

**2022-23**

# **REPORT & FINANCIAL STATEMENTS**

**For the year ended 31 July 2023**

**For Croydon College**



Croydon  
College



**COULSDON**  
SIXTH FORM COLLEGE

## **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 2022/23:

Caireen Mitchell - Principal and CEO; Accounting Officer

Ann Christine Harland - Vice Principal Finance and Resources

Martin Silverwood - Principal Coulsdon Sixth Form College (from 24 November 2023, previously Interim Principal (from 21 August 2023), Vice Principal Quality and Student Services (from 1 July 2023), and Vice Principal Training, Skills, Education and Quality (to 30 June 2023))

Stuart Barlow - Principal Coulsdon Sixth Form College (from 1 November 2022 to 30 September 2023, previously Interim from 22 August 2022)

Natalie Garner - Vice Principal Vocation, Adults and Skills (from 1 February 2023, previously Interim from 24 August 2022)

Robert Bates - Vice Principal Young People, High Needs and Student Experience (from 1 July 2023, previously Interim from 22nd May 2023)

Fadia Clarke - Vice Principal Training, Skills and HE (to 8 September 2022)

Pat Denham - Interim Vice Principal Education and Quality (from 1 March 2023 to 31 May 2023)

### **Board of Governors**

A full list of Governors is given on pages 16-18 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 Sutherland 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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# CROYDON COLLEGE MEMBERS REPORT FOR THE YEAR ENDED 31 JULY 2023

## STRATEGIC REPORT

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 2023.

### 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 4<sup>th</sup> 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 for 2022/23 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**

- Beginning delivery of the Engineering T level in September 2022 and preparing for delivery of T levels in Childcare, Health and Social Care, Digital and Construction- **Partially Achieved**; Engineering T level recruited in Sept 22 and Sept 23, and Childcare recruited as planned in Sept 23. Digital did not receive sufficient applications, Health and Social Care and Construction delayed until Sept 24.
- Developing curriculum to meet the Green Jobs agenda and Free Courses for Jobs ('FCFJ') for adults. **Partially achieved**; with success at increasing the FCFJ delivery and we also delivered the SDF Green Skills capital grant for Electric Vehicles in 2022/23 - ensuring new curriculum developments for 2023/24.
- Increasing the 16-18 achievement rates. **Partially Achieved**; 16-18 achievement increased to 81%, 1% short of the 16-18 target of 82%.
- Improve the Quality of Education in the School of Building, Engineering, Trades and Plumbing with student achievement of 75%. **Achieved**; achievement rate in 22/23 of 75.1% with a few results outstanding.
- Improve outcomes for learners on Functional skills from 70% to 75%. **Partially Achieved**; Functional Skills Achievement was 74.1%.

#### **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**

- Ensuring T Level Science was delivered from September 2022. **Achieved**.

## CROYDON COLLEGE

### MEMBERS REPORT FOR THE YEAR ENDED 31 JULY 2023

- Increasing progression from intermediate programmes and increase the number of Level 3 students. **Achieved**; improved 2022/23 achievements improved student progression in September 2023 at Coulsdon, which has increased its cohort by over 50 students.
- Ensuring each curriculum area builds employer relationships to support the relevance of the curriculum and raise student aspiration - **Partially achieved**; with examples of significant engagement in several areas, eg Creative Studies, Business and Services Industries and Humanities.
- Increasing attendance to 80%. **Not achieved**; attendance improved for most subject classes, but remained too low for tutorial classes.
- Increasing achievement rates for 16-18 year olds to 78%. **Not achieved**; 16-18 achievement improved but did not reach target.

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

- Development of capacity to deliver Electric Vehicle ('EV') courses at Level 1-3 and embed EV in the Motor Vehicle curriculum. **Achieved**; EV on track for delivery on 23/24
- Delivering a Children's Nursing programme at the Croydon Campus and development of a Social Care HNC for delivery in 23/24. **Achieved**; year one of a degree in Children's Nursing began in Sept 22, Social Care HNC to begin in 23/24.
- Development of new apprenticeship subject and Higher Apprenticeships. **Achieved**; Apprenticeships in Level 4 Site Management recruited in September 2024.
- Employer Reference Group established with Regular Meetings. **Achieved**.

#### **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**

- Training of managers to support the Management Charter. **Achieved**; a variety of training and development for managers ran throughout the year including a management development programme at Coulsdon, Unconscious Bias Training, Including Leadership Training and an Aspirational Manager Training course.
- Gain Investors in Diversity Accreditation. **Achieved**.
- Ensure Lesson Observation at the Coulsdon Campus leads to improvements in the quality of lesson and the student experience. **Not Achieved**; Student achievement at Coulsdon Campus did not reach target nor level predicted by staff.
- Peer Awards enable staff to celebrate their many achievements and recognise co-workers. **Achieved**; with a high level of staff participation in the nominations.

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

- Generating an operating surplus of £233k (excl FRS102 adjustments), ensuring that expenditure is in line with budgets and setting the 2022/23 and 2023/24 budgets to provide Good financial health. **Achieved**.
- Improve KPI dashboards for greater use by Governors. **Achieved**; although later in the year than anticipated a Governors Dashboard was introduced.
- Meet the ICT/ILT Strategy 2019-2024 Objectives for 22/23, which includes securing even more robust IT, working towards ISO 27001 and continuing development of on-line teaching and systems. **Achieved**; good progress on the actions noted from the 2022 Internal Audit Review on Remote Working in place by the end of December 2022 and student MFA was rolled out in September 2023.

## CROYDON COLLEGE MEMBERS REPORT FOR THE YEAR ENDED 31 JULY 2023

- Develop the campuses in line with the 2019/20 detailed Estates Strategy, including bids for capital grants. **Achieved;** completion of the new T Levels facilities for teaching in 2022 and delivery of the FE Condition Transition Fund (“FECTF”) grant for double glazing, stone façade and internal refurbishment started in summer 2023.

### COVID – 19 Legacy

The Student Services teams managed more referrals for mental health and anxieties from students, and additional support measures were then put in place. Students who did not have access to IT equipment from home were able to be loaned laptops donated by the Department for Education (‘DfE’) in 2020/21 and 2021/22. Small groups of 16-18 year olds were able to have additional Maths, English and skills tuition from the DfE’s 16-18 Tuition Fund, which is continuing to 2023/24.

### Financial objectives

A series of annual performance indicators have been agreed to monitor the achievement of the financial objectives. In 2022/23, nearly all of the objectives have been exceeded, with the exception of the level of capital investment, due to slight delays to the start of the summer FECTF works.

Measure	Objective for 2022/23	Outcome
ESFA financial health	Rating of <i>Good</i> against current ESFA scoring calculation	<i>Good</i> score
Underlying Operating Surplus (excluding FRS102(s28) pensions’ impact and merger grant)	£233k, excluding budget for Enhanced Pension Scheme FRS102 adjustment	£838k surplus before FRS102 Adjustments
Net current asset ratio > 1	1.49	2.5
Cash in hand > 45 days	120 days	179 days
Staff costs to an optimum level against income and activity	71%	66.94%
Subcontracted income < 2 % income	0.6% income	
Increase alternative sources of new funding by £175k minimum	Additional adult delivery grant budgeted of £385k.	Additional income of £1.4m compared to budget, excl insurance proceeds.
Capital investment	£4.1m	£3.1m

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 Outstanding financial health for 2021/22; its self-assessed forecast of Good financial health for 2022/23 is awaiting confirmation.

### Resources

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

The total number of people employed by the College during the year has stayed largely the same from 516 (399 Full Time Equivalent) in 2021/22, to 514 (399 Full Time Equivalent) in 2022/23.

