.

The Governing Body conducts its business through a number of committees. Each committee has terms of reference, which have been approved by the Governing Body. These committees are Finance & Resources, Audit & Risk, Quality & Curriculum, Search, and Remuneration. Full minutes of all meetings, except those deemed to be confidential by the Governing Body, are available on the College's website at www.ctk.ac.uk or from the Clerk to the Governing Body at:

Christ the King Emmanuel
Belmont Grove
Lewisham
London
SE13 5GE

The Clerk to the Governing Body 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 Governing Body, 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 Governing Body as a whole.

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

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

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

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 JULY 2019

Appointments to the Governing Body

Any new appointments to the Governing Body are a matter for the consideration of the Governing Body as a whole. The Governing Body has a search committee, consisting of three members of the Governing Body, which is responsible for the selection and nomination of any new member for the Governing Body's consideration. The Governing Body is responsible for ensuring that appropriate training is provided as required.

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

Governing Body performance

Governors provide clarity of vision for the College seeking to ensure that the mission underpins all strategies, policies and procedures. The College fosters a spirit of generosity and love which stems from the mission and values of its Catholic ethos. The Quality and Curriculum Committee leads proactively. It focusses on strategic themes thus enabling the members to question, understand and evaluate the quality processes in place. The educational character of the College and the student experience are underpinned by dialogue and debate. The Chair of the Committee leads by example and encourages Governors to take a robust approach when reviewing and assessing all areas of quality processes, systems and provision and this includes all aspects of the curriculum.

A sound working relationship exists between the College's Senior Leadership Team and the Q&C Committee. The Committee examines data and information provided by the SLT in order to address specific themes and to drive performance. The Committee has supported the development of the learning and teaching practices which make up the "CTK Way" (the College's approach to teaching and learning).

In the course of the annual planning cycle and the policy review cycle, Governors approve the College Development Plan, Self-Assessment Report, Development and Quality Improvement Plan, strategic objectives and key policies, and monitor operational objectives, policies and procedures in order to ensure that the College is true to its values, striving for excellence, and meeting the needs of its stakeholders.

New Governors are supported via an Induction programme. Governors have a Learning and Development Plan including "in house" training provision.

Governors are effective and inclusive in putting students first. They consistently seek to raise aspirations and outcomes. They ensure relevant and challenging targets are set and review progress against these. The targets set within the Development Plan build upon the previous years' outcomes for students and are set with reference to national and peer group results and then monitored. Target setting has been effective although Governors recognise more needs to be done to ensure this process is effective in bringing about consistent improvement. The Quality and Curriculum Committee has a standing item to monitor progress with plans for underperforming curriculum areas.

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 JULY 2019

Governors take seriously their responsibilities to stakeholders. There are three student governors, one for each campus. Student governors are ex officio members and observers of the Quality & Curriculum Committee. Governors attend staff and student meetings, and a Governor sits on the Collegiate's Partnership Advisory Board whose remit is to provide strategic direction for partnership engagement across the whole collegiate, including employers, HE, schools and alumni. The Quality and Curriculum Committee maintain a programme of strategic discussions and regularly receive reports on feedback from students. The Governors are provided with triangulated feedback from stakeholders via a wide range of processes. Governors have also supported other initiatives such as the Catholic Teaching Alliance.

The number of vulnerable students at the College has increased, and likely to continue to increase, and the already sound procedures in place are continually under review as a means of assessing what additional support mechanisms need to be implemented. The demands on the need for pastoral care have increased but this has not in any way diminished levels of care and inclusivity, which are firmly rooted in the College ethos. There is an annual governance cycle for the review of Safeguarding across the Collegiate. This is addressed in detail by the Quality and Curriculum Committee, but all decision-making rests with the Governing Body. One Governor has been appointed 'Safeguarding Governor' and is kept informed of any serious issues as they occur.

The Committee is assured that effective safeguarding procedures are in place and mandatory Safeguarding training is provided by the Collegiate. The PREVENT, British Values and Keeping Children Safe in Education have all been incorporated into the Safeguarding Policy and briefing given to Governors. The requirements of Keeping Children Safe in Education have been discussed with Governors and implemented.

Governors approve a range of policies, the implementation of which is then reviewed, to ensure the promotion of equality and diversity. These include the Equality Policy itself and Admissions. EDIMS are monitored on an annual basis to ensure that there are no underperforming groups of students, and that staff are appointed and promoted on merit alone. There are no significant areas requiring improvement.

Governors set balanced budgets which are realistic, and the college has ESFA Grade A financial status. Governors receive reports on plans for efficiency and effectiveness to ensure they are realistic and compatible with the Collegiate's mission, values and aims. Governors also maintain an awareness of the ever changing financial climate and remain alert as to how this may impact on CTK. They also approve plans to improve the Collegiate's buildings and facilities in order to enhance the teaching and learning experience, ensuring that the cost of these plans is affordable. Internal audit and risk management reports provide assurance that the College is well managed.

