

Capital City College Group

ANNUAL REPORT AND FINANCIAL STATEMENTS for the year ended 31 July 2022

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

Contents

Reference and Administrative Details of the Corporation, its Governors and Advisers	1 - 2
Strategic Report	3 - 15
Statement of Corporate Governance and Internal Control	16 - 22
Statement on Regularity, Propriety and Compliance	23
Statement of Responsibilities of the Members of the Corporation	24 - 25
Independent Auditors' Report on the Financial Statements	26 - 29
Independent Reporting Accountant's Report on Regularity	30 - 31
Consolidated Statement of Comprehensive Income and Expenditure	32
Consolidated and Corporation Statement of Changes in Reserves	33
Consolidated Balance Sheet	34 - 35
Corporation Balance Sheet	36 - 37
Consolidated Statement of Cash Flows	38
Notes to the Financial Statements	39 - 77

Capital City College Group

Reference and Administrative details of the Corporation, its Governors and Advisors for the Year ended 31 July 2022

Governors	Alastair Da Costa, Chair Roy O'Shaughnessy Sharon Saxton Amelia Sussman Professor Anthony Smith Maarten Zuurmond The Rt Hon Lord Triesman Chris Hyams Sanna Jordansson Anthony Impey Toyin Odutayo Asfa Sohai Desmond Corlis Angela Herbert (appointed 1 February 2022) Nicole Morgan (appointed 1 February 2022) Weiye Kou (appointed 1 February 2022) Vincent Egunlae (appointed 1 February 2022) Jenesha Chin (appointed 22 October 2021) Sinem Bozkurt (appointed 22 October 2021)
Registered office	Westminster Kingsway College 211 Gray's Inn Road London WC1X 8RA
Company secretary	Graham Drummond
Key Management	Amanda Cowley, Chief People Officer Colleen Marshall, Vice Principal David Dangana, Director Group Quality Elvie-Jo Shergold, Director of Marketing & Communications Gary Hunter, Deputy Executive Principal Graham Drummond, Group Director of Governance Jacqueline Chapman, Managing Director Jasbir Sondhi, Vice Principal Kurt Hintz, Executive Principal Neill Scott, Director of Estates and Facilities Nicholas Carey, Chief Commercial Officer Jackie Ruilsling, Director of Management Information Rachael White, Chief Financial Officer Robin Hindley, Vice Principal Roy O'Shaughnessy, Chief Executive Officer Sarah Ventham, Director of Finance Stewart Cross, Director of Business Intelligence and Planning Jeremy Wells, Director of ICT

Capital City College Group

Reference and Administrative details of the Corporation, its Governors and Advisors for the Year ended 31 July 2022

Independent auditors	MHA MacIntyre Hudson Chartered Accountants 6th Floor 2 London Wall Place London, United Kingdom EC2Y 5AU
Bankers	Barclays Bank PLC 1 Churchill Place London E14 5HP
Internal Auditor	RSM Risk Assurance Services LLP One London Square Cross Lanes Guildford Surrey GU1 1UN
Solicitors	Eversheds Sutherland (International) LLP Bridgewater Place Water Lane Leeds LS11 5DR Bates Wells & Braithwaite London LLP 10 Queen Street Place London EC4R 1BE Shakespeare Mantineau No 1 Colmore Square Birmingham B4 6AA DX721090 Birmingham 43
Actuary	Barnett Waddingham LLP Cheapside House 138 Cheapside London EC2V 6BW

Capital City College Group

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2022

Overview

This was the second year of CCCG's 2020/23 strategic plan and there were a number of key achievements of which we can be proud. At a headline level we can now be confident that our students can expect to receive teaching which is at least good across all of our campuses and this has been achieved by dedicated staff who use their industry and pedagogical expertise to ensure that our students achieve their ambition, whether it is to progress within the workplace or secure a place on a course of further study.

This year also saw the start of a wide range of exciting new initiatives. Firstly, in September 2021 we took on the first cohort of students at the new coding school, 01 Founders, at our Regent's Park site. This course provides guaranteed work when students complete their study and is provided in line with industry requirements in an area of the workforce which has recognised skills shortages. We have also been successful in receiving London Mayor academy status for four of our curriculum areas as follows:

- Green Skills
- Digital Skills
- Creative (Film and TV)
- Hospitality

Not only does this allow us to invest into the quality of our resources so that our students can benefit from learning with equipment which is industry standard, but it recognises the hard work and expertise of our staff, who are at the cutting edge of occupational education, allowing our students to enter the workplace 'industry ready'.

We have also been successful in securing capital funds on a match funding basis for three of our sites: Soho, Holloway and Tottenham. Maintaining the quality of accommodation is vital if we are to keep our status as the Capital's first choice post-16 education and training institution. A review of accommodation needs a few years ago showed that we had excess accommodation capacity across our estates and therefore in order to provide the match funds for these projects the Board agreed to sell the Marlborough building. Many of our staff will have happy memories of teaching in this building over a number of years, however it is part of the process of change and rejuvenation which CCCG and its forebear colleges have had to go through in order to ensure that the curriculum offer remains relevant, and taught in accommodation which is fit for purpose.

Our strategic plan has three core strands: 1) consistently good teaching 2) financial sustainability and 3) one cohesive organisation. We remain on a journey with respect to all three of these strands, however in relation to financial sustainability, there continue to be challenges. In 2021/22, prior to accounting for any asset disposals or pension adjustments, CCCG made an operating deficit of £952k. Despite this, we continue to have a strong balance sheet and a healthy cash position.

However more work is required to ensure our operating position is at or around a break-even position and we are working to achieve this over the next 12-24 months. Whilst we need to improve the impact of our marketing, more importantly we must continue to ensure that our curriculum is relevant and rooted in addressing the needs of our stakeholders such as local employers and other community organisations. The winning of academy status for four of our curriculum areas and the improvement of our accommodation through the capital transformation projects will help to ensure that we continue on this journey; but there is still much to do.

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 WKIC Group. It is an exempt charity for the purposes of Part 3 of the Charities Act 2011. 'The WKIC Group' is known under its licensed trading name of the Capital City College Group (CCCG).

Capital City College Group

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2022

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.

Mission, Vision, Strategy and Objectives

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

CCCG's mission - 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.

During the year the average staff headcount was 1,716 of which 716 were teaching staff.

The College enrolled 32,408 students. The College's student population includes 8,876 16 to 18-year-old students, 1,885 apprentices, 169 prescribed higher education students and 21,478 adult learners.

At 31 July 2022, the College had £322.8million (2020/21: £240.1 million) of net assets. 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 strong reputation locally and nationally for a number of specialist areas, including Hospitality, Construction and Applied Science. A key strategic aim of the College over the next 12 to 18 months is to use this reputation to its best effect in meeting the objectives as stated within the London Mayor's Local Skills and Improvement Plan (LSIP). As the largest adult skills provider within London and with four of the five mayoral skills priorities delivered by the College via its academies, we are in a strong position to meet this aim.

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 for which Capital City College staff are members of the University and College Union, the National Education Union, Unison and GMB;
- Professional bodies.

Capital City College Group

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2022

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. 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 32,408 students, including 437 students with high needs:

- Delivering high-quality teaching to our learners which challenges them to meet their potential.
- Delivering a flexible, relevant and responsive curriculum that meets the needs of learners, employers and government.
- Removing the barriers to accessing education for all: providing free education where possible, building appropriate provision for the local community and supporting those with low prior attainment or who have had a previously poor experience of education.
- Building sector-specific skills to improve learners' employment prospects in the highly competitive London labour market.
- Placing employer need, partnership and engagement at the heart of our curriculum development.
- Providing industry experts who teach with energy and passion for their sector and motivate students to be the best that they can be.
- Providing industry-standard equipment and facilities for our learners so they are prepared for the sectors they are preparing to work in.
- Developing our learners' enterprise and entrepreneurship skills so they can successfully launch new ventures.
- Providing high quality and practical careers advice and guidance to support our learners' progression to employment and further study.
- Having a robust professional development offer for all staff, including sector/industry exchanges, mentoring and secondments.

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 1,885 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 2021/22 operating deficit is £952k before the FRS102 pension adjustment and the loss on sale of the Marlborough building are applied.

The bottom line operating position after these statutory reporting adjustments are applied is a £11.8m deficit.

Capital City College Group

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2022

The College set a break-even budget (before statutory reporting adjustments) for the financial year 2021/22. During the year there have been a number of areas of activity which have resulted in additional expenditure namely examination fees, estates and facilities costs along with agency recruitment costs to fill unrecruited staffing positions.

Within the Corporate Plan covering the period 2020/21 to 2022/23 the College has set clear key performance indicators to monitor its progress to be a financially sustainable organisation. Significant work has been undertaken in the year to enhance expenditure control and financial oversight of performance as well as to increase the regularity of reforecasting the financial projections of the College.

Cash flows and liquidity

A £2.5m net cash inflow from 2021/22 operating activities. At 31 July 2022 the College held £22.5m (2020/21: £17.8m) of cash and cash equivalents.

COVID

Compared to the previous two years, Covid has had less of an impact on the student experience. At the start of the academic year there were recommended measures that the College put in place such as ensuring that teaching space is well ventilated and high use rooms are cleaned more regularly. Covid has still had an impact in terms of staff and student sickness rates, and general anxiety about being in close proximity to other people. The loss of learning caused by two years of limited face to face teaching and the cancellation of public examinations has meant that for some students a return to pre-Covid 'norms' has been a challenge, for example most of our 16-18 students have had no previous experience of sitting examinations. In many cases, students have risen to the challenge, for example our A level A*-C achievement rate was 17.3% higher than in 18/19, the last comparable pre-Covid year. However, in some other areas such as vocationally related qualifications achievement rates have been 5% lower than in previous years. The impact of Covid has therefore still lingered throughout the year.

Destinations and Accolades

With positive destinations of 93.9%, the College supported 30,431 students into further education, university or work. 2,152 students have progressed on to study at university with 258 of them progressing to Russell Group universities.

