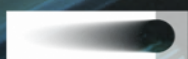


Capital City College Group

REPORT AND ANNUAL ACCOUNTS 2019-2020

Capital City College Group is the licensed trading name
of The WKCIC Group



CITY AND ISLINGTON
COLLEGE



Westminster
Kingsway College

The College of
Haringey, Enfield
and North East London



Capital City
College Training

Capital City College Group

Key Management Personnel, Board of Governors and Professional advisers

Key management personnel

Key management personnel are defined as members of the Group Leadership Team and were represented by the following in 2019/20:

Roy O'Shaughnessy, Chief Executive and Accounting Officer
Rachael White, Chief Finance Officer
Kurt Hintz, Interim Executive Principal
Kim Caplin, Executive Principal Westminster Kingsway College (to 14 April 2020)
Gary Hunter, Interim Deputy Principal (from 15 April 2020)
Graham Drummond, Group Director of Governance
Pablo Lloyd, Chief Executive of Visionnaires
Nick Carey, Chief Commercial Officer
Jackie Chapman, Managing Director of Capital City College Training
Elvie-Jo Shergold, Director of Marketing & Communications

Board of Governors

A full list of Governors is given on pages 14 and 15 of these financial statements.

Graham Drummond acted as Clerk to the Corporation throughout the period.

Professional advisers

Financial statements auditors and reporting accountants:

MHA MacIntyre Hudson
6th Floor, 2 London Wall Place
London, EC2Y 5AU

Internal auditors:

Mazars LLP (Resigned 5 October 2019)
St Katharine's Way
London, E1W 1DD

RSM Risk Assurance Services LLP
One London Square, Cross Lanes
Guildford, Surrey, GU1 1UN

Bankers:

Barclays Bank PLC
1 Churchill Place
London, E14 5HP

Solicitors:

Eversheds Sutherland (International) LLP
Bridgewater Place, Water Lane
Leeds, LS11 5DR

Bates Wells & Braithwaite London LLP
10 Queen Street Place
London, EC4R 1BE

Actuary:

Barnett Waddingham LLP
Cheapside House, 138 Cheapside
London, EC2V 6BW

Capital City College Group

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Capital City College Group

Strategic Report

OVERVIEW

This year has been the College's most challenging year since the original merger between Westminster Kingsway and City and Islington Colleges took place in July 2016. In March, all eleven main sites were closed and between then and the end of the academic year all teaching and learning was delivered on an online platform. This necessitated a huge effort from students and staff to ensure that learning continued. As well as this, all public examinations were cancelled, requiring staff to use previous assessments to predict grades through the Centre Assessed Grade process regulated by Ofqual. The Board commends the monumental effort undertaken by staff and students, often in isolated circumstances during the lockdown period.

In January, the College was subject to an Ofsted inspection for which an overall grade 3 was awarded. Whilst accepting that this is a fair reflection of the journey we are on, this was a disappointment. For many areas the excellence of our teaching and learning was recognised, for example adult learning programmes and courses delivered to students with high needs. However, the quality of teaching provided to 16-18 students and the experience delivered to some of our apprentices is not consistently good. Despite the lockdown, we are determined to address this; our management and governance structures have been altered and improvement plans have been put in place which are monitored regularly.

Whilst the quality of teaching and learning is our primary focus, the management of finances has also been a cause for concern. As a result of the financial performance in 2018/19 our financial health status was judged to be 'requires improvement' and therefore in March the Further Education Commissioner and his team of advisors carried out a three-day diagnostic visit to check that the Board and the senior leadership team were implementing the correct ameliorative actions. As a result of this visit, ten recommendations were made, which in the main were accepted by the Board. Since then, a monitoring visit has taken place which has confirmed that the College is making substantial progress to address the structural issues within the institution. As can be seen within this report and the financial statements, the organisation is on its way to becoming financially sustainable. A substantial level of savings was generated during 2019/20 and our cash position has improved by over £2m. Whilst the pandemic continues to provide a challenging operating environment, we are confident that the College's finances are set on sound assumptions and that our operating position (prior to pension adjustments) will return to a sustainable position.

With this in mind, the members of the Corporation present their annual report together with the financial statements and auditor's report for Capital City College Group for the year ended 31 July 2020.

OBJECTIVES AND STRATEGIES

Legal status

The Corporation was established under the Further and Higher Education Act 1992 for the purposes of providing education and training, and its legal name as defined by this legislation is The WKCIC Group. It is an exempt charity for the purposes of Part 3 of the Charities Act 2011. 'The WKCIC Group' is known under its licensed trading name of the Capital City College Group (CCCG).

All the individual colleges, as well as a training arm - Capital City College Training, that make up the Group continue to operate under their own names. For financial purposes the Group is a single legal entity and throughout this report will be referred to as the 'College' unless stated otherwise.

Capital City College Group

Mission, vision, strategy and objectives

The College's purpose, as approved by the Corporation, is summarised in the Mission Statement, which states:

To inspire London's students and businesses with outstanding further and higher education and training which ensures their social and economic success

The College is committed to providing a consistently good educational experience across its eleven campuses. Success in achieving this commitment is measured in a number of ways, but ultimately by the progression to further learning or the move to employment in careers which meet the students' aspirations. The resources made available for every part of our organisation, from Management Information Systems (MIS) to the condition of our facilities, is linked to the needs of our students. The College is fortunate to have staff whose passion is providing each learner with whatever it takes to bring out the best within them.

Resources

The College has various resources that it can deploy in pursuit of its strategic objectives.

The College employed 1,816 people, of whom 908 were teaching staff.

The College enrolled 31,877 students. The College's student population includes 9,755 16 to 18 year-old students, 2,304 apprentices, 362 prescribed higher education students and 19,178 adult learners.

At 31 July 2020, the College had £250.6 million (2018/9: £282.6 million) of net assets after deducting a £88.8 million (2018/9: £60.5 million) pension liability. Tangible resources include sites in central London located in close proximity to key transport hubs at King's Cross, Victoria, Angel, Finsbury Park, Holloway, Soho, Regent's Park and Tottenham as well as a site in Enfield, north London.

The College has a good reputation locally and nationally. At the moment the CCCG brand and the individual college brands are not integrated into one compelling message. The priority in the 2020/21 academic year is to maintain a quality brand for the individual colleges and training arm, whilst expanding our marketing reach and reputation for providing an excellent learning experience.

Stakeholders

In line with other colleges and universities, the College has many stakeholders. These include:

- Students;
- Staff;
- Education sector funding bodies;
- Local employers (with specific links);
- Local authorities;
- Local Enterprise Partnerships (LEPs);
- The local community;
- HE and other FE institutions;
- The trade unions of which Capital City College staff are members are the University and College Union, the National Education Union, Unison and GMB;
- Professional bodies in the sectors where it works, namely the Association of Colleges and the Collab Group.

Capital City College Group

In line with our strategic objectives the College devotes considerable senior staff time to strengthening stakeholder partnerships. This is essential if the College is to continue to meet the challenges faced by the FE sector and take advantage of the opportunities as they arise.

Public benefit

The College is an exempt charity under Part 3 of the Charities Act 2011 and is regulated by the Secretary of State for Education. The members of the Governing Body, who are trustees of the charity, are disclosed on pages 14 and 15. In setting and reviewing the College's strategic objectives, the Governing Body has had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education. The guidance sets out the requirement that all organisations wishing to be recognised as charities must demonstrate, explicitly, that their aims are for the public benefit.

In delivering its mission, the College provides the following identifiable public benefits through the advancement of education to 31,877 students, including 433 students with high needs:

- Delivering high quality teaching across a range of general and specialist curriculum areas.
- Widening participation and tackling social exclusion.
- Providing strong student support systems that promote personal and social development in addition to the achievement of specific educational goals.
- Creating pathways from education and training into sustainable employment.
- Helping businesses and individuals thrive through tailored training support.
- Meeting the training and development needs of employers, industry and commerce.
- Creating and sustaining employment through continuous professional development of our staff.
- Developing links with Local Enterprise Partnerships which deliver tangible benefits to businesses.

The College provides free education and training to students below the age of 19 and to adults up to level 2. Many of its level 3 courses are also provided free of charge to students above the age of 19; where this is not the case, loans are provided through the Student Loans Company, which are remitted if the student graduates at degree level.

The College adjusts its courses to meet the needs of local employers and provides training to 2,304 apprentices. The College is committed to providing information, advice and guidance to its students and to finding suitable courses for them regardless of their educational background.

DEVELOPMENT AND PERFORMANCE

Financial results

The 2019/20 operating loss, before the FRS102 pension adjustments (£6,042,000), is £4,289,000 (2018/19: actual operating loss of £9,832,000) versus a forecast 2019/20 operating loss for the year of £4,618,000. The College's financial performance resulted in a favourable variance and an operating loss reduction to forecast of £329,000 in year.

The improvement in financial performance from the prior year is due to cost control programmes implemented in year, not only to improve operational models of delivery but also to drive cost efficiency across the College.

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After including the FRS102 pension actuarial loss adjustment of £6,042,000, the College has generated a bottom line deficit in the year of £10,331,000 (2018/19: deficit of £16,528,000), with total comprehensive expenditure of £31,966,000 (2018/19: £18,080,000).

During the year 2019/20 the College has absorbed a negative financial impact of £2m of a combined loss of income and / or additional costs as a result of COVID-19 to ensure the estates meet all requirements to ensure the safety and wellbeing of its staff and students.

Cash flows and liquidity

At £2,098,000 net cash inflow from operating activities (2018/19: outflow of £5,207,000) was reasonably strong. The increase from the prior year is due to an improvement in the operating performance of the College.