Strategies for improving the standard of teaching, learning and assessment are seen to have been effective in that most targets are met. Quality Improvement Plans and Quality Enhancement Plans remain under scrutiny and governors are given the opportunity to examine and question areas of the QIPS/QEPS as a means of assessing their effectiveness in driving up outcomes and quality.

The professional development of staff has been a key college priority and developments are detailed in the CTK Approach to Professional Development. Progress with the Professional Development Strategy plans are reviewed regularly by the Governors.

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 JULY 2019

The emphasis on internally developed professional development programmes have enhanced and strengthened the delivery and consistency of the "CTK Way". There remain some challenges for the College and these are to achieve consistency across all subject areas, including performance in some subjects at AS and consistency in GCSE Maths outcomes.

The CTK Vision for students which served to strengthen the CTK Mission has been further developed in the context of a CTK Approach to Character Education, leading to the formation of the CTK GRACES. Governors have been proactive in supporting and encouraging these developments.

Governors have approved policies and received reports as follows:

1. All staff are subject to an annual performance review and in the context of the new pay framework for teaching staff a new Appraisal Policy has been agreed.
2. The Remuneration Committee receives reports on the performance against targets of the senior post holders.
3. The updated CTK Approach to Professional Development has been approved.
4. All subject areas are covered by Quality enhancement processes. Under performing subjects are subject to Quality Improvement Plans that are reviewed by the Quality and Curriculum Committee on a termly basis

The self-assessment process and self-assessment reports are reviewed and are rigorous leading to improvements in most cases within a year.

Data on learners has improved and this is reflected in the reports that inform governors. However, there is more to do in order to understand the full range of new impact measures and this was developed in 2018/19. The College has developed quality systems that are delivering good and improved outcomes for students. In addition, the QIP's, which address performance issues and broaden the quality work to continual development of subject areas with already good Teaching and Learning with the identification and active sharing of good practice.

CTK curriculum provision is actively reviewed and meets the requirements of students who present with a broad range of abilities and ambitions. Students are also offered the opportunity to engage in many enrichment activities.

Governors have received a programme of briefings and training. Governors have continued to improve their understanding of the College and its context at the annual Governor Development Day in the autumn. Governors will continue to benefit from regular "in house" training provision and will also be supported to enhance their skills and knowledge by attending conferences and workshops.

Finance and Resources Committee

The Finance & Resources Committee comprises of six members of the Governing Body. This will include the Chair of Governors, the Principal, and a total of at least 3 Foundation Governors. Student governors are ineligible to join this committee.

The Committee meets at least termly but typically 5 times per year.

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 JULY 2019

The Committee monitors the College's financial position in order to advise the Governing Body on all related matters including solvency, budget control, management accounts, statutory financial statements and funding methodology. The Management Accounts, and all matters financial, are produced in respect of three College sites. Where required, figures may need to be updated in light of changes that impact on College finances.

To advise on property maintenance and development in order to ensure a safe and suitable environment for students and staff.

In accordance with the Instrument and Articles of Government to advise and make recommendations to the Governing Body, so as to ensure that the Governing Body meets its responsibilities as an employer and in doing so conforms to all legal requirements and the requirements of the funding body. The Committee may determine, on the Governing Body's behalf, all aspects of the framework of conditions of service of staff, save those that are non-delegable under the Articles, general law, and funding conditions, or that have been allocated to the Quality & Curriculum Committee.

Remuneration Committee

Throughout the year ending 31 July 2019 the College's Remuneration Committee comprised of the membership of the Finance & Resources Committee excluding the Principal and any staff or student members of the Governing Body. The Committee's responsibilities are to make recommendations to the Board on the remuneration and benefits of the Accounting Officer and other key management personnel.

Details of remuneration for the year ended 31 July 2019 are set out in note 6 to the financial statements.

Audit Committee

The Audit Committee comprises five members of the Governing Body (excluding the Accounting Officer and Chair and members of the Finance and Resources Committee). The Committee operates in accordance with written terms of reference approved by the Governing Body.

The Audit Committee meets on a termly basis and provides a forum for reporting by the College's internal, reporting accountants 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 Governing Body on the appointment of internal, reporting accountants and financial statements auditors and their remuneration for audit and non-audit work as well as reporting annually to the Governing Body.

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 JULY 2019

Quality and Curriculum Committee

The membership of the Committee shall be eight Governors, three of whom shall be Foundation Governors, nominated by the Governing Body from within their number, and one of whom shall be a student governor. The nominations shall include the Principal. The other student governors shall be alternate members in place of the appointed student governor and may attend meetings as observers.

This committee is set up in accordance with the Instrument and Articles of Government, to advise and make recommendations to the Governing Body so as to ensure that the Governing Body meets its responsibilities in all aspects relating to curriculum and quality. Personnel matters are included in the Quality and Curriculum agenda.