Over the year, students and staff at all three of the Group's colleges have been recognized with success in regional and national awards along with many other notable successes. For example,

For Candi:

- A CANDI student with an Education, Health Care (EHC) Plan had a poetry book published. Geshi Kallychurn wrote 'The Journey of a Brave Girl'. Geshi has cerebral palsy with diplegia, resulting in mobility and fine motor control difficulties.
- An Afghan student at CANDI was among the singers in a UK refugee choir who joined Elbow on stage at Glastonbury. Kazim Hussein, 19, performed the Citizens of the World Choir when they joined the band on the Pyramid Stage at the end of Refugee Week. The choir sang backing vocals to Elbow's hit song 'One Day Like This' which they also performed during the band's set at the Queen's Platinum Jubilee Party at the Palace.
- A-Level student, Brandon Chiwaza, has successfully secured a place on the highly competitive Herbert Smith Networked Scholarship Scheme.
- Three female A-Levels students won the Games Design Challenge 2022 and were chosen by a panel of judges from the Gaming industry.

Capital City College Group

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2022

- As part of the Career Ready programme, 16 CANDI students were provided with a 4 week paid internship over the summer , at prestigious companies such as Citibank, Royal Bank of Scotland, The North Sea Transition Authority and Allied World Insurance.
- Holloway Creative Arts students undertook work experience at Dad Bod Films- a Creative Film Production company specialising in branded content, music promos and documentary film making, from short films to commercials.
- Farheen Tasmia worked with Arsenal Football Club.
- Hope Kawa attended an extended placement at Brook on the Broadwater, Special Needs School, where she obtained a paid position over the summer and now has a L4 apprenticeship with the school and Westminster University.
- CANDI was invited to collaborate with Islington Virtual School on how best to support Looked After Children to improve their educational outcomes and transitioning to adulthood after Islington Virtual School was selected by the DFE as part of the pilot around the extension of Pupil Premium to post 16 looked-after children in FE.
- CANDI Nurseries continue to hold the Mayor of London's Healthy Early Years London Awards Bronze award at both nurseries in recognition of the work they do in Early Years for Children's Health and Well-being.
- 3 students were selected for the Sixth Form Colleges Association Exhibition.

For Westminster Kingsway:

- Young Chef Lorcan won Compass Apprentice Chef of the Year.
- Grace Hawksley was presented with the Apprentice Chef Award.
- (Alumni) Ben Murphy – National Chef of the Year winner.
- April Partridge – 3rd Place in National Chef of the Year.
- Jose Souto – Craft Guild of Chefs, Educator of the Year award.
- AA College Rosettes awarded to both of the College's restaurants.
- 2022 Travellers' Choice Award Winner from Trip Advisor.
- The College entered a high number of students to competitions this year including the HRC (Hotel, restaurant and catering) show with more than 50 entries. All learners achieved at least a bronze medal and there were silvers and golds including best in class. The College was awarded the Highest achieving college award.
- Awarded People 1st Centre of Excellence for Patisserie and Confectionery, Food and Beverage Service, Butchery and Game and Fish and Shellfish.
- Best Partnerships working initiative to enhance student experience.
- Commended AOC Awards - The Careers and Enterprise Company Award for 'Innovation in Careers & Enterprise'.
- 2022 NAMMS Award, 'Best partnership working initiative to enhance student experience'.
- Westminster Kingsway College named one of the best culinary schools in the world by high-profile global business magazine CEOWorld.
- Short films by media students from Westminster Kingsway College have been named among the best animations in this year's international Creative Conscience Awards.
- Eco-friendly students at Westminster Kingsway College named the London regional winners of the first ever Planet Earth Games for colleges.
- Student wins best vegetarian dish in international Young Chef Olympiad.
- Westminster Kingsway College student shortlisted for Young Student of the Year.

Capital City College Group

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2022

For CONEL:

- Business, Accounting, Travel and Tourism – A student completing his Travel and Tourism BTEC went onto work for British Airways. He stated that “the college course allowed him to learn about the industry and put theory into practice and apply it in real situations”.
- Hair and Beauty – A Level 3 Beauty Therapy student did extremely well on her course and has now gone onto Higher Education to study and specialise in physiotherapy.
- Health & Social Care – A student completed her Level 2 and Level 3 counselling diplomas at the College and then went on to complete her BA degree with the college.
- Construction – Winning the Queens Enterprise Award successfully working in partnership to rehabilitate ex-servicemen and women.
- Science and Engineering - 2 students achieved D*D*D* and are now at Brighton University to study Computer Science and Software Engineering and at Kingston University studying Civil Engineering and Construction Management.
- Computing, Creative and Media – The College worked with the Media Trust on the Vlogstar Challenge; this was a 1-day workshop that students participated in and they have mentor programmes they offer and a range of media programmes for the students. The College also worked with Ravensbourne University Outreach team as a partner school which allows our students to participate in creative workshops and have visits to the university. The College also participated in Fujifilm House of Photography workshop which was focused on camera lenses.
- Sport and Public Services -Two female Public Service Level 3 students from minority backgrounds gain enrolment onto the Metropolitan Police Degree apprenticeship.
- ESOL - The College offered its first community based courses for some 5 years, through the ESOL Integration Fund and the London Borough of Enfield. Courses were run at three community hubs for hard-to-reach adult learners with low level English skills, with some progressing onto courses at the college site.
- Learning Resources - The College took part in ‘Reading Ahead’, a reading challenge delivered through colleges, public libraries, adult learning organisations, workplaces and prisons. It challenges the participants to pick six reads and record, rate and review them in a personal reading diary. The feedback from learners showed they really appreciated their achievements being acknowledged.
- Vocational Employability and Trade Union Education - Women into Construction presented the team with a Highly Commended award for Partnerships with a purpose. One learner completed an exclusive women’s programme with TfL and got a job as a graduate environmental engineer with Riverlinx, building a new tunnel in East London under the Thames.
- Supported Learning - New links with the Autism Advisory Service in Enfield were established, working towards the college being given local SEND/Autism friendly status. New links have been built with local special schools and Haringey Learning Disability Partnership to bring opportunities for adults to benefit from learning programmes at the college.

Capital Investment

Tangible fixed asset additions during the year amounted to £5.1m. 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 £322.8m including cash reserves of £22.5m. The College wishes to accumulate reserves and cash balances in order to support its estates strategy as well as support an ongoing sustainable financial position.

Capital City College Group

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2022

Sources of income

The College has significant reliance on the education sector funding bodies for its principal funding source, largely from recurrent grants. In 2021/22 the FE funding bodies provided 86% of the College's total income.

Group companies

The College has two wholly owned subsidiary companies, Apprenticeships First Limited (AFL) and Capital City College Enterprises (CCCE), 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. None of the entities' financial transactions were material to the College and as such they have not been consolidated.

Visionnaires

After piloting an innovative set of entrepreneurship programmes from 2019, in 2021 the College created a community interest company, VSPARK C.I.C, trading under its registered trademark Visionnaires. Its purpose is to create a community of best practice among colleges, supporting diverse participants of all ages in their entrepreneurship and self-employment aspirations. Visionnaires is owned 70% by CCCG and 15% by each of NCG and United Colleges Group. It is now growing its college partnerships across England.

01 Founders

The College is a Founding Partner in 01 Founders, an innovative new coding school aiming to train 100,000 full stack software developers by 2030. 01 Founders Ltd was incorporated as a private limited company on 22 January 2021, with the other Founding Partners being Founders Forum and 01 Edu. The Board approved the College's membership of this joint venture in June 2021. In return for a 29% share of 01 Founders, CCCG has invested £500k during 2021/22 as well as providing in-kind investment including a location for the school and associated services.

Capital City College Enterprises (CCCE)

CCCE was set up in July 2021 and is a wholly owned subsidiary of the College. It is a commercial trading subsidiary to gift aid unrestricted surplus back up to the Corporation to reinvest in CCCG and our learners. The primary activity of the company during the year is to provide estates and facilities management services to the College.

FUTURE PROSPECTS

Future developments

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.

Group Vision and Mission

CCCG's vision - Transforming lives through exceptional education and training.

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

Capital City College Group

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2022

Strategic Theme 1: Our Learners

Priority 1a: For our learners to be engaged, motivated and experience consistently high-quality education

Priority 1b: For our learners to compete effectively in London's workplace and meet the needs of London's employers

Strategic Theme 2: Our College

Priority 2a: To be a financially sustainable organisation

Priority 2c: To be a cohesive Group with effective and efficient systems

Priority 2b: To become sector leading in environmental sustainability

Strategic Theme 3: Our Colleagues

Priority 3a: To have a high performing and skilled staff team

Priority 3b: To ensure all staff feel included, supported and engaged

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. The College has no borrowings.

Reserves policy

The College has adopted a reserves policy during the year.

As at the balance sheet date, the Income and Expenditure account reserve stands at £114.3m (2020/21: £32.4m). 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.

PRINCIPAL RISKS AND UNCERTAINTIES

Risk management

The College has undertaken further work during the year to develop and embed the systems of internal financial and operational control, as well as risk management which is designed to protect the College's assets, reputation and financial stability. The Corporation has overall responsibility for risk management and internal controls, which 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 mitigate them. Risks are prioritised using a consistent scoring system.

The highest risks facing the College are as follows:

- Failure to deliver the objectives as stated within the three year financial plan 2022-25
- Failure to deliver the estates strategy on budget and in line with agreed schedule
- Industrial action leading to reputational damage

Capital City College Group

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2022

The controls and actions being taken to mitigate these risks and all other risks facing the College are provided within the risk register

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 2021/22 were:

Key performance indicator	Planned	Actuals for 2021/22
16-18 Learner Numbers	9,719	8,876
Adult Education Budget income	£34,024k	£33,380k
National Skills Fund income	£1,322k	£866k
Apprenticeships Income	£4,341k	£3,930k

The shortfall in 16-18 learner numbers was a consequence of low recruitment, especially during August – September 2020, caused by the Covid-19 lockdown. The level of funding for 16-18s is based on the previous year's recruitment and therefore guaranteed for the financial year. The Adult Education Budget planned figure includes £1,250k additional grant made in-year by the Greater London Authority. The earned actuals are 98.1% of grant, above the 97% threshold to receive 100% of the grant. However, we fell short of the National Skills Fund contract.