At 31 July 2020 the College held £11,494,000 (2018/19: £8,932,000) of cash and cash equivalents, £2,014,000 (2018/19: £6,657,000) in short term deposits and £46,000 (2018/19: £1,046,000) in long term investments.

COVID

Covid has had a detrimental impact on students and their educational experience since the March lockdown. Although learning continued online throughout the balance of the academic year, up to 30% of learners had to access learning on their mobile phone as they had no laptop and / or access to the internet. Learners' wider social interactions and networking opportunities were also disrupted through site closures.

Shortly after the lockdown commenced on 23rd March, it was announced that all public examinations were cancelled. The College has a large number of students studying A levels and GCSEs for whom this announcement had a considerable impact. Following consultation, Ofqual published its extraordinary regulatory framework which set out the guidelines for how qualifications were to be awarded, for qualifications which use public examinations and for those that use continuous assessment. In summary, the application of this framework had a negligible impact on the outcome of full time long courses, however for those on shorter courses e.g. English for Speakers of Other Languages (ESOL) and for those on licence to practice qualifications the impact was greater and students were less likely to achieve a pass in comparison to previous years.

Staff have worked tirelessly to support learners to achieve their qualifications and their efforts have been well received by learners, with complimentary feedback in surveys throughout the lockdown period. In preparation for the new academic year resources with respect to the loan of laptops to students have been significantly increased, with 2,000 units being made available. Since the lifting of lockdown restrictions at college sites, teaching of all courses has been a blend of face-to-face and online delivery; the ratio of this blend has been dictated by the needs of the curriculum and the learning styles of the students. The infection control arrangements have limited the size of classes when teaching has been delivered in a face to face manner and has therefore impacted on the efficiency of the delivery of courses.

Destinations and accolades

With positive destinations of 97%, the College supported 15,133 students into further education, university or work. 2,130 students intend to go on to study at university with a significant number progressing to 'red-brick' universities.

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Over the year, students and staff at all three of the Group's colleges have been recognised with success in regional and national awards in a range of disciplines. For example, City and Islington student Maria Silva was joint winner of the 2019 'Fashion Futures final' held at London Fashion Week in September 2019; in October, Westminster Kingsway's Careers and Employability team won the 'Most Progress from a School or College' category at the Careers and Enterprise Company Awards in October 2019 – in the process becoming the first further education college to win at the awards; CONEL maths teacher Mahdi Radmehr won the 'Maths Teacher of the Year' award at the National Skills Conference earlier in March; and in July, City and Islington College first year A Level student Daphne Katz was runner-up in the Guardian's prestigious 'Young Hugo Award' for writers.

The Group has had success in global competitions too. In February 2020, Westminster Kingsway 3rd year Professional Chef Diploma student Beth Collings won the Bronze award at the Young Chef Olympiad in India – beating off strong competition from 59 other young chefs from around the world. As further recognition of the college's renowned expertise in the culinary arts, Gary Hunter, WestKing's Deputy Principal – who is also a trained chef and chocolatier – was a judge at the Olympiad.

Many of our students overcome life-changing adversity to attend college and complete their studies. One example is Bereket Assaye, a 17 year-old student at CONEL. Originally from Eritrea, Bereket came to the UK as an unaccompanied minor and lives in local authority care. In November 2019, his hard work and dedication to his studies was recognised by Haringey Virtual School and Tottenham Hotspur FC, at their annual 'Education Achievement Awards of Haringey Children in Care' ceremony. Not all our students achieve academically though. Jan Szponarski, a CONEL Sports Level 2 Diploma student, joined the college's MMA (Mixed Martial Arts) Academy in 2018 and, after a year and a half of training and hard work, was entered for his first bout, which he won. Throughout the training and competing process, Jan demonstrated persistence, a strong work ethic and self-discipline to achieve his success.

The mental health of our students and staff is very important to us, so it was pleasing that in June 2020, CONEL's class-leading work safeguarding its students' and staff mental health, was rewarded when the college was a runner-up in the prestigious Association of Colleges (AoC) Beacon Awards, in the 'NOCN Group Mental Health and Wellbeing' category.

Capital Investment

Tangible fixed asset additions during the year amounted to £5,183,000. In the main, these additions related to estates improvement works, ICT equipment purchases, infrastructure and network upgrades and general equipment purchases.

Reserves

The College had accumulated reserves of £250,628,000 and cash and short term investment balances of £13,508,000. The College wishes to accumulate reserves and cash balances in order to support its estates strategy as well as create a more sustainable financial position.

Sources of income

The College has significant reliance on the education sector funding bodies for its principal funding source, largely from recurrent grants. In 2019/20 the FE funding bodies provided 80.8% of the College's total income.

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Group companies

The College has one subsidiary company, Apprenticeships First Limited (AFL), and participates in a joint venture with Haringey Council called the Tottenham Green Enterprise Centre (TGEC). The principal activity of AFL was to run an Apprenticeships Training Agency providing employment for apprentices. However, declining numbers have resulted in its operations being suspended indefinitely from March 2019. TGEC provides facilities for start-up businesses. Neither entities' financial transactions were material to the College and as such they have not been consolidated. In the 2019/20 year the results generated were a £4,417 surplus (2018/19: deficit of £5,788) and a £1,892 surplus (2018/19: surplus of £8,563) respectively.

FUTURE PROSPECTS

Future developments

The College has implemented blended learning solutions for its students and will continue to refine and develop its learning solutions during the pandemic. The College will continue to review its learning technologies in support of driving its quality of teaching and learning. During the next academic year the main focus is to provide a consistently high learner experience across the College.

Strategic plan

In broad terms the College has two main aims as follows: 1) to return to Ofsted grade 2 (at least) and 2) to ensure the institution is financially sustainable on an ongoing basis. These two areas of focus underpin the Board and the Group Leadership Team's strategic direction.

It is with this in mind, that the 2020-2023 Strategic Plan has been drafted, with the following strategic priorities:

Priority 1: For our learners to experience at least consistently good education

Priority 2: For our learners to have an excellent education experience and gain the skills to compete in London's workplace

Priority 3: To be financially and environmentally sustainable

Priority 4: To be one cohesive organisation with effective, integrated and efficient systems

Priority 5: To have an engaged, high performing and skilled staff team

Treasury policies and objectives

The College has treasury management arrangements in place to manage cash flows, banking arrangements and money market transactions and the risks associated with those activities. All borrowing requires the authorisation of the Corporation.

A number of energy efficiency loans, taken out by the former CONEL in 2003, amounting to £147,000 continue to be repaid in accordance with the original loan terms.

The College has no plans to increase borrowings.

The size of the College's total borrowing and its approach to interest rates has been calculated to ensure a reasonable cushion between the total cost of servicing debt and operating cashflow.

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Reserves policy

The College has no formal Reserves Policy, but recognises the importance of reserves in the financial stability of an organisation, whilst ensuring that adequate resources are provided for the College's core business. The College currently holds no restricted reserves. As at the balance sheet date, the Income and Expenditure account reserve stands at £42,186,000 (2018/19: £74,657,000). It is the Corporation's intention to increase reserves over time by the generation of annual operating surpluses increasing its ability to invest in the College's infrastructure. This approach will be built into the College's new Strategic Plan.

PRINCIPAL RISKS AND UNCERTAINTIES

Risk management

The College has undertaken further work during the year to develop and embed the systems of internal control, including financial and operational, and risk management which is designed to protect the College's assets, reputation and financial stability. The Corporation has overall responsibility for risk management and its approach to managing risks and internal controls is explained in the Statement of Governance.

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

A risk register is reviewed on a termly basis, and is overseen by the Audit Committee and reviewed at least annually by the Corporation, 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 them. Risks are prioritised using a consistent scoring system.

The highest risks are detailed below. Details of the controls and actions being taken to mitigate these risks are given in the risk register. Other factors besides those listed below may also adversely affect the College.

Risk	Actions to mitigate the risk
Sustainable group finances	<ul style="list-style-type: none">• Financial plan for a balanced budget in 2020-21 and sustainable budgets including fair pay awards thereafter• Restructuring of non-teaching roles• Efficiency of teaching delivery• Additional controls over recruitment and temporary staffing• Annual business planning• Monthly funding forecasts and action to change plans in-year

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Quality of provision including timeliness of apprenticeship achievements	<ul style="list-style-type: none"> • New strategic plan under development • Annual Self-assessment Report • Quality Improvement Plan • Curriculum and Quality Group • Review of Apprenticeships provision
Quality of support services	<ul style="list-style-type: none"> • Restructuring of non-teaching roles • Continuity of Estates contract services • Business continuity plan • HR capacity for restructuring • Enhanced financial controls • Quality and auditability of funding data

KEY PERFORMANCE INDICATORS

The College has a number of key performance indicators which are subdivided into the following categories:

- Learner targets;
- Financial objectives.

The College's learner targets for 2019/20 were:

Key performance indicator	Planned	Actuals for 2019/20
16-18 Learner Numbers	9,465	9,477
Adult Education Budget income	£25,310k	£21,059k
Apprenticeships Income	£5,365k	£5,733k

The shortfall in earned Adult Education Budget income was a consequence of the Covid-19 lockdown. While course delivery continued remotely during the lockdown, the number of new courses was reduced and so earnings were lower. However, the funding is guaranteed due to the exceptional circumstances, and there is no clawback.

Students continue to prosper at the College. Achievement rates, the number of achieved learning aims as a percentage of total learning aims, in 2019/20 were 84.1% for the Group, although this was 0.5% below 2018/19. Achievement rates for 16-18 year olds were 83.2%, and those for adults were 84.7%.