Internal control

Scope of responsibility

The Governing Body is ultimately responsible for the College's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Governing Body has delegated the day-to-day responsibility to the Co-Principals, as Accounting Officers, for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives, whilst safeguarding the public funds and assets for which they are personally responsible, in accordance with the responsibilities assigned to them in the Financial Memorandum/Financial Agreement between Christ the King Sixth Forms and the funding bodies. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of College policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Christ the King Sixth Forms for the year ended 31 July 2019 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Governing Body has reviewed the key risks to which the College is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the College's significant risks that has been in place for the 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 Governing Body.

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 JULY 2019

The risk and control framework

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

- comprehensive budgeting systems with an annual budget, which is reviewed and agreed by the governing body
- regular reviews by the governing body of periodic and annual financial reports which indicate financial performance against forecasts
- setting targets to measure financial and other performance
- clearly defined capital investment control guidelines
- the adoption of formal project management disciplines, where appropriate.

Christ the King Sixth Forms has an internal audit service, which operates in accordance with the requirements of the ESFA's 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 Governing Body on the recommendation of the audit committee. At minimum, annually, the Head of Internal Audit (HIA) provides the governing body with a report on internal audit activity in the College. 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 Officers, the Co-Principals have responsibility for reviewing the effectiveness of the system of internal control. Their 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 financial statements auditors, the reporting accountant for regularity assurance, the appointed funding auditors (for colleges subject to funding audit) in their management letters and other reports.

The Accounting Officers have been advised on the implications of the result of their review of the effectiveness of the system of internal control by the Audit Committee, which oversees the work of 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 senior leadership team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The senior leadership team and the Audit Committee also receive regular reports from internal audit 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 Governing Body's agenda includes a regular item for consideration of risk and control and receives reports thereon from the senior management team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its October 2019 meeting, the Governing Body carried out the annual assessment for the year ended 31 July 2019 by considering documentation from the senior leadership team and internal audit, and taking account of events since 31 July 2019.

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 JULY 2019

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

Approved by order of the members of the Governing Body on 3rd December 2019 and signed on its behalf by:



Dr Rupert Evenett

Chair

Date: *3rd December 2019*



Mr Rob McAuliffe

Co-Accounting Officer & Co-Collegiate Principal

Date: *3rd December 2019*



Mrs Shireen Razey

Co-Accounting Officer & Co-Collegiate Principal

Date: *3rd December 2019*

**STATEMENT ON REGULARITY, PROPRITY AND COMPLIANCE
FOR THE YEAR ENDED 31 JULY 2019**

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

We confirm on behalf of the Governing Body, that after due enquiry, and to the best of our knowledge, we are able to identify any material irregular or improper use of funds by the College, or material non-compliance with the terms and conditions of funding under the College's grant funding agreements and contract with ESFA.

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

Dr Rupert Evenett

Chair

Date: 3rd December 2019

Mr Rob McAuliffe

Co-Accounting Officer & Co-Collegiate Principal

Date: 3rd December 2019

Mrs Shireen Razey

Co-Accounting Officer & Co-Collegiate Principal

Date: 3rd December 2019

**STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 JULY 2019**

The members of the Governing Body who act as trustees for the charitable activities of the College are required to present audited financial statements for each financial year.

Within the terms and conditions of the Funding Agreement between the Education and Skills Funding Agency and the Governing Body of the College, the Governing Body, through its Accounting Officer, is required to prepare financial statements for each financial year in accordance with the *2015 Statement of Recommended Practice – Accounting for Further and Higher Education* and with the *College Accounts Direction 2018 to 2019* issued by the Education & Skills Funding Agency, and which give a true and fair view of the state of affairs of the College and the result for that year. In preparing the financial statements, the Governing Body is required to:

- select suitable accounting policies and apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable Accounting Standards have been followed, subject to any material departures 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 Governing Body is also required to prepare a Governors' Report 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 Governing Body is responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the college and which enable it to ensure that the financial statements are prepared in accordance with relevant legislation including the Further and Higher Education Act 1992 and Charities Act 2011, and relevant accounting standards. It is responsible for taking steps that are reasonably open to it to safeguard its assets and to prevent and detect fraud and other irregularities.

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

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

CHRIST THE KING COLLEGE
(A company limited by guarantee)

STATEMENT OF GOVERNORS' RESPONSIBILITIES (continued)
FOR THE YEAR ENDED 31 JULY 2019

Approved by order of the members of the Governing Body on 3rd December 2019 and signed on its behalf by:



Dr Rupert Evenett

Chair

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHRIST THE KING SIXTH FORM COLLEGE

OPINION

We have audited the financial statements of Christ The King Sixth Form College (the 'charitable company') for the year ended 31 July 2019 set out on pages 34 to 60. 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 charitable company's affairs as at 31 July 2019 and of its incoming resources and application of resources, including its income and expenditure 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 requirements of the Companies Act 2006.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company'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 Governors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHRIST THE KING SIXTH FORM COLLEGE

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.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Governors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Governors' Responsibilities Statement, the Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

CHRIST THE KING SIXTH FORM COLLEGE
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHRIST THE KING SIXTH FORM COLLEGE

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' 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 Auditors' Report.

USE OF OUR REPORT

This report is made solely to the charitable company's Members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's Members those matters we are required to state to them in an Auditors' 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 charitable company and its Members, as a body, for our audit work, for this report, or for the opinions we have formed.