Students continue to prosper at the College. Achievement rates (i.e. the number of achieved learning aims as a percentage of total learning aims) in 2021/22 were 86.7% for the Group, which was 0.8% lower than in 2020/21. Achievement rates for 16-18 year olds were 79.5%, and those for adults were 90.1%.

The College's financial key performance indicators are:

KPIs for Strategic Theme 2	2021-22 Actual	2021-22 Target
EBITDA (excl exceptional costs)	£8.8m	£9.8m
EBITDA as a % of Turnover	7.6%	7%
Operating Position / Surplus	(£952k)	Break-even
ESFA Financial Health	Outstanding	Good
Liquidity	3.0	1.7
Cash Days in Hand	85	38
Gearing	nil	nil
Pay / Turnover %	63%	64%

Capital City College Group

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2022

The College measures its performance towards the above financial objectives within its monthly management accounts and reforecasting of the end of year financial outturn on a quarterly basis. The College 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 College Financial Forecast Return for the Education and Skills Funding Agency (ESFA) which assesses the College's financial health. The assessment for 2021/22 has resulted in a rating of "Outstanding" at the end of the period.

At the last OFSTED inspection the College was graded as 'Requires Improvement', however for the last two years the College has self-assessed itself as 'Good'.

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 1st August 2021 to 31 July 2022, the College paid 84.96% of its invoices within 30 days. The primary causes of delays were 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 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 as at 31 March 2021 (which is the most recent analysis):

Mean Gender Pay Gap	6.71%
Median Gender Pay Gap	5.75%
Mean Gender Bonus Pay Gap*	46%
Median Gender bonus Pay Gap*	58.2%

* Note: Bonuses were paid to only 4 individuals during 2020/2021 in comparison to 24 in 2019/2020.

The College employs 60% women and 40% men. Women make up the largest group of employees in the lowest pay quartile at 69.8% and also in the lower middle quartile at 72.1%. The gender balance is better in the top and upper middle quartiles with women representing 55.7% and 59.2% respectively.

The 2021 mean and median gender pay gaps are an improvement on the 2020, 2019 and 2018 gender pay gaps. Since 2020 the gap has decreased by 1.22 percentage points for the average and 2.74 percentage points for the median.

The Group's mean gender pay gap remains below the national average of 15.4% and our median gender pay is less than the national median gender pay gap of 14.7%. We also compare favourably to the education sector (24.9% median and 17.7% mean).

The number of staff within the College who receive a bonus is very small, i.e. 0.3% of women and 0.16% of men were in receipt of a bonus. Statistics based on such a small sample size can be volatile.

Capital City College Group

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2022

We are committed to equal opportunities and equal treatment for all employees, regardless of sex, race, religion or belief, age, marriage or civil partnership, pregnancy/maternity, sexual orientation, gender reassignment or disability. We continue to monitor our progress and specifically review the number of men and women:

- applying for jobs and being recruited;
- applying for and getting promotions;
- leaving our organisation and their reasons for leaving;
- in each role and pay band;
- working flexibly and their level within our organisation.

The published GPG Report can be found at: [Our Policies, Reports and Strategies - Capital City College Group \(capitalccg.ac.uk\)](https://www.capitalccg.ac.uk/about-us/equality-diversity-and-inclusion)

ED&I Statement

The College has an ED&I Three Year Plan which can be viewed at <https://www.capitalccg.ac.uk/about-us/equality-diversity-and-inclusion>

Capital City College Group is committed to equality, diversity and inclusion in all our activities for everyone who learns and works here. We respect and value differences in age; disability (including mental health); sex; gender identity; race (which includes ethnic or national origins and caste); religion or belief; sexual orientation; marital or civil partnership; maternity and pregnancy; and economic and social background.

The College is a place where:

- Students are at the heart of all that we do
- All who learn and work here have the opportunity to participate fully and achieve their full potential
- Physical, social and economic barriers to access are minimised
- The environment is welcoming and supportive
- Teaching and learning are the key to our success
- All who work or study accept the responsibility to uphold equality and show fairness, courtesy and respect to others
- Compliance with all current equalities legislation in employment and provision of teaching and services and procurement

How We Show Our Commitment

We share a responsibility for upholding the College's values and as a community we will:

- Provide an environment which promotes and celebrates equality, diversity and inclusion and actively values and respects differences
- Ensure staff and students are equipped to recognise diversity and challenge discrimination
- Investigate all allegations of bullying, discrimination, harassment and victimisation sensitively
- Monitor the curriculum and outcomes of learning to ensure they are free from discrimination and reflect the needs of the wider community we serve
- Monitor and evaluate the effectiveness of equality, diversity and inclusion policies, procedures and practices
- Work to ensure equality of access and the diversity of resources within the curriculum and the learning environment
- Face up to the challenge of improving year on year as an organisation with a strong track record in equality and one which listens to and values all its students and staff
- Aspire to excellence and ensure that quality and equality are the responsibility of all of us who learn and work here
- Work with suppliers who are committed to equality, diversity and inclusion

Capital City College Group

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2022

Disability Statement

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

- The College has appointed staff who provide information and advice, and arrange support where necessary for students with disabilities/learning difficulties.
- 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 assistive technology.
- 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.
- The College has appointed lecturers with specialisms to support students with learning difficulties and/or disabilities. There are a number of student support assistants who can provide a range of support for learning.
- There is a continuing programme of staff development to ensure the provision of a high level of appropriate support for students who have learning difficulties and/or disabilities.
- Specialist programmes are described in the College's prospectus, and achievements and destinations are recorded and published in the standard College format.
- 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	£80,387k
Percentage of total bill spent on facility time	0.1%

Time spent on paid trade union activities as a percentage of total paid facility time	100%
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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.

Capital City College Group

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2022

Events after the end of the reporting period

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 and signed on its behalf by:

DocuSigned by:

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Alastair Da Costa
Chair

Date: 12/19/2022

Capital City College Group

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL FOR THE YEAR ENDED 31 JULY 2022

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 2021 to 31 July 2022 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 2022. This opinion is based on the self-assessment exercise that was carried out in August 2022 and reported to the Search and Governance Committee at its meeting in September 2022. 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 21/22
Alastair Da Costa (<i>Chair</i>)	Independent	20.7.16 11.7.18 26.05.22	3 years	31.7.25	Remuneration Search and Governance (Chair)	100%
Sharon Saxton (Vice Chair)	Independent	13.3.20	4 years	13.3.24	Remuneration (Chair) Search and Governance	100%
Sanna Jordansson	Independent	13.3.20	4 years	13.3.24	Search and Governance Audit	67%
Anthony Impey	Independent	8.7.20	4 years	15.12.21		50%
Anthony Smith	Independent	20.7.16 11.7.18 31.7.20	3 years	31.7.23	Quality Oversight (Chair)	89%
Amelia Sussman	Independent	20.7.16 11.7.18 31.7.20	3 years	31.7.23	Quality Oversight Search and Governance	100%
Maarten Zuurmond	Independent	1.11.17 11.7.18 7.7.21	1 year	31.7.22	Remuneration	67%

Capital City College Group

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL FOR THE YEAR ENDED 31 JULY 2022

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 21/22
Lord David Triesman	Independent	1.11.17 11.7.18 31.7.20	2 years	31.7.22		56%
Chris Hyams	Independent	10.7.19	4 years	31.7.23	Audit (Chair)	89%
Toyin Odutayo	Independent	28.5.21	4 years	1.4.25	Audit Search and Governance	100%
Asfa Sohail	Independent	28.5.21	4 years	1.4.25	Quality Committee	56%
Angela Herbert	Independent	1.2.22	4 years	1.2.26	Quality Committee (from 15.3.22)	80%
Nicole Morgan	Independent	1.2.22	4 years	1.2.26	Quality Committee (from 15.3.22)	100%
Vincent Egunlae	Independent	1.2.22	4 years	1.2.26		100%
Weije Kou	Independent	1.2.22	4 years	1.2.26	Audit Committee (from 23.3.22)	100%
Desmond Corlis	Staff	15.11.18	2 years	1.12.22	Quality Oversight	78%
Sinem Bozkurt	Student	22.10.21	1 year	31.8.22	Quality Oversight	67%
Jenesha Chin	Student	22.10.21	1 year	31.8.22	Quality Oversight	78%
Roy O'Shaughnessy	Chief Executive	1.9.18	N/A	Ex officio		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, performance against quality targets and human resources matters. There were nine full board meetings during 2021/22.

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 & governance, quality oversight and audit.

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

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL FOR THE YEAR ENDED 31 JULY 2022

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. 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.

Covid-19

Full board meetings during the year have been held via a mixture of face to face or telephone conferences. All committee meetings have continued to be held via Microsoft Teams. These arrangements have not impacted on the Corporation's ability to uphold its duties.

Appointments to the Corporation

Any new appointments to the Corporation are a matter for the consideration of the Board as a whole. The search and governance 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 2022; the process involved the completion of individual questionnaires by Board members and the outcome was summarised in a report considered by the Search and Governance Committee at its meeting on 26th September 2022. A full external review of governance was performed in March 2021.

Training

The Board has used the Education and Training Foundation's governance development programme during the year. The modules on 'Effective board behaviours' and 'Understanding the sector, policy and inspection' have been attended and used to develop governor understanding of their roles. The Chair has attended a course entitled 'Leading from the chair' run by INSEAD. The Board received training on the Ofsted inspection framework at its January 2022 workshop.

Remuneration Committee

Throughout the year ended 31 July 2022 the College's Remuneration Committee comprised of the Chair, three board members 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.