The College's financial objectives for 2019/20 were:

Key performance indicator	Forecast	Actuals
Operating surplus / deficit	>= (4,600k)	(£4,289k)
Staff costs (including contract tuition services, but excluding pensions adjustment and restructuring) as %'age of total income	<= 66.5%	66.7%
Dependency on income other than from non-funding body sources	>= 15.0%	19.2%
Current ratio	>= 1.12:1	1.72:1
Cash days in hand	>= 35 days	44.4 days
Cash generated from operations to income	>= £3,518k	£2,098k

The lower than planned outcome for cash generated from operations to income is mainly due to increased payments to creditors partly arising from the College temporarily waiving its standard 30 day supplier payment terms in response to the Cabinet Offices' procurement notices supporting small and medium sized businesses through the COVID-19 lockdown.

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The College measures its performance towards the above financial objectives within its monthly management accounts. The College also regularly reviews its achievement against each of its funding contracts and the achievement rates of each programme.

The College is required to complete the annual Finance Record for the Education and Skills Funding Agency (ESFA) which assesses the College's financial health. The assessment for 2019/20 has resulted in a rating of "Good" at the end of the period.

At the most recent inspection in January of this year the College was graded as 'Requires Improvement'.

Payment performance

The Late Payment of Commercial Debts (Interest) Act 1998, in the absence of agreement to the contrary, requires organisations 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 2019 to 31 July 2020, the College paid 68.9% of its invoices within 30 days. The primary causes of these delays being missing or incorrect purchase order information on supplier invoices or no purchase order having been raised. In addition, issues, which detrimentally affected this percentage, were experienced in March and April as a direct result of the imposition of the COVID-19 lockdown.

OTHER INFORMATION

Gender pay gap

The data presented below is based on data captured at 31 March 2020.

Mean Gender Pay Gap	7.9%
Median Gender Pay Gap	8.50%
Mean Gender Bonus Pay Gap	44.30%
Median Gender bonus Pay Gap	33.30%

The College employs 61.3% women and 38.7% men. Women make up the largest group of employees in the lowest pay quartile at 70.5% and also in the lower middle quartile at 61.8%. The gender balance is better in the top and upper middle quartiles with women representing 54.3% and 58.9% respectively.

The 2020 gender pay gap is an improvement on the 2019 and 2018 gender pay gaps. Since 2018 the gap has decreased by 2% for the average and 2.5% for the median.

The Group's mean gender pay gap is still below the national average of 16.2% and our median gender pay is significantly less than the national median gender pay gap of 17.3%. We compare very favourably in FE sector where the average gender pay is reported as 10%.

The number of staff within the College who receive a bonus is very small, i.e. 1.09% of women and 1.54% of men were in receipt of a bonus. Statistics based on such a small sample size can be volatile.

Following the mergers, the College has a complex variety of pay scales and grade points. We are in the process of reviewing and developing proposals on a new reward architecture for the Group,

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where we will look to simplify our approach and, where possible harmonise across the colleges. Where differences relate to terms and conditions we are taking a phased opportunity to review terms and adopt a consistent approach. We are developing pay-related policies to ensure that they are fairly and consistently applied. We will also implement measures to effectively monitor and track the diversity of our applicants and internal staff promotions and developmental opportunities.

Equality Diversity and Inclusion

The College is committed to ensuring equality of opportunity for all who learn and work here. The College respects and values the diversity of students and staff who possess different aspects of their identity, for example in terms of race and ethnicity, gender, sexual orientation, gender reassignment, religion and belief, disability or marital/civil partnership, socio-economic status and age. The College aims to ensure Equality, Diversity and Inclusion is reflected through the curriculum, enrichment activities and the range of direct and indirect student support services. The College's Equality Diversity and Inclusion Policy is published on its Intranet and is reviewed on an annual basis.

The College publishes an Annual Equality Diversity and Inclusion Report and has Strategic Equality, Diversity and Inclusion Objectives to ensure compliance with the relevant specific equality duties outlined in the Equality Act 2010. The College also undertakes equality impact analysis on all new policies, procedures and restructures with the results shared as appropriate. Equality impact analysis is also undertaken for existing policies and procedures on a prioritised basis.

The College seeks to maintain the Gold Award under the assessment of the United Kingdom Investors in Equality and Diversity.

The College has committed to the Employers' Disability Confident scheme at Level 1 and will work towards achieving Disability Confident Employer Level 2 status by 2022. The College considers all employment applications from disabled persons, bearing in mind the aptitudes of the individuals concerned, and guarantees an interview to any disabled applicant who meets the essential criteria for the post. Where an existing employee becomes disabled, every effort is made to ensure that employment with the College continues. The College is committed to provide training, career development and opportunities for promotion which, as far as possible, provide identical opportunities to those of non-disabled employees. The College provides mandatory Equality, Diversity and Inclusion training for all new starters and has a planned two-year cycle for refresher training.

The College has made a formal commitment to obtain the Achievement Level of the London Healthy Workplace Awards as part of the initiative to support the mental, emotional and physical wellbeing of all colleagues and was awarded the Commitment standard for this accreditation. Looking forward, we will continue to collaborate with stakeholders across the College to develop a strategy to ensure we build an inclusive culture for student and colleagues.

Disability statement

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

- a) The College has appointed staff who provide information, advice and arrange support where necessary for students with disabilities/learning difficulties.
- b) There is a range of specialist equipment, e.g. hearing loops which the College can make available for use by students alongside a range of various assistive technology.
- c) Within the respective Admissions policy there are details on how to complain against a decision not to offer a place, linked to the Complaints policy.

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- d) The College has appointed lecturers with specialism to support students with learning difficulties and/or disabilities. There are a number of student support assistants who can provide a variety of support for learning.
- e) There is a continuing programme of staff development to ensure the provision of a high level of appropriate support for students who have learning difficulties and/or disabilities.
- f) Specialist programmes are described in the College's prospectus, and achievements and destinations are recorded and published in the standard College format.
- g) Counselling and welfare services are described in each College's Student Guide, which are available to students together with details on the Complaints and Disciplinary Procedure which are covered as part of induction and at other times throughout the year.

Trade union facility time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require the College to publish information on facility time arrangements for trade union officials at the College.

Numbers of employees who were relevant trade union officials during the relevant period	FTE employee number
25	2.3

Percentage of time	Number of employees
0%	0
1-50%	25
51-99%	0
100%	0

Total cost of facility time	£94,219
Total pay bill	£74,608,000
Percentage of total bill spent on facility time	0.1268%
Time spent on paid trade union activities as a percentage of total paid facility time	100%

Going concern

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

Events after the end of the reporting period

The College is not aware of any post balance sheet events which need to be disclosed.

Disclosure of information to auditors

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

Approved by order of the members of the Corporation on 15 December 2020 and signed on its behalf by:

Alastair Da Costa

Chair

Capital City College Group

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 an understanding of its governance and legal structure. This statement covers the period from 1 August 2019 to 31 July 2020 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 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 2014 insofar as it is applicable to the further education sector.

In the opinion of the Board, the College conducts itself in line with the provisions of the Code, and it has complied throughout the year ended 31 July 2020. The Board 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 College is an exempt charity within the scope of Part 3 of the Charities Act 2011. Board members, who are also the trustees for the purposes of the Charities Act 2011, confirm that they have had due regard for the Charity Commission's guidance on public benefit and that the required statements appear elsewhere in these financial statements.

The Corporation

The members who serve on Capital City College Group Corporation up to the date of signature of this report are as listed in the table below.

Name	Status of Appointment	Date of Appointment and re-appointment	Current Term of office	Date Term ends (or resignation if earlier)	Committees Served	Corporation meeting attendance rate 19/20
Alastair Da Costa (<i>Chair</i>)	Independent	20.7.16 11.7.18	4 years	31.7.22	Remuneration Search and Governance	100%
Sharon Saxton	Independent	13.3.20	4 years	13.3.24	Remuneration Audit	100%
Sanna Jordansson	Independent	13.3.20	4 years	13.3.24	Search and Governance	100%
Shane Chowen	Independent	18.12.13 20.7.16 11.7.18 31.7.20	4 years	31.7.24	Search and Governance WKC Education Board (Chair)	77.8%
Anthony Smith	Independent	20.7.16 11.7.18 31.7.20	3 years	31.7.23	Audit Committee	77.8%
Amelia Sussman	Independent	20.7.16 11.7.18 31.7.20	3 years	31.7.23	CIC Education Board (Chair) Search and Governance	100%
Anthony Impey	Independent	8.7.20	4 years	8.7.24		100%
Sarah Ebanja	Independent	1.11.17 11.7.18	3 years	31.7.21	CONEL Education Board (Chair) Search and Governance	66.7%

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Name	Status of Appointment	Date of Appointment and re-appointment	Current Term of office	Date Term ends (or resignation if earlier)	Committees Served	Corporation meeting attendance rate 19/20
Maarten Zuurmond	Independent	1.11.17 11.7.18	3 years	31.7.21	CONEL Education Board (until 22.05.20) Remuneration (Chair)	88.9%
Lord David Triesman	Independent	1.11.17 11.7.18 31.7.20	2 years	31.7.22	CONEL Education Board (until 22.05.20)	88.9%
Amanda Dickens	Independent	10.7.19	4 years	31.7.23	WKC Education Board	88.9%
Lisa Weaver-Lambert	Independent	10.7.19	4 years	31.7.23	Audit	100%
Chris Hyams	Independent	10.7.19	4 years	31.7.23	Audit (Chair)	100%
Melvyn Brookstone	Staff	15.11.18	2 years	01.11.20	Audit (from 15.11.18)	88.9%
Keyan O'Donnell	Student	21.01.19	2 years	31.07.20		66.7%
Roy O'Shaughnessy	Chief Executive	1.9.18	N/A	<i>Ex officio</i>		100%

Graham Drummond acts as Clerk to the Corporation.