The College has 6,100 students in total (2021/22: 6,466). The student population includes 2,561 16-18 year old students (2021/22: 2,648) (of which 1,634 study at the Croydon campus and 927 at Coulsdon). In addition, there were 239 Apprentices (2021/22: 247), 160 Higher Education students (2021/22: 190), 2,808 Adult Learners (2021/22: 3,092) and 333 students on full cost provision including the second year of University of Roehampton Nursing students and Year 11 students (2021/22: 291).

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

## CROYDON COLLEGE MEMBERS REPORT FOR THE YEAR ENDED 31 JULY 2023

held within cash and short term investments for reinvestment in the Croydon campus. The completion of the new Science and Engineering facilities, part funded by two T Level grants and the start of the summer 2023 FECTF Building Condition funded works comprise the bulk of the additions.

As at 31<sup>st</sup> July 2023, the College has £56.2 million of net assets (including £67k pension liability) (2022: £44.3m, including £8.0m of pension liability) and long term debt of £5.0 million (2021: £5.7m).

### **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.

In delivering its mission, the College provides the following identifiable public benefits through the advancement of education to 6,100 students, including 78 19-24 students with ECHP's. 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 239 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, including profit on disposal of fixed assets of £3,207k (2021/22 – deficit of £1,187k). The Local Government Pension Scheme ('LGPS') FRS102 provision adjustments are again significant this year, reducing the surplus by £631K before other gains and losses (2021/22 - £2,419k). The underlying operations of the College can be illustrated in the following table:

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£'000	2022/23	2021/22
<b>Surplus/(deficit) for the year</b>	<b>3,207</b>	<b>(1,187)</b>
Revaluation of investment property	-	(273)
Profit on disposal of fixed assets	(3,000)	(85)
Adjustments for donations, merger and LGPS FRS102:		
Fair value of donated IT equipment	-	(21)
Merger grant provision release	-	(43)
LGPS and EPP FRS 102 charges	631	2,419
<b>Underlying operational surplus</b>	<b>838</b>	<b>810</b>

After actuarial gain in respect of the LGPS and the Enhanced Pension Provision of £8,712k total comprehensive income of £11,919k for the year was achieved (2021/22 – £26,608k comprehensive income, after actuarial gain in respect of the LGPS of £27,795k).

The College maintained achievement of its main grants, except for the ESFA Adult Education Budget, where attainment was 67% and the Free Courses for Jobs grant 75% attained.

The College has cash and short term investments totalling £15.9m and accumulated reserves, including revaluation reserve of £56.2m as at 31st July 2023, compared to cash and short term investments of £12.5m and accumulated reserves of £44.3m as at 31<sup>st</sup> July 2022. The significant increase in the actuarial gains for both the LGPS and the Enhanced Pension provision of £8.7m accounts for the largest movement in reserves.

Tangible fixed asset additions during the year amounted to £3.123m (2021/22 - £11m), comprising FECTF building condition works and completion of T Level Engineering and Science projects, including equipment for these projects, as well as IT infrastructure and replacement IT equipment at both campuses. A review of old IT equipment led to the disposal of £901k (2021/22: over £3m) of fully written down assets. The College also received £3m of overage from the sale of a freehold site in 2014.

The recent triennial valuation of the Local Government Defined Benefit Pension Liability established that the College's funding of its liabilities had increased from 85% as at 31<sup>st</sup> March 2019 to 98% as at 31<sup>st</sup> March 2022 and the Employer's contribution rate was reduced by 2.7% to 23.1% from April 2023.

### Cash Flows and Liquidity

Net cash flow inflows from operations were £1.6m (2021/22 - £2.0m). During the year, the College made capital repayments of loans totalling £665k (2021/22: £644k) and interest payments of £272k (2021/22: £242k) for the College's loans. Short term investments totalling £1.3m were made in the year (2021/22: £28k). In total, after receipt of £3.0m (2021/22: £85k) for disposal of fixed assets, there was total cash inflow of £2.2m (2021/22: cash inflow of £1.0m).

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 2023/24.

### Reserves

Excluding the revaluation reserve, as at 31st July 2023 the College has accumulated positive income and expenditure account reserves of £28.9m (2022: reserves of £16.9m), with the large actuarial adjustments for the Pension Schemes' deficits accounting for this significant movement. Excluding the effect of the actuarial adjustments, the College has accumulated positive income and expenditure account reserves of £28.9m (2022: £25.0m). The College also has net current assets of £10.8m (2022: £7.6m).

### Sources of Income

The College has significant reliance on the education sector funding bodies for its principal funding source, largely from recurrent grants. In 2022/23 the FE funding bodies provided 78.9% (2021/22 – 78.5%) of the College's total income.



# CROYDON COLLEGE

## MEMBERS REPORT FOR THE YEAR ENDED 31 JULY 2023

### FUTURE PROSPECTS

#### Developments

Following its Ofsted Inspection in February 2023, the College received a Grade 4 Inadequate assessment in Student Behaviours and Attitudes, which meant that an Overall Grade 4 was issued. This has led to a Notice to Improve being issued by the Department for Education and a Single Improvement Plan, approved by the Board is currently being monitored by the FE Commissioner and the ESFA Territorial Team.

The impact of a shortfall in 16-18 student recruitment in 2022/23 and the 2021/22 16-18 retention rates has reduced the income due for 2023/24. Alongside a planned increase in teaching hours and additional staff training, a one-off deficit budget of £475k for 2023/24 was approved by the Board of Governors in July 2023. Subsequently the ESFA has granted additional 16-18 grant income to colleges and the expectation is that the deficit will reduce to £274k, following an increased average sector pay award to be made to staff. It is expected that the impact of the improved results for 2022/23, alongside growth in its London based adult and Apprenticeship demands, both assessed as Grade 2 provision by Ofsted, will enable the College to achieve a break even financial position in 2024/25.

#### Financial Plan

The Croydon governors approved a financial plan in July 2022 which set the financial objectives for 2022/23 on page 6, and a forecast for 2023/24, based on assumptions at the time.

#### 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 reserve stands at £28.9m (2022: £16.934m). 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 subsidise the planned 2023/24 deficit budget and to enable a break even position to be in place for 2024/25.

#### Going concern

As at 31 July 2023, the College has two loans outstanding with Barclays Bank totalling £5.0m on terms negotiated in 2007 and 2010 with repayment due by 2029 and 2030. Neither of the loans is subject to a charge on the assets of the College. The College had closing cash balances and short term deposits totalling £15.9m as at 31 July 2023 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. It renewed again its Cyber Essentials accreditation in

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2022/23 and is working towards Cyber Essentials Plus. It has also worked to attain its Investors in Diversity accreditation with the National Centre for Diversity under its FREDIE initiative.

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. The recent FE Commissioner Report identified that the Risk Management Plan presented to the Board was too long and a reduced version has now been developed and presented from summer 2023.

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.

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 Government funding**

The College has considerable reliance on continued government funding through the further education sector funding bodies and through the Office for Students. In 2022/23 78.9% (2021/22: 78.5%) 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 some increase to funding per 16-18 student in September 2023 to assist colleges to make the same pay award as the schools for 2023/24 – however this is last minute and does not meet the local Unions demands. 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 2022 Skills and Post -16 Education Bill 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 16-18 recruitment on funding, with changes in 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
- Increases in the cost of living and the pressure on staff pay increases, which did not meet the RPI increases in 2022/23 and impact on our ability to attain and recruit staff
- The increases in running costs for the College campuses, especially the Croydon campus, which still needs considerable building condition repairs
- The triennial actuarial valuation of the Local Government Pension Scheme as at 31 March 2022 has resulted in a reduction to the employers' costs from April 2023, and could potentially reduce further if the Department for Education offered the same guarantees as it does for schools and academies.

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

## CROYDON COLLEGE MEMBERS REPORT FOR THE YEAR ENDED 31 JULY 2023

- 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
- Continuing to review operational efficiencies to enable sector wide pay increases to be paid to staff.