Capital City College Group

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL FOR THE YEAR ENDED 31 JULY 2022

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 15 December 2021. Details of remuneration for the year ended 31 July 2022 are set out in Note 9 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 membership during the year was as follows:

- Chris Hyams (attended 5 out of 5 possible)
- Sanna Jordansson (attended 5 out of 5 possible)
- Toyin Odutayo (attended 4 out of 5 possible)
- Paul McLoughlin (attended 5 out of 5 possible)
- Lisa Weaver-Lambert (attended 1 out of 1 possible – resigned in November 2021)
- Cosette Reczek (attended 3 out of 5 possible)
- Weiye Kou (attended 2 out of 2 possible – joined in March 2022)

The Audit Committee normally meets four times per year, however there was an additional meeting in February 2022 for the purpose of checking progress with respect to the resolution of audit recommendations. The Committee provides a forum for reporting by the College's internal audit service and external auditors, who have access to the Committee for independent discussion, without the presence of the Group Leadership Team. 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 internal 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 and external auditors and their remuneration for audit and non-audit work as well as reporting annually to the Corporation.

The Quality Oversight Committee

The Quality Oversight Committee comprises of six board members (including the staff member) and three co-opted members. The student board members also sit on this committee. Its role is to scrutinise and monitor the educational performance of the College.

At its meeting in November the college self-assessment report is considered and validated by the committee. The ensuing quality improvement plans are reported at each meeting and the committee holds the senior executive team to account for ensuring that effective action plans are put in place to address areas for improvement. The committee also serves as a forum to hear and act upon the student voice.

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.

Capital City College Group

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL FOR THE YEAR ENDED 31 JULY 2022

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 2022 and up to the date of approval of the annual report and accounts.

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 2022 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 for the internal audit service 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.

Capital City College Group

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL FOR THE YEAR ENDED 31 JULY 2022

Control weaknesses identified

The following internal audits were undertaken during 2021/22 :

- Sales to cash
- General ledger
- Cash and banking
- Capital projects
- Learner Number Systems
- General Data Protection Requirements
- Safeguarding
- Subcontracting
- Follow up

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

The committee monitors the College's approach to Health and Safety, for which the annual report was considered in October 2021 with an update provided in June 2022. The measures put in place to minimise the spread of COVID 19 have been a focus of the reports and the committee has supported the College's approach, however the number of trained first aiders and fire marshals has been a key concern. At its meeting in October 2022 the outcome of a project to ensure that the College has an effective approach to business continuity and crisis management was received. The committee expressed concern that 16 recommendations from a project meeting which had taken place in November 2021 had not yet been resolved. At its meeting in November 2022 a report was considered that reported on the progress in addressing these recommendations, and that a group wide business continuity plan will be considered by the committee at its meeting in March 2023.

Responsibilities under funding agreements

The Corporation has met its contractual responsibilities as outlined within its funding agreements and contracts with the ESFA. There is a standing item on the Board's agenda which reports the College's performance against GLA and ESFA funding contracts. Included within the annual internal audit schedule is a review of learner numbers which provides assurance to the Audit Committee and the Board that the College is compliant with the regulations associated with claiming funding.

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.

A key focus for the Audit Committee during the year has been the reduction in the number of audit recommendations, mainly from the internal audit service. Following the November 2021 meeting where the committee expressed concern about the number of unresolved recommendations the committee held a special meeting on 2nd February 2022 at which it was reported that there continued to be 34 recommendations which had yet to be signed off by the internal audit service, however of those 28 were now complete as confirmed by the senior leadership team and were ready for sign off.

Of the internal audits carried out during 2021/22 for which an opinion was provided, all reports received a substantial or partial assurance opinion. The Committee continues to be focussed on ensuring that recommendations are addressed in a timely manner.

Capital City College Group

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL FOR THE YEAR ENDED 31 JULY 2022

In March 2022 the College was subject to an ESFA funding assurance audit of its 20/21 learner numbers, for which the outcome was that £33k of over claim and £12k of underspend was identified, which represents a small amount. The Committee noted this as a commendable achievement and passed on its thanks to the staff whose commitment has contributed to this continued improvement in the compliance environment.

The Committee has also received periodic reports on cyber security. With the increase in the number of ransomware attacks across the education sector, members have been content with the College's approach to ensuring the safety of staff and students' personal data and are supportive of the more systematic approach being adopted with respect to penetration testing. The Committee intends to continue monitoring this.

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 it receives reports thereon from the GLT and the Audit Committee.

At its December 2022 meeting, the Corporation carried out the annual assessment for the year ended 31 July 2022 by considering documentation from the GLT and internal audit, and taking account of events since 31 July 2022.

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 and signed on its behalf by:

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Alastair Da Costa
Chair

Date: 12/19/2022

DocuSigned by:

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Roy O'Shaughnessy
Chief Executive and Accounting Officer

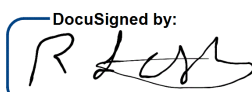
Capital City College Group

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 JULY 2022

As Accounting Officer I confirm that the corporation has had due regard to the requirements of grant funding agreements and contracts with ESFA and has considered its responsibility to notify ESFA of material irregularity, impropriety and non-compliance with terms and conditions of funding.

I confirm on behalf of the corporation that after due enquiry, and to the best of my knowledge, I am able to identify any material irregular or improper use of funds by the corporation, or material non-compliance with the terms and conditions of funding, under the corporation's grant funding agreements and contracts with ESFA, or any other public funder.

I 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 ESFA.

DocuSigned by:

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Roy O'Shaughnessy

Chief Executive and Accounting Officer

Date: 12/19/2022

Statement of the Chair of Governors

On behalf of the Corporation, I confirm that the Accounting Officer has discussed their statement of regularity, propriety and compliance with the Board and that I am content that it is materially accurate

DocuSigned by:

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Alastair Da Costa

Chair

Date: 12/19/2022

STATEMENT OF RESPONSIBILITIES OF THE MEMBERS OF THE CORPORATION FOR THE YEAR ENDED 31 JULY 2022

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

Within the terms and conditions of the corporation's grant funding agreements and contracts with ESFA and any other relevant funding bodies, the Corporation is required to prepare financial statements which give a true and fair view of the financial performance and position of the Corporation for the relevant period. Corporations must also prepare a strategic report which includes an operating and financial review for the year. The bases for the preparation of the financial statements and strategic report are the Statement of Recommended Practice – Accounting for Further and Higher Education, ESFA's College Accounts Direction and the UK's Generally Accepted Accounting Practice. In preparing the financial statements, the Corporation is required to

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 corporation is a going concern, noting the key supporting assumptions, qualifications or mitigating actions, as appropriate (which must be consistent with other disclosures in the accounts and auditor's report)
- prepare financial statements on the going concern basis unless it is inappropriate to assume that the Corporation will continue in operation.

The Corporation is also required to prepare a strategic report, in accordance with paragraphs 3.23 to 3.27 of the FE and HE SORP, that describes what it is trying to do and how it is going about it, including information about the legal and administrative status of the corporation.

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

The Corporation is responsible for the maintenance and integrity of its website(s); the work carried out by auditors does not involve consideration of these matters and, accordingly, 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 and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from ESFA, and any other public funds, are used only in accordance with ESFA's grant funding agreements and contracts and any other conditions, that may be prescribed from time to time by ESFA, or any other public funder. Members of the Corporation must ensure that there are appropriate financial and management controls in place to safeguard public and other funds and ensure they are used properly. In addition, members of the Corporation are responsible for securing economic, efficient and effective management of the Corporation's resources and expenditure so that the benefits that should be derived from the application of public funds from ESFA and other public bodies are not put at risk.

Capital City College Group

STATEMENT OF RESPONSIBILITIES OF THE MEMBERS OF THE CORPORATION FOR THE YEAR ENDED 31 JULY 2022

Approved by order of the Members of the Corporation and signed on its behalf by:

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Alastair da Costa
Chair
Date: 12/19/2022

Capital City College Group

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNORS OF THE CORPORATION FOR THE YEAR ENDED 31 JULY 2022

Opinion

We have audited the financial statements of Capital City College Group (the 'Group') for the year ended 31 July 2022 which the Consolidated Statement of Comprehensive Income and Expenditure, the Consolidated and Corporation Statement of Changes in Reserves, the Consolidated Balance Sheet, the Corporation Balance Sheet, the Consolidated 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 Group's affairs as at 31 July 2022 and of the Group's deficit of income over expenditure for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Statement of Recommended Practice: Accounting for Further and Higher Education.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The Governors 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.

Capital City College Group

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNORS OF THE CORPORATION (continued) FOR THE YEAR ENDED 31 JULY 2022

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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Opinions on other matters prescribed in the Office for Students' Accounts Direction (OfS 2019.41)

In our opinion, in all material respects

- funds from whatever source administered by the corporation for specific purposes have been properly applied to those purposes and, if relevant, managed in accordance with relevant legislation;
- funds provided by the Office for Students and the Education and Skills Funding Agency have been applied in accordance with the relevant terms and conditions.

Under the Office for Students' Accounts Direction, we are required to report to you, if we have anything to report in respect of the following matters:

- The Corporation's grant and fee income, as disclosed in Note 4 to the financial statements, has been materially misstated; or
- The corporation's expenditure on access and participation activities for the financial year, as disclosed in Note 10 to the financial statements, has been materially misstated

We have no matters to report arising from this responsibility.

Responsibilities of the Corporation of Capital City College Group

As explained more fully in the Statement of Governors' Responsibilities, the Governors 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 Governors 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.

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNORS OF THE CORPORATION (continued) FOR THE YEAR ENDED 31 JULY 2022

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Enquiry of management, those charged with governance and management around actual and potential litigation and claims;
- Enquiry of Corporation staff to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.
- Reviewing minutes of meetings of those charged with governance;
- Reviewing internal audit reports;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

Capital City College Group

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNORS OF THE CORPORATION (continued) FOR THE YEAR ENDED 31 JULY 2022

Use of our report

This report is made solely to the Governors of the Corporation, as a body, in accordance with the Corporation's Articles of Government. Our audit work has been undertaken so that we might state to the Governors 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 Corporation and the Governors of the Corporation as a body, for our audit work, for this report, or for the opinions we have formed.

