

# REPORT & FINANCIAL STATEMENTS

For the year ended 31 July 2021



Croydon  
College



COULSDON  
SIXTH FORM COLLEGE



**Croydon College**

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Report and Financial Statements for the year ended 31 July 2021

# **KEY MANAGEMENT PERSONNEL, BOARD OF GOVERNORS AND PROFESSIONAL ADVISERS**

## **KEY MANAGEMENT PERSONNEL**

Key management personnel are defined as members of the College Leadership Team and were represented by the following in 2020/21:

Caireen Mitchell - Principal and CEO; Accounting Officer  
Ann Christine Harland – Vice Principal Finance and Resources  
Fadia Clarke – Vice Principal Training, Skills and HE  
Angela Edwards - Vice Principal Education and Quality  
Richard Beales – Principal Coulsdon Sixth Form College (to 23rd October 2020)  
Odette Carew – Principal Coulsdon Sixth Form College (from 16th November 2020)

### **Board of Governors**

A full list of Governors is given on pages 20-21 of these financial statements.

Clare Mitchell acted as Director of Governance/Clerk to the Corporation.

### **Professional advisers**

#### **Financial statements auditors and reporting accountants:**

Buzzacott LLP  
130 Wood Street  
London EC2V 6DL

#### **Internal auditors:**

RSM Risk Assurance Services LLP  
1 London Square  
Cross Lane  
Guildford GU1 2UN

#### **Bankers:**

Barclays Bank PLC  
1 Churchill Place  
London E14 5HP

#### **Solicitors:**

Winckworth Sherwood LLP  
Minerva House  
5 Montague Close  
London SE1 9BB

Eversheds LLP  
1 Wood Street  
London EC2V 7WS

Gelbergs LLP  
188 Upper Street  
Islington  
London N1 1RQ

Trowers & Hamblins LLP  
3 Bunhill Row  
London  
EC1Y 8YZ

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## STRATEGIC REPORT

### OBJECTIVES AND STRATEGY

The governing body present their annual report together with the financial statements and auditor's report for Croydon College for the year ended 31 July 2021.

#### Legal status

The Corporation was established under the Further and Higher Education Act 1992 for the purpose of conducting Croydon College. The College is an exempt charity for the purposes of Part 3 of the Charities Act 2011.

On 12 February 2019, under a Type B merger, Coulsdon Sixth Form College dissolved and Croydon College acquired its assets and liabilities.

#### Mission

The Croydon College's vision, approved by the Corporation on 4th December 2019, is:

*Two great Colleges working together to transform our communities' economic, social and employment prospects.*

#### Strategic Objectives

Following extensive consultation with staff, students, employers, governors and other stakeholders, the Strategic Objectives for Croydon College were agreed by the Corporation on 4th December 2019 for the 5 years 2019-2024. This allowed the College to have clear strategic objectives following the merger with Coulsdon Sixth Form College.

The Croydon College Operational Objectives and progress against key targets (in italics) for 2020/21 were as follows:

**Objective 1 – Croydon campus is a General Education College offering young people and adults comprehensive pathways to employment and further study and transforming our students' economic and social prospects, by**

- Preparing to run 2 initial T levels from September 2022. *The College has successfully **achieved** capital funding for additional resources for both campuses to deliver T Levels in Health and Science and Engineering from September 2022, and will be actively marketing these programmes from August 2021. Planning for further T levels from September 2023 has commenced.*
- Expanding provision for High Needs Students ('HNS'). **Achieved** - *recruitment to the Pathway Centre at Coulsdon, opened in partnership with Croydon Council in September 2019 has continued to increase and new personalised programmes in Construction, Hair and Beauty and Childcare has led to an increase of 54 additional HNS in year.*
- Develop at least 3 HNC/D courses to enable progression to BA course of Higher Apprenticeships. *This objective was **partially achieved** through low levels of recruitment in January, however applications for September 2021 were very much stronger.*
- Raising 16-18 achievements by 4%, apprenticeship timely achievements by 12%, raise HE continuation rates and improve Alps score (Alps is an education sector benchmarking services showing distance travelled by students). Minimise achievement gaps through the embedding of the new student support structure. Improve maths and English progress measures by at least +0.5. *This is **partially achieved**. 16-18 Achievements declined by 1.3%, impacted by functional skills due to COVID. However improvements were achieved in Alps scores for first year vocational*



## CROYDON COLLEGE

### MEMBERS REPORT FOR THE YEAR ENDED 31 JULY 2021

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*subjects. Apprenticeship achievement increased by 9.8% to 75%. Gaps appear to have been closed for students with a learning difficulty or disability and gender, although ethnicity gaps remain. Maths and English progress measures are expected to be achieved due to an increase in high grades, we are still awaiting the report. HE continuation rates have improved.*

- Provide work experience to at least 85% of 16-18s and extended work placements to 25% of students. *This activity was planned for the Spring and Summer terms, which was challenging due to the national lockdown restrictions, however virtual work experience and other work related activities were put in place, with participation rates of 88.4% for virtual work experience and 18% for industry placements, so **partially achieved**.*
- Improving student attendance to 85%, increase extra – curricula activities and ensure student satisfaction for teaching and learning is at least in Quartile B. **Partially achieved.** *Attendance at Croydon Campus remains lower than target; impacted by the pandemic, as was the enrichment programme. Student satisfaction was achieved at Quartile B for Teaching and Learning.*

**Objective 2 – Coulsdon Sixth Form campus is a great Sixth Form College offering young people with an excellent curriculum which enables them to achieve outstanding results and transforming our students' prospects to successfully progress to further studies, university or Apprenticeships, by**

- Increasing the proportion of learners progressing to university to 75% and increasing the numbers to 'high tariff' universities to 10%. *This target has been **achieved**, with over 81% of students applied to UCAS. The number progressing to high tariff universities has reached 5.2%.*
- Increase curriculum offer and marketing to increase Level 3 recruitment. **Achieved.** *Student recruitment at Coulsdon College is strong and Level 3 recruitment grew by over 2% in 2020/21.*
- Undertake a review of the 2020/21 curriculum, after merger, to ensure it meets the needs of students and the economy, embracing the diversity of the College. *The September 2020 curriculum was revised to include additional qualifications for Level 3 learners, extended projects and employability skills. Courses with low demand were closed and additional focus on celebrating diversity within curriculum was **achieved**, with sustainability a key focus for 2021/22.*
- Increase attendance to 85%. *Attendance is still too low on campus. This target continues to be a challenge and **not achieved**, however developments in teaching and learning continue with this judged to be Good in the Spring term 'Snapshot' review and opening of student common room in April 2021.*
- Achievement rates for 16-18 year olds outturned at 90% (5.8% above the national average for sixth form colleges of 84.2%). *Alps average scores increased and English and maths progress measures improve. This was **partially achieved**. The Achievement Rate of 88.6% is a decrease of 3.1% on the previous year, but still sits above the 19/20 Sixth Form College Benchmark of 86.7%. Improvements were achieved in Alps scores for A levels.*
- All students access work related learning activities and 25% access an extended work placement. *Work Experience, including virtual work experience has been challenging and **partially achieved** during the pandemic, however the summer term saw an uptake in this activity with 85% participation in virtual work experience.*

**Objective 3 – Employers and Stakeholders shape the curriculum, ensuring that we are able to meet the needs of the local economy, by**

- Increasing the number of students studying construction and tech/digital courses for 20/21. **Achieved.** *There has been significant growth in Construction across the last two academic years. Construction and Engineering has grown by 36% between 19/20 and 20/21, with new Construction Level 3 and L4 Civil Engineering recruited for September 2021. Plans for growth in Tech and Digital include a new Level 5 course in Digital Skills from January 2022.*

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### MEMBERS REPORT FOR THE YEAR ENDED 31 JULY 2021

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- Plan for the expansion of Health and Care HE courses in 2020/21 with the construction of a new Clinical Simulation Suite ('CSS') for September 2021. **Achieved.** *The College has entered into a partnership agreement with the University of Roehampton for courses starting in September 2021 and has built a new CSS on time and within budget for the new B.Sc. Nursing delivered on campus, which has recruited well.*
- Meet the apprenticeship income target of £750k for 20/21 and increase contribution from that area. **Partially achieved.** *The targets for apprenticeships have not been met due to pandemic related reductions in demand in Business and Professional, however STEM engagement has improved. Total apprenticeship income has been 84% achieved, however contribution has not met target.*
- Provide distance learning provision for non-Londoner adults. **Achieved.** *The expansion of our delivery of Distance Learning has increased from £26k in 2019/20 to £175k; however non-London Adult Education Budget overall was only 87.6% achieved, slightly less than the 90% required before clawback.*

#### **Objective 4 – Workforce – our staff are our greatest asset, they are experts in what they do, we invest in them and ensure they are valued, empowered and supported to innovate, by**

- Introducing a staff survey to enable us to plan organisational development, and put in place actions to improve staff engagement. **Achieved.** *A Staff survey was undertaken in April/May and with overall engagement of 72%, Highlights included above benchmark perceptions of Leadership, Diversity and Inclusion and Enablement. Staff reported that they felt valued for what they do. However, there are also a number of areas for development including Autonomy, ensuring staff feel good about their work, and with staff who are Black/Black Caribbean, staff who are LGBTQ+ and staff with disabilities who all have considerably lower perceptions of working at the College. A number of actions have and will be put in place, including new Staff Fora, a new HR Strategy, a new BEN Network and application for the Investors in Diversity Award.*
- Providing support to teaching staff through the Teaching, Learning and Mentor ('TLM') Team, improved Student Satisfaction and Snapshot reviews assess Teaching Learning and Assessment as Good. **Achieved.** *Increasing demand for TLM support from teams and teachers, with clear focus on online teaching and learning walks has improved sharing of good practice. Teaching and Learning at the Croydon Campus is now Good across all Schools, with significant improvement in all areas, including those which were previously underperforming. Teaching and Learning has improved at Coulsdon Campus compared to last year.*
- Student satisfaction with Teaching, Learning and Assessment is at least in Quartile B of the QDP student survey. **Partially achieved.** *Student feedback improved across all schools on the Croydon Campus in the Autumn and early summer Survey. Student satisfaction at the Coulsdon campus was in Quartile D. Croydon campus quartile B; the College was in Quartile C overall.*
- Launch a new staff intranet to improve communications and celebrations of achievements to raise aspirations and performance. External awards and recognition to support the reputation of the College and celebrate our work. **Achieved.** *The new staff intranet was launched in Spring 2021 and is now the link to all systems, Staff Briefings and celebrations. Coulsdon College was recognised in the Sixth Form Colleges Association Awards, and our Access Team has entered for the Queens Anniversary Award.*
- Widen participation in Leadership and Management development, Continued programmes of management, alongside a Talent Management approach and coaching and streamlining of appraisal process for 2021/22. **Achieved.** *Investment in the development of our staff is resulting in clear improvements in student outcomes, teaching and learning and student feedback at the College.*

#### **Objective 5 – an efficient and effective corporate core which enables the College to be great, by**

- Generating an operating surplus of £12k (excl FRS102 adjustments), ensuring that expenditure is in line with budgets and setting the 2021/22 budget to provide Good financial health. **Achieved.**



## CROYDON COLLEGE

### MEMBERS REPORT FOR THE YEAR ENDED 31 JULY 2021

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*The outturn result for 2020/21 have again been affected by the COVID-19 pandemic, and a surplus of £21k is reported. After excluding the FRS102 adjustment, the fair value of donations received and profit on disposal of fixed assets, comprises a comparable surplus of £1,088k. Plan was exceeded mainly by one-off increased grant income for COVID-19 support, adults and additional learner support combined with a reduction in non-pay spend due to the closure of the College for the Spring term, especially utility and exams costs. Delays to progressing the estates strategy also reduced spend due to the focus on delivering the ESFA's FE Building Condition Grant, which was unexpectedly received in August 2019. By exceeding the budget for 2020/21 the College expects to have to return 2019 merger funding received, estimated at £261k. A budget surplus of £167k is set for 2021/22, generating Good financial health.*

- Increase awareness of funding, audit and robust Business Planning processes enabling secure financial viability for all course for 2021/22. **Partially Achieved.** *There was a significant improvement in Business Planning despite the pandemic including detailed reviews and focus on course viability with curriculum team managers. Apprenticeship data improvements have been made through strengthened arrangements and management. Increased resources for reporting is planned for 2021/22.*
- Meet the ICT/ILT Strategy 2019-2024 Objectives for 20/21, which includes securing even more robust IT, working towards ISO 27001 and continuing development of on-line teaching and systems. *The 2019-24 ICT/ILT Strategy Objectives for 2020/21 were **achieved**, and additional staffing resources will be allocated in 2021/22 to expand this area of work. Cyber Essentials accreditation has been gained and user access controls strengthened alongside phishing awareness.*
- Develop the campuses in line with the 2019/20 detailed Estates Strategy, including bids for capital grants. **Achieved** at Croydon campus. *In addition to the construction of the new Clinical Simulation Suite, over £1.1m was spent on the Croydon campus under the 2020/21 ESFA's Building Condition Fund grant. Four bids for projects totalling £5.6m were submitted for funding in Spring/Summer 2021, with two so far awarded, as requested, for works to be undertaken in 2021/22, one has been approved for a Stage 2 Application and one, for Coulsdon, has been unsuccessful. The Croydon campus Masterplan has also commenced.*

#### COVID – 19 response

The College put students at the heart of its response to COVID 19 and organised a number of new measures to support students, staff and stakeholders in response to the effects of the pandemic during 2020/21. Preparations for the 2020/21 academic year included the introduction of a new online applications and enrolments system, which ensured that recruitment commenced in July 2020 and led to recruitment targets for all ages being exceeded by the start of term in September 2020.