### 2. 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 in 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.

### 3. 2023 Ofsted outcome

Coulsdon Sixth Form College achievement rates in 2022/23 were too low impacted by staff recruitment and attraction issues and poor performance management of staff.

This risk will be managed and mitigated in 2023/24 by:

- A new Leadership and Management Structure, improving staff performance management
- Close management of student progress
- Support and development to improve the standards of teaching and learning.

### KEY PERFORMANCE INDICATORS

In addition to the annual financial performance objectives on page 6, the key financial indicators set and regularly monitored by the Board for 2022/23 and the outturn are:

KPI	Targets 2022/23	Actual 2022/23
Student numbers 16-18	2,665 actual, 2,635 funded	2,561
GLA AEB income attainment	100%	101%
ESFA AEB attainment	100%	75%
EBITDA - education specific	£1.4m	£1.8m
Cash reserves	£9.5m	£15.9m
Financial health score	Good	Good

### Student Achievements

Achievement in classroom based learning for all ages for both campuses increased to 80% in 2022/23 from 79% in 2021/22. 16-18 achievement was finalised at 77% (2021/22: 68%, or 73% if EPQ and Laser Progression qualifications at Coulsdon are excluded), following improvements at the Coulsdon campus and the Croydon campus outturning at 81%. AS level results at the Coulsdon campus were still not at acceptable levels. 19+ achievements outturned at 84% (84% - 2021/22).

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## MEMBERS REPORT FOR THE YEAR ENDED 31 JULY 2023

### Student Performance 2022/23 compared to 2021/22 – all College

Achievement	2022/23	2021/22	National benchmarks
	Actual	Actual	
<b>Overall All</b>	80%	79%	84%
Overall 16-18	77%	68%	81%
Overall 19+	84%	84%	86%
Apprenticeships – Overall	63%	63%	58%

Overall 16-18 achievement improved at the College, with very good outcomes at the Croydon Campus and improved outcomes at the Coulsdon Campus.

Good outcomes for Adult students were retained, although there was a slight drop in achievement in Adult ESOL. There was significant improvement in outcomes on Access to Higher Education programmes.

Overall achievement on Apprenticeships remains very good and above national benchmark, despite significant issues securing timely End Point Assessments which has reduced timely achievement in 2022/23.

### Curriculum developments

The number of students on a study programme at the Croydon Campus in 2022/23 continued to grow, with further growth in ESOL for 16-18s and the new esports courses at Level 2 and Level 3 recruited well and new higher level apprenticeship courses have recruited well in September 2023 with local large employers. This growth has continued to September 2023, where we are currently significantly over allocation.

Demand for Adult Education Budget funded courses continues to be higher than our funding allocation, requiring the College to seek in year growth. 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 has successfully bid for a further £0.2m increase in its main GLA Adult Education Budget grant for 2023/24 taking it over £5m.

In partnership with the University of Roehampton and supported by Croydon University Hospital, the College fulfilled its long-term ambition to introduce a Degree in Nursing at its Croydon Campus, In 2022/23, 98 students were studying for their Degrees in Adult Nursing, Children's Nursing or as Nursing Associates on campus. Year 3 of the programme commenced in September 2023.

At Coulsdon, the popular mix of A Levels and Vocational Courses continues to allow students to access a curriculum best suited to their aspirations. The number of students choosing to study at Coulsdon reduced again in 2022/23, however recruitment has exceeded allocation in 2023/24 at the campus. The issues identified at the Ofsted Inspection continue to be addressed at the campus.

### 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 2022 to 31 July 2023, the College paid 81% of its invoices within 30 days, a small reduction of 2% compared to last year. 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 Croydon College and are committed to supporting students and staff to achieve great things.

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We will actively seek views from students and staff, creating an environment where everyone is treated with respect, feels listened to, and valued for their contribution. The diversity of the Croydon 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 Croydon College an even better place to study and work. In 2022/23 alongside the National Centre for Diversity to embed the FREDIE values (Fairness, Respect, Equality, Diversity, Inclusion and Engagement) and were awarded the Investors in Diversity award in September 2023.

### **Equality commitments**

- We value all our students and staff as individuals with a unique set of characteristics
- Our FREDIE values 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 engage with our staff BEN Network and other staff for a to ensure staff voice is heard.
- We are an inclusive College, committed to meeting the needs of our students and staff.

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

- Promoting and supporting FREDIE 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 FREDIE means 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.

### **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.

**CROYDON COLLEGE  
MEMBERS REPORT FOR THE YEAR ENDED 31 JULY 2023**

- 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 2022/23, this information for the College is as follows:

<b>Numbers of employees who were trade union officials during the year</b>	<b>FTE employee number</b>
6	5
<b>Percentage of time</b>	<b>Number of employees</b>
0%	-
1-50%	6
51-99%	-
100%	-
Total cost of facility time	£23k (including costs for a Union Official recharged by Collegiate Trust)
Total pay bill	£19,273k
Percentage of total bill spent on facility time	0.12%
Time spent on paid trade union activities as a percentage of total paid facility time	100%

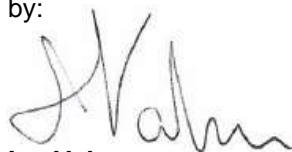
**EVENTS AFTER THE REPORTING PERIOD**

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 13th December 2023 and signed on its behalf by:



**Ian Valvona  
Chair of Governors**

**CROYDON COLLEGE  
MEMBERS REPORT FOR THE YEAR ENDED 31 JULY 2023**

**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 2022 to 31<sup>st</sup> July 2023 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”). The Governing Body will be asked to adopt the updated AoC Code of Good Governance in 2022/23 for implementation from 2023/24;

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 2023. This opinion is based on the results of an External Governance Review, which began in 2022/23. The finding and recommendations from the report were discussed by the Governing Body at its meeting on 18 October 2023.

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.

<b>Name</b>	<b>Date of appointment/ reappointment</b>	<b>Term of office</b>	<b>Date of resignation/ end of term of office</b>	<b>Category to which appointed</b>	<b>Committees served</b>	<b>Attendance at meetings in year ended 31 July 2023 (Board &amp; committees)</b>
Tony Stevenson (Chair of Governors)	21 October 2020	4 yrs	30 November 2023	Governor	Finance & Resources Search & Governance Remuneration Learning and Quality Coulson	100%
Jean Cook	10 July 2019 (reappointment)	4 yrs	31 August 2023	Governor	Learning & Quality Croydon Learning & Quality Coulson	100%

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Andrew Lowe	1 August 2019 (reappointed from 31/08/2023)	4 yrs		Governor	Finance & Resources (Chair)	75%
Lucia Guetcherian	16 October 2019	4 yrs	14 March 2023	Staff Governor	Learning & Quality Croydon	67%
Nasim Jivani- Hemani	26 February 2020	4 yrs		Governor	Finance & Resources Search & Governance Remuneration	80%
Andrew Gilchrist	18 May 2020	4 yrs		Governor	Audit (Chair)	75%
Catherine Boyd-Maunsell (Vice-Chair of Governors from 1 April 2022 to 31 August 2023)	04 June 2020	4 yrs		Governor	Finance & Resources Search & Governance (Chair) Remuneration (Chair)	87%
Claudine Reid	21 October 2020	4 yrs	10 November 2022	Governor	Learning & Quality Coulsdon (Chair) Audit	N/A
Frederick Law	24 March 2021	4 yrs		Governor	Audit Search & Governance Remuneration	100%
Andy Wilson	1 June 2021	4 yrs		Governor	Learning & Quality Croydon (Chair) Learning & Quality Coulsdon	92%
Soumick Dey	1 June 2021	4 yrs	31 July 2023	Governor	Learning & Quality Croydon Learning & Quality Coulsdon	69%
Niral Patel	20 October 2021	4 yrs		Governor	Finance & Resources	88%
Mike Fisher	20 October 2021	4yrs	18 October 2023	Governor	Audit	50%
Louise Cretton (Vice-Chair of Governors from 1 September 2023)	7 December 2022	4 yrs		Governor	Learning & Quality Coulsdon (Chair from 07.12.2023)_ Learning and Quality Croydon	89%
Martin Bentham	18 October 2023	4 yrs		Governor	Learning & Quality Coulsdon Learning & Quality Croydon	N/A
Jonathan Brookes	18 October 2023	4 yrs		Governor	Audit Committee	N/A
Fiona Brennan	18 March 2020	4 yrs	16 September 2022	Staff Governor	Learning & Quality Coulsdon	N/A
Yvonne White	19 October 2022	4 yrs		Staff Governor	Learning & Quality Coulsdon	90%-