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Rakesh Shaanak

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MHA MacIntyre Hudson
Statutory Auditor
London, United Kingdom

Date: 12/20/2022

Capital City College Group

ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY FOR THE YEAR ENDED 31 JULY 2022

In accordance with the terms of our engagement letter dated 24 October 2022 and further to the requirements and conditions of funding in the ESFA's grant funding agreements and contracts, or those of any other public funder, 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 the Corporation of Capital City College Group during the period 1 August 2021 to 31 July 2022 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 and in any relevant conditions of funding concerning adult education notified by a relevant funder. 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) data returns, for which the ESFA has other assurance arrangements in place.

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

Respective responsibilities of the Corporation 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 2021 to 31 July 2022 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.

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 Corporation's income and expenditure.

Capital City College Group

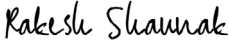
ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY (*continued*) FOR THE YEAR ENDED 31 JULY 2022

The work undertaken to draw to our conclusion includes:

- An assessment of material irregularity and impropriety across all of the Corporation'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 2021 to 31 July 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

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MHA MacIntyre Hudson
Statutory Auditor
London, United Kingdom

Date: 12/20/2022

Capital City College Group

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 JULY 2022

	Note	Unrestricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Income from:				
Funding body grants	4	99,449	99,449	99,354
Tuition fees and educational contracts	5	11,530	11,530	11,155
Other grants and contracts	6	2,622	2,622	1,172
Investment income	7	2	2	6
Other income	8	2,508	2,508	973
Total income		116,111	116,111	112,660
Expenditure on:				
Staff costs	9	81,227	81,227	80,387
Other operating expenses	10	36,109	36,109	28,448
Depreciation	13	8,949	8,949	9,338
Interest and other finance costs	11	1,773	1,773	1,551
Total expenditure		128,058	128,058	119,724
Net expenditure before net gains/(losses) on investments		(11,947)	(11,947)	(7,064)
Actuarial gain/(loss) in respect of enhanced pensions		143	143	(4)
Deficit for the year		(11,804)	(11,804)	(7,068)
Actuarial gain/(loss) in respect of pension schemes	27	93,734	93,734	(2,654)
Total comprehensive expenditure for the year		81,930	81,930	(9,722)
Represented by:				
Total funds brought forward		240,906	240,906	250,628
Total comprehensive expenditure for the year		81,930	81,930	(9,722)
Total funds carried forward		322,836	322,836	240,906

The Statement of Comprehensive Income and Expenditure includes all gains and losses recognised in the year.

All income and expenditure derives from continuing activities.

The notes on pages 39 to 77 form part of these financial statements.

Capital City College Group

CONSOLIDATED AND CORPORATION STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED 31 JULY 2022

	Income and Expenditure account	Revaluation reserve	Total
	£'000	£'000	£'000
Group			
Balance at 1st August 2020	42,186	208,442	250,628
Comprehensive income for the year			
Surplus/ (deficit) from the income and expenditure account	(7,064)	-	(7,064)
Other comprehensive income for the year			
Actuarial losses in respect of pension schemes	(2,658)	-	(2,658)
Balance at 31st July 2021	32,464	208,442	240,906
Balance at 1st August 2021	32,464	208,442	240,906
Comprehensive income for the year			
Surplus/ (deficit) from the income and expenditure account	(11,947)	-	(11,947)
Other comprehensive income for the year			
Actuarial gains in respect of pension schemes	93,877	-	93,877
Balance at 31st July 2022	114,394	208,442	322,836
Corporation			
Balance at 1st August 2020	42,186	208,442	250,628
Comprehensive income for the year			
Surplus/ (deficit) from the income and expenditure account	(7,064)	-	(7,064)
Other comprehensive income for the year			
Actuarial losses in respect of pension schemes	(2,658)	-	(2,658)
Balance at 31st July 2021	32,464	208,442	240,906
Balance at 1st August 2021	32,464	208,442	240,906
Comprehensive income for the year			
Surplus/ (deficit) from the income and expenditure account	(11,997)	-	(11,997)
Other comprehensive income for the year			
Actuarial gains in respect of pension schemes	93,877	-	93,877
Balance at 31st July 2022	114,344	208,442	322,786

The accompanying notes form part of the financial statements.

Capital City College Group

REGISTERED NUMBER:

CONSOLIDATED BALANCE SHEET AS AT 31 JULY 2022

	Note	2022 £000	2022 £000	2021 £000	2021 £000
Fixed assets					
Tangible assets	13		354,016		365,766
Investments	15		553		53
Investment property	14		1,600		2,343
			<u>356,169</u>		<u>368,162</u>
Current assets					
Trade and other receivables	16	4,622		4,092	
Investments	17	4,514		4,514	
Cash and cash equivalents	23	22,649		17,868	
		<u>31,785</u>		<u>26,474</u>	
Creditors: amounts falling due within one year	18	(10,905)		(12,949)	
Net current assets			<u>20,880</u>		<u>13,525</u>
Total assets less current liabilities			<u>377,049</u>		<u>381,687</u>
Creditors: amounts falling due after more than one year	19		(39,033)		(41,094)
Provisions for liabilities	21		(892)		(1,090)
Net assets excluding pension liability			<u>337,124</u>		<u>339,503</u>
Defined benefit pension scheme liability	27		(14,288)		(98,597)
Total net assets			<u><u>322,836</u></u>		<u><u>240,906</u></u>
Corporation reserves					
Unrestricted funds					
Unrestricted funds excluding pension asset		337,124		339,503	
Pension reserve		(14,288)		(98,597)	
Total unrestricted funds			<u>322,836</u>		<u>240,906</u>
Total funds			<u><u>322,836</u></u>		<u><u>240,906</u></u>

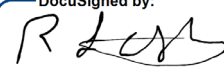
Capital City College Group

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 JULY 2022

The financial statements were approved and authorised for issue by the Governors and signed on their behalf by:

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Alastair Da Costa
Chair
Date: 12/19/2022

DocuSigned by:

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.....
Roy O'Shaughnessy
Chief Executive and Accounting Officer

The notes on pages 39 to 77 form part of these financial statements.

Capital City College Group

CORPORATION BALANCE SHEET AS AT 31 JULY 2022

	Note	2022 £000	2022 £000	2021 £000	2021 £000
Fixed assets					
Tangible assets	13		354,016		365,766
Investments	15		553		53
Investment property	14		1,600		2,343
			<u>356,169</u>		<u>368,162</u>
Current assets					
Trade and other receivables	16	4,564		4,092	
Investments	17	4,514		4,514	
Cash at bank and in hand		22,599		17,868	
		<u>31,677</u>		<u>26,474</u>	
Creditors: Amounts falling due within one year	18	(10,847)		(12,949)	
Net current assets			<u>20,830</u>		<u>13,525</u>
Total assets less current liabilities			<u>376,999</u>		<u>381,687</u>
Creditors: Amounts falling due after more than one year	19		(39,033)		(41,094)
Provisions for liabilities			(892)		(1,090)
Net assets excluding pension liability			<u>337,074</u>		<u>339,503</u>
Defined benefit pension scheme liability	27		(14,288)		(98,597)
Total net assets			<u><u>322,786</u></u>		<u><u>240,906</u></u>
Charity funds					
Unrestricted funds					
Unrestricted funds excluding pension liability		337,074		339,503	
Pension reserve		(14,288)		(98,597)	
Total unrestricted funds			<u>322,786</u>		<u>240,906</u>
Total funds			<u><u>322,786</u></u>		<u><u>240,906</u></u>

The Corporation's net movement in funds for the year was £81,880m (2021 - £(9.722m)).

Capital City College Group

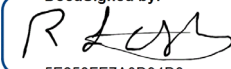
CORPORATION BALANCE SHEET (CONTINUED) AS AT 31 JULY 2022

The Governors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Governors and signed on their behalf by:

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Alastair Da Costa
Chair
Date: 12/19/2022

DocuSigned by:

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Roy O'Shaughnessy
Chief Executive and Accounting Officer

The notes on pages 39 to 77 form part of these financial statements.

Capital City College Group

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JULY 2022

	Note	2022 £000	2021 £000
Cash flows from operating activities			
Net cash used in operating activities	22	2,457	16,172
Cash flows from investing activities			
Investment income	7	2	6
Proceeds from the sale of tangible fixed assets		10,525	-
Payments to acquire investments	15	(500)	(7)
New deposits		-	(2,500)
Payments made to acquire tangible fixed assets	15	(8,446)	(8,055)
Disposal of assets held for resale	14	743	780
Net cash provided by/(used in) investing activities		2,324	(9,776)
Cash flows from financing activities			
Repayment of amounts borrowed	19,18	-	(22)
Net cash provided by/(used in) financing activities		-	(22)
Change in cash and cash equivalents in the year		4,781	6,374
Cash and cash equivalents at the beginning of the year		17,868	11,494
Cash and cash equivalents at the end of the year	23	22,649	17,868

The notes on pages 39 to 77 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

1. General information

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

2. Accounting policies

2.1 Basis of preparation of financial statements

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 2021 to 2022 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 Corporation's accounting policies.

The Corporation has two wholly owned subsidiaries and participates in two joint ventures which are not material to the group so have therefore not been consolidated. The Corporation also has a 70% owned subsidiary, the subsidiary is material to the Corporation's financial statements and has therefore been consolidated. In accordance with FRS 102, the activities of the student union have not been consolidated because the Corporation does not control those activities.

The financial statements are presented in sterling which is the functional currency of the Corporation and rounded to the nearest thousand pound.

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.

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

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Corporation and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Corporation has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

2. Accounting policies (continued)

2.2 Going concern

The activities of the Corporation, together with the factors likely to affect its future development and performance are set out in the Governors' Report. The financial position of the Corporation, its cashflow, liquidity and borrowings are presented in the financial statements and accompanying Notes.

At 31 July 2022, Capital City College Group had £27.2m of cash at bank and current asset investments. The Corporation'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 Corporation to continue as a going concern. 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 Corporation has adequate resources to continue in operational existence for the foreseeable future. The Corporation therefore continues to adopt the going concern basis in preparing these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

2. Accounting policies (continued)

2.3 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 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.