Following on line enrolment, both campuses re-opened to all students fully from September to December 2020. From January 2021 to March 2021, following the second national lockdown guidelines, the campuses remained open to vulnerable students and those who did not have the technology at home to access online lessons; students were otherwise taught online. The Croydon and Coulsdon campuses and Pathway Centre at the Coulsdon campus re-opened from March 2021 to FE students with new Mass Testing Centres on each site; HE students continued with online delivery until May 2021 in line with Government Guidance.

The College's well developed VLE allowed us again to move to online Teaching and Learning smoothly, with teachers continuing to engage and monitor student progress. All students identified as vulnerable were contacted on a very regular basis, supporting them to access Online Teaching and Learning and also supporting their wellbeing. Students who did not have access to IT equipment from home were able to be loaned laptops from the 754 donated by the Department for Education ('DfE') for 16-18 year old students. Eligible students also continued to receive funds for Free School Meals, Bursaries and Childcare throughout the period.

Small groups of 16-18 year olds were able to have additional small group Maths and english tuition under additional COVID-19 funding from the DfE's 16-18 Tuition Fund, which is expected to continue to



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### MEMBERS REPORT FOR THE YEAR ENDED 31 JULY 2021

2023-24. From April 2021, the new National Skills Fund enabled Adults on certain Level 3 courses to receive fee waivers, and more adults were able to access the GLA's additional COVID-19 response Adult Education Budget ('AEB').

Grant activity levels were exceeded for 16-18 year olds, due to the successful recruitment in September 2020 and were achieved in full for the main Greater London Authority ('GLA') AEB, including the additional COVID-19 response AEB and High Needs Learner grants. Considerable inroads were made to deliver the ESFA's Adult Education Budget for non-Londoners, as subcontracted and distance learning provision continued, however the 90% tolerance level was just slightly missed, resulting in a very small clawback of this grant. Engagement with employers and other stakeholders continued throughout the period, although work with apprentices was reduced where employers could not recruit staff.

Underlying all College activity has been regular meetings of the College's cross campus COVID-19 Response group, led by the Principal, with regular communication to staff (including a staff/unions working group), students, stakeholders, Governors and the local Croydon Health officials. There has also been robust, shared, Health and Safety assessments and additional reports to the Health and Safety Committee and Audit Committee of Governors.

#### Financial objectives

A series of annual performance indicators have been agreed to monitor the achievement of the financial objectives. In 2020/21, all of the objectives have mainly been exceeded, with the exception of the pay%, as the College has delivered increased small group COVID grants and more ALS support for High Needs Students:

Measure	Objective for 2020/21	Outcome
ESFA financial health	Rating of <i>Good</i> against current ESFA scoring calculation	<i>Outstanding</i> score, due to the one off impact of COVID. Self-assessment is <i>Good</i>
Underlying Operating Surplus (excluding FRS102(s28) pensions impact and the merger income grant and related expenses)	£12k	£1,088k
Net current asset ratio > 1	1.82	2.8
Cash in hand > 45 days	113 days	174
Staff costs to an optimum level against income and activity	66.5%	68.55%, increasing due to the high staff input for COVID grants, eg 16-18 Tuition Fund and increased High Needs ALS support.
Partnership provision < 2 % income	1.3% income	1.3% income
Increase alternative sources of new funding	Additional adult delivery grant of £267k	Additional GLA Good Works for All Grant, Kickstart, and National Skills Fund delivery exceeded this objective.
Capital investment	£1.6m	£2.162m

The College is committed to observing the importance of sector measures and indicators and uses the FE Choices data available on the GOV.UK website which looks at measures such as success rates. The College is required to complete the annual Finance Record for the Education and Skills Funding Agency. The College's financial health is assessed annually by the Education and Skills Funding Agency, who confirmed the College's self assessed status of Good financial health for 2019/20; it's self-assessed forecast of Good financial health as at 31 July 2021 is awaiting confirmation.

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## MEMBERS REPORT FOR THE YEAR ENDED 31 JULY 2021

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### Resources

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

Following curriculum growth, the College has increased the total number of people it employed during the year from 403 (344 Full Time Equivalent) in 2019/20 to 437 (348 Full Time Equivalent) in 2020/21 of whom 284 (2019/20: 260) are curriculum staff.

The College has 6,728 students in total (2019/20: 6,264). The student population includes 2,638 16-18 year old students (2019/20: 2,557) (of which 1,551 study at the Croydon campus and 1,087 at Coulsdon). In addition, there were 215 Apprentices (2019/20: 214), 230 Higher Education students (2019/20: 264), 2,722 Adult Learners (2019/20: 2,944) and 175 students on full cost provision, including Year 11 students (2019/20: 285).

Tangible resources now comprise 3 unsecured sites, the Croydon campus at College Road, Croydon, the Coulsdon College campus at Placehouse Lane, Old Coulsdon and a building let on a long lease to a third party in Selhurst. The proceeds from the sale of the Barclay Road site in July 2018 are still being held within cash and short term investments for reinvestment in the Croydon campus. The completion of the new Clinical Simulation Suite and match funding for the ESFA's Building Condition grant during 2020/21 at the Croydon campus and the two T Level grants awarded for 2021/22, one for each campus, have started to utilise these funds.

As at 31<sup>st</sup> July 2021, the College has £17.7 million of net assets (including £33.3 million pension liability) (2020: £16.6m, including £32.7million of pension liability) and long term debt of £6.3 million (2020: £6.9m).

Both Colleges have a good reputation locally and nationally. Maintaining distinct College brands is essential for the College's success at attracting students and external relationships.

### Stakeholders

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

- Students
- Education sector funding bodies
- FE Commissioner
- Staff
- Local employers
- Local authorities
- Greater London Authority ('GLA')
- The local communities of Croydon and Coulsdon
- Other FE institutions
- Trade unions
- Professional bodies.

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

### Public benefit

Croydon College is an exempt charity under the Part 3 of the Charities Act 2011 and is regulated by the Secretary of State for Education. The members of the Governing Body, who are trustees of the charity, are disclosed on pages 19 and 20.

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.

## CROYDON COLLEGE

### MEMBERS REPORT FOR THE YEAR ENDED 31 JULY 2021

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In delivering its mission, the College provides the following identifiable public benefits through the advancement of education to 6,728 students, including 177 students with high needs. The College provides courses without charge to young people, to those who are unemployed and adults taking maths and English courses. The College adjusts its courses to meet the needs of local employers and provides training to 215 apprentices. The College is committed to providing information, advice and guidance to the students it enrolls and to finding suitable courses for as many students as possible regardless of the educational background.

## DEVELOPMENT AND PERFORMANCE

### Financial results

Croydon College generated a surplus before tax, including profit on disposal of fixed assets, fair value of donated IT equipment, merger income repayment provisions and related costs, of £21k (2019/20 – deficit before other gains and losses for the year, including merger income repayment provisions and related costs, of £1,322k). The Local Government Pension Scheme ('LGPS') FRS102 provision adjustments are again significant this year, contributing £1,666k to the surplus before other gains and losses (2019/20 - £1,061k). The underlying operations of the College can be illustrated in the following table:

£'000	2020/21	2019/20
Surplus/(deficit) before other gains and losses for the year	21	(1,322)
Profit on disposal of fixed assets	(600)	-
Adjustments for donations, merger and LGPS FRS102:		
Fair value of donated IT equipment	(260)	-
Merger grant repayment	261	370
LGPS FRS 102 charge	1,666	1,061
<b>Underlying operational surplus</b>	<b>1,088</b>	<b>109</b>

After actuarial gain in respect of the LGPS of £1.05m, total comprehensive income of £1,073k for the year was achieved (2019/20 – £7,344k comprehensive deficit, after actuarial loss in respect of the LGPS of £6.0m).

Despite the COVID -19 pandemic and reduction in its activities, the College maintained achievement of its main grants, except for the ESFA Adult Education Budget, where attainment was 88% compared to the tolerance of 90%. Catering and commercial lettings income was halted from January 2021 – March 2021, however the College was able to claim subsidy of the staff furloughed from the Government's Job Retention Scheme.

The College has cash and short term investments totalling £11,449k and accumulated reserves, including revaluation reserve of £17,702k as at 31st July 2021, compared to cash and short term investments of £10,554k and accumulated reserves of £16,629k as at 31st July 2020, after increase in the LGPS FRS102 provision of £0.614m.

Tangible fixed asset additions during the year amounted to £2,162k (2019/20 - £713k), comprising building refurbishment, including the creation of a new Clinical Simulation Suite of £1,601k (2019/20 - £172k) and equipment, mainly IT infrastructure, replacement IT equipment of £561k (2019/20- £541k), at both campuses. The College also received 754 Government laptop donations as part of its COVID-19 support to colleges, valued at £260k, in February 2021.

The triennial valuation of the Local Government Defined Benefit Pension Liability established that the College's funding of its liabilities had increased from 73% at 31st March 2016 to 85% as at 31st March 2019 and although the Employer's contribution rate was increased by 8.1% from April 2020, the considerable lump sum payments made since the last valuation are no longer required.



# CROYDON COLLEGE

## MEMBERS REPORT FOR THE YEAR ENDED 31 JULY 2021

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### **Cash flows and liquidity**

Net cash flow inflows from operations were £2,123k (2019/20 - £1,388k).

During the year, the College made capital repayments of loans totalling £627k (2019/20: £609k). Interest charged of £250k (2019/20: £288k) was incurred for the College's loans. Short term investments totalling £24k were made in the year (2019/20: £53k). In total, after receipt of £600k for disposal of fixed asset, there was an inflow of cash of £871k (2019/20: cash outflow of £162k).

The College continues to accumulate cash balances in order to finance its investment in its estate, particularly at the Croydon campus. The College consider that it has adequate reserves to enable it to maintain operations during the COVID -19 pandemic.

### **Reserves**

Excluding the revaluation reserve, as at 31<sup>st</sup> July 2021 the College has accumulated negative income and expenditure account reserves of £9,674k (2020: £10,747k). However, after adjustment for the Local Government Pension Scheme deficit, the College has accumulated positive income and expenditure account reserves of £23,619k (2020: £21,932k). The College's also has net current assets of £6,503k (2020: £5,942k).

Whilst the College is striving to improve this and achieve an overall positive position in terms of its income and expenditure account reserves, it is mindful that this will be greatly influenced by the performance of the Croydon Local Government Pension Scheme and continuing ESFA grants to cover the substantial increased costs of the Teachers' Pension Scheme from April 2022.

The College also recognises that whilst the level of reserves is important, it is the level of cash availability and the ability to generate cash that is the most crucial factor to maintain financial stability, especially during the COVID-19 pandemic.

### **Sources of income**

The College has significant reliance on the education sector funding bodies for its principal funding source, largely from recurrent grants. In 2020/21 the FE funding bodies provided 78.4% (2019/20 – 79%) of the College's total income.

## **FUTURE PROSPECTS**

### **Developments**

Through increased 16-18 year old student recruitment and efficiency savings, the College continues to reduce the operating deficit costs of the Coulsdon College activities going forward. Efficiency savings continue to be made, particularly in the Corporate Services with reductions in printing and reprographics costs in 2021/22, being re-invested in bolstering cyber security. With a focus on maximising the contribution from all of its activities across both sites as the local demographic increases, a surplus budget of £167k for 2021/22 has been set, a year earlier than originally planned at merger. The College aims to reduce dependency on funding bodies and is continually seeking viable suitable opportunities to achieve this with its new HE partner, the University of Roehampton, whilst also recruiting to new T levels in Science and Engineering from September 2022, as well as growth in providing skills to London based adults.