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Terrance James	Elected 26 May 2023	4 yrs		Staff Governor	Learning & Quality Croydon	100%
Mario Cuba	Elected 14 October 2022	1 yr	31 July 2023	Student Governor	Learning & Quality Coulsdon	44%
Sally Andrews	Elected 28 October 2022	1 yr	31 July 2023	Student Governor	Learning & Quality Croydon	14%
Nezia De Roche	18 October 2023	1 yr		Student Governor	Learning & Quality Croydon	N/A
Rajhana McPherson-Amah	18 October 2023	1 yr	31 October 2023	Student Governor	Learning & Quality Coulsdon	N/A
Maria Villacis Fernandez	13 December 2023	1 yr		Student Governor	Learning & Quality Coulsdon	N/A
Ian Valvona (Chair of Governors)	13 December 2023	1 yr initial		Governor	Not yet confirmed	N/A

Jean Cook was the link Governor for the College's Safeguarding Committee, Nasim Jivani-Hemani is the link Governor for the College's Health and Safety Committee. Jean Cook also attended the College's Sustainability Group meetings during 2022/23.

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 2022/23.

The Corporation has also established a Higher Education Group, reporting to the Croydon Learning and Quality Committee, to monitor compliance with the OfS Conditions of Registration and the development of HE provision at the College. The HE group continued to meet throughout 2022/23 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 College 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. 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

## CROYDON COLLEGE

### MEMBERS REPORT FOR THE YEAR ENDED 31 JULY 2023

meet as scheduled during 2022/23, with committee meetings held virtually or in person as appropriate. Board meetings were held in person with the exception of one additional Board meeting in May 2023, which was conducted virtually. Two Governor Days were also held in person in December 2022 and March 2023.

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 2022/23 the Search and Governance Committee consisted of five members of the Corporation including the Principal & CEO. In 2022/23, the Search and Governance Committee recommended the appointment of one new external governor to the Board, who was appointed. A further two external governors were recommended for appointment by the Search and Governance Committee and appointed by the Corporation in October 2023. Student governors were appointed for the first time for the academic year 2023/24. Selection was by interview, and the panel included a member of the Search and Governance Committee. The appointment of the two student governors (one per campus) was approved by the Corporation in October 2023. One of the student governors resigned on 32 October 2023. A new student governor was appointed on 13 December 2023

The new Governors, bring expertise in the health service, sustainability, and SEND to complement the existing skills on the Board. A comprehensive induction pack has been provided to all new Governors and induction for the new Governor who joined the Board in December 2022 took place in person. Face to face inductions for the additional new Governors took place in the Autumn term 2023. The Chair has one to one conversations/meetings with individual Governors.

#### **Corporation performance**

Following the Governance Self-Assessment in 2021/22 a governance action plan was developed which has been overseen by the Search and Governance Committee in 2022/23. Actions were designed to increase the effectiveness of the Learning and Quality Committees, decrease the length of papers where possible, develop a link governor scheme, progress recruitment to governor vacancies and co-ordinate the external governance review.

A full external governance review, conducted by Fiona Chalk from Governance 4 FE, began in 2022/23. This review was informed by the principles of the AoC Code of Governance amongst other Governance Codes. The findings of the review and the twenty-two recommendations were discussed and prioritised by the Corporation at a session with Fiona Chalk in October 2023. A three-year action plan for implementing the recommendations was presented to the Corporation for approval at its meeting on 13 December 2023. The External Governance Review included observation of Board and Committee meetings, a questionnaire to all Governors and meetings with the Executive Team and key Governors. The review also included a review of Governance policies and procedures and a skills audit of the Board as well as a governance procedural questionnaire and outcome report. This external governance review took the place of the self-assessment of the Corporation's performance in 2022/23.

#### **Training and development**

A development programme is in place for the Board, which is reviewed annually. In 2022/23 this included EDI training for the whole Board delivered by an external specialist from the National Centre

## CROYDON COLLEGE MEMBERS REPORT FOR THE YEAR ENDED 31 JULY 2023

for Diversity. External training on how Governance can demonstrate impact in Ofsted inspections was also delivered by an external specialist in July 2022.

Internal update training was delivered to the Board on Safeguarding and Prevent, Accountability Agreements, a session on the standards and outcomes in education – what does good look like? and the South London Annex of the Local Skills Improvement Partnership.

The Chair held one to one review meetings with all Governors in the Spring term. One of the aims of these meetings was to identify the training and development needs of individual Governors. The College has purchased a subscription to the ETF Governance Development Programme Modules, which all Governors have access to. The Chair attended the AoC Governors' Online Summit on 27/28 June 2023 and one of the Student Governors attended the AoC/Unloc training for Student Governors in November 2022.

The annual 360 degree review of the Chair was undertaken in June 2023. A summary of the review and the actions identified was reported to the Search and Governance Committee by the Vice-Chair who conducted the review meeting.

The Director of Governance attended the AoC Governance Professionals Conference on 24/25 January 2023 as well as regular meetings of the AoC London Governance Professionals Network during 2022/23. The Director of Governance met the CPD requirements for Fellows of the Chartered Governance Institute for the year ending July 2023.

### **Remuneration Committee**

The membership of the Remuneration Committee in 2022/23 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 2022/23 is stated in the membership table above.

Details of remuneration for the year ended 31 July 2023 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 2022/23 and met on three occasions during the year. Attendance was as follows:

<b>Committee member</b>	<b>Meetings attended</b>
Andrew Gilchrist (Chair)	3
Claudine Reid	N/A – resigned prior to the first Audit Committee meeting of 2022/23
Frederick Law	3
Mike Fisher	3
Jean Cook	3

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 2022/23 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.

## CROYDON COLLEGE MEMBERS REPORT FOR THE YEAR ENDED 31 JULY 2023

The College's internal auditors review the systems of internal control, risk management controls and governance processes in accordance with an agreed plan of input and report their findings to management and the Audit Committee. Management is responsible for the implementation of agreed audit recommendations and internal audit undertakes periodic follow-up reviews to ensure such recommendations have been implemented. The outcome of these follow up reviews is presented to the audit Committee.

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 2022/23. Following a re-tender of the internal audit services, RSM were reappointed from 1 August 2022.

### **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 2022/23 the Committee made recommendations to the Board in relation to the Financial Statements for 2022/23, the budget for 2023/24 and reviewed updates to the Estates Strategy.

The Committee also reviewed the outcome of overage negotiations which were approved using delegated authority from the Board and monitored the insurance implications of the extensive flood in the sub-basement in April 2022.

### **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 2023 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 2023 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Corporation.

# CROYDON COLLEGE

## MEMBERS REPORT FOR THE YEAR ENDED 31 JULY 2023

### **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 were rated as acceptable/potential concern (green or amber net risk rating) with the following exceptions, which were identified as areas of high risk (red risk rating) within main risk at the end of 2022/23:

- Achievement and pass rates at the Coulsdon campus
- Achieving a confident, happy, diverse and energetic workforce (across both campuses)
- The withdrawal of some essential BTech qualifications in the near future

These risks and the effectiveness of the mitigations in place have been closely monitored by the Executive and relevant Board Committees.