It is the Corporation's responsibility to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct. The maximum length of an appointment is four years, although members can be re-appointed if they continue to meet the skills needs of the Corporation.

The Corporation is provided with regular and timely information on the overall financial performance of the College together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel-related matters such as health and safety and environmental issues. There were nine full board meetings during 2019/20.

The Corporation conducted its business through a number of committees. Each committee had terms of reference, which were approved by the Corporation. These committees were remuneration, search, audit, CIC education board, WKC education board and the CONEL education board. Minutes of board meetings are available at www.capitalccg.ac.uk, except those deemed to be confidential, or are available from the Clerk to the Corporation at:

Capital City College Group
Tottenham Centre, The College of Haringey, Enfield & North East London,
High Road, Tottenham, London, N15 4RU

The Clerk to the Corporation maintains a register of financial and personal interests of Board members. The register is available for inspection at the above address.

All Board members are able to take independent professional advice in furtherance of their duties at the College's expense and have access to the Clerk to the Corporation, who is responsible to the Board for ensuring that all applicable procedures and regulations are complied with. The appointment, evaluation and removal of the Clerk are matters for the Corporation as a whole.

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

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

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

Due to restrictions of movement and social interaction associated with the Coronavirus pandemic all governance meetings were conducted via video conference from 23 March 2020 onwards and it is envisaged that this will continue for the foreseeable future. The switch away from 'face to face' meetings did not impact on the Corporation's ability to uphold its duties in line the expectations set out in its governance handbook or in relation to the 'code'.

Appointments to the Corporation

Any new appointments to the Corporation are a matter for the consideration of the Board as a whole. The Search committee is responsible for the selection and nomination of any new member for the Corporation's consideration. The Corporation is responsible for ensuring that appropriate training is provided as required.

Members of the Corporation are appointed for a term of office not exceeding four years. It is expected that no member shall serve more than eight years in total; however appointments longer than this will be considered if the Board believes that the member's skills and expertise would be difficult to replace.

Corporation performance

The Board carried out a self-assessment of its own performance for the year ended 31 July 2020; the process involved the completion of individual questionnaires by board members and the outcome was summarised in a report considered by the Board at its meeting on 30 October 2020.

Remuneration Committee

Throughout the year ended 31 July 2020 the College's Remuneration Committee comprised of the Chair, the two Vice Chairs, one Board member and a co-opted member. The Committee's responsibilities are to make decisions on behalf of the Board on the remuneration and benefits of the Accounting Officer and other senior postholders. The Corporation adheres to the AoC's Senior Remuneration Code and in line with this code an annual report on senior pay was considered by the committee and reported to the Corporation at its meeting on 13 February 2020. Details of remuneration for the year ended 31 July 2020 are set out in note 7 of the financial statements.

Audit Committee

The Audit Committee comprises of four members of the Corporation (excluding the Chief Executive) and two co-opted members.

The Audit Committee meets four times per year and provides a forum for reporting by the College's internal audit service, reporting accountants and financial statements auditors, who have access to the Committee for independent discussion, without the presence of the Group Leadership Team.

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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 timely implementation of agreed audit recommendations, the completion of which are confirmed to the audit committee by the relevant audit service. The completion of the recommendations is tracked by the Audit Committee.

The Audit Committee also advises the Corporation 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 Corporation.

Education Boards

During 2019/20 the Corporation had three education boards whose responsibility is to advise and oversee the management of the three separate divisions of the College: City and Islington College, Westminster Kingsway College and The College of Haringey, Enfield and North East London. During 2019/20 the responsibility of these Boards was to provide oversight with respect to the quality of education and the student experience.

Internal control

Scope of responsibility

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

The Corporation has delegated the day-to-day responsibility to the Chief Executive, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives, whilst safeguarding the public funds and assets for which members of the Corporation are personally responsible, in accordance with the responsibilities assigned to them in the Financial Memorandum between the College and the funding bodies. The Chief Executive is also responsible for reporting to the Corporation any material weaknesses or breakdowns in internal control.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an 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 the College for the year ended 31 July 2020 and up to the date of approval of the annual report and accounts.

Capital City College Group

Capacity to handle risk

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

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 Board
- regular reviews by the Board of periodic and annual financial reports which indicate financial performance against forecasts
- setting targets to measure financial and other performance indicators
- clearly defined capital investment control guidelines
- the adoption of formal project management disciplines, where appropriate.

The College 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 Corporation on the recommendation of the Audit Committee. As a minimum, annually, the Head of Internal Audit (HIA) – who is the College's engagement partner at its internal audit provider, provides the Board with a report on internal audit activity in the College.

Risks faced by the corporation

In line with the Corporation's risk management policy, risks are identified by the Group Leadership Team (GLT) and included within a register which is reported to the Audit Committee as a standing item at each meeting. The Audit Committee evaluates these risks and seeks assurances from the executive team that sufficient mitigation is in place to minimise the likelihood of their impact. The risk register is reported annually to the Board and the committee highlights any risks of key concern as it deems appropriate, throughout the year.

Control weaknesses identified

The following internal reviews, undertaken during 2019/20, identified weaknesses within College systems:

- External Review of Financial Controls
- Sales to Cash
- Purchase to Pay
- Learner Number Systems
- Subcontracting

Some additional detail is provided within the statement of the audit committee, below, regarding any significant weaknesses identified.

Capital City College Group

Responsibilities under funding agreements

The Corporation has met its contractual responsibilities as outlined within its funding agreements and contracts with the ESFA.

Statement from the audit committee

The audit committee has advised the board of governors that the corporation has an effective framework for governance and risk management in place. The audit committee believes the corporation has effective internal controls in place.

The principal areas of work reviewed by the audit committee in 2019/20 and up to the date of the approval of the financial statements are set out below:

- A one off external review of financial controls was carried out in September 2019 and resulted in a number of recommendations being made with respect to budget management and purchase controls
- A re-tendering exercise for the Corporation's internal audit service was carried out in the early part of 2020 and as a result RSM was appointed as the College's internal audit service from April. Since then the following areas of the College's operations have been subject to an internal audit where it concluded the Board could take 'reasonable assurance':
 - Fixed Assets
 - Payroll
 - Reconciliations

For the following internal audits, it was concluded the Board could take 'partial assurance':

- Sales to Cash – A review of the current debt collection procedure, documentation and resourcing is being undertaken to address the most significant issues
- Purchase to Payments – Improvements in the accuracy of the contract register together with a more robust link to the College's active supplier list are planned as a result
- Monitoring reports on the resolution of agreed management actions within the above two reports were considered at the Committee's October meeting.

Further internal audits were carried out on the following two areas for which no overall opinion was provided:

- Learner Number Systems - At the Committee's October meeting the controls surrounding the compliance with the ESFA's funding rules were highlighted as posing a possible area of unacceptable risk. A monitoring report was provided at the Committee's November meeting and members were assured that sufficient ameliorative action has been and will continue to be put in place. It was also further agreed that an internal audit of apprenticeships should be included within RSM's 2020/21 schedule;
- Subcontracting – Seven management actions were identified, all of which are due for resolution before the start of the 2021. The internal audit service will be carrying out a follow up review in March 2021.

The COVID 19 pandemic impacted on some aspects of the sampling undertaken on the above internal audits, particularly for the learner number systems audit, for which some evidence is kept in hard copy and could not be accessed during lockdown.

Capital City College Group

At its November meeting, concern was raised about the number of unresolved recommendations, particularly those with a high priority rating. A further meeting in the early part of 2021 will take place to monitor their resolution.

Review of effectiveness

As Accounting Officer, the Chief Executive is responsible for reviewing the effectiveness of the system of internal control.

The Accounting Officer has been advised on the implications of the result of his 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 Group Leadership Team (GLT) and the Audit Committee receive reports from internal audit and other sources of assurance, which include recommendations for improvement. The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Corporation's agenda includes an annual item for consideration of risk and control and receives reports thereon from the GLT and the Audit Committee.

At its December 2020 meeting, the Corporation carried out the annual assessment for the year ended 31 July 2020 by considering documentation from the GLT and internal audit, and taking account of events since 31 July 2020.

The Corporation accepts the Audit Committee's opinion that the College has an adequate and effective framework for governance, risk management and control; and has fulfilled its statutory responsibility for *"the effective and efficient use of resources, the solvency of the institution and the body and the safeguarding of their assets"*.

Going concern

The Corporation of The WKCIC Group confirms that the College believes it will be able to continue in operation and meet its liabilities taking account of the current position and principal risks for at least the next twelve months and the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

Approved by order of the members of the Corporation on 15 December 2020 and signed on its behalf by:

Alastair Da Costa
Chair

Roy O'Shaughnessy
Chief Executive and
Accounting Officer

Capital City College Group

Statement of Regularity, Propriety and Compliance

The Corporation 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 for the requirements of the grant funding agreement and contracts with ESFA.

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

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

Approved by order of the members of the Corporation on 15 December 2020 and signed on its behalf by:

Alastair Da Costa
Chair

Roy O'Shaughnessy
Chief Executive and
Accounting Officer

Capital City College Group

Statement of Responsibilities of the Members of the Corporation

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

Within the terms and conditions of the College's grant funding agreements and contracts with ESFA, the Corporation, through its Accounting Officer, is required to prepare financial statements and a strategic report for each financial year in accordance with the *Statement of Recommended Practice – Accounting for Further and Higher Education*, *ESFA's College Accounts Direction* and the UK's Generally Accepted Accounting Practice, and which give a true and fair view of the state of affairs of the College and its surplus/deficit of income over expenditure for that period.

In preparing the financial statements, the Corporation is required to:

- select suitable accounting policies and apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- assess whether the College is a going concern, noting the key supporting assumptions, qualifications or mitigating actions as appropriate
- prepare financial statements on the going concern basis, unless it is inappropriate to assume that the College will continue in operation.