MHA MacIntyre Hudson

Chartered Accountants

New Bridge Street House
30-34 New Bridge Street
London
EC4V 6BJ

Date:

18/12/19

CHRIST THE KING SIXTH FORM COLLEGE
(A Company Limited by Guarantee)

STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 JULY 2019

	Note	Total 2019 £000	Total 2018 £000
INCOME:			
Funding body grants	2	15,342	15,530
Other grants and contracts	3	369	370
Other income	4	160	124
Investment income	5	89	75
TOTAL INCOME		15,960	16,099
EXPENDITURE ON:			
Staff costs	6	9,586	10,454
Other operating expenses	8	4,619	4,184
Depreciation	10	1,546	1,545
Interest and other finance costs	7	51	64
TOTAL EXPENDITURE		15,802	16,247
(DEFICIT)/SURPLUS BEFORE OTHER GAINS AND LOSSES		158	(148)
Actuarial (loss)/gain in respect of pension schemes		(828)	900
(DEFICIT)/SURPLUS AFTER OTHER GAIN AND LOSSES		(670)	752
RECONCILIATION OF RESERVES:			
Total reserves brought forward		9,337	8,585
TOTAL RESERVES BROUGHT FORWARD		8,667	9,337

The notes on pages 39 to 60 form part of these financial statements.

All income and expenditure derive from continuing activities.

CHRIST THE KING SIXTH FORM COLLEGE
(A Company Limited by Guarantee)

Statement of Changes in Reserves

Year ended 31 July 2019

	Income and Expenditure account £000	Voluntary Fund £000	Total £000
Balance at 1st August 2017	8,525	60	8,585
	<u>8,525</u>	<u>60</u>	<u>8,585</u>
Deficit from the income and expenditure account	(148)	-	(148)
Other comprehensive income	900	-	900
Total comprehensive income for the year	<u>752</u>	<u>-</u>	<u>752</u>
Balance at 31st July 2018	<u>9,277</u>	<u>60</u>	<u>9,337</u>
Surplus from the income and expenditure account	158	-	158
Other comprehensive income	(828)	-	(828)
Total comprehensive income for the year	<u>(670)</u>	<u>-</u>	<u>(670)</u>
Balance at 31st July 2019	<u><u>8,607</u></u>	<u><u>60</u></u>	<u><u>8,667</u></u>

CHRIST THE KING SIXTH FORM COLLEGE
(A Company Limited by Guarantee)

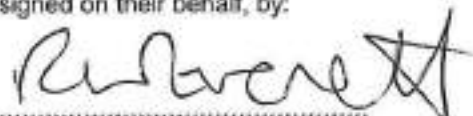
BALANCE SHEET
AS AT 31 JULY 2019

	Note	£000	2019 £000	£000	2018 £000
FIXED ASSETS					
Tangible assets	10		11,552		12,973
CURRENT ASSETS					
Stocks	11	23		23	
Debtors	12	316		229	
Cash and cash equivalents	17	10,799		9,907	
		11,138		10,159	
CREDITORS: amounts falling due within one year	13	(2,045)		(2,171)	
NET CURRENT ASSETS			9,093		7,988
TOTAL ASSETS LESS CURRENT LIABILITIES			20,645		20,961
CREDITORS: amounts falling due after one year	14		(9,093)		(9,950)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			11,552		11,011
Defined benefit pension scheme liability	15		(2,885)		(1,674)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			8,667		9,337
RESERVES					
General reserves					
Total excluding pension liability		11,552		11,011	
Pension reserve		(2,885)		(1,674)	
Total total			8,667		9,337
TOTAL RESERVES			8,667		9,337

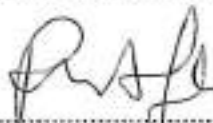
CHRIST THE KING SIXTH FORM COLLEGE
(A Company Limited by Guarantee)

BALANCE SHEET (continued)
AS AT 31 JULY 2019


The financial statements were approved and authorised for issue by the Governors on *3rd December 2019* and signed on their behalf, by:



.....
Dr R Evenett
Chair



.....
Mr R McAuliffe
Co-Accounting Officer & Collegiate Principal



.....
Mrs Shireen Razey
Co-Accounting Officer & Collegiate Principal

The notes on pages 39 to 60 form part of these financial statements.

CHRIST THE KING SIXTH FORM COLLEGE
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2019

	Note	2019 £000	2018 £000
Cash flows from operating activities			
Net cash provided by operating activities	16	928	785
		<hr/>	<hr/>
Cash flows from investing activities:			
Investment income	5	89	75
Purchase of tangible fixed assets	10	(125)	(3)
		<hr/>	<hr/>
Net cash (used in)/provided by investing activities		(36)	72
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		892	857
Cash and cash equivalents brought forward		9,907	9,050
		<hr/>	<hr/>
Cash and cash equivalents carried forward	17	10,799	9,907
		<hr/>	<hr/>

The notes on pages 39 to 60 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

1. STATEMENT OF ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES

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

1.1 General information

The company is a company limited by guarantee, incorporated in England and Wales.