Deep dives by Committees took place on staff pay and the risk of industrial action, attendance, the QDP student survey results (with a specific focus on sexual harassment and related issues), risks relating to the ONS decision to reclassify FE Colleges as public sector and the impact of increasing interest rates on the College's bank loans.

### **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; staff retention, income and debtors, learner number systems and quality assurance as well as a follow up on the recommendations from the secure remote working and operational resilience internal audit undertaken in 2021/22 and follow up on other internal audit recommendations. The result of the audit against the subcontracting standard was full compliance in seven areas and partial compliance in three areas.

The College received a Satisfactory outcome following the audit of its 2021/22 Adult Education Budget, Good Works for All and National Skills Fund grant claims by the GLA in November 2022, but has not been notified of any funding body audits on its 2022/23 funding claims.

The Department for Education and Education and Skills Funding Agency introduced new controls for FE Colleges on 29 November 2022 on the day that the Office for National Statistics reclassified colleges as public sector organisations in the national accounts. These were communicated to accounting officers in a letter dated 29 November 2022 and through a series of bite size guides. The College has

**CROYDON COLLEGE  
MEMBERS REPORT FOR THE YEAR ENDED 31 JULY 2023**

reviewed its policies, procedures and approval processes in line with these new requirements to ensure there are systems in place to identify and handle any transactions for which DfE approval is required.

**Control weaknesses identified**

Apart from the single High Level matter arising relating to apprenticeships raised in the Learner Number Systems internal audit undertaken in 2023/23, all other points were assessed as Medium or Low. The matter arising from that review were substantially actioned by the time the Learner Numbers report was considered at the Audit Committee on 4 July 2023 and will be reviewed again up by the Internal Auditors at the next scheduled review in 2024. No other significant internal control weaknesses or failures arose during 2022/23. The College continues to action all audit recommendations promptly to ensure that any weaknesses identified are addressed.

**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 2022/23 and up to the date of the approval of the financial statements are:

<b>Area of review</b>	<b>Conclusions</b>	<b>Recommendations – High, Medium or Low</b>
GLA audit of 21/22 AEB, Good works for All and National Skills Fund	Satisfactory Opinion	
HR – staff retention	No opinion/advisory	7M, 5L
Key Financial Controls – Income and Debtors	Reasonable assurance	1M, 2L
Quality Assurance – Target Setting and Monitoring	Reasonable assurance	3M, 2L
Follow up from previous years	Good progress	1L
Learner numbers, including Apprenticeships*	No opinion/advisory	1H, 2M, 7L
Secure Remote Working and Operational Resilience Follow Up from 2021/22 review	Good progress	2L
Subcontracting Standard	Fully compliant in 7 areas, partially compliant in 3.	2

**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

## CROYDON COLLEGE MEMBERS REPORT FOR THE YEAR ENDED 31 JULY 2023

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.

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**

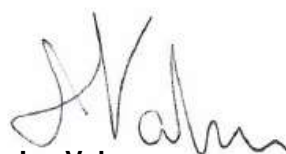
The College has prepared a detailed budget for the year to 31 July 2024 and an indicative forecast for the years to 31 July 2025. This assumes that the funding levels advised by the ESFA will be made available to the College and that the majority of these funds will be utilised. A monthly cash flow forecast has been prepared for the financial year to 31 July 2024 and beyond through to 31 December 2024 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 13 December 2023 and signed on its behalf by:



**Caireen Mitchell**  
**Accounting Officer**



**Ian Valvona**  
**Chair of Governors**

CROYDON COLLEGE  
MEMBERS REPORT FOR THE YEAR ENDED 31 JULY 2023

**Statement of regularity, propriety and compliance**

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

I confirm on behalf of the Corporation that after due enquiry, and to the best of my knowledge, I am able to identify any material irregular or improper use of funds by the Corporation, or material non-compliance with the framework of authorities and the terms and conditions of funding, under the College's grant funding agreements and contracts with ESFA, or any public funder. This includes the elements outlined in the "Dear accounting officer" letter of 29 November 2022 and ESFA bite size guides.

I confirm that no instances of material irregularity, impropriety or funding non-compliance, or non-compliance with the framework of authorities 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**  
**13 December 2023**

**Statement of Chair of Governors**

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



**Ian Valvona**  
**Chair of Governors**  
**13 December 2023**



# CROYDON COLLEGE

## MEMBERS REPORT FOR THE YEAR ENDED 31 JULY 2023

### 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 is required to prepare financial statements which give a true and fair view of the financial performance and position of the Corporation for the relevant period. Corporations must also prepare a strategic report which includes an operating and financial review for the year. The bases for the preparation of the financial statements and strategic report are the *Statement of Recommended Practice – Accounting for Further and Higher Education*, ESFA's *College Accounts Direction* and the UK's Generally Accepted Accounting Practice.

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

- 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 strategic report, in accordance with paragraphs 3.23 to 3.27 of the FE and HE SORP, that describes what it is trying to do and how it is going about it, including information about the legal and administrative status of the College.

The Corporation is responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the Corporation, and which enable it to ensure that the financial statements are prepared in accordance with 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, 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, including that any transactions entered into by the Corporation are within the delegated authorities set out in the "Dear accounting officer" letter of 29<sup>th</sup> November 2022 and ESFA's bite size guides. 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 13 December 2023 and signed on its behalf by:



**Ian Valvona**  
**Chair of Governors**

CROYDON COLLEGE  
MEMBERS REPORT FOR THE YEAR ENDED 31 JULY 2023

**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 2023 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 2023 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

## CROYDON COLLEGE MEMBERS REPORT FOR THE YEAR ENDED 31 JULY 2023

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:

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;

## CROYDON COLLEGE MEMBERS REPORT FOR THE YEAR ENDED 31 JULY 2023

- ◆ 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.

### **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.



Buzzacott LLP  
Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

Date: 14 December 2023

# CROYDON COLLEGE MEMBERS REPORT FOR THE YEAR ENDED 31 JULY 2023

## 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 7 December 2023 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 2022 to 31 July 2023 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 Croydon College 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 2022 to 31 July 2023 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.

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.

CROYDON COLLEGE  
MEMBERS REPORT FOR THE YEAR ENDED 31 JULY 2023

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

**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 2022 to 31 July 2023 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: 14 December 2023

CROYDON COLLEGE  
STATEMENT OF COMPREHENSIVE INCOME

		Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
	<b>Notes</b>		
<b>INCOME</b>			
Funding body grants	2	26,950	23,667
Tuition fees and education contracts	3	4,796	4,915
Other grants and contracts	4	159	146
Other income	5	1,881	1,369
Investment income	6	378	44
Donations		-	21
<b>Total income</b>		<b>34,164</b>	<b>30,162</b>
<b>EXPENDITURE</b>			
Staff costs	7	21,697	21,010
Other operating expenses	8	9,003	7,290
Depreciation	10	2,648	2,594
Interest and other finance costs	9	609	813
<b>Total expenditure</b>		<b>33,957</b>	<b>31,707</b>
<b>Surplus/(deficit) before other gains</b>		<b>207</b>	<b>(1,545)</b>
Increase in value of investment property	10	-	273
Profit on disposal of fixed assets	10	3,000	85
<b>Surplus/(deficit) before tax</b>		<b>3,207</b>	<b>(1,187)</b>
Taxation		-	-
<b>Surplus/(deficit) for the year</b>		<b>3,207</b>	<b>(1,187)</b>
<b>Other recognised gains and losses</b>			
Actuarial gain in respect of pension schemes		8,712	27,795
<b>Total Comprehensive Income for the year</b>		<b>11,919</b>	<b>26,608</b>