Grants from non-government sources are recognised in income when the Corporation 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 Corporation 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.

2.4 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 Corporation. Any unused benefits are accrued and measured as the additional amount the Corporation expects to pay as a result of the unused entitlement.

The Corporation utilises salary sacrifice arrangements in relation to the cycle to work and childcare voucher schemes. These benefits are accounted for as they arise, as the liability remains with the employee rather than the Corporation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

2. Accounting policies (continued)

2.5 Redundancy and termination payments

Redundancy and termination payments are recognised immediately upon becoming a constructive obligation.

2.6 Enhanced pensions

The actual cost of any enhanced ongoing pension to a former member of staff is paid by the Corporation 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 Corporation's Statement of Comprehensive Income in the year that the member of staff retires. In subsequent years a charge is made to provisions in the Balance Sheet using the enhanced pension spreadsheet provided by the ESFA.

2.7 Taxation

The Corporation is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Corporation is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 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 Corporation 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

2. Accounting policies (continued)

2.8 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to the date of transition to the 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 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 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.

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 2021. 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 in the period it is incurred, unless it increases the future benefits to the Corporation, 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

2. Accounting policies (continued)

2.8 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold land and buildings	- 50 years
Long-term leasehold land and buildings	- 50 years
Plant and equipment	- 5 to 20 years
Motor vehicles	- 20% reducing balance

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.

2.9 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. Any lease premiums or incentives relating to leases signed after 1 August 2014 are spread over the minimum lease term.

2.10 Investments

Investment properties owned but not used within the Corporation'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.

Investments in subsidiaries are valued at cost less provision for impairment.

Investments in associates are stated at the amount of the Group's share of net assets. The Consolidated Statement of Financial Activities includes the Group's share of the associated companies' net income or expenditure using the equity accounting basis.

Investments in joint ventures are stated at the amount of the Group's share of net assets. The Consolidated Statement of Financial Activities includes the Group's share of the joint ventures' net income or expenditure using the equity accounting basis.

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.

2.11 Trade and other receivables

Trade and other receivables are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

2. Accounting policies (continued)

2.12 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.

2.13 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 Corporation 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 Corporation 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.

2.14 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

2. Accounting policies (continued)

2.15 Provisions and contingent liabilities

Provisions are recognised when:

- the Corporation 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 in the period it arises.

A contingent liability arises from a past event that gives the Corporation 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 Corporation. 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 Corporation 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.

2.16 Agency arrangements

The Corporation 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 Corporation where the Corporation is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

2.17 Financial instruments

The Corporation only holds basic Financial Instruments. The financial assets and financial liabilities of the School are as follows:

Debtors – trade and other debtors (including accrued income) are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 16. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Liabilities – trade creditors, accruals, other creditors and bank loans will be classified as financial instruments, and are measured at amortised cost as detailed in Notes 18 and 19. Taxation and social security are not included in the financial instruments disclosure. Deferred income is not deemed to be a financial liability, as in the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

2. Accounting policies (continued)

2.18 Pensions

Post-employment benefits to employees of the Corporation 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 Corporation 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 Corporation 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 in the periods during which services are rendered by employees.

Local Government Pension Scheme (LGPS)

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

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

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

2.19 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Investment income, gains and losses are allocated to the appropriate fund.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

3. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

- Determined whether leases entered into by the Corporation 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 reassessing 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 Pensions 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 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 July 2022. 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 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

4. Funding body grants

	Unrestricted funds 2022 £000	Total funds 2022 £000
Recurrent grants		
Education and Skills Funding Agency and Greater London Authority - adult education budget	34,658	34,658
Education and Skills Funding Agency - 16-18	57,072	57,072
Education and Skills Funding Agency - apprenticeships	3,783	3,783
Office for students	24	24
Specific grants		
Education and Skills Funding Agency	57	57
Teachers Pension Scheme contribution grant	2,253	2,253
Releases of government capital grants	1,602	1,602
	99,449	99,449
	<i>Unrestricted funds 2021 £000</i>	<i>Total funds 2021 £000</i>
Recurrent grants		
Education and Skills Funding Agency and Greater London Authority - adult education budget	30,649	30,649
Education and Skills Funding Agency - 16-18	58,729	58,729
Education and Skills Funding Agency - apprenticeships	4,582	4,582
Office for students	119	119
Specific grants		
Education and Skills Funding Agency	1,754	1,754
Teachers Pension Scheme contribution grant	2,291	2,291
Releases of government capital grants	1,230	1,230
	99,354	99,354

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

	2022 £000	2021 £000
Grant income from OfS	24	119

Capital City College Group

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

5. Tuition fees and education contracts

	Unrestricted funds 2022 £000	Total funds 2022 £000
Adult education fees	1,740	1,740
Apprenticeship fees and contracts	22	22
Fees for FE loan supported contracts	1,711	1,711
Fees for HE loan supported contracts	1,342	1,342
Total tuition fees	4,815	4,815
Education contracts	6,715	6,715
Total 2022	11,530	11,530

	<i>Unrestricted funds 2021 £000</i>	<i>Total funds 2021 £000</i>
Adult education fees	1,123	1,123
Apprenticeship fees and contracts	32	32
Fees for FE loan supported contracts	2,186	2,186
Fees for HE loan supported contracts	972	972
International students' fees	16	16
Total tuition fees	4,329	4,329
Education contracts	6,826	6,826
<i>Total 2021</i>	<i>11,155</i>	<i>11,155</i>

Capital City College Group

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

6. Other grants and contracts

	Unrestricted funds 2022 £000	Total funds 2022 £000
European Commission	2,585	2,585
Other grants and contracts	37	37
Total 2022	2,622	2,622
	<i>Unrestricted funds 2021 £000</i>	<i>Total funds 2021 £000</i>
European Commission	1,030	1,030
Other grants and contracts	115	115
Coronavirus Job Retention Scheme grant	27	27
<i>Total 2021</i>	<i>1,172</i>	<i>1,172</i>

Capital City College Group

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

7. Investment income

	Unrestricted funds 2022 £000	Total funds 2022 £000
Other investment income	2	2
	<hr/>	<hr/>
	<i>Unrestricted funds 2021 £000</i>	<i>Total funds 2021 £000</i>
Other interest receivable	1	1
Other investment income	5	5
	<hr/>	<hr/>
	6	6
	<hr/>	<hr/>

Capital City College Group

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

8. Other income

	Unrestricted funds 2022 £000	Total funds 2022 £000
Catering and residences	717	717
Other income generating activities	580	580
Nursery fees	354	354
Miscellaneous income	855	855
COVID-19 testing reclaim	2	2
Total 2022	2,508	2,508
	<i>Unrestricted funds 2021 £000</i>	<i>Total funds 2021 £000</i>
Catering and residences	169	169
Other income generating activities	75	75
Nursery fees	320	320
Miscellaneous income	86	86
COVID-19 testing reclaim	323	323
<i>Total 2021</i>	973	973

Capital City College Group

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

9. Staff costs

	Group 2022 £000	<i>Group 2021 £000</i>	Corporation 2022 £000	<i>Corporation 2021 £000</i>
Wages and salaries	52,702	53,400	52,702	53,400
Social security costs	5,736	5,690	5,736	5,690
Pension costs	16,758	14,892	16,758	14,892
	75,196	73,982	75,196	73,982
Contracted out staffing services	5,271	1,917	5,271	1,917
Restructuring costs - Contractual	685	4,006	685	4,006
Restructuring costs - Non-contractual	75	482	75	482
	81,227	80,387	81,227	80,387

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

The average number of persons (including Key Management Personnel) employed by the Corporation during the year, described as headcount, was:

	Group 2022 No.	<i>Group 2021 No.</i>
Teaching staff	716	795
Non teaching staff	996	1,011
	1,712	1,806

Capital City College Group

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

9. Staff costs (continued)

Key Management Personnel

Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Corporation.

Staff costs include compensation paid to Key Management Personnel for loss of office.

Key Management Personnel was represented by the Group Leadership Team (GLT) which comprises:

Name	Job Title
Amanda Cowley	Chief People Officer
Colleen Marshall	Vice Principal
David Dangana	Director Group Quality
Elvie-Jo Shergold	Director of Marketing & Communications
Gary Hunter	Deputy Executive Principal
Graham Drummond	Group Director of Governance
Jacqueline Chapman	Managing Director
Jasbir Sondhi	Vice Principal
Kurt Hintz	Executive Principal
Neill Scott	Director of Estates and Facilities
Nicholas Carey	Chief Commercial Officer
Jackie Ruilsling	Director of Management Information
Rachael White	Chief Financial Officer
Robin Hindley	Vice Principal
Roy O'Shaughnessy	Chief Executive Officer
Sarah Ventham	Director of Finance
Stewart Cross	Director of Business Intelligence and Planning
Jeremy Wells	Director of ICT

	2022 No.	2021 No.
The number of Key Management Personnel posts including the Accounting Officer was:	18	17
	<u>18</u>	<u>17</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

9. 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 2022 £000	<i>Key Management Personnel 2021 £000</i>	Other staff 2022 £000	<i>Other staff 2021 £000</i>
£1 to £40,000	-	-	-	-
£40,001 - £45,000	-	-	-	-
£60,001 - £65,000	-	-	16	<i>11</i>
£65,001 - £70,000	-	-	6	<i>4</i>
£70,001 - £75,000	-	<i>1</i>	5	<i>3</i>
£75,001 - £80,000	-	-	1	<i>4</i>
£80,001 - £85,000	-	<i>1</i>	8	<i>5</i>
£85,001 - £90,000	4	<i>4</i>	-	<i>1</i>
£90,001 - £95,000	1	<i>1</i>	1	<i>1</i>
£95,001 - £100,000	4	<i>1</i>	-	-
£100,001 - £105,000	-	-	-	-
£105,001 - £110,000	2	<i>1</i>	-	-
£110,001 - £115,001	1	<i>1</i>	-	-
£115,001 - £120,000	1	<i>1</i>	-	-
£120,001 - £125,000	1	<i>1</i>	-	-
£125,001 - £130,000	-	-	-	-
£130,001 - £135,000	-	<i>2</i>	-	-
£135,001 - £140,000	2	<i>1</i>	-	-
£160,001 - £165,000	1	<i>1</i>	-	-
£215,001 - £220,000	1	<i>1</i>	-	-
	18	<i>17</i>	37	<i>29</i>

The above table only reflects other staff who received emoluments, excluding employer contributions to national insurance and pensions but including benefits-in-kind, of more than £60,000 for the year.