The College remains committed to as much face to face teaching as can be attained going forward, whilst maintaining the health and safety of students and staff, with the options to move swiftly to a blended or on-line approach if required. The COVID-19 Response Group regularly assess the impact on College attendance, local transport issues, feedback from the staff and union working groups and student feedback, as well as reporting student attendance regularly to the Department of Education.

### **Financial plan**

The Croydon governors approved a financial plan in July 2021 which set objectives for the period to 31st July 2023, with a view to increasing surplus budgets.

### **Treasury policies and objectives**

Treasury management is the management of the College's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks. The College has a separate treasury management policy in place. Short term borrowing for temporary revenue purposes is authorised by the Accounting Officer. All other borrowing requires the authorisation of the Corporation.

### **Reserves**

The College has no formal Reserves Policy but recognises the importance of reserves in the financial stability of any organisation, and ensures that there are adequate reserves to support the College's core activities. The College reserves have £nil held as restricted reserves. As at the balance sheet date, the Income and Expenditure deficit reserve stands at £(9,674)k, (2020:£(10,747)k). It is the Corporation's intention to maintain adequate reserves over the life of the strategic plan whilst funding the recovery of deficit operations at the Coulsdon campus to enable increased operating surpluses to be delivered in 2021/22 and 2022/23.

### **Going concern**

The College currently has £6.3m of loans outstanding with Barclays Bank on terms negotiated in 2007 and 2010 with repayment due by 2030 and 2029. Neither of these loans is subject to a charge on the assets of the College. The College had closing cash balances and short term deposits totalling £11,449m as at 31 July 2021 and at present does not require, nor has in place, any overdraft facility. The College's forecast and financial projections indicate that it will be able to operate within the loan covenants for the foreseeable future.

After making 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.

## **PRINCIPAL RISKS AND UNCERTAINTIES**

### **Risk management**

The College has undertaken further work during the year across both campuses, to develop and embed the system of internal control, including financial, operational and risk management which is designed to protect the College's assets and reputation. As a result of the COVID-19 pandemic, it has continued to develop on line student services support systems, as well as line teaching resources, IT infrastructure and communication processes to students and parents.

Based on the Strategic Plan, the Risk Management Group undertakes a comprehensive review of the risks to which the College is exposed and formulates a risk register. This identifies the key risks, the likelihood of those risks occurring, their potential impact on the College and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system. This is supported by a risk management training programme to raise awareness of risk throughout the College. The plan outlines the necessary internal controls, which are then implemented and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions. Monitoring and progress against the plan is undertaken termly by each of the relevant sub committees of the Board with oversight by the Audit Committee.



## CROYDON COLLEGE

### MEMBERS REPORT FOR THE YEAR ENDED 31 JULY 2021

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In addition, the Risk Management Group will also consider any risks which may arise as a result of a new area of work being undertaken by the College. During 2020/21, the COVID -19 Risk Register and Risk Management Plan was amalgamated into the general plan for each area.

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

#### **1. The COVID-19 pandemic**

The College coped well with lockdown again during 2021/22, moving a majority of students successfully to online learning, while continuing to be open to Vulnerable and High Needs students. With cases rising again across the country and particularly for the 16 and 17year olds, who may not take part in the Autumn 2021 national vaccination programme, we continue to face the uncertainty of the pandemic. A COVID-19 response group meets regularly, to oversee our actions and manage risk. Risks include:

- Protecting our College community and health and safety onsite, as the number of cases nationally rise.
- Student engagement in their learning, the nature of exams and how we protect the interests of our most vulnerable students
- Staff availability for teaching as rising number may need to isolate or may be ill
- Remote working and how we continue to support and motivate our staff who are working remotely
- Income especially from commercial contracts and apprenticeships as businesses face greater uncertainty and reduce staff
- Maintaining essential business operations if there is another lockdown or staffing and student absences increase and hence we face a business continuity issue.

These issues will be managed by the following actions:

- A wide range of protective measures to support the health and wellbeing of our College community identified through our risk assessment process and with Public Health Croydon
- Early induction to online learning, identification of students with inadequate IT access, a focus on identifying support needs
- Remote working guidance for managers and COVID staff group, which includes unions
- Systems changes to allow all main processes to be conducted remotely

#### **2. Government funding**

The College has considerable reliance on continued government funding through the further education sector funding bodies and through the Office for Students (previously HEFCE). In 2020/21 78% (2019/20: 79%) of the College's revenue was ultimately publicly funded and this level of requirement is expected to increase as demographic changes continue to drive the enrolment of young people. There is greater Government recognition of the role of colleges, resulting in a one off increase to funding per 16-18 student and additional priority grants being awarded in 2021/22, the first time for a number of years. However, there can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

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

- The new Learning and Skills white paper is under development which is likely to bring some significant change to the Colleges operating environment.
- The complexity of the Apprenticeship funding for all Colleges and employers
- The impact of the growing 16-18 demographic on student numbers, with funding lagging a year behind.



- The College's ability to grow Adult Education Budget delivery to meet demand which is restricted by the current GLA commissioning and procurement process
- The impact of Brexit, on student recruitment from the EU and settlement status
- The additional cost of the NI from 1 April 2022 which, unlike schools, will not be reimbursed by the Government
- The impact of COVID 19 on recruitment and income.

These issues are managed by the following actions:

- By ensuring the College is rigorous in delivering high quality education and training which meet the needs of the local community and economy.
- Maintaining and managing key relationships with the various funding bodies, and applying for growth contracts where possible
- Ensuring the College is focused on those priority sectors which will continue to benefit from public funding
- Regular dialogue with funding bodies, including the GLA for the devolved AEB grant.
- Increasing resources, and therefore reducing margins, to assist Apprenticeship employers navigate the continuously changing Funding Rules.

### **3. Growth of HE provision**

Higher Education continues to be a very competitive market, yet is crucial to the local economy and our students' progression. With more HE providers moving into the Borough we need to manage this risk carefully.

This risk is mitigated in a number of ways:

- Carefully aligning areas of growth to the local economy and the aspirations of our students
- By investing in specialist capital resources to meet new course needs
- By ensuring the College is rigorous in delivering high quality education and training, thus ensuring value for money for students
- By monitoring the progress of HE students to ensure continuation rates are high
- By evidencing the impact of HE on students' careers through providing professional advice and guidance and launching a wider range of employability activities to support students into employment.

### **4. Maintain adequate funding of pension liabilities**

The financial statements report the share of the Local Government Pension Scheme deficit on the College's balance sheet in line with the requirements of FRS 102. The College liaises with Croydon Council on a regular basis to ensure that contribution levels are at an appropriate level to provide members with the benefits to which they are entitled. The triennial actuarial valuation as at 31 March 2019 was published in January 2020, and resulted in significant increases in contribution per employee effective from April 2020, however this was partly compensated for by the reduction of the lump sum payments previously paid. The impact of COVID-19 on the values of the assets and discount rates used to value future obligations could mean increased payments are due from April 2023.

## KEY PERFORMANCE INDICATORS

Post-merger, a number of key performance indicators were agreed with the Department of Education in 2018/19, for the period to 31 July 2021, to enable the merged College to achieve a sustainable basis from that date. The key financial indicators for 2020/21 and the outturn are:

KPI	2020/21 merged College targets	Actual 2020/21
Student numbers 16-18	2,475 actual, 2,427 funded	2,638 actual outturn 2,568 funded
EBITDA excl. Restructuring Grant, associated merger costs and Capital grant release	3.5%	7.9%
Borrowings as a % of income	31.3%	24.1%
Adjusted current ratio	3.07	2.8
Financial health score	Good	Good (self assessed)
Ofsted rating	Good	Good (self assessed)

### Student achievements

Achievement in classroom based learning for all ages for both campuses declined to 82% in 2020/21 from 84.4% in 2019/20. 16-18 achievement was finalised at 83% and 19+ achievements 79%.

### Student Performance 2020/21 to 2019/20 – all College

Quality	20/21	19/20	19/20
<b>Achievement Targets</b>	Actual	Actual	Provider Group
<b>Overall All</b>	82.1%	84.4%	86.7%*
<b>Overall 16-18</b>	83.7%	85.5%	83.4%*
<b>Overall 19+</b>	80.3%	83.0%	89.9%*
<b>Apprenticeships – Overall</b>	76.5%	66.7%	66.7%
<b>Apprenticeships – Timely</b>	39%	42.3%	61%

\* The provider group rates have not been republished for 2019/20 due to the impact of COVID, and so remain as the published 2018/19 provider group.

There is also year on year improvement for English and maths GCSE outcomes with high volumes of students making positive progress on their prior attainment.

As part of the College's annual self-assessment, areas of improvement identified are:

- **Outcomes require improvement to be good on functional skills** where learners had difficulty in engaging with online learning during lockdown and final exams were required despite the disruption of lockdown.
- **Outcomes require improvement to be good** for 19+ provision across College, in particular Access to HE where learners had difficulty with maintaining College-home life balance during lockdown.
- **Outcomes require improvement to be good on apprenticeship programmes**; overall achievements continue to improve but timely achievements have fallen as a direct result of lockdown.

### Curriculum developments

At the Croydon Campus 2020/21 saw significant growth of students studying Construction and Engineering, Health and Social Care, and a small increase in the number of students on digital courses, in response to local demand.

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### MEMBERS REPORT FOR THE YEAR ENDED 31 JULY 2021

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20/21 also saw a significant increase in the number of High Needs students studying with the college both in discrete provision at the Pathway Centre and in Supported Education and within mainstream programmes. This was made possible by the restructure of the Student Support Service and enhanced liaison with the local authority, parents and guardians and feeder schools.

The number of students on a study programme at the Croydon Campus continues to grow. Due to the pandemic much of the work experience provided on the study programmes was virtual, as was the enrichment programme. Progress coaches were employed to support students progress. During lockdown between January and March regular contact was made with vulnerable students and safeguarding procedures amended to meet the needs of online Teaching and Learning. Classes were delivered at timetabled slots, registers taken and non-attendance followed up. Teachers and student services staff were excellent at caring for students during this difficult period. The Small Group Tuition fund was predominantly targeted at supporting 16-18 year olds with their English and maths, funding was also used to provide catch up workshop sessions elsewhere in technical professions.

The College continued its contractual agreement to teach year 11 students in a discrete group. Most students in this cohort were new arrivals to the UK or to the Authority and many were looked after children and a majority have progressed into mainstream college education in 2021/22.

20/21 saw the growth of the College's employability work, with the opening of the youth employment hub in partnership with DWP, the College becoming a Kickstart provider and the delivery of some pre-employment programmes. This new provision is highly successful and is helping our community return to work post pandemic.

Demand for Adult Education Budget funded courses continues to be higher than our funding allocation. Despite Lockdown delaying the start of new courses between January and March the College has fully spent its GLA Adult Education Budget contract. ESOL provision has grown significantly to meet demand and the number of adults studying discrete English and Maths in Functional Skill and GCSE's continues to increase. The College's GLA Covid Response Grant also funded the growth in ESOL courses.

At Coulsdon, the popular mix of A Levels and Vocational Courses continues to allow students to access a curriculum best suited to their aspirations. Due to the pandemic a majority of work experience and extracurricular activities were provided virtually. 16-18 Tuition funds were targeted on the development of maths and English, and additional workshops provided when the site fully re-opened to enable students to catch up on practical skills. As with Croydon regular contact was made on a one-to-one basis with all vulnerable students during lockdown. The restructure of Student Services supported an increase in the number of High Needs Students at the Coulsdon Campus, while a new structure with Heads of Year, brought better coordination of the year groups across the curriculum areas. The number of students choosing to study at Coulsdon grew in 2020/21 particularly in Health and Care and Business and Travel.

#### **Payment performance**

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. The target set by the Treasury for payment to suppliers within 30 days is 95 per cent. During the accounting period 1 August 2020 to 31 July 2021, the College paid 72% of its invoices within 30 days. The College incurred no interest charges in respect of late payment for this period.