The notes on pages 36-53 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	Revaluation reserve	Total
		£'000	£'000	£'000
<b>Balance at 31 July 2021</b>		<b>(9,674)</b>	<b>27,376</b>	<b>17,702</b>
Deficit from the statement of comprehensive income		(1,187)	-	(1,187)
Actuarial gain in respect of LGPS pension scheme		27,606	-	27,606
Actuarial gain in respect of Enhanced Pension Scheme		189	-	189
		-	-	-
<b>Balance at 31 July 2022</b>		<b>16,934</b>	<b>27,376</b>	<b>44,310</b>
Surplus from the statement of comprehensive income		3,207	-	3,207
Actuarial gain in respect of LGPS pension scheme	19	8,591	-	8,591
Actuarial gain in respect of Enhanced Pension Scheme	15	121	-	121
<b>Balance at 31 July 2023</b>		<b>28,853</b>	<b>27,376</b>	<b>56,229</b>




CROYDON COLLEGE  
BALANCE SHEET AS AT 31 JULY 2023

	Notes	As at 31 July 2023 £'000	As at 31 July 2022 £'000
<b>Non-current assets</b>			
Tangible Fixed assets	10	<u>95,673</u>	<u>95,197</u>
		<u>95,673</u>	<u>95,197</u>
<b>Current assets</b>			
Trade and other receivables	11	2,000	1,730
Short term deposits		8,421	7,162
Cash and cash equivalents		<u>7,501</u>	<u>5,322</u>
		17,922	14,214
Less: Creditors – amounts falling due within one year	12	<u>(7,168)</u>	<u>(6,642)</u>
<b>Net current assets</b>		<u>10,754</u>	<u>7,572</u>
<b>Total assets less current liabilities</b>		<b>106,427</b>	<b>102,769</b>
Creditors – amounts falling due after more than one year	13	(48,779)	(48,790)
<b>Provisions</b>			
Defined benefit obligations	19	(67)	(8,077)
Other provisions	15	<u>(1,352)</u>	<u>(1,592)</u>
<b>Total net assets</b>		<b><u>56,229</u></b>	<b><u>44,310</u></b>
<b>Unrestricted Reserves</b>			
Income and expenditure account		28,853	16,934
Revaluation reserve		<u>27,376</u>	<u>27,376</u>
<b>Total unrestricted reserves</b>		<b><u>56,229</u></b>	<b><u>44,310</u></b>

The financial statements on pages 32 to 53 were approved by the Corporation and authorised for issue on 13 December 2023 and were signed on its behalf on that date by:



Caireen Mitchell  
Principal and CEO, Croydon College



Ian Valvona  
Chair, Croydon College

CROYDON COLLEGE  
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JULY 2023

	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
<b>Cash flow from operating activities</b>		
Surplus/(deficit) for the year	3,207	(1,187)
<b>Adjustment for non-cash items</b>		
Depreciation	2,648	2,594
Donated assets	-	(21)
(Increase)/decrease in debtors	(270)	1
Increase/(decrease)/ in creditors due within one year	506	(37)
Decrease in creditors due after one year	(1,787)	(1,476)
Decrease in provisions	(240)	(125)
Pensions costs less contributions payable	294	1,844
<b>Adjustment for investing or financing activities</b>		
Investment income	(378)	(44)
Interest payable	609	813
Profit on disposal of fixed assets	(3,000)	(85)
Revaluation of investment property	-	(273)
<b>Net cash inflow from operating activities</b>	<b>1,589</b>	<b>2,004</b>
<b>Cash flows from investing activities</b>		
Capital Grants received	2,461	872
Proceeds from sale of fixed assets	3,000	85
Investment income	285	38
Increase in cash deposits	(1,259)	(28)
Payment made to acquire fixed assets	(2,960)	(1,078)
	<b>1,527</b>	<b>(111)</b>
<b>Cash flows from financing activities</b>		
Interest paid	(272)	(242)
Repayments of amounts borrowed	(665)	(644)
	<b>(937)</b>	<b>(886)</b>
<b>Increase in cash and cash equivalents in the year</b>	<b>2,179</b>	<b>1,007</b>
Cash and cash equivalents at beginning of the year	5,322	4,315
Cash and cash equivalents at end of the year	7,501	5,322
	<b>2,179</b>	<b>1,007</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 2022 to 2023 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.

As at 31 July 2023, the College has £5.0m 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 £15.922m as at 31 July 2023 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.

# CROYDON COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

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### *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.

CROYDON COLLEGE  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

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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 2023 given the nature of the lease agreement and the occupation of the building by the School and a September 2023 report from a qualified Surveyor.

##### *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:

CROYDON COLLEGE  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

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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 of the investment property, which was professionally valued in November 2021 under the long lease agreement with Brit School. The building continues to be occupied, rental is paid, and the valuation is not considered to have been impaired during the year, based on a report from a qualified surveyor, dated September 2023.

#### *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 2022 to value the pensions liability at 31 July 2023. 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.
- *Budgets and cashflow forecasts for the coming year*  
The Budget set for the following financial year is for a deficit 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.

CROYDON COLLEGE  
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

**2 Funding body grants**

	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
<b>Recurrent grants:</b>		
Education and Skills Funding Agency -16 -18	17,722	15,755
Education and Skills Funding Agency – Adult Education Budget	450	640
Greater London Authority – Adult Education Budget	4,856	3,964
Education and Skills Funding Agency – Advanced Learner Loan	150	125
Education and Skills Funding Agency – Non Levy Apprenticeships	424	353
Greater London Authority – Adult Education Budget - prior year	374	-
Education and Skills Funding Agency - prior year	-	(58)
Office for Students	51	48
<b>Specific grants:</b>		
Greater London Authority – Multiply	111	-
Education and Skills Funding Agency - 16-19 Tuition Fund	342	270
Greater London Authority – Free Courses for Jobs (previously National Skills Fund)	281	147
Education and Skills Funding Agency – Capacity and Development Fund	94	48
Greater London Authority – Good Works for All	-	419
Restructuring Facility Grant	-	43
Teachers' Pension Contribution Grant	560	429
Releases of government capital grants	1,535	1,484
<b>Total</b>	<b>26,950</b>	<b>23,667</b>

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

	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
Grant income from the Office for Students (included in Note 2)	51	48
Fee income for taught awards (included in Note 3 below)	1,126	957



### 3 Tuition fees and education contracts

	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
Apprenticeship fees (incl Levy contracts)	393	394
Fees for FE loan supported courses	584	862
Fees for HE loan supported courses	1,126	957
International student fees	79	98
<b>Total tuition fees</b>	<b>2,182</b>	<b>2,311</b>
Education contracts (incl Non Levy Apprenticeship contract)	2,614	2,604
<b>Total</b>	<b>4,796</b>	<b>4,915</b>

### 4 Other Grants and contracts

	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
Turing / Erasmus	48	89
Other grant income	111	43
Coronavirus additional funding: GLA Emergency Recovery Support	-	14
<b>Total</b>	<b>159</b>	<b>146</b>

### 5 Other income

	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
Catering income	535	337
Rental income	296	321
Insurance claim	755	466
Student related income	92	85
Other income	203	160
<b>Total</b>	<b>1,881</b>	<b>1,369</b>

### 6 Investment income

	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
Other interest receivable	378	44
<b>Total</b>	<b>378</b>	<b>44</b>

CROYDON COLLEGE  
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

**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 2023 No.	Year ended 31 July 2022 No.
Teaching staff	360	335
Non-teaching staff	197	181
	<u>557</u>	<u>516</u>
	Year ended 31 July 2023 £'000 No.	Year ended 31 July 2022 £'000 No.
<b>Staff costs for the above persons:</b>		
Wages and salaries	14,879	13,777
Social security costs	1,430	1,302
Other pension cost (including FRS102 Debit adjustment of £294k (2022: £1,844k) Note 19)	3,474	4,802
<b>Payroll sub total</b>	<u>19,783</u>	<u>19,881</u>
Contracted out staffing services	1,874	1,025
	<u>21,657</u>	<u>20,906</u>
<b>Re-organisation costs</b>		
Non Contractual	21	82
Contractual	19	22
	<u>40</u>	<u>104</u>
<b>Total staff costs</b>	<u>21,697</u>	<u>21,010</u>

Key management personnel are those 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 and CEO, Vice Principals and Principal of Coulsdon College, as noted on Page 2.