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

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

Members of the Corporation are responsible for ensuring that expenditure and income are applied for the purposes intended by Parliament and that the financial transactions conform to the authorities that govern them. In addition they are responsible for ensuring that funds from the ESFA and any other public funds are used only in accordance with the ESFA's grant funding agreement and contracts and any other conditions that may be prescribed from time to time by the ESFA or any other public funder. Members of the Corporation 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 Corporation are responsible for securing economical, efficient and effective management of the College's resources and expenditure, so that the benefits that should be derived from the application of public funds from the ESFA and other public bodies are not put at risk.

Approved by order of the members of the Corporation on 15 December 2020 and signed on its behalf by:

Alastair da Costa
Chair

Capital City College Group

Independent Auditor's Report to the Members of the Corporation of Capital City College Group

Opinion

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

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

Capital City College Group

have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of the members of the Corporation

As explained more fully in the statement of responsibilities of the members of the Corporation, the members of the Corporation 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 members of the Corporation determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

MHA MacIntyre Hudson

Chartered Accountants and Registered Auditor
2 London Wall Place, London, EC2Y 5AU

Capital City College Group

Reporting Accountant's Assurance Report on Regularity

To: The Members of the Corporation of Capital City College Group and Secretary of State for Education acting through the Department for Education ("the Department")

In accordance with the terms of our engagement letter dated 18 August 2020 and further to the requirements of the financial memorandum with the Education and Skills Funding Agency we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest that in all material respects the expenditure disbursed and income received by Capital City College Group during the period 1 August 2019 to 31 July 2020 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

The framework that has been applied is set out in the Post-16 Audit Code of Practice ("the Code") issued by the ESFA. In line with this framework, our work has specifically not considered income received from the main funding grants generated through the Individualised Learner Record (ILR) returns, for which the Department has other assurance arrangements in place.

This report is made solely to the members of the Corporation of Capital City College Group and the Department in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the members of the Corporation of Capital City College Group and the Department those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the members of the Corporation of Capital City College Group and the ESFA for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Capital City College Group and the reporting accountant

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

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

Approach

We conducted our engagement in accordance with the Code issued by the ESFA. We performed a limited assurance engagement as defined in that framework.

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

Capital City College Group

Reporting accountant's assurance report on regularity (continued)

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

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

The work undertaken to draw to our conclusion includes:

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

Conclusion

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

MHA MacIntyre Hudson

Chartered Accountants and Registered Auditor
2 London Wall Place, London, EC2Y 5AU

Capital City College Group
Statement of Comprehensive Income and Expenditure

	Notes	Year Ended 31 July 2020 £'000	Year Ended 31 July 2019 £'000
INCOME			
Funding body grants	2	91,032	93,635
Tuition fees and education contracts	3	13,011	13,222
Other grants and contracts	4	3,961	2,479
Other income	5	2,976	4,200
Investment income	6	84	83
		<hr/>	<hr/>
Total income		111,064	113,619
EXPENDITURE			
Staff costs	7	78,825	82,298
Other operating expenses	8	31,828	36,761
Depreciation	11	9,303	9,528
Interest and other finance costs	9	1,439	1,560
		<hr/>	<hr/>
Total expenditure		121,395	130,147
		<hr/>	<hr/>
Deficit for the year		(10,331)	(16,528)
Unrealised surplus on revaluation of assets	14	651	-
Actuarial loss in respect of pensions schemes	26	(22,201)	(1,429)
Actuarial loss in respect of enhanced pensions	20	(85)	(123)
		<hr/>	<hr/>
Total Comprehensive expenditure for the year		(31,966)	(18,080)
		<hr/>	<hr/>
Represented by:			
Unrestricted comprehensive expenditure		(31,966)	(18,080)
		<hr/>	<hr/>
		(31,966)	(18,080)
		<hr/>	<hr/>

The statement of comprehensive income and expenditure is in respect of continuing activities.

Capital City College Group
Statement of Changes in Reserves

	Income and Expenditure account £'000	Revaluation reserve £'000	Total £'000
Balance at 1 August 2018	92,592	208,082	300,674
Deficit from the income and expenditure account	(16,528)	-	(16,528)
Other comprehensive income			
Actuarial losses in respect of pensions schemes	(1,552)	-	(1,552)
Transfers between revaluation and income and expenditure reserves	145	(145)	-
Total comprehensive expenditure for the year	(17,935)	(145)	(18,080)
Balance at 31 July 2019	74,657	207,937	282,594
Deficit from the income and expenditure account	(10,331)	-	(10,331)
Other comprehensive income:			
Unrealised surplus on revaluation of assets	-	651	651
Actuarial losses in respect of pensions schemes	(22,286)	-	(22,286)
Transfers between revaluation and income and expenditure reserves	146	(146)	-
Total comprehensive expenditure for the year	(32,471)	505	(31,966)
Balance at 31 July 2020	42,186	208,442	250,628

Capital City College Group
Balance Sheet as at 31 July

	Notes	2020 £'000	2019 £'000
Non current assets			
Tangible fixed assets	11	367,098	371,348
Investment properties	12	2,343	2,343
Investments	13	46	1,046
		369,487	374,737
Current assets			
Assets held for resale	14	780	-
Stocks		19	16
Trade and other receivables	15	6,812	8,529
Current investments	16	2,014	6,657
Cash and cash equivalents	21	11,494	8,932
		21,119	24,134
Less: Creditors – amounts falling due within one year	17	(12,297)	(15,601)
Net current assets		8,822	8,533
Total assets less current liabilities		378,309	383,270
Creditors – amounts falling due after more than one year	18	(37,784)	(39,055)
Provisions			
Defined benefit obligations	20	(88,752)	(60,509)
Other provisions	20	(1,145)	(1,112)
Total net assets		250,628	282,594
Unrestricted reserves			
Income and expenditure account		42,186	74,657
Revaluation reserve		208,442	207,937
Total unrestricted reserves		250,628	282,594

The financial statements on pages 27 to 55 were approved and authorised for issue by the Corporation on 15 December 2020 and were signed on its behalf on that date by:

Alastair Da Costa
Chair

Roy O'Shaughnessy
Chief Executive and
Accounting Officer

Capital City College Group

Statement of Cash Flows

	Notes	2020 £'000	2019 £'000
Cash flow from operating activities			
Deficit for the year		(10,331)	(16,528)
Adjustment for non cash items			
Depreciation		9,303	9,528
Release of deferred capital grants		(1,246)	(1,496)
(Increase)/decrease in stocks		(3)	6
Decrease in debtors		1,717	5,255
Decrease in creditors due within one year		(3,248)	(8,538)
Decrease in provisions		(52)	(51)
Pension costs including interest less contributions payable		6,042	6,696
Adjustment for investing or financing activities			
Investment income		(84)	(83)
Interest payable		-	15
Gain on revaluation of investment properties		-	(11)
Net cash inflow/(outflow) from operating activities		2,098	(5,207)
Cash flows from investing activities			
Disposal/(acquisition) of non-current asset investments		1,000	(1,023)
Investment income		26	49
Withdrawal of deposits		6,657	12,000
New deposits		(2,014)	(6,157)
New capital grants		13	24
Payments made to acquire fixed assets		(5,133)	(6,724)
		549	(1,831)
Financing activities			
Interest paid		-	(15)
Repayment of amounts borrowed		(85)	(469)
		(85)	(484)
Increase/(decrease) in cash and cash equivalents in the year		2,562	(7,522)
Cash and cash equivalents at 1 August 2019	21	8,932	16,454
Cash and cash equivalents at 31 July 2020	21	11,494	8,932

Capital City College Group

Notes to the Accounts

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.

Basis of preparation

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

The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

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

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention as modified by the use of previous valuations as deemed cost at transition for certain non-current assets.

Basis of consolidation

The College has one subsidiary and participates in one joint venture. Neither are material to the College's financial statements and have therefore not been consolidated. In accordance with FRS 102, the activities of the student union have not been consolidated because the College does not control those activities.

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.

At 31 July 2020 Capital City College Group had £13.5m of cash at bank and current asset investments and £0.1m of non-commercial loans. Currently the College has £23.1m of cash at bank and current asset investments and £0.1m of non-commercial loans. The College's forecasts and financial projections indicate that it will be able to operate for the foreseeable future.

The Governors have assessed the use of going concern and have considered possible events or conditions that might cast significant doubt on the ability of the College to continue as a going concern including the impact of Covid-19. The Governors have made this assessment for a period of at least one year from the date of the approval of these financial statements. The Governors have concluded that there is a reasonable expectation that the College has adequate resources to continue in operational existence for the foreseeable future. The College therefore continues to adopt the going concern basis in preparing these financial statements.

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 or over achievement for the Adult Education Budget is

Capital City College Group

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 learner-responsive funding is not normally subject to reconciliation and is therefore not subject to contract adjustments.

The recurrent grant from the Office for Students (OfS) represents the funding allocations attributable to the current financial year and is credited directly to the Statement of Comprehensive Income and Expenditure.

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 method 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.

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 Statement of Comprehensive Income and Expenditure in the period in which it is earned on a receivable basis.

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). These are defined benefit plans, which are externally funded.

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 is unable to identify the share of its underlying assets and liabilities between employers. As a consequence the College is unable to use defined benefit accounting. The TPS is therefore treated as a defined contribution plan and the contributions recognised as an expense in the Statement of Comprehensive Income and Expenditure 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.

Capital City College Group

Net interest on the net defined benefit liability is also recognised in the Statement of Comprehensive Income and Expenditure 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 financial costs.

Actuarial gains and losses are recognised immediately in actuarial gains and losses in the Statement of Comprehensive Income and Expenditure.