The address of the registered office and principal place of operation is detailed on page 1.

The nature of the College's operations and principal activity are detailed in the Governors' Report.

1.2 Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2015 (the 2015 FE HE SORP), the College Accounts Direction for 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). The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

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

1.3 Basis of accounting

The financial statements are prepared in accordance with the historical cost convention modified by the revaluation of certain fixed assets.

1.4 Going concern

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

The College has £10.8m principally invested in cash for the foreseeable future. Accordingly, the College has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future, and for this reason will continue to adopt the going concern basis in the preparation of its Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

1. STATEMENT OF ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES (continued)

1.5 Recognition of income

Revenue grant funding

Government revenue grants include funding body recurrent grants and other grants and are accounted for under the accrual model as permitted by FRS 102. Funding body recurrent grants are measured in line with best estimates for the period of what is receivable and depend on the particular income stream involved. Any under achievement for the Adult Education Budget is adjusted for and reflected in the level of recurrent grant recognised in the income and expenditure account. The final grant income is normally determined with the conclusion of the year end reconciliation process with the funding body following the year end, and the results of any funding audits. 16-18 funding is not subject to reconciliation and is therefore not subject to contract adjustments.

The recurrent grant from OFS represents the funding allocations attributable to the current financial year and is credited direct to the Statement of Comprehensive Income.

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

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

Capital grant funding

Government capital grants are capitalised, held as deferred income and recognised in income over the expected useful life of the asset, under the accrual model as permitted by FRS 102. Other, non-governmental, capital grants are recognised in income when the College is entitled to the funds subject to any performance related conditions being met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the Balance Sheet and released to income as conditions are met.

Fee income

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

Investment income

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

1. STATEMENT OF ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES (continued)

Agency arrangements

The College acts as an agent in the collection and payment of certain bursary funds.

Related payments received from the funding bodies and subsequent disbursements to students are excluded from the income and expenditure of the College where the College is exposed to minimal risk or enjoys minimal economic benefit related to the transaction. These transactions are shown separately in Note 22, except for the 5 per cent of the grant received which is available to the College to cover administration of discretionary support fund applications and payments.

1.6 Accounting for post-employment benefits

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

Teachers' Pension Scheme (TPS)

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

The TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution plan and the contributions recognised as an expense in the income statement in the periods during which services are rendered by employees.

Local Government Pension Scheme (LGPS)

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

1. STATEMENT OF ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES (continued)

1.7 Short term employment benefits

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

1.8 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 the College's income in the year that the member of staff retires. In subsequent years a charge is made to provisions in the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

1. STATEMENT OF ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES (continued)

1.9 Tangible fixed assets and depreciation

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

Land and Buildings and Assets Under Construction

Land and buildings that are the property of the Roman Catholic Diocesan Trustees do not appear in the College's accounts. Other land and buildings are stated in the balance sheet at valuation on the basis of open market value for existing use or, where this is not readily available, depreciated replacement cost. The associated credit is included in deferred capital grants. An amount equal to the depreciation charged in the year is released from capital grants. Other buildings and leasehold land are depreciated over the estimated useful life of 50 years on a straight line basis.

On 7 September 2006 in respect of the College's Lewisham site and on 3 December 2009 for the College's Sidcup site the College received confirmation from the Diocese that intends to retain both the land and the buildings currently occupied by the College to be used for its present purpose and if at any time during the period of 40 years from these dates a particular building project is completed, the College ceases to be in occupation of the land and buildings, and the Diocese thereby recovers vacant possession of land and buildings then a sum equal to one fortieth of the Learning and Skills Council's or its successor organisations' grant or funds expended by College Governors on additions or improvements to the land and buildings multiplied by the difference between forty and the number of years the land and buildings have been occupied by the College since the date when the college vacates the land and buildings, shall be repaid to College Governors or the Learning Skills Council or its successor organisations as appropriate.

Accordingly all significant building projects completed after 7 September 2006 are capitalised and depreciated over their expected useful life. Works not completed at the year end are capitalised as assets under construction. Depreciation on these assets commences in the year of completion. Building improvements and refurbishment is depreciated at 10% of cost per year on a straight line basis.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Comprehensive Income and Expenditure.

Subsequent expenditure on existing fixed assets

Where significant expenditure is incurred on tangible fixed assets after initial purchase it is charged to expenditure in the period it is incurred, unless it increases the future benefits to the College, in which case it is capitalised and depreciated on the relevant basis.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

1. STATEMENT OF ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES (continued)

Equipment and Fixtures and Fittings

Fixture, fittings and equipment costing less than £5,000 per individual item is recognised as expenditure in the period of acquisition. All other equipment is capitalised at cost. Equipment and fixtures and fittings inherited from the local education authority are included in the balance sheet at valuation.