## EQUALITY AND DIVERSITY

#### **Equality**

At Croydon College we are proud of our diverse staff and student community, we promote and celebrate inclusion and recognise diversity as a key strength. We value and respect everyone who studies and works at our College and are committed to supporting students and staff to achieve great things. We will actively seek views from students and staff, creating an environment where everyone is treated with



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respect, feels listened to, and valued for their contribution. The diversity of our College community is a key strength of our organisation and by ensuring our students and staff are heard, respected and involved in decision making we enhance our students' experience and make our College an even better place to study and work.

#### **Equality commitments**

- We value all our students and staff as individuals with a unique set of characteristics
- Equality and respect are at the heart of our approach to students and staff
- Our College treats all people fairly and operates with the principles of, respect, care and consideration
- Equality of access, treatment and services for all students and staff.

#### **Diversity commitments**

- We recognise that everyone is unique
- Our College community is diverse, we continue to enhance our culture of inclusion, increasing the diversity of our College community, recognising that in doing so we enhance our students' experiences and make our College an even better place to study and work
- Our curriculum celebrates the diversity of our community
- Our ways of working are focused on inclusion and harness the power of our diversity.

#### **Inclusion commitments**

- Equal access and opportunities to all. We do not tolerate discrimination or intolerance
- Collaborative decision making with decisions made at the most appropriate level
- Students and staff are encouraged to be open and honest and know that they will be listened to
- We are an inclusive College, committed to meeting the needs of our students and staff.

#### **We achieve this by:**

- Promoting and supporting equality, diversity and inclusion as strengths which enrich our College, the experience of our students and the experience of our staff
- Making sure that this statement is understood and shared with all staff, so that there is a common expectation of how staff are treated and supported in our organisation
- Fostering a culture throughout the College that promotes these principles and ensures that they are embedded in our policies, processes, practice and decision making
- Ensuring that these principles are embedded in student admissions and staff recruitment and selection practices
- Ensuring our approach to equality, diversity and inclusion mean that we value and support our differences
- Bullying and harassment, or discrimination of any kind is not tolerated in our College
- Committing to a robust analysis of EDI data to identify areas of under-representation, and creating action plans to address these, ensuring these action plans are available and shared with students and staff.

The College's Equalities Statement is published on its website. The College publishes an annual HR report, which includes EDI Analysis and has committed to publish gender and ethnicity pay gap reports.

The College has signed up to the Disability Committed Scheme which means that applicants who meet the essential criteria of a post are guaranteed an interview. All staff receive training on equality and diversity with training for new starters and is available on the on-line platform for refresher courses at any time.

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## MEMBERS REPORT FOR THE YEAR ENDED 31 JULY 2021

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### Disability statement

The College, at all campuses, seeks to achieve the objectives set down in the Equality Act 2010:

- As part of its accommodation strategy the College regularly updates its access audit. Experts in this field are used as and when required.
- The College uses external advisors as and when required to provide information, advice and guidance to enable the College to arrange appropriate support for students with disabilities.
- There is a list of specialist equipment, such as radio aids, which the College can make available for use by students and a range of assistive technology is available in the learning centre.
- There is an admissions policy for all students with an appeals process.
- The College uses specialist lecturers and support staff to support students with learning difficulties and/or disabilities and other support for learning. There is a 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 College prospectuses, and achievements and destinations are recorded and published in the standard College format.
- Information on access to counselling and welfare services is provided to students together with the Compliments and Complaints and Disciplinary Procedure leaflets at induction.

### Trade union facility time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 requires colleges to publish information on facility time arrangements for trade union officials. For 2020/21, this information for the College is as follows:

Numbers of employees who were trade union officials during the year	FTE employee number
4	3+1 part time

Percentage of time	Number of employees
0%	-
1-50%	4
51-99%	-
100%	-
Total cost of facility time	£27k (including costs for a Union Official recharged by Collegiate Trust)
Total pay bill	£16,420k
Percentage of total bill spent on facility time	0.17%

Time spent on paid trade union activities as a percentage of total paid facility time	100%
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## EVENTS AFTER THE REPORTING PERIOD

There are no events to be reported.

## DISCLOSURE OF INFORMATION TO AUDITORS

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

Approved by order of the members of the Corporation on 8 December 2021 and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'AC' followed by a stylized flourish.

**Tony Stevenson**  
**Chair**



## STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

The following statement is provided to enable readers of the annual report and accounts of the College to obtain a better understanding of its governance and legal structure. This statement covers the period from 1<sup>st</sup> August 2020 to 31<sup>st</sup> July 2021 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); and
- ii. in accordance with the guidance to colleges from the Association of Colleges in The Code of Good Governance for English Colleges ("the AOC Code");

In the opinion of the Governors, the College complies with all the provisions of the AOC Code, and it has complied throughout the year ended 31 July 2021. This opinion is based on an internal review of compliance with the Code reported to the Governing Body on 8 December 2021.

The Governing Body recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times. In carrying out its responsibilities, it takes full account of The Code of Good Governance for English Colleges issued by the Association of Colleges in March 2015, which it formally adopted on 1 December 2015. The amendments to the Code of Good Governance that relate to Senior Post Holders Remuneration and the Senior Post Holders Remuneration Code were adopted by the Board on the 4 December 2019.

The College is an exempt charity within the meaning of Part 3 of the Charities Act 2011. The Governors, who are also the Trustees for the purposes of the Charities Act 2011, confirm that they have had due regard for the Charity Commission's guidance on public benefit and that the required statements appear elsewhere in these financial statements.

### Public Value Statement:

Croydon College is ambitious for its community and seeks to provide outstanding education and training opportunities for all. We strive to raise aspirations and change the lives of the people living, working and learning around us. Our focus is on actively working in partnership to invest, grow and shape the services within our community, supporting economic growth through delivering skills for employment and enterprise.

### The Corporation

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

Name	Date of appointment/ reappointment	Term of office	Date of resignation / end of term of office	Category to which appointed	Committees served	Attendance at meetings in year ended 31 July 2021 (Boards & Committees)
Gordon Smith (Chair of Governors until cop 9/12/2020)	10 July 2019 (reappointment)	4 yrs	9 December 2020	Governor	Search & Governance Finance & Resources Remuneration	83%
Tony Stevenson (Chair of Governors from 10/12/2020)	21 October 2020	4 yrs		Governor	Finance & Resources Search & Governance Remuneration	100%

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Tom Hesmondhalgh (Vice-Chair of Governors)	3 Oct 2017	4 yrs	1 September 2021	Governor	Learning and Quality Coulsdon (Chair) Search & Governance (Chair) Remuneration Audit	88%
Jean Cook	10 July 2019 (reappointment)	4 yrs		Governor	Learning & Quality Croydon (Chair until 31 July 2021) Learning and Quality Coulsdon Search & Governance Remuneration (until 21 October 2020)	100%
Nigel Dias	13 Mar 2018	4 yrs	31 December 2020	Governor	Learning & Quality Croydon Audit	50%
Andrew Booth	20 March 2019	4 yrs	1 January 2021	Governor	Learning and Quality Coulsdon Finance & Resources Committee	75%
Penny Wycherley	1 August 2019	4 yrs	10 December 2020	Governor	Learning and Quality Croydon Learning and Quality Coulsdon	100%
Rahel Haque	1 August 2019	4 yrs	10 June 2021	Governor	Audit	50%
Andrew Lowe	1 August 2019	4 yrs		Governor	Finance & Resources (Chair)	63%
Lucia Guetcherian	16 October 2019	4 yrs		Staff Governor	Learning and Quality Croydon	75%
Nasim Jivani-Hemani	26 February 2020	4 yrs		Governor	Finance & Resources Search & Governance and Remuneration	93%
Fiona Brennan	18 March 2020	4 yrs		Staff Governor	Learning and Quality Coulsdon	100%
Andrew Gilchrist	18 May 2020	4 yrs		Governor	Audit Committee (Chair)	100%
Catherine Boyd-Maunsell	04 June 2020	4 yrs		Governor	Finance and Resources Committee Search and Governance (Chair from 20 October 2021) Remuneration (Chair)	100%
Claudine Reid	21 October 2020	4 yrs		Governor	Learning and Quality Coulsdon (Chair from 20 October 2021) Audit	100%
Shyam Pillai	21 October 2020	1 yr	7 July 2021	Student Governor	Learning and Quality Croydon	100%
Abbigail Azirou	21 October 2020	1 yr	7 July 2021	Student Governor	Learning and Quality Coulsdon	75%

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Frederick Law	24 March 2021	4 yrs		Governor	Audit Committee Search & Governance and Remuneration (from 21 October 2021)	100%
Andy Wilson	1 June 2021	4 yrs		Governor	Learning and Quality Croydon (Chair from 21 October 2021) Learning and Quality Coulsdon	100%
Soumick Dey	1 June 2021	4 yrs		Governor	Learning and Quality Croydon Learning and Quality Coulsdon	100%
Nataly Vivanco-Piechota	20 October 2021	1 yr		Student Governor	Learning and Quality Coulsdon	N/A
Anastasia Fox	20 October 2021	1 yr		Student Governor	Learning and Quality Croydon	N/A
Mike Fisher	20 October 2021	4yrs		Governor	Audit Committee	N/A
Niral Patel	20 October 2021	4yrs		Governor	Finance & Resource Committee	N/A

Jean Cook is the link Governor for the College's Safeguarding Committee, Nasim Jivani-Hemani is the link Governor for the College's Health and Safety Committee. Tom Hesmondhalgh attended the College's Sustainability Group meetings during 2020/21 and will be replaced by Jean Cook in 2021/22. Claudine Reid is the Governor representative on the College's Careers and Employability Steering Group and the Investors in Diversity Accreditation Steering Group.

It is the Corporation's responsibility to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct. Following merger in February 2019, a Learning and Quality Board was set up specifically for Coulsdon College and this continued during 2020/21.

The Corporation has also established a Higher Education Group, reporting to the Croydon Learning and Quality Committee, to monitor progress against the conditions imposed on HE provision by the Office for Students and the transition to a new validating university from September 2021. The HE group continued to meet throughout 2020/21 and reported regularly on progress to the Croydon Learning and Quality Committee and the Corporation.

The Corporation is provided with regular and timely information on the overall financial performance of the College together with other information such as performance against funding targets, proposed capital expenditure, quality matters, Human Resources and related matters such as health and safety and environmental issues. Management Accounts are provided monthly. The Corporation meets each term.

The Corporation conducts its business through a number of committees. Each committee has terms of reference, which have been approved by the Corporation and are reviewed annually. These committees are Finance and Resources, Remuneration, Search and Governance, Audit and Learning and Quality (Croydon and Coulsdon). Once approved, full minutes of meetings, except those deemed to be confidential by the Corporation, are available on the College website or from the Director of Governance /Clerk to the Corporation at: Croydon College, College Road, Croydon, Surrey CR9 1DX.

The Director of Governance/Clerk to the Corporation maintains a register of financial and personal interests of the governors. The register is available for inspection at the above address.

All governors are able to take independent professional advice in furtherance of their duties at the College's expense and have access to the Director of Governance/Clerk to the Corporation, who is responsible to the Board for ensuring that all applicable procedures and regulations are complied with.



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### MEMBERS REPORT FOR THE YEAR ENDED 31 JULY 2021

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The appointment, evaluation and removal of the Director of Governance/Clerk are matters for the Corporation as a whole.

Formal agendas, papers and reports are supplied to governors in a timely manner, prior to Board meetings. Briefings are provided on an ad hoc basis. The Corporation and its Committees continued to meet as scheduled during 2020/21, however meetings were held virtually rather than in person because of the Coronavirus pandemic. Two Governor Days were also held online, in December 2020 and July 2021. A small number of urgent decisions that were required between meetings were approved by written resolution and Chair's action as permitted under the Corporation's Instruments and Articles and Standing Orders.

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.

#### **Appointments to the Corporation**

Any new appointments to the Corporation are a matter for the consideration of the Corporation as a whole. The Corporation has a Search and Governance Committee, which is responsible for the selection and nomination of any new member for the Corporation's consideration. The Corporation is responsible for ensuring that the appropriate training is provided as required. Members of the Corporation are appointed for a term of office not exceeding four years.

In 2020/21 the Search and Governance Committee consisted of five members of the Corporation including the Principal. In 2020/21, the Search and Governance Committee recommended the appointment of a new Chair and four new external governors to the Board, all of whom were appointed.

The new Chair, Tony Stevenson, was appointed following an external selection process run through a search agency. The process was overseen by the Search and Governance Committee. The role was advertised externally and both external candidates and current Governors (excluding staff and student Governors) were eligible to apply. Interviews took place in September 2020. The selection process and the panel's recommendations were scrutinised by the Search and Governance Committee in early October 2020 and a formal recommendation to appoint Tony Stevenson as a Governor and Chair elect was approved by the Board at its meeting on 21 October 2020. He took office as Chair on 10 December 2020. The resignation of the previous Chair, Gordon Smith, took effect from the end of the day on 9 December 2020.