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.

Enhanced Pensions

The actual cost of any enhanced ongoing pension to a former member of staff is paid by the College monthly. 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 Statement of Comprehensive Income and Expenditure in the year that the member of staff retires. In subsequent years a charge is made to provisions in the balance sheet using the enhanced pension spreadsheet provided by the ESFA.

Non-current assets - Tangible fixed assets

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

Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

Land and buildings

Freehold buildings are depreciated on a straight line basis over their expected useful lives as follows:

- Freehold buildings – 50 years
- Adaptations and Refurbishments – 10 years

Freehold land is not depreciated as it is considered to have an infinite useful life.

Where land and buildings are acquired with the aid of specific grants, they are capitalised and depreciated as above. The related grants are credited to a deferred income account within creditors, and are released to the Statement of Comprehensive Income and Expenditure over the expected useful economic life of the related asset on a systematic basis consistent with the depreciation policy. The deferred income is allocated between creditors due within one year and those due after more than one year.

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

On adoption of FRS 102, the College followed the transitional provision to revalue its land assets, at fair value, but not to adopt a policy of revaluations of these assets in the future. Building assets were retained at book value. Building assets were previously revalued in 1994, at depreciated replacement cost.

Capital City College Group

Assets under construction

Assets under construction are accounted for at cost, based on the value of architects' certificates and other direct costs, incurred to 31 July 2020. They are not depreciated until they are brought into use.

Subsequent expenditure on existing fixed assets

Where significant expenditure is incurred on tangible fixed assets after initial purchase it is charged to the Statement of Comprehensive Income and 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.

Plant and equipment

Plant and equipment costing less than £1,000 per individual item is recognised as expenditure in the period of acquisition. All other equipment is capitalised at cost.

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

- plant and technical equipment 10 to 20 years
- computer equipment 5 years
- furniture, fixtures and fittings 10 years

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.

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 1 August 2014 are spread over the minimum lease term.

Investments

Investment properties

Properties owned but not used within the Group's business are considered investment properties. Investment properties are measured at fair value at each balance sheet date with any movement recognised in Comprehensive Income or Expenditure.

Other investments

Listed investments held as non-current assets and current asset investments, which may include listed investments, are stated at fair value, with movements recognised in Comprehensive Income.

Stocks

Stocks are stated at the lower of their cost (using the first in first out method) 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.

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 a maturity of 3 months or less from the date of acquisition.

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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 College 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.

Foreign currency translation

Transactions denominated in foreign currencies are recorded using the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the end of the financial period with all resulting exchange differences being taken to income in the period in which they arise.

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 partially exempt in respect of Value Added Tax, so that it can only recover around 1% of the VAT charged on its inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

Provisions and contingent liabilities

Provisions are recognised when

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

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a discount rate. The unwinding of the discount is recognised as a finance cost in the Statement of Comprehensive Income and Expenditure in the period it arises.

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

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

The only provisions recognised by the College in its Financial Statements are the defined benefit obligations, arising under the Local Government Pension Scheme, and the enhanced pension benefit obligations, arising from the Teachers' Pension Scheme.

Capital City College Group

Agency arrangements

The College acts as an agent in the collection and payment of certain learner support funds, local authority payments and charitable funds. Related payments received from the funding and other 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.

Judgements in applying accounting policies and key sources of estimation uncertainty

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

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

Other key sources of estimation uncertainty

- *Tangible fixed assets*

Tangible fixed assets, other than investment properties, 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 for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, 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.

- *Provision for doubtful debts*

Debts arising from trading activities are provided for on the basis that a proportion, between 10% and 100% dependent on debt age, of those debts not funded through Student Loans Company loan agreements may ultimately not be collected.

Capital City College Group

Notes to the Accounts (continued)

2 Funding body grants

	2020 £'000	2019 £'000
Recurrent grants		
Education and Skills Funding Agency - adult education budget	28,691	30,106
Education and Skills Funding Agency - 16-18	52,110	55,226
Education and Skills Funding Agency - apprenticeships	5,689	5,178
Office for students	78	220
Specific Grants		
Education and Skills Funding Agency	1,206	1,409
Teachers Pension Scheme contribution grant	2,012	-
Releases of government capital grants	1,246	1,496
Total	91,032	93,635

Higher education income, which relates to level 4 courses and above, is further analysed in the table below:

Grant income from OfS	78	220
Grant income from other bodies	-	-
Fee income for taught awards (exclusive of VAT)	945	1,335
Fee income for non-qualifying course	-	-
	1,023	1,555

3 Tuition fees and education contracts

	2020 £'000	2019 £'000
Adult education fees	861	2,004
Apprenticeship fees and contracts	108	203
Fees for FE loan supported courses	2,183	2,441
Fees for HE loan supported courses	2,045	1,525
International students' fees	-	149
Total tuition fees	5,197	6,322
Education contracts	7,814	6,900
Total	13,011	13,222

4 Other grants and contracts

	2020 £'000	2019 £'000
UK-based charities	-	6
European Commission	1,468	239
Other grants and contracts	2,482	2,234
Coronavirus Job Retention Scheme grant	11	-
Total	3,961	2,479

The College furloughed 6 commercially funded employees such as Sports Attendants, under the government's Coronavirus Job Retention Scheme. The funding received of £10,814 relates to staff costs which are included within the staff costs note as appropriate.

Capital City College Group
Notes to the Accounts (continued)

5 Other income

	2020	2019
	£'000	£'000
Catering and residences	1,400	1,736
Other income generating activities	67	56
Nursery fees	702	1,058
Miscellaneous income	807	1,350
	<hr/>	<hr/>
Total	<u>2,976</u>	<u>4,200</u>

6 Investment income

	2020	2019
	£'000	£'000
Other investment income	55	56
Other interest receivable	29	27
	<hr/>	<hr/>
Total	<u>84</u>	<u>83</u>

Capital City College Group

Notes to the Accounts (continued)

7 Staff costs

The average number of persons (including key management personnel) employed by the College, based on headcount, during the year was:

	2020 No.	2019 No.
Teaching staff	908	885
Non teaching staff	908	936
	1,816	1,821

Staff costs for the above persons

	2020 £'000	2019 £'000
Wages and salaries	55,201	55,397
Social security costs	5,777	6,000
Other pension costs (note 26)	13,630	11,909
Payroll sub total	74,608	73,306
Contracted out staffing services	3,261	7,703
Total staff costs excluding restructuring costs	77,869	81,009
Restructuring costs - Contractual	716	803
Non-contractual	240	486
Total staff costs	78,825	82,298

The College runs a childcare voucher and a cycle to work scheme using salary sacrifice arrangements.

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College.

Staff costs include compensation paid to key management personnel for loss of office.

During 2020 these were represented by the Group Leadership Team (GLT) which comprises the Chief Executive (Accounting Officer)*, Chief Finance Officer, Group Director of Human Resources & Organisational Development, Group Director of Governance (Clerk)*, College/Deputy Principal - WKC#, College Principal - CONEL & CIC, Managing Director - CCCT, Director of Marketing & Communications, Chief Commercial Officer and Chief Executive of Visionnaires.

During 2019 these were represented by the Group Leadership Team (GLT) which comprises the Chief Executive (Accounting Officer)*, Chief Finance Officer, Group Director of Human Resources & Organisational Development#, Group Director of Governance (Clerk)*, College Principal - WKC#, College Principal - CIC, College Principal - CONEL, Director of Information & Integration, Director of Operations - CCCT, Director of Financial Services, Director of Estates & Facilities, Director of Technology & Infrastructure Services, Director of Marketing & Communications, Director of Endowment, International & Growth and Chief Executive of Visionnaires.

The above members of key management personnel denoted with a * are senior post holders. The above members of key management personnel denoted with a # were appointed as senior post holders in July 2016, however following a resolution by the Corporation in July 2019 no longer have their pay approved by the remuneration committee.

	2020 No.	2019 No.
The number of key management personnel posts including the Accounting Officer was:	10	15

Capital City College Group

Notes to the Accounts (continued)

7 Staff costs (continued)

Emoluments of key management personnel, Accounting Officer and other higher paid staff

The number of key management personnel and other staff who received emoluments, excluding employer contributions to national insurance and pensions but including benefits in kind, during the year in the following ranges was:

	Key management personnel		Other staff	
	2020	2019	2020	2019
	No.	No.	No.	No.
£1 to £5,000	-	-	N/A	N/A
£5,001 to £10,000	-	1	N/A	N/A
£10,001 to £15,000	-	2	N/A	N/A
£15,001 to £20,000	-	1	N/A	N/A
£25,001 to £30,000	-	1	N/A	N/A
£40,001 to £45,000	1*	-	N/A	N/A
£60,001 to £65,000	-	-	10	8
£65,001 to £70,000	-	1	4	8
£70,001 to £75,000	-	1	7	4
£75,001 to £80,000	1	1	3	6
£80,001 to £85,000	-	-	1	2
£85,001 to £90,000	-	1	2	-
£90,001 to £95,000	2*	1	1	-
£95,001 to £100,000	1	1	-	1
£100,001 to £105,000	1*	-	-	-
£105,001 to £110,000	-	1	1	-
£115,001 to £120,000	-	1	-	-
£120,001 to £125,000	1	2	-	-
£125,001 to £130,000	1	-	-	-
£130,001 to £135,000	1	-	-	-
£145,001 to £150,000	-	1	-	-
£195,001 to £200,000	-	2	-	-
£210,001 to £215,000	1	-	-	-
	10	18	29	29

The above table includes several individuals who have held the same posts during the year, as well as 3 senior staff who have been employed for only part of the year.