Capitalised equipment and fixtures and fittings are depreciated over their useful economic life as follows:

Buildings	-	2% per annum
Motor vehicles	-	25% annum
Fixtures and fittings	-	20% per annum
Value added project	-	20% per annum
Computer equipment	-	33.3% per annum
Building improvements	-	10% per annum

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

1.10 Leased assets

Costs in respect of operating leases are charged on a straight-line basis over the lease term to the Statement of Comprehensive Income and Expenditure. Any lease premiums or incentives relating to leases signed after 1st August 2014 are spread over the minimum lease term.

Leasing agreements which transfer to the College substantially all the benefits and risks of ownership of an asset are treated as finance leases.

Assets held under finance leases are recognised initially at the fair value of the leased asset (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as an obligation under finance leases. Assets held under finance leases are included in tangible fixed assets and depreciated and assessed for impairment losses in the same way as owned assets.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charges are allocated over the period of the lease in proportion to the capital element outstanding.

1.11 Maintenance of premises

The cost of routine corrective maintenance is charged to the income and expenditure account in the period it is incurred. Provision for planned maintenance is only made where the College has a present legal or constructive obligation to transfer economic benefit as a result of past events.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

1. STATEMENT OF ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES (continued)

1.12 Inventories

Inventories are stated at the lower of their cost and net realisable value, being selling price less costs to complete and sell. Where necessary, provision is made for obsolete, slow-moving and defective items.

1.13 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.

1.14 Financial liabilities and equity

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

1. STATEMENT OF ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES (continued)

1.16 Financial instruments

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement basis are as follows:

Financial assets - trade debtors, accrued income and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 12. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in Notes 13 and 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

1. STATEMENT OF ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES (continued)

1.17 Critical accounting estimates and areas of judgment

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

- Determine whether leases entered into by the College either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the group's tangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- *Tangible fixed assets*

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

- *Local Government Pension Scheme*

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in Note 19, 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.

CHRIST THE KING SIXTH FORM COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

2. FUNDING BODY GRANTS

	2019 £000	2018 £000
Recurrent grants		
Education and Skills Funding Agency - 16-18	13,906	14,154
Specific Grants		
Education and Skills Funding Agency	530	470
Releases of government capital grants	906	906
Total	15,342	15,530

3. OTHER GRANTS AND CONTRACTS

	2019 £000	2018 £000
Other grants and contracts	369	370
Total	369	370

4. OTHER INCOME

	2019 £000	2018 £000
Catering and residences	104	103
Miscellaneous income	56	21
Total	160	124

5. INVESTMENT INCOME

	2019 £000	2018 £000
Other interest receivable	89	75
Total	89	75

CHRIST THE KING SIXTH FORM COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

6. STAFF COSTS

Staff costs were as follows:

	2019 £000	2018 £000
Wages and salaries	7,371	8,128
Social security costs	716	773
Other pension costs (Note 19)	1,499	1,553
	<u>9,586</u>	<u>10,454</u>

Included in wages and salary costs are non-contractual severance payments totalling £30k (2018 - £NIL) and contractual severance payments of £38k (2018 - £NIL).

The average number of persons employed by the company during the year was as follows:

	2019 No.	2018 No.
Teaching staff	106	116
Non teaching staff	99	106
	<u>205</u>	<u>222</u>

Average headcount expressed as a full time equivalent:

	2019 No.	2018 No.
Teaching staff	95	124
Non teaching staff	82	76
	<u>177</u>	<u>200</u>

Key Management Personnel

Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College and are represented by the Governing Body and the Senior Leadership team which comprises the two Co-principals and the Director of Finance and Estates. Staff costs include compensation paid to Key Management Personnel for loss of office.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

Emoluments of Key Management Personnel, Accounting Officer and other higher paid staff

	2019 No.	2018 No.
The number of Key Management Personnel including the Co-Accounting Officer's (Co-principal's) was:	<u>3</u>	<u>4</u>

The number of key management personnel and other staff who received annual emoluments, excluding employer contributions to national insurance and pensions but including benefits in kind over £60k was:

	KMP 2019 No.	KMP 2018 No.	Other staff 2019 No.	Other staff 2018 No.
£60,001 - £65,000	-	-	1	1
£65,001 - £70,000	1	-	-	2
£70,001 - £75,000	-	-	1	1
£80,001 - £85,000	-	1	1	1
£100,001 - £105,000	1	1	-	-
£105,001 - £110,000	-	-	1	-
£110,001 - £115,000	-	1	-	-
£115,001 - £120,000	1	-	-	-
Total	<u>3</u>	<u>3</u>	<u>4</u>	<u>5</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

Key Management Personnel compensation is made up as follows:

	2019 £000	2018 £000
Basic salary	285	307
Employers national insurance contributions	36	39
Pension contributions	48	49
	<u>369</u>	<u>395</u>
Total Key Management Personnel compensation	<u>369</u>	<u>395</u>

There were no amounts due to Key Management Personnel that were waived in the year, nor any salary sacrifice arrangements in place.