The new Governors, including the new Chair, bring expertise in social enterprise, equality and diversity, audit and risk, higher and further education and secondary education, which complement the existing skills on the Board. A comprehensive induction pack has been provided to all new Governors. Induction for new Governors took place virtually. Additionally, as part of his induction, the Chair elect observed or attended meetings of all of the Committees during the autumn term, had regular meetings with Principal and Chief Executive and Director of Governance and met with all members of the Executive Team. The new Chair also had one to one conversations/meetings with individual Governors. The new Chair has also had meetings with a wide range of key local stakeholders including the Leader and other members of Croydon Council, Croydon MPs and the Chair of the Croydon University Hospital NHS Trust. The new Chair has also participated in the Chair's Leadership Programme run by the Oxford Said Business School on behalf of the Education and Training Foundation.

#### **Corporation performance**

Good governance principles require that FE Boards should self-assess their activities and performance at least every three years in terms of effectiveness, operational efficiency and compliance.

## CROYDON COLLEGE

### MEMBERS REPORT FOR THE YEAR ENDED 31 JULY 2021

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A full external assessment took place in 2019/20, and details are provided in the financial statements for that year. In 2020/21 assessment of the Governing Body's performance has taken place internally through the following suite of indicators; a review of committee effectiveness, and overview of 1-2-1s between the new Chair and Governors, an assessment of compliance with the AoC's Code of Good Governance, review of performance against the College's KPIs, Governor attendance and a review of Governor engagement and activity. This process was overseen by the Search and Governance Committee who recommended the statement on Board performance for 2020/21, which is detailed in the Statement on Internal Control, to the Board for approval.

#### Remuneration Committee

The membership of the Remuneration Committee in 2020/21 mirrors the membership of the Search and Governance Committee, with the exception of the Principal who is not a member of the Remuneration Committee. The Committee's responsibilities are to make recommendations to the Board on the remuneration and benefits of the Accounting Officer and other key management personnel. The membership of the Remuneration Committee in 2020/21 is stated in the membership table above.

Details of remuneration for the year ended 31 July 2021 are set out in note 7 to the financial statements.

A separate Remuneration Report has been published by the Corporation in compliance with the requirements of the AoC Senior Postholder Remuneration Code.

#### Audit Committee

The Audit Committee is comprised of a minimum of three members of the Corporation (excluding the Accounting Officer and Chair) during 2020/21 and met on three occasions during the year. Attendance was as follows:

Committee member	Meetings attended
Andrew Gilchrist (Chair)	3
Tom Hesmondhalgh	3
Rahel Haque	1
Claudine Reid	3
Frederick Law	1 (appointed March 2021)

A further new external Governor, with experience of internal and external audit and risk management, was appointed in March 2021 to strengthen the membership of this Committee. The Committee operates in accordance with written terms of reference approved by the Corporation which were reviewed during the year to ensure compliance with the 2020/21 Post 16 Audit Code of Practice.

The Audit Committee provides a forum for reporting by the College's internal auditors, reporting accountants and financial statements auditors, who have access to the Committee for independent discussion without the presence of College management. The Committee also receives and considers reports from the main FE and other 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. The oversight of risk management has been strengthened following an internal audit of this area in 2020/21. Committees are now undertaking regular deep dives into specific areas of risk to review the effectiveness of the controls in place. The Audit Committee undertook the first of these deep dives, into cyber security risk, at its meeting in June 2021. Board members also received risk management training from a specialist at RSM, the College's internal auditors, in October 2021.

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



## CROYDON COLLEGE

### MEMBERS REPORT FOR THE YEAR ENDED 31 JULY 2021

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The Audit Committee also advises the Corporation on the appointment of internal auditors, reporting accountants and financial statements auditors and their remuneration for audit and non-audit work as well as reporting annually to the Corporation. There have been no changes to the internal or external auditors during 2020/21.

#### **Finance and Resources Committee**

The Finance and Resources (F&R) Committee has a membership of five governors, including the Accounting Officer and Chair of the Corporation. The remit of this committee is to contribute to those aspects of the College Strategic Plan which affect the deployment of financial, human, property or other capital resources and to ensure that resources are used effectively and efficiently.

In addition to monitoring the College's financial position, the F&R Committee increased its focus on human resources issues during the year, recommending a new HR strategy to the Board for approval and reviewing the College's gender and ethnicity pay gap data and the actions identified to address issues raised.

The Committee has also focused on property matters, including bids for building condition and T level capital funding and the resulting works and recommended a revised Property Strategy to the Board for approval in March 2021. The Committee considered the business case for development of the Clinical Simulation Centre at the Croydon Campus to support the delivery of a nursing degree and other health and social care related courses at Croydon College from September 2021. The Committee also recommended the College's new Sustainability Strategy to the Board for approval.

## INTERNAL CONTROL

#### **Scope of responsibility**

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

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

#### **The purpose of the system of internal control**

The system of internal control is 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 Croydon College for the year ended 31 July 2021 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 year ending 31 July 2021 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Corporation.



### **The risk and control framework**

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

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

Croydon 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. At minimum, annually, the Head of Internal Audit (HIA) provides the governing body with a report on internal audit activity in the College. The report includes the HIA's independent opinion on the adequacy and effectiveness of the College's system of risk management, controls and governance processes.

The Audit Committee was provided with regular reports on this assurance activity in the College.

### **Risks faced by the corporation**

The risks to the attainment of the College's strategic plan to 2024 are rated as low, with the exception of the risk of maintaining Good financial health for the period, which is scored as medium for the risks outlined earlier in the Principal Risks and Uncertainties section of the Members' report.

### **Responsibilities under funding agreements**

The Audit Committee set a number of internal audits during the year as part of a 3-year cycle to review key systems and controls, such as finance, learner numbers, apprenticeships, DSATs, IT security, health and safety, HE data, estates management, procurement, safeguarding, HR recruitment, course planning, budgeting and Governance to enable it to confirm that responsibilities under funding agreements with the ESFA and GLA have been met.

### **Control weaknesses identified**

No significant internal control weaknesses or failures arose during 2020/21, however the College continues to action all audit recommendations promptly to ensure that any weaknesses notified are addressed

### **Responsibilities under funding agreements**

The Audit Committee set a number of internal audits during the year as part of a 3-year cycle to review key systems and controls, such as financial controls, learner numbers, apprenticeships, DSATs, safeguarding, risk management, HE data, estates maintenance, teaching staff utilisation and governance to enable it to confirm that responsibilities under funding agreements with the ESFA and GLA have been met.

# CROYDON COLLEGE

## MEMBERS REPORT FOR THE YEAR ENDED 31 JULY 2021

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### Statement from the Audit Committee

The Audit Committee has advised the Board of Governors that the Corporation has an effective framework for governance and risk management in place. The Audit Committee believes the corporation has effective internal controls in place.

The specific areas of work undertaken by the Audit Committee in 2020/21 and up to the date of the approval of the financial statements are:

Area of review	Conclusions	Recommendations – H (high), M (medium) or L (low)
Safeguarding	Reasonable assurance	M x 1, L x 3
Governance	No opinion/advisory	5 (no priority given)
Risk Management	No opinion/advisory	10 (no priority given)
Key Financial Controls	Reasonable assurance	M x 1, L x 3
HE Data	Substantial assurance	-
Estates Maintenance	Reasonable assurance	M x 4
Follow up from previous years	Good progress	L x 2
Learner numbers	No opinion/advisory	M x 3, L x 1
Apprenticeships	No opinion/advisory	M x 3, L x 3
Teaching Staff Utilisation	Reasonable assurance	M x 1, L x 2
DSAT review	No significant issues identified	M x 2, L x 5

### Review of effectiveness

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

- the work of the internal auditors
- the work of the executive managers within the College who have responsibility for the development and maintenance of the internal control framework
- comments made by the College's financial statements auditors, the reporting accountant for regularity assurance and other reports.

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

The senior management team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The senior management team and the Audit Committee also receive regular reports from internal audit and other sources of assurance, which include recommendations for improvement.

The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Corporation's agenda includes a regular item for consideration of risk and control and receives reports thereon from the senior management team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its December 2021 meeting, the Corporation carried out the annual assessment for the year ended 31 July 2021 by reviewing a range of information including attendance information, performance against KPIs, compliance with the AoC Code of Good Governance, an overview of 1-2-1s between the Chair and Governors and an updated skills audit, and taking account of events since 31 July 2021.

The Board's conclusions were that it is an effective group of Governors with a broad range of skills and experience, which has been strengthened in the areas of education and audit and risk by appointments made during the year. A new Chair took office on 10 December 2020. The new Chair was recruited



## CROYDON COLLEGE

### MEMBERS REPORT FOR THE YEAR ENDED 31 JULY 2021

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through an external recruitment process and was supported by an induction/handover period with the previous Chair.

There is a strong Principal & CEO and Executive team. The Board and its Committees have continued to operate effectively despite the move to online meetings as a result of the pandemic. However, 2020/21 has been a second year of significant change in the membership of the Board. Five new external Governors were appointed during 2020/21 including the new Chair. Opportunities for the Chair and Governors to build relationships with one another needs to be an area of focus in 2021/22.

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

#### Going concern

The College has prepared a detailed budget for the year to 31 July 2022 and an indicative forecast for the year to 31 July 2023. This assumes that the funding levels advised by the ESFA will be made available to the College and that the majority of these funds will be utilised. A monthly cash flow forecast has been prepared for the financial year to 31 July 2022 and beyond through to 31 December 2022 which indicates that the College will have sufficient funds to meet its liabilities.

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.

Approved by order of the members of the Corporation on 8 December 2021 and signed on its behalf by:



**Caireen Mitchell**  
Accounting Officer



**Tony Stevenson**  
Chair of Governors



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

The Corporation has considered its responsibility to notify ESFA of material irregularity, impropriety and non-compliance with terms and conditions of funding, under the corporation's grant funding agreements and contracts with ESFA. As part of our consideration we have had due regard to the requirements of grant funding agreements and contracts with ESFA.

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

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



**Caireen Mitchell**  
**Accounting Officer**  
**8 December 2021**



**Tony Stevenson**  
**Chair of Governors**  
**8 December 2021**

## STATEMENT OF RESPONSIBILITIES OF THE MEMBERS OF THE CORPORATION

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

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

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

- select suitable accounting policies and apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards 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 Members' Report which describes what it is trying to do and how it is going about it, including information about the legal and administrative status of the College.

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

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

Members of the Corporation are responsible for ensuring that expenditure and income are applied for the purposes intended by Parliament and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from the ESFA, and any other public bodies, 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 the ESFA, or any other public funder. Members of the Corporation must ensure that there are appropriate financial and management controls in place in order to safeguard public and other funds and to ensure they are used properly. In addition, members of the Corporation are responsible for securing 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 the ESFA and other public bodies are not put at risk.

Approved by order of the members of the Corporation on 8 December 2021 and signed on its behalf by:



**Tony Stevenson**  
**Chair of Governors**

## **INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF CROYDON COLLEGE**

### **Opinion**

We have audited the financial statements of Croydon College (the 'College') for the year ended 31 July 2021 which comprise the statement of comprehensive income, the statement of changes in reserves, the balance sheet, the statement of cash flows, the principal accounting policies, and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the College's affairs as at 31 July 2021 and of its surplus of income over expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ In all material respects, funds from whatever source administered by the College for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- ◆ In all material respects, funds provided by the OfS, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions; and
- ◆ The requirements of OfS's accounts direction have been met

### **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 members of the Corporation'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 College'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 of the Corporation with respect to going concern are described in the relevant sections of this report.



### **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The members of the Corporation are responsible for the other information contained within the annual report. 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.

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 Code of Practice issued by the Education and Skills Funding Agency requires us to report to you if, in our opinion:

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

### **Responsibilities of the Corporation**

As explained more fully in the statement of responsibilities of members of the Corporation the members of the Corporation are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members of the Corporation determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

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

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:

## CROYDON COLLEGE

### MEMBERS REPORT FOR THE YEAR ENDED 31 JULY 2021

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Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the College through discussions with management, and from our knowledge and experience of the sector;
- ◆ we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the College, including the Further and Higher Education Act 1992, agreements with the ESFA and associated funding rules, ESFA regulations, data protection legislation, anti-bribery, safeguarding, employment, health and safety legislation;
- ◆ we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- ◆ identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the College's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions; and
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias;

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reading the minutes of Corporation meetings;
- ◆ enquiring of management as to actual and potential litigation and claims; and
- ◆ reviewing any available correspondence with HMRC and the College's legal advisors (although none was noted as being received by the College).