Capital City College Group

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

9. Staff costs (continued)

	2022 £000	2021 £000
Key Management Personnel remuneration is made up as follows:		
Salary	2,156	1,762
Bonuses	11	-
Benefits-in-kind	3	3
	<u>2,170</u>	<u>1,765</u>
Pension contributions	324	273
	<u>2,494</u>	<u>2,038</u>
Contracted out staffing services for Key Management Personnel	197	197
Total Key Management Personnel remuneration	<u><u>2,691</u></u>	<u><u>2,235</u></u>

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:

	2022 £000	2021 £000
Salary	215	209
Benefits in kind	3	3
	<u>218</u>	<u>212</u>
Pension contributions	33	30
Total remuneration	<u><u>251</u></u>	<u><u>242</u></u>

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 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 Corporation's overall objectives using both qualitative and quantitative measures of performance.

Capital City College Group

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

9. Staff costs (continued)

	2022	2021
Relationship of Chief Executive pay and remuneration expressed as a multiple:		
Chief Executive's basic salary as a multiple of the median basic salary of all staff	5.24	5.14
Chief Executive's total remuneration as a multiple of the median total remuneration of all staff	5.32	5.21
Compensation for loss of office paid to former Key Management Personnel		
	2022 £000	2021 £000
Compensation paid to a former Key Management Personnel - contractual	70	-

The Governors 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 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

10. Other operating expenses

	Unrestricted funds 2022 £000	Total funds 2022 £000
Teaching costs	11,695	11,695
Non-teaching costs	13,388	13,388
Premises costs	11,026	11,026
Total 2022	36,109	36,109
	<i>Unrestricted funds 2021 £000</i>	<i>Total funds 2021 £000</i>
Teaching costs	7,362	7,362
Non-teaching costs	11,229	11,229
Premises costs	9,857	9,857
<i>Total 2021</i>	<i>28,448</i>	<i>28,448</i>

Capital City College Group

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

10. Other operating expenses (continued)

	2022 £000	<i>2021</i> <i>£000</i>
Other operating expenses include:		
Auditor's remuneration - Audit of the financial statements	58	90
Internal audit	72	76
Other services provided by the internal auditors - organisational review	-	4
Hire of assets under operating leases	640	640
	<hr/> 770 <hr/>	<hr/> 810 <hr/>

Access and participation spending

	2022 £000	<i>2021</i> <i>£000</i>
Access investment	-	-
Financial support to students	-	-
Disability support	100	-
	<hr/> 100 <hr/>	<hr/> - <hr/>

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

Capital City College Group

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

11. Interest and other finance costs

	Unrestricted funds 2022 £000	Total funds 2022 £000
Interest cost on enhanced pension liability	17	17
Net interest cost on defined pension liability	1,756	1,756
	<u>1,773</u>	<u>1,773</u>

	<i>Unrestricted funds 2021 £000</i>	<i>Total funds 2021 £000</i>
Interest cost on enhanced pension liability	15	15
Net interest cost on defined pension liability	1,536	1,536
	<u>1,551</u>	<u>1,551</u>

12. Taxation

The Governors do not believe the Corporation is liable for any corporation tax arising out of its activities during either year.

Capital City College Group

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

13. Tangible fixed assets

Group and Corporation

	Freehold land and buildings £000	Long-term leasehold land and buildings £000	Plant and equipment £000	Motor vehicles £000	Assets under construction £000	Total £000
Cost or valuation						
At 1 August 2021	363,471	51,290	59,495	-	4,180	478,436
Additions	388	1	7,953	104	-	8,446
Disposals	(14,791)	-	(12,287)	-	-	(27,078)
Transfers between classes	1,287	-	(155)	-	(1,132)	-
At 31 July 2022	<u>350,355</u>	<u>51,291</u>	<u>55,006</u>	<u>104</u>	<u>3,048</u>	<u>459,804</u>
Depreciation						
At 1 August 2021	58,009	7,704	46,957	-	-	112,670
Charge for the year	4,357	341	4,239	12	-	8,949
On disposals	(3,612)	-	(12,219)	-	-	(15,831)
At 31 July 2022	<u>58,754</u>	<u>8,045</u>	<u>38,977</u>	<u>12</u>	<u>-</u>	<u>105,788</u>
Net book value						
At 31 July 2022	<u>291,601</u>	<u>43,246</u>	<u>16,029</u>	<u>92</u>	<u>3,048</u>	<u>354,016</u>
At 31 July 2021	<u>305,462</u>	<u>43,586</u>	<u>12,538</u>	<u>-</u>	<u>4,180</u>	<u>365,766</u>

Capital City College Group

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

13. Tangible fixed assets (continued)

Group and Corporation (continued)

Other than as noted below, land has been valued on implementation of FRS 102 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.

If inherited land and buildings had not been valued they would have been included at £NIL historic cost. In April 2015 the Corporation 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 Corporation 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.

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

14. Investment property

Group and Corporation

	Freehold investment property £000
Valuation	
At 1 August 2021	2,343
Disposals	(743)
At 31 July 2022	<u>1,600</u>

The Corporation owns one property which it does not use within its business. This is leased on a 21 year lease from 15 November 1999 to a joint venture company which is jointly owned by the Corporation and Haringey Council. A 21 year extension to this lease from 2020 has been approved. As the property is not used by the Corporation for educational purposes it is presented as investment property.

The Corporation previously owned a property which operated as a Caribbean Cafe. This was disposed of during the year.

The investment property is carried at fair value. It was valued as at 31 July 2022 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 location, there has been no significant change to the assets' fair value from that date requiring any further revaluation.

Capital City College Group

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

15. Investments

Group and Corporation	Other fixed asset investments £000
Cost or valuation	
At 1 August 2021	53
Additions	500
At 31 July 2022	<hr/> 553 <hr/>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

15. Investments (continued)

Included within investment assets brought forward are the Corporations 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 Corporation 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 principal activity is as an Apprenticeship Training Agency which provides employment for apprentices. There was an amount outstanding at the year end of £87k (2021 - £101k). Tottenham Green Enterprise Centre Limited's principal business is the provision of facilities for start up businesses. There was an amount outstanding at the year end of £139k (2021 - £89k).

01 Founders

The College is a Founding Partner in 01 Founders, an innovative new coding school aiming to train 100,000 full stack software developers by 2030. 01 Founders Ltd was incorporated as a private limited company on 22 January 2021, with the other Founding Partners being Founders Forum and 01 Edu. The Board approved the College's membership of this joint venture in June 2021. In return for a 29% share of 01 Founders, CCCG has invested during 2021/22 £500k and an in-kind investment including a location for the school and associated services. The in-kind investment costs are written off in the year in which they are incurred, through the Income and Expenditure account.

Capital City College Enterprises (CCCE)

CCCE was set up in July 2021 and is a wholly owned subsidiary of the College. It is a commercial trading subsidiary to gift aid unrestricted surplus back up to the Corporation to reinvest in CCCG and our learners. The primary activity of the company during the year is to provide estates and facilities management services to the College. There were transactions during the year with CCCG and payments made on behalf of CCCE which at the year end there was an amount outstanding of £187k (2021 - £NIL).

Apprenticeships First Limited, Tottenham Green Enterprise Centre Limited, 01 Founders and Capital City College Enterprises are not material to the College's financial statements and therefore have not been consolidated.

VSPARK C.I.C

After piloting an innovative set of entrepreneurship programmes in 2021, the College created a community interest company, VSPARK C.I.C. trading under its registered trademark Visionnaires. Its purpose is to create a community of best practice among colleges, supporting diverse participants of all ages in their entrepreneurship and self-employment aspirations. Visionnaires is owned 70% by CCCG and 15% by each of NCG and United Colleges Group. It is now growing its college partnerships in London and the North of England. There were transactions during the year with CCCG and payments made on behalf of VSPARK C.I.C which at the year end there was an amount outstanding of £58k (2021 - £NIL).

Capital City College Group

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

15. Investments (continued)

Name	Company Number	Holding	Included in consolidation
Vspark C.I.C	13405750	70%	Yes

The financial results of the subsidiary for the year were:

Name	Income	Expenditure	Profit/(Loss) for the year	Net assets
	£	£		£
Vspark C.I.C	433,000	383,000	50,000	-

16. Trade and other receivables

	Group 2022 £000	Group 2021 £000	Corporation 2022 £000	Corporation 2021 £000
Due within one year				
Trade receivables	1,191	2,145	1,191	2,145
Amounts owed by group undertakings	414	191	356	191
Other receivables	129	262	129	262
Prepayments and accrued income	2,888	1,494	2,888	1,494
	4,622	4,092	4,564	4,092

17. Current investments

	Group 2022 £000	Group 2021 £000	Corporation 2022 £000	Corporation 2021 £000
Short-term deposits	4,514	4,514	4,514	4,514

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.