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

	2023 No.	2022 No.
The number of key management personnel including the Accounting Officer was:	<u>8</u>	<u>6</u>

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023**

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 2023 No.	Year ended 31 July 2022 No.	Year ended 31 July 2023 No.	Year ended 31 July 2022 No.
£10,001 to £15,000 p.a.	1	1	-	-
£20,001 to £25,000 p.a.	2	-	-	-
£35,001 to £40,000 p.a.	-	-	-	2
£50,001 to £55,000 p.a.	-	-	1	1
£60,001 to £65,000 p.a.	-	-	7	5
£65,001 to £70,000 p.a.	-	1	2	2
£70,001 to £75,000 p.a.	1	-	2	2
£80,001 to £85,000 p.a.	1	1	1	-
£95,001 to £100,000 p.a.	1	1	-	-
£105,001 to £110,000 p.a.	1	1	-	-
£165,001 to £170,000 p.a.	1	1	-	-
	<b>8</b>	<b>6</b>	<b>13</b>	<b>12</b>

Key management personnel emoluments are made up as follows:

	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
Salaries	560	499
Performance related pay	20	31
Employer's National Insurance	72	72
Benefit in kind	4	3
	<b>656</b>	<b>605</b>
Pension contributions	128	127
<b>Total emoluments</b>	<b>784</b>	<b>732</b>

There were no amounts due to key management personnel that were waived in the year, not any salary sacrifice arrangement in place. There was no compensation for loss of office for any member of staff earning over £60,000. The above emoluments include amounts payable to the Accounting Officer (who is also the highest paid officer. This position is held by Caireen Mitchell since 15 April 2018, whose emoluments and comparison to average staff salaries are shown below:

	Year ended 31 July 2023 £	Year ended 31 July 2022 £
Salaries	155,040	152,000
Performance related pay	7,600	14,300
Benefit in kind	1,772	1,451
	<b>164,412</b>	<b>167,751</b>
Pension contributions	41,101	42,905
<b>Total emoluments</b>	<b>205,513</b>	<b>210,656</b>

Relationship of Principal & CEO pay and remuneration expressed as a multiple of median staff pay is as follows:

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 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

	Year ended 31 July 2023	Year ended 31 July 2022
Multiple of the median of all staff based on basic salary	4.58	4.90
Multiple of the median of all staff based on total remuneration (excl benefit in kind)	6.02	6.75
Multiple of the median of all staff based on total remuneration (incl benefit in kind)	6.06	6.79

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 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 2022/23 objectives was approved by the Corporation and paid in 2023/24. 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 Adults and HE, Vice Principal Quality and Student Services, Vice Principal Young People and High Needs 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, Adults and HE and the Interim Principal at Coulsdon Sixth Form College at the time for achievement of 2022/23 objectives was approved by the Principal and CEO and paid in 2023/24.

## 8 Other operating expenses

	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
Teaching costs	1,901	1,734
Non- teaching costs	3,283	2,815
Premises costs	3,819	2,741
<b>Total</b>	<b>9,003</b>	<b>7,290</b>
<b>Other operating expenses include:</b>	<b>Year ended 31 July 2023 £'000</b>	<b>Year ended 31 July 2022 £'000</b>
Auditors' remuneration:		
Financial statements audit	35	32
Internal audit	38	45
Other	3	1
Payment to Sub-contractors	88	233
Hire of assets under operating leases	48	48

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 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

**9 Interest payable**

	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
On bank loans repayable within 5 years, by instalments	272	237
Pensions' finance costs (notes 15 and 19)	337	576
<b>Total</b>	<b>609</b>	<b>813</b>

**10 Tangible fixed assets**

	Investment Property £'000	Land £'000	Buildings £'000	Equipment £'000	Total £'000
<b>Cost or Valuation</b>					
At 1 August 2022	6,003	25,216	75,016	10,065	116,300
Additions	-	-	1,806	1,318	3,124
Disposals	-	-	-	(901)	(901)
<b>At 31 July 2023</b>	<b>6,003</b>	<b>25,216</b>	<b>76,822</b>	<b>10,482</b>	<b>118,523</b>
<b>Depreciation</b>					
At 1 August 2022	-	-	(12,484)	(8,619)	(21,103)
Charge for the year	-	-	(1,919)	(729)	(2,648)
Disposals	-	-	-	901	901
<b>At 31 July 2023</b>	<b>-</b>	<b>-</b>	<b>(14,403)</b>	<b>(8,447)</b>	<b>(22,850)</b>
<b>Net book value at 31 July 2023</b>	<b>6,003</b>	<b>25,216</b>	<b>62,419</b>	<b>2,035</b>	<b>95,673</b>
Net book value at 31 July 2022	6,003	25,216	62,532	1,446	95,197

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 from November 2021 to 31 July 2023, 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 £57.45m 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.

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The gain on disposal of fixed assets of £3,000,000 relates to an overage agreement in relation to a freehold property sold in 2014.

**11 Debtors**

	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
<b>Amounts falling due within one year:</b>		
Trade receivables	384	788
Other debtors, including grant income from the Greater London Authority	64	301
Prepayments and accrued income	1,541	547
Amounts owed by the Education and Skills Funding Agency	11	94
	<hr/>	<hr/>
<b>Total</b>	<b>2,000</b>	<b>1,730</b>

**12 Creditors: amounts falling due within one year**

	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
Bank loans due in one year or less (Note 14)	685	665
Trade creditors	885	175
Payments received in advance	677	799
Other creditors, including grant clawback to the Greater London Authority	805	661
Other taxation and social security	371	326
Accruals and deferred income	904	1,030
Holiday pay accruals	609	623
Deferred income – government capital grants	1,752	1,498
Amounts owed to the Education and Skills Funding Agency	480	865
	<hr/>	<hr/>
<b>Total</b>	<b>7,168</b>	<b>6,642</b>

**13 Creditors: amounts falling due after one year**

	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
Bank loans (Note 14)	4,327	5,012
Deferred income - government capital grants	44,452	43,778
	<hr/>	<hr/>
<b>Total</b>	<b>48,779</b>	<b>48,790</b>

CROYDON COLLEGE  
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

**14 Maturity of debt**

	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
Bank loans are repayable as follows:		
In one year or less	685	665
Between one and two years	705	685
Between two and five years	2,255	2,185
In five years or more	1,366	2,142
<b>Total</b>	<b>5,011</b>	<b>5,677</b>

**15 Provisions**

	Enhanced Pension Scheme £'000	Other £'000	Total £'000
<b>At 1 August 2022</b>	<b>1,520</b>	<b>72</b>	<b>1,592</b>
(Release) / increase of provision in the year	(149)	(20)	(169)
Finance cost	50	-	50
Actuarial gain at year end	(121)	-	(121)
<b>At 31 July 2023</b>	<b>1,300</b>	<b>52</b>	<b>1,352</b>

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

The Enhanced Pension Scheme 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 the annual model issued by the Association of Colleges.