The highest paid member of staff was fulfilled by the role of the Principal (who is also the Accounting Officer). The pay and remuneration of this role is as follows:

	2019 £000	2018 £000
Salaries	115	113
Pension contributions	19	19
	<u>134</u>	<u>132</u>
Total	<u>134</u>	<u>132</u>

The remuneration package of Key Management staff, including the Co-principals, is subject to annual review by the Remuneration Committee of the Governing Body who use benchmarking information to provide objective guidance.

The members of the Governing Body other than the Accounting Officer and the staff governors (as noted in Note 21) did not receive any payment from the institution other than the reimbursement of travel and subsistence expenses incurred in the course of their duties.

Relationship of Principal pay and remuneration expressed as a multiple:

	2019	2018
Co-principal's basic salary as a multiple of the median of all staff	3.27	3.09

7. INTEREST AND FINANCE COSTS

	2019 £000	2018 £000
Interest income on pension scheme assets	276	239
Interest on pension scheme liabilities	(327)	(303)
	<u>(51)</u>	<u>(64)</u>

CHRIST THE KING SIXTH FORM COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

8. OTHER OPERATING EXPENSES

	2019 £000	2018 £000
Teaching costs	534	861
Non teaching costs	2,919	2,119
Premises costs	1,166	1,204
Total	4,619	4,184

9. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2019 £000	2018 £000
Depreciation of tangible fixed assets:		
- owned by the Charity	1,546	1,545
Auditor's remuneration - Audit of the financial statements	14	11
Auditor's remuneration - Preparation of financial statements	2	4
Auditor's remuneration - Internal audit	10	10
Auditor's remuneration - Teachers' Pension Scheme audit	1	2
Total	1,573	1,572

10. TANGIBLE FIXED ASSETS

	Land and buildings £000	Motor vehicles £000	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost					
At 1 August 2018	22,179	23	742	539	23,483
Additions	48	-	33	44	125
At 31 July 2019	22,227	23	775	583	23,608
Depreciation					
At 1 August 2018	9,281	23	720	486	10,510
Charge for the year	1,456	-	12	78	1,546
At 31 July 2019	10,737	23	732	564	12,056
Net book value					
At 31 July 2019	11,490	-	43	19	11,552
At 31 July 2018	12,898	-	22	53	12,973

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11. STOCKS

	2019 £000	2018 £000
Stock	23	23

12. DEBTORS

	2019 £000	2018 £000
Other debtors	166	90
Prepayments and accrued income	150	139
	316	229

13. CREDITORS: Amounts falling due within one year

	2019 £000	2018 £000
Trade creditors	434	480
Other taxation and social security	203	192
Payments received in advance	50	95
Accruals and deferred income	1,358	1,404
	2,045	2,171

Deferred revenue income

	2019 £000	2018 £000
Deferred revenue income at 1 August	98	54
Amounts released from previous years	(17)	(54)
Resources deferred during the year	-	98
Deferred revenue income at 31 July	81	98

Analysis of Deferred capital income

	2019 £000	2018 £000
Deferred income < 1 year	808	857
Deferred income > 1 year	9,093	9,950
Total	9,901	10,807

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Deferred capital income		
	2019 £000	2018 £000
Deferred capital income at 1 August	10,807	11,762
Amounts released from previous years	(906)	(906)
Transferred from/(to) payments received in advance	-	(49)
Deferred capital income at 31 July	<u>9,901</u>	<u>10,807</u>
14. CREDITORS: Amounts falling due after one year		
	2019 £000	2018 £000
Deferred income - government capital grants	<u>9,093</u>	<u>9,950</u>
15. PROVISIONS		
	Defined benefit obligations 2019 £000	Defined benefit obligations 2018 £000
At 1 August 2018	(1,674)	(2,206)
Expenditure in the period	(383)	(368)
Actuarial gain / (loss)	(828)	900
At 31 July 2019	<u>(2,885)</u>	<u>(1,674)</u>

Defined benefit obligations relate to the liabilities under the College's membership of the Local Government Pension Scheme. Further details are given in Note 19.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

16. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019 £000	2018 £000
Surplus for the year (as per Statement of Financial Activities)	158	(148)
Adjustment for:		
Depreciation charges	1,546	1,545
Deferred capital grants released to income	(906)	(906)
Pension costs less contributions payable	332	304
Pension finance income	51	64
Increase in debtors	(87)	(26)
(Decrease)/increase in creditors	(77)	27
Investment income	(89)	(75)
Net cash provided by operating activities	928	785

17. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019 £000	2018 £000
Cash in hand	10,799	9,907
Total	10,799	9,907

18. DEFINED BENEFIT OBLIGATIONS

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

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

	2019 £000	2018 £000
Total pension cost for the year		
Local Government Pension Scheme:		
Contributions paid	449	464
FRS 102 (28) charge	332	304
Charge to the Statement of Comprehensive Income	781	768
Teachers Pension Scheme: contributions	718	785
Total Pension Cost for Year within staff costs	1,499	1,553

No contributions (2018: £NIL) were payable to the scheme and are included in creditors.