Capital City College Group

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

18. Creditors: Amounts falling due within one year

	Group 2022 £000	<i>Group 2021 £000</i>	Corporation 2022 £000	<i>Corporation 2021 £000</i>
Other loans	-	21	-	21
Trade creditors	506	-	506	-
Deferred government capital grants	1,682	1,241	1,682	1,241
Other taxation and social security	2,752	2,924	2,752	2,924
Other creditors	43	166	43	166
Accruals and deferred income	5,188	6,532	5,130	6,532
Amounts owed to the ESFA	734	2,065	734	2,065
	10,905	12,949	10,847	12,949

19. Creditors: Amounts falling due after more than one year

	Group 2022 £000	<i>Group 2021 £000</i>	Corporation 2022 £000	<i>Corporation 2021 £000</i>
Other loans	-	19	-	19
Deferred government capital grants	39,033	41,075	39,033	41,075
	39,033	41,094	39,033	41,094

20. Maturity of debt

	2022 £000	<i>2021 £000</i>
Other loans are repayable as follows:		
In one year or less	-	21
Between two and five years	-	19
	-	40

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 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

21. Provisions

	Defined benefit obligations	Enhanced pensions	Total funds
	£000	£000	£000
At 1 August 2021	98,597	1,090	99,687
Movement in the period	(84,309)	(198)	(84,507)
	<u>14,288</u>	<u>892</u>	<u>15,180</u>

Defined benefit obligations relate to the liabilities under the Corporation's membership of the Local Government Pension Scheme. Further details are given in Note 27.

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:

	2022	2021
Price inflation	2.9%	2.6%
Interest rate	3.3%	1.6%

Capital City College Group

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

22. Reconciliation of net movement in funds to net cash flow from operating activities

		Group 2022 £000	<i>Group 2021 £000</i>
Net income for the year (as per Statement of Financial Activities)		(11,743)	<i>(7,064)</i>
Adjustments for:			
Depreciation charges	13	8,888	<i>9,338</i>
Investment income	7	(2)	<i>(6)</i>
Loss on the sale of fixed assets	13	722	<i>49</i>
Decrease in stocks		-	<i>19</i>
Decrease/(increase) in debtors	16	(530)	<i>2,720</i>
Increase/(decrease) in creditors	19,18	(2,503)	<i>5,210</i>
Release of deferred capital grants	16	(1,602)	<i>(1,230)</i>
Decrease in other provisions	21	(198)	<i>(55)</i>
Pension costs including interest less contributions payable	27	9,425	<i>7,191</i>
Net cash provided by operating activities		2,457	<i>16,172</i>

23. Analysis of cash and cash equivalents

	Group 2022 £000	<i>Group 2021 £000</i>
Cash in hand	22,649	<i>17,868</i>
Total cash and cash equivalents	22,649	<i>17,868</i>

Capital City College Group

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

24. Analysis of changes in net debt

	At 1 August 2021	Cash flows	At 31 July 2022
	£000	£000	£000
Cash at bank and in hand	17,868	4,781	22,649
Debt due within 1 year	(1,262)	(420)	(1,682)
Debt due after 1 year	(19)	19	-
Liquid investments	4,514	-	4,514
	<u>21,101</u>	<u>4,380</u>	<u>25,481</u>

25. Contingent liabilities

There were no contingent liabilities at the year end.

26. Capital commitments

There were no capital commitments at the year end.

27. Pension commitments

The Group operates a defined benefit pension scheme.

The Corporation'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 2019 and of the LGPS 31 March 2019.

Contributions amounting to £1,132,000 (2021 - £1,170,000) 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

27. Pension commitments (continued)

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

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

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

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards. DfE has agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2021/22 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 £6,234,783 (2021 - £6,376,000).

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 2022 were £4,218,000, of which employer's contributions totalled £2,967,000 and employees' contributions totalled £1,251,000. The agreed contribution rates for future years are 13.8%, rising to 15.5% from 1 April 2021 for the Corporation 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 2022 by Barnett Waddingham, a qualified independent actuary:

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

	At 31 July 2022 %	At 31 July 2021 %
Discount rate	3.40	1.60
Future salary increases	3.75	3.80
Future pension increases	2.75	2.80
Inflation assumption	2.75	2.80
Commutation of pensions to lump sums	50.00	50.00

Capital City College Group

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

27. Pension commitments (continued)

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

	At 31 July 2022 Years	At 31 July 2021 Years
Retiring today - Males	21.7	21.7
Retiring today - Females	24.1	24.1
Retiring in 20 years - Males	22.9	22.8
Retiring in 20 years - Females	25.8	25.7

The Group's share of the assets in the scheme was:

	At 31 July 2022 £000	At 31 July 2021 £000
Equities	91,884	85,813
Property	15,899	12,920
Cash and other liquid assets	1,947	6,034
Target return portfolio	35,153	33,470
Infrastructure	17,035	13,716
Total fair value of assets	161,918	151,953

Capital City College Group

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

27. Pension commitments (continued)

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

	2022 £000	2021 £000
Current service cost		
Amounts included in staff costs		
Current service costs	10,328	8,042
Past service cost	308	474
	10,636	8,516
Amounts included in interest and other finance costs		
Net interest payment	1,756	1,536
	1,756	1,536
Amounts recognised in other comprehensive income		
Return on plan assets	(9,760)	(13,885)
Experience losses arising on defined benefit obligations	655	(4,536)
Changes in assumptions underlying the present value of plan liabilities	(84,629)	21,075
	(93,734)	2,654

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

	2022 £000
Opening defined benefit obligation	250,550
Interest cost	3,973
Contributions by scheme participants	1,251
Actuarial (gains)/losses	(83,974)
Benefits paid	(6,230)
Current service cost	10,328
Past service cost	308
Closing defined benefit obligation	176,206

Capital City College Group

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

27. Pension commitments (continued)

Movements in the fair value of the Group's share of scheme assets were as follows:

	2022 £000
Opening fair value of scheme assets	151,953
Expected return on assets	2,217
Actuarial gains	9,760
Contributions by employer	2,967
Contributions by scheme participants	1,251
Benefits paid	(6,230)
Closing fair value of scheme assets	161,918

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

	2022 £000	2021 £000
Fair value of plan assets	161,918	151,953
Present value of plan liabilities	(176,206)	(250,550)
Present value of unfunded liabilities	-	-
Net pensions liability	(14,288)	(98,597)

Capital City College Group

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

27. Pension commitments (continued)

Total pension cost for the year

	2022	<i>2021</i>
	£000	<i>£000</i>
Local Government Pension Scheme		
Contributions paid	2,867	<i>2,850</i>
FRS 102 (28) charge	7,637	<i>5,666</i>
	10,504	<i>8,516</i>
Teachers' Pension Scheme: contributions paid	6,235	<i>6,376</i>
Enhanced pension charge to the Statement of Comprehensive Income	-	<i>-</i>
	16,739	<i>14,892</i>

28. Operating lease commitments

At 31 July 2022 the Group and the Corporation had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group	<i>Group</i>	Corporation	<i>Corporation</i>
	2022	<i>2021</i>	2022	<i>2021</i>
	£000	<i>£000</i>	£000	<i>£000</i>
Not later than 1 year	641	<i>641</i>	641	<i>641</i>
Later than 1 year and not later than 5 years	855	<i>1,496</i>	855	<i>1,496</i>
	1,496	<i>2,137</i>	1,496	<i>2,137</i>

The following lease payments have been recognised as an expense in the Statement of Financial Activities:

	Group	<i>Group</i>	Corporation	<i>Corporation</i>
	2022	<i>2021</i>	2022	<i>2021</i>
	£000	<i>£000</i>	£000	<i>£000</i>
Operating lease rentals	641	<i>641</i>	641	<i>641</i>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

29. Related party transactions

Due to the nature of the Corporation's operations and that the 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 Corporation's financial regulations and normal procurement procedures.

There were no expenses paid to or on behalf of the Members of the Corporation during the year (2021 - £NIL for 0 members).

No Governors of the Corporation received any remuneration or waived payments from the Corporation during the year (2021 - None).

The CEO, and Accounting Officer, was one of five directors of the Collab Group until December 2021, a company limited by guarantee. The role was not remunerated. During the year, Collab Group invoiced the Corporation £19,252 (2021 - £6,528) for membership fees and a consultancy fee for a project (2021 - consultancy services, bid development and training). There were no balances outstanding (2021 - £NIL) at year end.

The CEO and CFO were both Directors of Capital City College Enterprises (CCCE), a wholly owned subsidiary of the College. During the year there were intercompany transactions of £72,000 (2021 - £NIL) for payroll recharges of which the amount was outstanding at the year end.

Alastair Da Costa, a Governor was also a Director of 01 Founders Limited in which CCCG own a 29% share. During the year CCCG has invested £500,000 (2021 - £NIL) into 01 Founders Limited in return for a 29% share in the company. There were no balances outstanding (2021 - £NIL) at the year end.

The CEO, and Accounting Officer, is also a Director of VSPARK C.I.C. which is a 70% owned subsidiary of CCCG. During the period the Corporation paid £300,000 (2021 - £NIL) in regards to a license fee to VSPARK C.I.C. Intercompany transactions relating to payroll and corporate management fees recharges of £185,312 (2021 - £NIL) were also paid. There was a balance of £58,260 (2021 - £NIL) outstanding at the year end.

During the year, transactions with Apprenticeships First Limited, a wholly owned subsidiary, occurred. During the year the Corporation paid £50,000 (2021 - £101,000) to Apprenticeships First Limited. Intercompany transactions relating to payroll recharges of £63,647 (2021 - £NIL) were received from Apprenticeships First Limited. There was a balance of £87,353 (2021 - £101,000) outstanding at the year end.

Capital City College Group

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

30. Amounts disbursed as agent

	2022 £000	2021 £000
Learner support funds		
Funding body grants - bursary support	2,136	2,136
Other funding body grants	134	134
	<u>2,270</u>	<u>2,270</u>
 Disbursed to students	 (2,180)	 (2,180)
Administration costs	(90)	(90)
	<u>-</u>	<u>-</u>
Balance unspent as at 31 July	-	-

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

31. Post balance sheet events

Following a review by the Office for National Statistics, it has been formally announced, on 29 November 2022, that FE Colleges and their subsidiaries will be reclassified as forming part of central government sector. This reclassification will change the framework in which College operates. Having reviewed initial guidance from the Department for Education and the Association of Colleges the Governors do not believe this reclassification has an impact on the financial results prepared within these financial statements as conditions arose after the end of the reporting period. The College will continue to be funded and operate in the manner described within the members report and as such no adjustments have been made in regard to this event and any potential impacts will be recognised in future accounting periods.

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

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CITY AND ISLINGTON
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