**16 Capital and other commitments**

	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
<b>Commitments contracted as at 31 July</b>	<b>2,234</b>	<b>2,420</b>

**17 Lease obligations**

	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
<b>Amounts payable as Lessee</b>		
<b>Equipment:</b>		
Not later than one year	39	48
Later than one year and not later than five	64	109
<b>Total</b>	<b>103</b>	<b>157</b>

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 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

**Amounts receivable as Lessor**

	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
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	289	289
Later than one year and not later than five	1,157	1,157
Later than five years	2,364	2,653
<b>Total</b>	<b>3,810</b>	<b>4,099</b>

**18 Financial Instruments**

	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
<b>Financial assets measured at amortised cost</b>		
Prepayments and accrued income	1,541	545
Other debtors	384	881
<b>Total</b>	<b>1,925</b>	<b>1,426</b>
<b>Financial liabilities measured at amortised cost</b>		
Trade creditors	885	175
Other creditors	805	406
Holiday pay accruals	609	623
Amounts due to ESFA	480	1,121
Accruals	904	1,030
<b>Total</b>	<b>3,683</b>	<b>3,355</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.

	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
<b>Total pension cost for the year</b>		
<b>Teachers' Pension Scheme:</b> contributions paid	1,689	1,576
<b>Local Government Pension Scheme:</b>		
Contributions paid	1,491	1,402
FRS 102 (28) charge	294	1,844
Charge to the Statement of Comprehensive Income	1,785	3,246
<b>Total pension cost for the year within staff costs</b>	<b>3,474</b>	<b>4,822</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 2022. There



**CROYDON COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023**

were outstanding contributions due to TPS of £194,070 (2022 £173,866) and LGPS of £150,967 (2022 £146,889) as at 31 July 2023. These amounts are included within creditors.

**Teachers' Pension Scheme**

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

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

Under the definitions set out in 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 total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £198 billion giving a notional past service deficit of £22 billion. As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% of pensionable pay during 2018/19). The DfE has agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2023/24 academic year.

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 £1,694,105 (2022: £1,576,000)

**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 2023 were £1,881,547 (2021/22: £1,761,786) of which employer's contributions totalled £1,490,747 (2021/22: £1,402,896) and employees' contributions totalled £390,800 (2021/22: £358,890). Following the triennial valuation of the scheme in 2022, the employer contribution rate from 1st April 2023 to 31<sup>st</sup> March 2026 has reduced from 25.8% to 23.1%, with no additional lump sum payments. The contribution rates for employees range from 5.5% to 11.4% depending on salary according to a national scale. In addition some employees pay the 50:50 rates.

**Principal Actuarial Assumptions**

The following information is based upon a full actuarial valuation of the fund at 31 March 2022 updated to 31 July 2023 by a qualified independent actuary.

	<b>Year ended 31 July 2023</b>	<b>Year ended 31 July 2022</b>
Pension Increase Rate	3.00%	2.75%
Salary Increase Rate	3.00%	2.75%
Commutation of pensions to lump sums	45%	Not totalled
Pre - April 2008 service	Not split	50%
Post - April 2008 service	Not split	75%

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An allowance is included for future retirements to elect to take 45% of the maximum additional tax-free cash up to HMRC limits; previously this was split between pre and post April 2008 service. The current mortality assumptions include an allowance for smoothing of recent mortality experience, initial adjustment of 0.25% and long-term rates of 1.5% for males and females. The assumed life expectations at age 65 are:

	<b>Year ended 31 July 2023 Years</b>	<b>Year ended 31 July 2022 Years</b>
<i>Current Pensioners</i>		
Males	21.2	21.9
Females	24.3	24.1
<i>Future Pensioners*</i>		
Males	22.0	22.7
Females	25.5	25.8

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

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

	<b>% of plan assets at 31 July 2023</b>	<b>Fair Value at 31 July 2023 £'000</b>	<b>% of plan assets at 31 July 2022</b>	<b>Fair Value at 31 July 2022 £'000</b>
Equities	70%	38,441	69%	37,851
Bonds	15%	8,237	16%	8,777
Property	12%	6,590	13%	7,132
Cash	3%	1,647	2%	1,097
<b>Total fair value of plan assets</b>		<b><u>54,915</u></b>		<b><u>54,857</u></b>
<b>Actual return on plan assets (1 July 2022 - 30 June 2023)</b>		<b>4.2%</b>		<b>1%</b>
<b>Total returns (1 August 2022 -31 July 2023)</b>		<b>1.0%</b>		<b>5.3%</b>
<b>Long term discount rate</b>		<b>5.05%</b>		<b>3.5%</b>

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

	<b>Year ended 31 July 2023 £'000</b>	<b>Year ended 31 July 2022 £'000</b>
Fair value of plan assets	54,915	54,857
Present value of plan liabilities	(54,903)	(62,848)
Present value of unfunded liabilities	(79)	(86)
<b>Net pensions liability</b>	<b><u>(67)</u></b>	<b><u>(8,077)</u></b>

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

	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
<b>Amount included in staff costs:</b>		
Current service cost	1,790	3,252
Past service cost	-	-
<b>Total</b>	<b>1,790</b>	<b>3,252</b>
<b>Amount included in interest payable:</b>		
Net interest cost	287	546
	<b>287</b>	<b>546</b>
<b>Amount recognised in other comprehensive income:</b>		
Return on pension plan assets	(1,979)	1,945
Experience gain arising on defined benefit obligations	(3,661)	(189)
Changes in assumptions underlying the present value of plan	14,231	25,850
<b>Total</b>	<b>8,591</b>	<b>27,606</b>
	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
<b>Movement in net defined benefit liability during year:</b>		
<b>Net defined benefit liability in scheme at 1 August</b>	(8,077)	(33,293)
Movement in year:		
Current service cost	(1,790)	(3,252)
Employer contributions	1,496	1,408
Net interest on the defined liability	(287)	(546)
Actuarial gain	8,591	27,606
<b>Net defined benefit liability at 31 July</b>	<b>(67)</b>	<b>(8,077)</b>
<b>Changes in the present value of defined benefit obligations:</b>		
<b>Defined benefit obligations as at 1 August</b>	62,934	85,317
Current service cost	1,790	3,252
Interest cost	2,208	1,379
Contributions by Scheme participants	391	359
Benefits paid	(1,771)	(1,712)
Changes in financial assumptions	(14,610)	(25,537)
Changes in demographic assumptions	379	(313)
Other experience gain / (loss)	3,661	189
<b>Defined benefit obligations at 31 July</b>	<b>54,982</b>	<b>62,934</b>

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

	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
<b>Fair value of plan assets at 1st August</b>	54,857	52,024
Interest on plan assets	1,921	832
Return on plan assets	(1,979)	1,945
Employer contributions	1,490	1,403
Contributions by Scheme participants	391	365
Estimated benefits paid	(1,765)	(1,712)
	<hr/>	<hr/>
<b>Fair value of plan assets at 31 July</b>	<b>54,915</b>	<b>54,857</b>

The net defined benefit liability as at 31 July 2020 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 2023. These provisions total just over 37.3% of the total scheme liability as at 31 July 2023. 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 Niral Patel joined as a Governor in October 2021 and his spouse has been employed as a part time Science Technician at the Coulsdon campus since before the merger with Coulsdon College in February 2019, which predated his appointment. Mr Patel has no involvement in determining the remuneration of his spouse.

The total expenses paid on behalf of the Governors during the year was £72.45 (2022: £nil)

## 21 Amount disbursed as agent

	<b>As at 31 July 2023 £'000</b>	<b>As at 31 July 2022 £'000</b>
Balance brought forward	23	40
ESFA funding body grants –16-18 bursary support	305	267
	<hr/> 328	<hr/> 307
Disbursed to students	(283)	(271)
Administration cost	(15)	(13)
Balance unspent as at 31 July, included in creditors	<hr/> <b>30</b> <hr/>	<hr/> <b>23</b> <hr/>

## 22 Events after the reporting period

There are no events to be reported.

## 23 Contingency Liabilities

The College has no contingent liabilities (2022: £0)