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the members of the Corporation and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

CROYDON COLLEGE  
MEMBERS REPORT FOR THE YEAR ENDED 31 JULY 2021

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**Use of our report**

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

A handwritten signature in dark ink, appearing to read 'Buzzacott LLP', is written over a light blue horizontal line.

Buzzacott LLP  
Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

Date: 10 December 2021



## REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY

**To: The Corporation of Croydon College and Secretary of State for Education, acting through the Education and Skills Funding Agency (ESFA)**

In accordance with the terms of our engagement letter dated 5 August 2020 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, in all material respects, the expenditure disbursed and income received by Croydon College during the period 1 August 2020 to 31 July 2021 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 data returns, for which the ESFA has other assurance arrangements in place.

This report is made solely to the corporation of Croydon College 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 Croydon College 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 [name of corporation] and the ESFA for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Croydon College and the reporting accountant**

The Corporation of Croydon College is responsible, under the requirements of the Further & Higher Education Act 1992, subsequent legislation and related regulations and guidance, for ensuring that expenditure disbursed, and income received, are applied for the purposes intended by Parliament, and the financial transactions conform to the authorities that 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 2020 to 31 July 2021 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.

**Reporting accountant's assurance report on regularity (continued)**

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material irregularity and impropriety across all of the College's activities;
- Further testing and review of the areas identified through the risk assessment including enquiry, 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 2020 to 31 July 2021 has not been applied to purposes intended by Parliament, and the financial transactions do not conform to the authorities that govern them.



Buzzacott LLP  
Chartered Accountants  
130 Wood Street  
London  
EC2V 6DL

Date: 10 December 2021

CROYDON COLLEGE  
STATEMENT OF COMPREHENSIVE INCOME

		Year ended 31 July 2021	Year ended 31 July 2020
	Notes	£'000	£'000
<b>INCOME</b>			
Funding body grants	2	22,120	20,545
Tuition fees and education contracts	3	5,045	4,262
Other grants and contracts	4	195	245
Other income	5	558	804
Investment income	6	25	82
Donations	10	260	-
<b>Total income</b>		<b>28,203</b>	<b>25,938</b>
<b>EXPENDITURE</b>			
Staff costs	7	19,084	16,625
Other operating expenses	8	6,553	7,128
Depreciation	10	2,431	2,676
Interest and other finance costs	9	714	831
<b>Total expenditure</b>		<b>28,782</b>	<b>27,260</b>
<b>Deficit before other gains</b>		<b>(579)</b>	<b>(1,322)</b>
Profit on disposal of fixed assets	10	600	-
<b>Surplus/(deficit) before tax</b>		<b>21</b>	<b>(1,322)</b>
Taxation		-	-
<b>Surplus/(deficit) for the year</b>		<b>21</b>	<b>(1,322)</b>
<b>Other recognised gains and losses</b>			
Actuarial gain/(loss) in respect of pension schemes	19	1,052	(6,022)
<b>Total Comprehensive income/(deficit) for the year</b>		<b>1,073</b>	<b>(7,344)</b>

The notes on pages 40-59 form part of these financial statements

The statement of comprehensive income is in respect of continuing activities



CROYDON COLLEGE  
STATEMENT OF CHANGES IN RESERVES

	Income and Expenditure account £'000	Revaluation reserve £'000	Total £'000
<b>Balance at 1 August 2019</b>	<b>(3,403)</b>	<b>27,376</b>	<b>23,973</b>
Deficit from the statement of comprehensive income	(1,322)	-	(1,322)
Actuarial loss in respect of pension schemes	(6,022)	-	(6,022)
<b>Balance at 31 July 2020</b>	<b>(10,747)</b>	<b>27,376</b>	<b>16,629</b>
Surplus from the statement of comprehensive income	21	-	21
Actuarial gain in respect of pension schemes	1,052	-	1,052
<b>Balance at 31 July 2021</b>	<b>(9,674)</b>	<b>27,376</b>	<b>17,702</b>

CROYDON COLLEGE  
BALANCE SHEET AS AT 31 JULY 2021

	Notes	As at 31 July 2021 £'000	As at 31 July 2020 £'000
<b>Non-current assets</b>			
Tangible Fixed assets	10	96,427	96,436
		<u>96,427</u>	<u>96,436</u>
<b>Current assets</b>			
Trade and other receivables	11	1,722	1,007
Short term deposits		7,134	7,110
Cash and cash equivalents		<u>4,315</u>	<u>3,444</u>
		13,171	11,561
Less: Creditors – amounts falling due within one year	12	<u>(6,668)</u>	<u>(5,619)</u>
<b>Net current assets</b>		<u><b>6,503</b></u>	<u><b>5,942</b></u>
<b>Total assets less current liabilities</b>		<b>102,930</b>	<b>102,378</b>
Creditors – amounts falling due after more than one year	13	(50,059)	(51,045)
<b>Provisions</b>			
Defined benefit obligations	19	(33,293)	(32,679)
Other provisions	15	<u>(1,876)</u>	<u>(2,025)</u>
<b>Total net assets</b>		<u><b>17,702</b></u>	<u><b>16,629</b></u>
<b>Unrestricted Reserves</b>			
Income and expenditure account		(9,674)	(10,747)
Revaluation reserve		<u>27,376</u>	<u>27,376</u>
<b>Total unrestricted reserves</b>		<u><b>17,702</b></u>	<u><b>16,629</b></u>

The financial statements on pages 36 to 59 were approved by the Corporation and authorised for issue on 8 December 2021 and were signed on its behalf on that date by:



**Caireen Mitchell**  
Principal and CEO Croydon College



**Tony Stevenson**  
Chair, Croydon College

CROYDON COLLEGE  
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 July 2021

	Year to 31 July 2021	Year to 31 July 2020
	£'000	£'000
<b>Cash flow from operating activities</b>		
Surplus/(deficit) for the year	21	(1,322)
<b>Adjustment for non-cash items</b>		
Depreciation	2,431	2,676
Donated assets	(260)	-
(Increase)/decrease in debtors	(715)	505
Increase/(decrease) in creditors due within one year	1,020	(482)
Decrease in creditors due after one year	(1,516)	(1,179)
Decrease in provisions	(149)	(62)
Pensions costs less contributions payable	1,201	518
<b>Adjustment for investing or financing activities</b>		
Investment income	(25)	(96)
Interest payable	715	830
Profit on disposal of fixed assets	(600)	-
<b>Net cash inflow from operating activities</b>	<b>2,123</b>	<b>1,388</b>
<b>Cash flows from investing activities</b>		
Capital Grants received	1,174	77
Proceeds from sale of fixed assets	600	-
Investment income	21	96
Increase in cash deposits	(24)	(53)
Payment made to acquire fixed assets	(2,146)	(773)
	<b>(375)</b>	<b>(653)</b>
<b>Cash flows from financing activities</b>		
Interest paid	(250)	(288)
Repayments of amounts borrowed	(627)	(609)
	<b>(877)</b>	<b>(897)</b>
<b>Increase/(decrease) in cash and cash equivalents in the year</b>	<b>871</b>	<b>(162)</b>
Cash and cash equivalents at beginning of the year	3,444	3,606
Cash and cash equivalents at end of the year	4,315	3,444
	<b>871</b>	<b>(162)</b>



## 1. STATEMENT OF ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES

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

### **Basis of preparation**

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (the 2019 FE HE SORP), the College Accounts Direction for 2020 to 2021 and in accordance with Financial Reporting Standard 102 – “The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland” (FRS102). 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 FRS102 requires the use of certain accounting estimates. It also requires management to exercise judgement in applying the College’s accounting policies.

### **Basis of accounting**

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

### **Going concern**

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

The College currently has £6.321m of loans outstanding with Barclays Bank on terms negotiated in 2007 and 2010 with repayment due by 2030 and 2029. Neither of these loans is subject to a charge on the assets of the College. The College had closing cash balances and short term deposits totalling £11.449m as at 31 July 2021 and at present does not require, nor has in place, any overdraft facility. The College’s forecasts and financial projections indicate that it will be able to operate within this existing facility and covenants for the foreseeable future.

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

### **Recognition of income**

#### *Revenue grant funding*

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

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

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

Grants (including research grants) from non-government sources are recognised in income when the College is entitled to the income and performance related conditions have been met. Income received in

advance of performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

#### *Capital grant funding*

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

#### *Fee income*

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

#### *Investment income*

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

#### *Other income*

Other income is credited to the income and expenditure account in the period in which it is earned on a receivable basis.

### **Agency arrangements**

The College acts as an agent in the collection and payment of certain discretionary support funds. Related payments received from the funding bodies and subsequent disbursements to students are excluded from the income and expenditure of the College where the College is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

### **Accounting for post-employment benefits**

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

#### *Teachers' Pension Scheme (TPS)*

The TPS is an unfunded scheme. Contributions to the TPS are calculated so as to spread the cost of pensions over employees' working lives with the College in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of valuations using a prospective benefit method. The TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution plan and the contributions recognised as an expense in the income statement in the periods during which services are rendered by employees.

#### *Croydon 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 finance costs.

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

#### **Short term employment benefits**

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

#### **Enhanced pensions**

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

#### **Non-current assets - tangible fixed assets**

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

##### *Land and buildings*

Freehold land at both campuses is not depreciated as it is considered to have an infinite useful life. The values included in the balance sheet for the Croydon campus are based on a valuation as at 31 July 2015 with a policy to revalue in the future.

Freehold buildings are depreciated over their expected useful economic life to the College of between 20 and 50 years. The College has a policy of depreciating major adaptations to buildings over the period of their useful economic life of between 20 and 50 years. The Croydon campus buildings were revalued in 2013 and it has been decided not to adopt a policy of revaluations of these properties in the future. The Coulsdon campus buildings were valued as at 12th February 2019 at depreciated replacement cost.

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 income and expenditure account 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.

##### *Investment Property*

The investment property, which is leased on a long lease to the Brit School, is included in the financial statements at fair value. Formal revaluations are undertaken every 3 years to ensure that its carrying value has not been impaired, and this was last undertaken in November 2021. The Corporation are satisfied that the fair value has not changed materially in the period to 31 July 2021 given the nature of the lease agreement and the occupation of the building by the School.

As a result of the Coronavirus pandemic, less weight can be attached to previous market evidence to inform opinions of value. Consequently, less certainty can be attached to the valuation of investment property than would normally be the case. This applies to all property valuations in the UK.



# CROYDON COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

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### *Equipment*

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

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

Plant	-	10 years
Motor vehicles	-	5 years
Computer equipment	-	4 years
General equipment	-	5 years
Fixtures and fittings	-	5 years

### **Borrowing costs**

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

### **Leased assets**

Costs in respect of operating leases are charged on a straight-line basis over the lease term to the Statement of Comprehensive Income and Expenditure.

### **Other investments**

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

### **Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits which have a maturity of less than three months and overdrafts.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. Deposits with a maturity of more than three months are classified as Short Term Deposits.

### **Financial liabilities and equity**

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

### **Taxation**

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

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

### Provisions and contingent liabilities

Provisions are recognised when

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

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax 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 College a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the College. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

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

### Judgements in applying accounting policies and key sources of estimation uncertainty

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

- Determine whether leases entered into by the College either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the College's tangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- Determined the value to the Corporation or fair value of the 754 COVID-19 laptops donated by the Department of Education. The Corporation has lent devices to eligible learners and considers that the risks and rewards of ownership of the devices remain with the Corporation and have been capitalised and depreciated in accordance with the Corporations' depreciation policy.

#### *Other key sources of estimation uncertainty*

- *Tangible fixed assets*

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

- *Local Government Pension Scheme*

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. The actuary has used a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 to value the pensions liability at 31 July 2021. 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.

**CROYDON COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021**

- *Budgets and cashflow forecasts for the coming year*

The Budget set for the following financial year is for a break even position, and the cash flows for the forthcoming 12 months indicate that the College has sufficient cash reserves throughout the period to meet all of its financial obligations.