*Had those key management personnel, who had only been employed for part of the year, been included in the above table at their usual rates of pay, those 3 members would have been included in the £100,001 to £105,000, £110,001 to £115,000 and £120,001 to £125,000 bandings, respectively, in 2020.

Key management personnel remuneration is made up as follows:

	2020	2019
	£'000	£'000
Salary	1,132	1,392
Employer's National Insurance	148	177
Benefits in kind	5	2
	1,285	1,571
Pension contributions	162	183
Payroll sub total	1,447	1,754
Contracted out staffing services for key management personnel	-	197
Total key management personnel remuneration	1,447	1,951

Capital City College Group

Notes to the Accounts (continued)

7 Staff costs (continued)

The previous remuneration table includes amounts payable to the Chief Executive who is the Accounting Officer and who is also the highest paid member of staff. Their pay and remuneration is as follows:

	2020 £'000	2019 £'000
Salary	209	195
Employer's National Insurance	28	26
Benefits in kind	4	2
	241	223
Pension contributions	29	26
Total remuneration	270	249

The Corporation delegates all decisions with respect to senior post holder pay to the Remuneration Committee and reports all decisions to the Board. The committee considered the AoC's draft Senior Staff Remuneration Code at its meeting on 6 November 2018, and agreed to assess pay in line with its principles.

The remuneration packages of the Chief Executive and the Clerk (the senior post holders) are subject to annual review by the Remuneration Committee of the governing body who, in the normal course of events, use benchmarking information to provide objective guidance. No individual or group pay award has been approved for any staff during the year. No performance related pay or bonus payments were awarded to senior staff during the year.

The Chief Executive reports to the Chair of the Corporation, who undertakes an annual review of their performance against the College's overall objectives using both qualitative and quantitative measures of performance.

Relationship of Chief Executive pay and remuneration expressed as a multiple:

	2020	2019
Chief Executive's basic salary as a multiple of the median basic salary of all staff	5.40	5.43
Chief Executive's total remuneration as a multiple of the median total remuneration of all staff	5.49	5.49

Compensation for loss of office paid to former key management personnel

	2020 £'000	2019 £'000
Compensation paid to a former key management personnel - contractual	84	231

The severance payments were approved by the College's Remuneration Committee.

The members of the Corporation other than the Accounting Officer and the staff members did not receive any payment from the institution other than the reimbursement of travel and subsistence expenses incurred in the course of their duties.

Capital City College Group

Notes to the Accounts (continued)

8 Other operating expenses

	2020 £'000	2019 £'000
Teaching costs	7,612	11,296
Non teaching costs	14,332	14,450
Premises costs	9,884	11,015
Total	31,828	36,761

Other operating expenses include:

	2020 £'000	2019 £'000
Auditors' remuneration:		
Financial statements audit	53	52
Internal audit	51	80
Other services provided by the internal auditors - organisational review	95	-
Losses on disposal of non-current assets	-	-
Hire of assets under operating leases	283	402

Access and participation spending

	£'000	£'000
Access investment	43	N/A
Financial support to students	63	N/A
Disability support	2	N/A
	108	-

The above costs include 1 to 1 motivational tutoring, subject-specific workshops, c-19 ad-hoc support, additional learning support and wrap around support services to enhance the learning experience.

9 Interest and other finance costs

	2020 £'000	2019 £'000
On bank loans, overdrafts and other loans	-	15
Interest cost on enhanced pension liability	22	24
Net interest on defined pension liability (note 26)	1,417	1,521
Total	1,439	1,560

10 Taxation

The members do not believe the College was liable for any Corporation Tax arising out of its activities during either year.

Capital City College Group
Notes to the Accounts (continued)

11 Tangible fixed assets	Land and buildings		Plant and	Assets in the	Total
	Freehold	Long leasehold	Equipment	Course of Construction	
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1 August 2019	362,451	51,290	52,084	35	465,860
Additions	1,334	-	3,345	504	5,183
Transfer to assets held for resale	(296)	-	(5)	-	(301)
Transfers	-	-	34	(34)	-
Disposals	-	-	(3)	-	(3)
At 31 July 2020	363,489	51,290	55,455	505	470,739
Depreciation					
At 1 August 2019	47,802	7,022	39,688	-	94,512
Charge for the year	5,211	341	3,751	-	9,303
Transfer to assets held for resale	(166)	-	(5)	-	(171)
Elimination in respect of disposals	-	-	(3)	-	(3)
At 31 July 2020	52,847	7,363	43,431	-	103,641
Net book value at 31 July 2020	310,642	43,927	12,024	505	367,098
Net book value at 31 July 2019	314,649	44,268	12,396	35	371,348

Other than as noted below, land has been valued on implementation of FRS102 for the purpose of the financial statements at fair value as at 1 August 2014 by Jones Lang LaSalle Limited a firm of independent chartered surveyors and this is now deemed cost.

Tangible fixed assets transferred on merger from the College of Haringey, Enfield & North East London were adjusted to fair value as at 1 November 2019 (the date of merger) and this is now deemed cost. For fixtures, fittings and equipment fair value was considered to be the net book value immediately prior to merger. Freehold land and buildings were valued at market value on an existing use basis. The valuation of land and buildings was undertaken by MBRE Limited, a firm of independent chartered surveyors.

During the year the Group's only residential property was put up for sale. As a consequence the gross cost and cumulative depreciation of this asset has been transferred from non-current assets to current assets - assets held for resale (see note 14).

The College does not have any assets held under finance leases.

If inherited land and buildings had not been valued they would have been included at £Nil historic cost.

In April 2015 the College granted a charge over its Victoria site to the London Pensions Fund Authority (LPFA) in return for a significant reduction in its ongoing pension contributions. A second charge in favour of the LPFA, over the Centre for Business, Arts and Technology, is currently in the process of being implemented. A further charge, in favour of The Football Foundation, which obligates the College to make its artificial sports pitch available to several local clubs and regulates the fees charged, is held over the freehold of parts of the Enfield Centre.

Capital City College Group

Notes to the Accounts (continued)

12 Investment properties

	2020 £'000	2019 £'000
Fair value as at 1 August 2019	2,343	2,332
Improvements	-	-
Revaluation	-	11
	2,343	2,343

The College owns two properties which it does not use within its business. One, which was previously accounted for in tangible fixed assets and was recategorised, is leased to a third party on a 10 year lease from 1 July 2016 and is operated as a Caribbean Cafe. The other is leased on a 21 year lease from 15 November 1999 to a joint venture company which is jointly owned by the College and Haringey Council. A 21 year extension to this lease from 2020 has been approved. As neither property is used by the College for educational purposes they are presented as investment properties.

The investment properties are carried at fair value. They were valued as at 31 July 2020 by the Corporation using a combination of, use of the RICS Red Book, or comparison to the market values of similar properties. The Corporation are satisfied that, having reviewed available data on market activity in the respective locations, there has been no significant change to the assets' fair value from that date in relation to any of the properties requiring any further revaluation.

13 Investments

	2020 £'000	2019 £'000
Non-current asset investments - treasury	-	1,000
Other non-current asset investments	46	46
Total	46	1,046

The bulk of other investments represent the College's prize funds. These funds are made up of a number of independent gifts. The income generated on these gifts is used to fund annual prizes in accordance with the donors' wishes.

The College owns 100% of Apprenticeships First Limited and 50% of Tottenham Green Enterprise Centre Limited, both of which are incorporated in England and Wales. Apprenticeships First Limited's is effectively dormant though its previous principal activity was as an Apprenticeship Training Agency which provided employment for apprentices. Tottenham Green Enterprise Centre Limited's principal business is the provision of facilities for start up businesses.

Neither the subsidiary or the joint venture are material to the College's financial statements and therefore have not been consolidated.

14 Assets held for resale

The College owns a 3 storey residential property, in close proximity to the Emirates Stadium, which it previously rented to a member of College staff. The property was vacated in 2017 and was subsequently let on several short-term leases. The most recent lease has ended and the property is currently being marketed for sale at an estimated selling price of £800,000. Agents and legal costs, for a successful sale, are estimated to be in the region of £20,000. An unrealised gain of £651,000 has been recognised in the statement of comprehensive income and expenditure on revaluing this asset to its fair value.

Capital City College Group

Notes to the Accounts (continued)

15 Trade and other receivables

	2020 £'000	2019 £'000
Amounts falling due within one year:		
Trade receivables	2,793	4,439
Amounts owed by group undertakings:		
Subsidiary undertakings	62	32
Prepayments and accrued income	1,580	1,903
Amounts owed by the ESFA	2,156	1,857
Other debtors	221	298
Total	6,812	8,529

16 Current investments

	2020 £'000	2019 £'000
Short term deposits	2,014	6,657
Total	2,014	6,657

Deposits are held with banks and building societies operating in the London market and licensed by the Financial Conduct Authority with more than three months maturity at the balance sheet date. The interest rates for these deposits are fixed for the duration of the deposit at time of placement.

17 Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Other loans	41	85
Trade payables	935	936
Other taxation and social security	2,561	2,508
Other tax provision	-	797
Accruals and deferred income	5,931	7,976
Deferred income - government capital grants	1,229	1,233
Amounts owed to the ESFA	262	140
Learner Support Fund	1,239	1,558
Other creditors	99	368
Total	12,297	15,601

18 Creditors: amounts falling due after one year

	2020 £'000	2019 £'000
Other loans	21	62
Deferred income - government capital grants	37,763	38,993
Total	37,784	39,055

Capital City College Group
Notes to the Accounts (continued)

19 Maturity of debt

Other loans

Other loans are repayable as follows:

	2020	2019
	£'000	£'000
In one year or less	41	85
Between two and five years	21	62
Total	<u>62</u>	<u>147</u>

The loans are provided by SALIX Finance Limited, a non-departmental public body owned by the Government, to improve energy efficiency, reduce carbon emissions and lower energy bills. SALIX loans are non-secured and interest free.