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Teachers' Pension Scheme

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

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

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

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

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

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

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

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

The pension costs paid to TPS in the year amounted to £718k (2018 - £761k).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

19. LOCAL GOVERNMENT PENSION SCHEME

The company operates a Defined Benefit Pension Scheme. The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by Lewisham Local Authority. The total contribution made for the year ended 31 July 2019 was £580,000 (2018: £600,000), of which employer's contributions totalled £449,000 (2018: £464,000) and employees' contributions totalled £131,000 (2018: £136,000). The agreed contribution rates for future years are 23.3% for employers and range from 5.5% to 12.5% cent for employees, depending on salary according to a national scale.

The following information is based upon a full actuarial valuation of the fund at 31 March 2016 updated to 31 July 2019 by Hymans Robertson LLP.

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages) :

	2019	2018
Rate of interest in salaries	3.10 %	3.10 %
Future pension increases	2.40 %	2.40 %
Discount rate for scheme liabilities	2.10 %	2.80 %

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

	At 31 July 2019	At 31 July 2018
Mortality rates		
Males - Retiring Today	21	22
Females - Retiring Today	24	25
Males - Retiring in 20 Years	22	24
Females - Retiring in 20 Years	25	27

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

	Fair value at 31 July 2019 £000	Fair value at 31 July 2018 £000
Equities	7,242	6,001
Bonds	2,594	2,323
Property	757	774
Cash	216	581
Total market value of assets	<u>10,809</u>	<u>9,679</u>

The actual return on scheme assets was £832,000 (2018 - £503,000).

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19. LOCAL GOVERNMENT PENSION SCHEME (continued)

The amounts recognised in the Statement of Comprehensive Income and Expenditure Account are as follows:

	2019 £000	2018 £000
Current service cost	(683)	(768)
Interest on obligation	(327)	(303)
Expected return on scheme assets	276	239
Past service cost	(98)	-
Total	(832)	(832)

Movements in the present value of the defined benefit obligation were as follows:

	2019 £000	2018 £000
Opening defined benefit obligation	11,353	10,885
Current service cost	683	768
Interest cost	327	303
Contributions by scheme participants	131	136
Actuarial losses/(gains)	1,312	(499)
Past service costs	98	-
Benefits paid	(210)	(240)
Closing defined benefit obligation	13,694	11,353

Changes in the fair value of scheme assets were as follows:

	2019 £000	2018 £000
Opening fair value of scheme assets	9,679	8,679
Expected return on assets	276	239
Actuarial gains and (losses)	484	401
Contributions by employer	449	464
Contributions by scheme participants	131	136
Benefits paid	(210)	(240)
Total	10,809	9,679

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19. LOCAL GOVERNMENT PENSION SCHEME (continued)

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2019 £000	2018 £000
Defined benefit obligation	(13,694)	(11,353)
Scheme assets	10,809	9,679
Deficit	(2,885)	(1,674)
Experience adjustments on scheme liabilities	(1,312)	499
Experience adjustments on scheme assets	484	401

These accounts show a past service cost of £96,000 in respect of the McCloud / Sergeant judgment which ruled that the transitional protection for some members of public service schemes implemented when they were reformed constituted age discrimination. This provision is just under 1% of the total scheme liability as at 31 March 2019. The calculation of adjustment to past service costs, £7 billion, arising from the outcome of the Court of Appeal judgment is based on a number of key assumptions including:

- the form of remedy adopted
- how the remedy will be implemented
- which members will be affected by the remedy
- the earning assumptions
- the withdrawal assumption

The other financial and demographic assumptions adopted to calculate the past service cost are the same as those used to calculate the overall scheme liability. Adopting different assumptions, or making other adjustments to reflect behavioural changes stemming from the judgment, would be expected to change the disclosed past service cost. Similarly, allowing for variations in individual members' future service or salary progression is expected to produce higher costs. The past service cost is particularly sensitive to the difference between assumed long term general pay growth and the CPI. If the long term salary growth assumptions were 0.5% pa lower, then the past service cost disclosed here would be expected to reduce by 50% and conversely a 0.5% pa increase would increase the estimated cost by 65%.

20. OPERATING LEASE COMMITMENTS

At 31 July 2019 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	2019 £000	2018 £000
Amounts payable:		
Within 1 year	30	28
Between 1 and 5 years	118	148
Total	148	176

NOTES TO THE FINANCIAL STATEMENTS
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21. RELATED PARTY TRANSACTIONS

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

Transactions with the Education Skills Funding Agency are detailed in Note 2.

The total expenses paid to or on behalf of the Governors during the year was £NIL (2018: £NIL). This represents travel and subsistence expenses and other out of pocket expenses incurred in attending Governors meetings and charity events in their official capacity.

22. AMOUNTS DISBURSED AS AGENT LEARNER SUPPORT FUNDS

	2019 £000	2018 £000
Balance brought forward	-	37
Funding body grants - 16-18 bursary awards	448	469
	<u>448</u>	<u>506</u>
Disbursed to students	(356)	(483)
Administration costs	(22)	(23)
	<u>70</u>	<u>-</u>

Funding body grants are available solely for students. In some 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.