**2. FUNDING BODY GRANTS**

	Year ended 31 July 2021	Year ended 31 July 2020
	£'000	£'000
<b>Recurrent grants</b>		
Education and Skills Funding Agency -16 -18	15,054	13,836
Education and Skills Funding Agency - adults	672	936
Greater London Authority – adults	3,620	3,340
Education and Skills Funding Agency – Advanced Learner Loan	160	293
Education and Skills Funding Agency – Non Levy Apprenticeships	190	87
Education and Skills Funding Agency - prior year	(9)	(102)
Office for Students	80	127
<b>Specific grants</b>		
COVID-19 response grants:		
Education and Skills Funding Agency - 16-19 Tuition Fund	335	-
Greater London Authority – National Skills Fund	19	-
Greater London Authority - Adult COVID Response	234	-
Education and Skills Funding Agency - Summer 2020 Free School Meals	32	-
Education and Skills Funding Agency – Capacity and Development Fund	109	213
Greater London Authority - Innovation Fund	-	335
Restructuring Facility Grant	(261)	(370)
Teachers' Pension Contribution Grant	486	483
Releases of government capital grants	1,399	1,367
<b>Total</b>	<b>22,120</b>	<b>20,545</b>

In response to the COVID -19 pandemic, additional funds were received during 2020/21 as follows:

- The College received 754 donated laptops under the Department for Education's Coronavirus Laptop Scheme. Many of these devices have been loaned to students during the year.

Income related to students studying Higher Education courses at Level 4 and above is as follows:

	Year ended 31 July 2021	Year ended 31 July 2020
	£'000	£'000
Grant income from the Office for Students (Note2)	80	127
Fee income for taught awards (included in Note 3 below)	1,168	1,306



**3. TUITION FEES AND EDUCATION CONTRACTS**

	Year ended 31 July 2021	Year ended 31 July 2020
	£'000	£'000
Apprenticeship fees (incl Levy contracts)	412	313
Fees for FE loan supported courses	1,145	1,293
Fees for HE loan supported courses	1,155	1,293
International student fees	44	27
<b>Total tuition fees</b>	<b>2,756</b>	<b>2,926</b>
Education contracts (incl Non Levy Apprenticeship contract)	2,289	1,336
<b>Total</b>	<b>5,045</b>	<b>4,262</b>

**4. OTHER GRANTS AND CONTRACTS**

	Year ended 31 July 2021	Year ended 31 July 2020
	£'000	£'000
Erasmus	30	33
Other grant income	22	170
Coronavirus additional funding:		
GLA Emergency Recovery Support	39	-
Mass Testing Funding	86	-
Coronavirus Job Retention Scheme grant	18	42
<b>Total</b>	<b>195</b>	<b>245</b>

In response to the COVID -19 pandemic, additional funds were received during 2020/21 as follows:

- The Corporation furloughed most of the catering staff under the government's Coronavirus Job Retention Scheme in August 2020 and then from 18 February to 7 March 21. The funding received in respect of 8 staff relates to staff costs which are included within the staff costs note below as appropriate.
- Funding received for Mass Testing contributed to the costs of the Centres set up both campuses. Total related additional staff and non-pay costs incurred amounted to £93k from January to 31 July 2021.

**5. OTHER INCOME**

	Year ended 31 July 2021	Year ended 31 July 2020
	£'000	£'000
Catering income	160	276
Rental income	256	275
Student related income	27	101
Other income	115	152
<b>Total</b>	<b>558</b>	<b>804</b>

CROYDON COLLEGE  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

**6. INVESTMENT INCOME**

	Year ended 31 July 2021	Year ended 31 July 2020
	£'000	£'000
Other interest receivable	25	82
	<b>25</b>	<b>82</b>

**7. STAFF COSTS**

The average number of persons (including key management personnel) employed by the College during the period, described as head count, was:

	Year ended 31 July 2021	Year ended 31 July 2020
	No.	No.
Teaching staff	284	260
Non-teaching staff	154	143
	<b>438</b>	<b>403</b>

**Staff costs for the above persons:**

	Year ended 31 July 2021	Year ended 31 July 2020
	£'000	£'000
	No.	No.
Wages and salaries	12,658	11,130
Social security costs	1,168	1,001
Other pension cost (including FRS102 Debit adjustment of £1,201k (2020: £518k) Note 19)	3,965	3,386
<b>Payroll sub total</b>	<b>17,791</b>	<b>15,517</b>
Contracted out staffing services	1,169	937
	18,960	16,454
<b>Re-organisation costs</b>		
Non Contractual	90	80
Contractual	34	91
	<b>124</b>	<b>171</b>
<b>Total staff costs</b>	<b>19,084</b>	<b>16,625</b>

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College and are represented by the College Leadership Team comprising the Principal & CEO, Vice Principals and Principal of Coulsdon College, as noted on Page 1.

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

	2021 No.	2020 No.
The number of key management personnel including the Accounting Officer was:	<u>6</u>	<u>6</u>

The number of key management personnel and other staff with a full time equivalent salary of £60,000 or more who received annual emoluments, excluding employer contributions to national insurance and pension contributions but including benefits in kind and performance related pay, in the following ranges was:

	Key management personnel		Other Staff	
	Year ended 31 July 2021 No.	Year ended 31 July 2020 No.	Year ended 31 July 2021 No.	Year ended 31 July 2020 No.
£10,000 to £15,000 p.a.	-	-	-	1
£20,001 to £25,000 p.a.	-	1	-	1
£25,001 to £30,000 p.a.	1	-	-	1
£40,001 to £45,000 p.a.	-	-	1	-
£45,001 to £50,000 p.a.	-	-	-	1
£60,001 to £65,000 p.a.	1	-	3	4
£65,001 to £70,000 p.a.	-	-	2	-
£70,001 to £75,000 p.a.	-	-	2	1
£80,001 to £85,000 p.a.	-	1	-	-
£85,001 to £90,000 p.a.	-	2	-	-
£90,001 to £95,000 p.a.	-	-	-	-
£95,001 to £100,000 p.a.	2	1	-	-
£105,001 to £110,000 p.a.	1	-	-	-
£145,001 to £150,000 p.a.	-	1	-	-
£160,001 to £165,000 p.a.	1	-	-	-
	<u>6</u>	<u>6</u>	<u>8</u>	<u>9</u>

Key management personnel emoluments are made up as follows:

	Year ended 31 July 2021 £'000	Year ended 31 July 2020 £'000
Salaries	517	540
Performance related pay	29	-
Employer's National Insurance	68	70
Benefit in kind	3	2
	<u>617</u>	<u>612</u>
Pension contributions	131	116
<b>Total emoluments</b>	<u><b>748</b></u>	<u><b>728</b></u>



There were no amounts due to key management personnel that were waived in the year, nor any salary sacrifice arrangements in place. Compensation for loss of office of £15,488 was paid in the year to a staff member earning over £60,000.

The above emoluments include amounts payable to the Accounting Officer (who is also the highest paid officer). This position has been held by Caireen Mitchell since 15 April 2018.

	Year ended 31 July 2021	Year ended 31 July 2020
	£	£
Salaries	152,000	145,000
Performance related pay	7,500	-
Benefit in kind	1,276	1,099
	<u>160,776</u>	<u>146,099</u>
Pension contributions	41,151	29,580
<b>Total emoluments</b>	<b><u>201,927</u></b>	<b><u>175,679</u></b>
	<b>Year ended 31 July 2021</b>	<b>Year ended 31 July 2020</b>
Multiple based on basic salary	5.25	5.33
Multiple based on total remuneration (excl benefit in kind)	6.67	6.42

Agency staff have been excluded from the total remuneration because the College does not record amounts paid to agencies for agency staff in a manner which allows the inclusion of individual agency staff in the calculation of pay ratios. In addition, casual staff have been excluded due to the difficulty in assigning a full-time equivalent value to these flexible employees. The pension contribution rate paid by the College to the LGPS was increased from 17.7 % to 25.8% from April 2020

The Principal and CEO reports to the Chair of the Corporation, who undertakes an annual review of performance against the College's overall objectives using both qualitative and quantitative measures of performance. The remuneration for the Principal and CEO and the Vice Principal Finance and Resources (who reports to the Principal and CEO) are subject to annual review by the Corporation, who use benchmarking information to provide objective guidance. Performance related pay for the Principal and CEO and the Vice Principal Finance and Resources for achievement of 2019/20 objectives was approved by the Corporation and paid in 2020/21. The Corporation has adopted the AoC's Senior Post Holders Remuneration Code and assesses pay for the Principal and CEO and the Vice Principal Finance and Resources in line with its principles.

The Vice Principal Training, Skills and HE, Vice Principal Education and Quality and the Principal at Coulsdon Sixth Form College report to the Principal and CEO, who undertakes an annual review of performance against the College's overall objectives using both qualitative and quantitative measures of performance. The Principal and CEO also uses benchmarking information (local/national colleges' information) to provide objective guidance. Performance related pay for the Vice Principal Training, Skills and HE, Vice Principal Education and Quality and the Principal at Coulsdon Sixth Form College at the time for achievement of 2019/20 objectives was approved by the Principal and CEO and paid in 2020/21.

CROYDON COLLEGE  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

**8. OTHER OPERATING EXPENSES**

	Year ended 31 July 2021	Year ended 31 July 2020
	£'000	£'000
Teaching costs	1,704	2,439
Non- teaching costs	2,993	2,878
Premises costs	1,855	1,811
<b>Total</b>	<b>6,552</b>	<b>7,128</b>

**Other operating expenses include:**

	Year ended 31 July 2021	Year ended 31 July 2020
	£'000	£'000
Auditors' remuneration:		
Financial statements audit	30	30
Internal audit	43	36
Other	18	-
Payment to Sub-contractors	286	404
Hire of assets under operating leases	20	37

**9. INTEREST PAYABLE**

	Year ended 31 July 2021	Year ended 31 July 2020
	£'000	£'000
On bank loans repayable within 5 years, by instalments	250	288
Pension finance costs (note 19)	465	543
<b>Total</b>	<b>715</b>	<b>831</b>

**10. TANGIBLE FIXED ASSETS**

	<b>Investment Property £'000</b>	<b>Land £'000</b>	<b>Buildings £'000</b>	<b>Equipment £'000</b>	<b>Total £'000</b>
<b>Cost or Valuation</b>					
At 1 August 2020	5,730	25,216	73,088	12,330	<b>116,364</b>
Donated laptops	-	-	-	260	<b>260</b>
Additions	-	-	1,601	561	<b>2,162</b>
<b>At 31 July 2021</b>	<b>5,730</b>	<b>25,216</b>	<b>74,689</b>	<b>13,151</b>	<b>118,786</b>
<b>Depreciation</b>					
At 1 August 2020	-	-	(8,779)	(11,149)	<b>(19,928)</b>
Charge for the year	-	-	(1,824)	(607)	<b>(2,431)</b>
<b>At 31 July 2021</b>	<b>-</b>	<b>-</b>	<b>(10,603)</b>	<b>(11,756)</b>	<b>(22,359)</b>
<b>Net book value at 31 July 2021</b>	<b>5,730</b>	<b>25,216</b>	<b>64,086</b>	<b>1,395</b>	<b>96,427</b>
Net book value at 31 July 2020	<b>5,730</b>	<b>25,216</b>	<b>64,309</b>	<b>1,181</b>	<b>96,436</b>

Croydon campus buildings were revalued by GVA Grimley Ltd, international property consultants as at 31 July 2013 and the College has taken the decision not to revalue these in future. Land at the Croydon campus was revalued by GVA Grimley Ltd in July 2015 and will be revalued on an ongoing basis. Coulsdon campus land and buildings were valued by Gerald Eve at depreciated replacement cost as at 12 February 2019. The College considers that there has been no material change in land values for other locations and hence no adjustments have been made to the 31 July 2015 valuation.

The part of the Selhurst site which remains in the Corporation's ownership as an investment property was last formally revalued in November 2021. The Corporation are satisfied that the fair value of the property has not changed materially in the period to 31 July 2021, given the long term nature of the lease agreement and the occupation of the building by the School. If inherited buildings had not been re-valued, they would have been included at the following amounts: Cost £Nil, aggregate depreciation based on cost £Nil, net book value based on cost £Nil.

Land and buildings with a net book value of £58.25m at the Croydon campus and £30.19m at the Coulsdon campus have been partly financed by exchequer funds, through the receipt of capital grant. Should these assets be sold, the College may be liable, under the terms of the agreements with the relevant funding bodies to surrender the proceeds.

The gain on disposal of fixed assets of £600,000 relates to changes agreed by the College to the conditions of sale in relation to a freehold property sold in September 2014.