Capital City College Group

Notes to the Accounts (continued)

20 Provisions

	Defined benefit obligations	Enhanced pensions	Total
	£'000	£'000	£'000
At 1 August 2019	60,509	1,112	61,621
Movement in the period	(2,570)	33	(2,537)
Additions in period	30,813	-	30,813
At 31 July 2020	88,752	1,145	89,897

Defined benefit obligations relate to the liabilities under the College's membership of the Local Government Pension Scheme. Further details are given in Note 26.

The enhanced pension provision relates to the cost of pension enhancements for staff of the former Westminster, Kingsway and City & Islington Colleges who left employment prior to previous mergers. This provision has been recalculated in accordance with guidance issued by the funding bodies.

The principal assumptions for this calculation are:

	2020	2019
Price inflation	2.2%	2.2%
Interest rate	1.3%	2.0%

21 Cash and cash equivalents

	At 1 August 2019 £'000	Cash flows £'000	At 31 July 2020 £'000
Cash and cash equivalents	8,932	2,562	11,494
Total	8,932	2,562	11,494

22 Capital commitments

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

Capital City College Group
Notes to the Accounts (continued)

23 Lease obligations

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

	2020 £'000	2019 £'000
Future minimum lease payments due		
Other		
Not later than one year	636	373
Later than one year and not later than five years	2,489	-
later than five years	-	-
	<u>3,125</u>	<u>373</u>
Total lease payments due	<u>3,125</u>	<u>373</u>

24 Contingencies

The College is not aware of any contingent liabilities which need to be disclosed.

25 Events after the reporting period

There are no events after the reporting period.

Capital City College Group

Notes to the Accounts (continued)

26 Defined benefit obligations

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

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

Total pension cost for the year	2020	2019
	£'000	£'000
Teachers' Pension Scheme: contributions paid	6,605	4,461
Local Government Pension Scheme:		
Contributions paid	2,391	2,252
FRS 102 (28) charge	<u>4,625</u>	<u>5,175</u>
Charge to the Statement of Comprehensive Income	7,016	7,427
Other pension contributions paid	-	5
Enhanced pension charge to Statement of Comprehensive Income	9	16
Total pension cost for year (note 7)	<u>13,630</u>	<u>11,909</u>

Contributions amounting to £1,104,000 (2019: £903,000) were payable to the schemes at 31 July and are included in creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including colleges. 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 FRS102 and has accounted for its contributions to the scheme as if it were a defined contributions plan. The College has set out below 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 accounts with a real rate of return assuming funds are invested in notional investments that produce that real rate of return.

Capital City College Group

Notes to the Accounts (continued)

26 Defined benefit obligations (continued)

Teachers' Pension Scheme (Continued)

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 £196 billion giving a notional past service deficit of £22 billion.

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/9). DfE has agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 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 £6,606,000 (2019: £4,461,000).

Capital City College Group

Notes to the Accounts (continued)

26 Defined benefit obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by the London Pension Fund Authority. The total contributions made for the year ended 31 July 2020 were £3,584,000, of which employer's contributions totalled £2,391,000 and employees' contributions totalled £1,193,000. The agreed contribution rates for future years are 13.8%, rising to 15.5% from 1 April 2021 for the College 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 2019 updated to 31 July 2020 by Barnett Waddingham, a qualified independent actuary:

	2020	2019
Rate of increase in salaries	2.96%	3.90%
Future pensions increases	2.25%	2.40%
Discount rate for scheme liabilities	1.55%	2.10%
Inflation assumption (CPI)	2.25%	2.40%
Commutation of pensions to lump sums	50%	50%

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

	2020 years	2019 years
<i>Retiring today</i>		
Males	21.2	20.6
Females	24.0	23.4
<i>Retiring in 20 years</i>		
Males	22.7	22.9
Females	25.5	25.5

Had different assumptions been used, the impact on the projected service cost for the year ending 31 July 2021 and the present value of totals obligations are shown below:

<i>Sensitivity analysis</i>	Service cost £'000	Present value of total obligation £'000
For year ended 31 July 2020 (Per accounts)	7,195	225,360
Discount rate and mortality assumption (as above)	8,668	225,360
Discount rate +0.1%	8,408	220,806
Discount rate -0.1%	8,937	230,012
Mortality assumption - 1 year increase	8,959	232,911
Mortality assumption - 1 year decrease	8,386	218,054

The service cost for the year ended 31 July 2020 were calculated using an estimate of the total pensionable payroll during the year. From the contribution information provided to the actuary, the estimated total pensionable payroll during the year was £17,651,000 (2019: £17,395,000).

Capital City College Group

Notes to the Accounts (continued)

26 Defined benefit obligations (continued)

Local Government Pension Scheme (Continued)

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

	Fair Value at 31 July 2020 £'000	Fair Value at 31 July 2019 £'000
Equities	75,029	72,440
Target return portfolio	31,082	33,765
Infrastructure	9,442	7,619
Property	12,664	12,112
Cash	8,391	7,013
Total fair value of plan assets	<u>136,608</u>	<u>132,949</u>

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

	2020 £'000	2019 £'000
Fair value of plan assets	136,608	132,949
Present value of plan liabilities	(225,173)	(193,266)
Present value of unfunded liabilities	(187)	(192)
Net pensions liability (Note 20)	<u>(88,752)</u>	<u>(60,509)</u>

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

	2020 £'000	2019 £'000
Amounts included in staff costs		
Current service cost	7,140	6,310
Past service cost	55	1,202
Total	<u>7,195</u>	<u>7,512</u>

Amounts included in interest and other finance costs

Net interest payment	1,417	1,521
	<u>1,417</u>	<u>1,521</u>

Amounts recognised in Other Comprehensive Income

Return on pension plan assets	(4,250)	(8,825)
Other actuarial gains	2,116	339
Experience losses arising on defined benefit obligations	7,517	(1,500)
Changes in assumptions underlying the present value of plan liabilities	16,818	11,415
Amount recognised in Other Comprehensive Income	<u>22,201</u>	<u>1,429</u>

Capital City College Group
Notes to the Accounts (continued)

26 Defined benefit obligations (continued)

Local Government Pension Scheme (Continued)

Movement in net defined benefit liability during the year

	2020	2019
	£'000	£'000
Deficit in scheme at 1 August	(60,509)	(52,384)
Movement in year:		
Current service cost	(7,140)	(6,310)
Estimated employer contributions	2,570	2,337
Past service cost	(55)	(1,202)
Administration expenses	(173)	(159)
Net interest on the defined liability	(1,244)	(1,362)
Actuarial loss	(22,201)	(1,429)
Net defined benefit liability at 31 July	<u>(88,752)</u>	<u>(60,509)</u>

Asset and Liability Reconciliation

	2020	2019
	£'000	£'000
Changes in the present value of defined benefit obligations		
Defined benefit obligations at 1 August	193,458	175,043
Current service cost	7,140	6,310
Interest cost	4,025	4,596
Estimated contributions by Scheme participants	1,204	1,164
Experience loss/(gain) on defined benefit obligations	7,517	(1,500)
Changes in financial assumptions	16,218	20,812
Changes in demographic assumptions	600	(9,397)
Estimated benefits paid	(4,857)	(4,772)
Past Service cost	55	1,202
Defined benefit obligations at 31 July	<u>225,360</u>	<u>193,458</u>

Changes in fair value of plan assets

Fair value of plan assets at 1 August	132,949	122,659
Interest on plan assets	2,781	3,234
Return on plan assets	4,250	8,825
Other actuarial losses	(2,116)	(339)
Administration expenses	(173)	(159)
Estimated employer contributions	2,570	2,337
Estimated contributions by Scheme participants	1,204	1,164
Estimated benefits paid	(4,857)	(4,772)
Fair value of plan assets at 31 July	<u>136,608</u>	<u>132,949</u>

Capital City College Group

Notes to the Accounts (continued)

26 Defined benefit obligations (continued)

Local Government Pension Scheme (Continued)

These accounts show a past service cost of £955,000 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 0.5% of the total scheme liability as at 31 July 2020. The calculation of adjustment to past service costs, £955,000, 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%.

Capital City College Group

Notes to the Accounts (continued)

27 Related party transactions

Due to the nature of the College's operations and that members of the Corporation are drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Corporation 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.

The total expenses paid to or on behalf of the members of the Corporation during the year was £922 for 2 members (2019: £1,788 for 3 members). This represents travel and subsistence expenses and other out of pocket expenses incurred in attending meetings of the Corporation.

No member of Corporation has received any remuneration or waived payments from the College during the year (2019: None).

The CEO, and Accounting Officer, is one of five directors of the Collab Group, a company limited by guarantee. The role is not remunerated. During the year Collab Group invoiced the College £96,318 (2019: £6,564) for consultancy services, bid development and training. There were no balances outstanding (2019: £Nil) at year end.

28 Amounts disbursed as agent

Learner support funds

	2020 £'000	2019 £'000
Funding body grants – bursary support	2,762	2,814
Other Funding body grants	75	65
	<u>2,837</u>	<u>2,879</u>
Disbursed to students	(2,757)	(2,669)
Administration costs	(80)	(87)
	<u>-</u>	<u>123</u>
Balance unspent as at 31 July	-	123

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

City and Islington College

candi.ac.uk

Westminster Kingsway College

westking.ac.uk

**The College of Haringey, Enfield
and North East London**

conel.ac.uk

Capital City College Training

capitalcct.ac.uk



CITY AND ISLINGTON
COLLEGE



Westminster
Kingsway College

The College of
Haringey, Enfield
and North East London



Capital City
College Training