CROYDON COLLEGE  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

**11. DEBTORS**

	Year ended 31 July 2021	Year ended 31 July 2020
	£'000	£'000
<b>Amounts falling due within one year:</b>		
Trade receivables	713	338
Other debtors	34	-
Prepayments and accrued income	836	616
Amounts owed by the Education and Skills Funding Agency	139	53
<b>Total</b>	<b>1,722</b>	<b>1,007</b>

**12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Year ended 31 July 2021	Year ended 31 July 2020
	£'000	£'000
Bank loans due in one year or less (Note 14)	644	628
Trade creditors	329	331
Payments received in advance	902	664
Other creditors	451	301
Other taxation and social security	310	274
Accruals and deferred income	1,048	895
Holiday pay accruals	623	628
Deferred income – government capital grants	1,416	1,353
Amounts owed to the Education & Skills Funding Agency	945	545
<b>Total</b>	<b>6,668</b>	<b>5,619</b>

**13. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR**

	Year ended 31 July 2021	Year ended 31 July 2020
	£'000	£'000
Bank loans (Note 14)	5,677	6,320
Deferred income - government capital grants	44,382	44,725
<b>Total</b>	<b>50,059</b>	<b>51,045</b>

**14. MATURITY OF DEBT**

	Year ended 31 July 2021	Year ended 31 July 2020
	£'000	£'000
Bank loans are repayable as follows:		
In one year or less	644	628
Between one and two years	665	644
Between two and five years	2,118	2,055
In five years or more	2,894	3,612
<b>Total</b>	<b>6,321</b>	<b>6,948</b>

CROYDON COLLEGE  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

**15. PROVISIONS**

	Enhanced pensions	Other	Total
	£'000	£'000	£'000
At 1 August 2020	1,933	92	2,025
Release of provision in the year	(147)	(38)	(185)
Actuarial adjustment at year end	36	-	36
<b>At 31 July 2021</b>	<b>1,822</b>	<b>54</b>	<b>1,876</b>

Other provisions mainly relate to potential obligations for restructuring costs and additional Teachers Pension contributions.

The enhanced pension provision relates to the cost of staff who have already left the College's employ and commitments for reorganisation costs from which the College cannot reasonably withdraw at the balance sheet date. This provision has been recalculated in accordance with guidance issued by the funding bodies.

**16. CAPITAL AND OTHER COMMITMENTS**

	Year ended 31 July 2021	Year ended 31 July 2020
	£'000	£'000
Commitments contracted as at 31 July	134	13

**17. LEASE OBLIGATIONS**

	Year ended 31 July 2021	Year ended 31 July 2020
	£'000	£'000
<b>Amounts payable as Lessee</b>		
<b>Equipment:</b>		
Not later than one year	46	37
Later than one year and not later than five	144	9
<b>Total</b>	<b>190</b>	<b>46</b>
<b>Amounts receivable as Lessor</b>		
At 31 July the College had minimum lease payments due under non-cancellable operating leases as follows:		
<b>Land and Buildings:</b>		
Not later than one year	256	256
Later than one year and not later than five	1,025	1,025
Later than five years	2,606	2,862
<b>Total</b>	<b>3,887</b>	<b>4,143</b>

CROYDON COLLEGE  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

**18. FINANCIAL INSTRUMENTS**

	Year ended 31 July 2021	Year ended 31 July 2020
	£'000	£'000
<b>Financial assets measured at amortised cost</b>		
Prepayments and accrued income	836	616
Other debtors	852	391
<b>Total</b>	<b>1,688</b>	<b>1,007</b>
<b>Financial liabilities measured at amortised cost</b>		
Trade creditors	329	331
Other creditors	452	302
Holiday pay accruals	623	628
Amounts due to ESFA	945	545
Accruals	1,048	895
<b>Total</b>	<b>3,397</b>	<b>2,701</b>

**19. PENSION AND SIMILAR OBLIGATIONS**

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

Total pension cost for the year	Year ended 31 July 2021	Year ended 31 July 2020
	£'000	£'000
<b>Teachers' Pension Scheme:</b>		
contributions paid	1,482	1,276
<b>Local Government Pension Scheme:</b>		
Contributions paid	1,246	1,445
FRS 102 (28) charge	1,201	518
Charge to the Statement of Comprehensive Income	2,447	1,963
Enhanced pension charge to Statement of Comprehensive Income	36	147
<b>Total pension cost for the year within staff costs</b>	<b>3,965</b>	<b>3,386</b>

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of the TPS was 31 March 2016 and of the LGPS 31 March 2019. There were outstanding contributions due to TPS of £181,012 (2020 £163,712) and LGPS of £133,359 (2020 £116,486) as at 31 July 2021. These amounts are included within creditors.



# CROYDON COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

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### Teachers' Pension Scheme

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

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

Under the definitions set out in FRS102 (28.11), the TPS is a multi-employer pension plan. The College is unable to identify its share of the underlying assets and liabilities of the plan. Accordingly, the College has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The College has set out above the information available on the plan and the implications for the College in terms of the anticipated contribution rates.

The valuation of the TPS is carried out in line with regulations made under the Public Service Pension Act 2013. Valuations credit the teachers' pension account with a real rate of return assuming funds are invested in notional investments that produce that real rate of return. The latest actuarial review of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department of Education ('the Department') in April 2019. The valuation reported:

- New employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% of pensionable pay during 2018/19). The Department has agreed to pay a teacher pension employer contribution grant to cover the additional costs for the 2020/21 academic year and up to 31 March 2022;
- 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;

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website. <https://www.teacherspensions.co.uk>

The employer pension costs paid to TPS in the year amounted to £1,486,000 (2020: £1,276,000)

### Local Government Pension Scheme

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by Croydon Local Authority. The total contributions made for the year ended 31 July 2021 were £1,555,764 of which employer's contributions totalled £1,239,460 and employees' contributions totalled £316,304. Following the triennial valuation of the scheme in 2019, the employer contribution rate from 1st April 2020 to 31st March 2023 is 25.8%, with no additional lump sum payments. From 1 April 2019 to 1 April 2020 however, the employer contribution rate was 17.7% plus an additional lump sum payment of £569,000 for that year. The contribution rates for employees range from 5.5% to 7.5% depending on salary.

### Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2020 updated to 31 July 2021 by a qualified independent actuary.

	Year ended 31 July 2021	Year ended 31 July 2020
Pension Increase Rate (CPI)	2.85%	2.2%
Salary Increase Rate	2.85%	2.2%
Discount Rate for scheme liabilities	1.6%	1.4%

**CROYDON COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021**

Commutation of pensions to lump sums

Pre - April 2008 service	50%	50%
Post - April 2008 service	75%	75%

An allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits for pre-April 2008 service and 75% of the maximum tax-free cash for post-April 2008 service. The current mortality assumptions include an allowance for smoothing of recent mortality experience and long-term rates of 1.25% for males and females. The assumed life expectations on retirement are:

	Year ended 31 July 2021 years	Year ended 31 July 2020 years
<i>Current Pensioners</i>		
Males	22.1	21.9
Females	24.3	23.9
<i>Future Pensioners*</i>		
Males	23.0	22.5
Females	26.0	25.3

\* Figures assume members aged 45 as at the last formal valuation date.

	Long-term rate of return expected at 31 July	Fair Value at 31 July 2021 £'000	Long-term rate of return expected at 31 July	Fair Value at 31 July 2020 £'000
Equities	66%	34,336	62%	26,997
Bonds	20%	10,405	23%	10,015
Property	12%	6,243	14%	6,096
Cash	2%	1,040	1%	435
<b>Total fair value of plan assets</b>		<b>52,024</b>		<b>43,543</b>
<b>Actual return on plan assets (1 July - 30 June)</b>		<b>17.6%</b>		<b>4.7%</b>
<b>Long term discount rate</b>		<b>1.6%</b>		<b>1.4%</b>

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

	Year ended 31 July 2021 £'000	Year ended 31 July 2020 £'000
Fair value of plan assets	52,024	43,543
Present value of plan liabilities	(85,210)	(76,117)
Present value of unfunded liabilities	(107)	(105)
<b>Net pensions liability</b>	<b>(33,293)</b>	<b>(32,679)</b>

# CROYDON COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

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

	Year ended 31 July 2021	Year ended 31 July 2020
	£'000	£'000
<b>Amount included in staff costs</b>		
Current service cost	2,447	1,951
Past service cost	-	18
<b>Total</b>	<b>2,447</b>	<b>1,969</b>
<b>Amount included in interest payable:</b>		
Net interest cost	465	543
	<b>465</b>	<b>543</b>
<b>Amount recognised in other comprehensive income</b>		
Return on pension plan assets	7,943	(3,974)
Experience losses arising on defined benefit obligations	-	-
Changes in assumptions underlying the present value of plan	(6,891)	(2,048)
<b>Total</b>	<b>1,052</b>	<b>(6,022)</b>
<b>Movement in net defined benefit liability during year:</b>	<b>£'000</b>	<b>£'000</b>
<b>Net defined benefit liability in scheme at 1st August</b>	<b>(32,679)</b>	<b>(25,595)</b>
Movement in year:		
Current service cost	(2,447)	(1,951)
Employer contributions	1,246	1,451
Past service cost	-	(18)
Net interest on the defined liability	(465)	(543)
Actuarial gain /(loss)	1,052	(6,022)
<b>Net defined benefit liability at 31 July</b>	<b>(33,293)</b>	<b>(32,679)</b>
<b>Changes in the present value of defined benefit obligations:</b>	<b>£'000</b>	<b>£'000</b>
<b>Defined benefit obligations as at 1 August</b>	<b>76,222</b>	<b>72,059</b>
Current service cost	2,447	1,951
Interest cost	1,074	1,522
Contributions by Scheme participants	315	273
Experience gains and losses on defined benefit obligations	(1,632)	(1,650)
Changes in financial assumptions	7,063	6,668
Changes in demographic assumptions	1,010	1,696
Past service cost	-	18
Other experience (loss)	(1,182)	(6,316)
<b>Defined benefit obligations at 31 July</b>	<b>85,317</b>	<b>76,222</b>



CROYDON COLLEGE  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

**Changes in fair value of plan assets:**

	Year ended 31 July 2021	Year ended 31 July 2020
	£'000	£'000
<b>Fair value of plan assets at 1st August</b>	43,543	46,464
Interest on plan assets	609	979
Return on plan assets	7,943	(3,974)
Employer contributions	1,246	1,451
Contributions by Scheme participants	315	273
Estimated benefits paid	(1,632)	(1,650)
<b>Fair value of plan assets at 31 July</b>	<b>52,024</b>	<b>43,543</b>

The net defined benefit liability as at 31 July 2021 included an obligation of £25k for full GMP indexation in public pension services schemes and also a cost of past service cost of £18k in respect of the McCloud / Sergeant judgment which ruled that the transitional protection for some members of public service schemes implemented when they were reformed constituted age discrimination. These allowances have been simply rolled forward and are included within the closing position as at 31 July 2021. These provisions total just over 0.129% of the total scheme liability as at 31 July 2021. The calculation of adjustment to past service costs, arising from the outcome of the Court of Appeal judgment is based on a number of key assumptions including:

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

## 20. RELATED PARTY TRANSACTIONS

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

Mr Gordon Smith, a Governor and Chair of the Board until 9 December 2020, is employed by the Collegiate Trust, who employ and recharge costs for the NEU Union to local schools. Coulsdon College was also part of this arrangement for its support staff. In 2020/21, Croydon College continued to recognise the NEU Union and paid £2,895 to the Trust for this facility. Mr Niraj Patel joined as a Governor in October 2021 and his spouse has been remunerated as an employee of the College since merger in February 2019 which predated his appointment.

The total expenses paid on behalf of the Governors during the year was £nil Governors (2020: £nil)

**CROYDON COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021**

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**21. AMOUNT DISBURSED AS AGENT**

	<b>As at 31 July 2021</b>	<b>As at 31 July 2020</b>
	<b>£'000</b>	<b>£'000</b>
Balance brought forward	72	156
EFA funding body grants –16-18 bursary support	294	461
	<hr/> 366	<hr/> 617
Disbursed to students	(311)	(529)
Administration cost	(15)	(916)
	<hr/> 40	<hr/> 72
Balance unspent as at 31 July, included in creditors	<hr/> <b>40</b>	<hr/> <b>72</b>

**22. EVENTS AFTER THE REPORTING PERIOD**

There are no events to be reported.

**23. CONTINGENCY LIABILITIES**

The College has no contingent liabilities (2020: £0)