



Croydon College

FINANCIAL **STATEMENTS**

2024/2025

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 2024/25:

Caireen Mitchell - Principal and CEO; Accounting Officer
Ann Christine Harland - Vice Principal Finance and Resources (to 30 November 2025)
Ian Rule – interim CFO (from 1 December 2025)
Martin Silverwood – Deputy Principal from 16 December 2024 (previously Principal Coulsdon Sixth Form College),
Natalie Garner - Vice Principal Adults and Higher Education (to 5 December 2024)
Robert Bates - Vice Principal Young People and High Needs (to 13 December 2024)
Samantha Hanmer – Executive Director of Stakeholder Engagement and Skills
Jane Holloway – Executive Director of Teaching and Quality (from 6 January 2025)
Helen Langford – Executive Director of Human Resources (from 1 May 2025)
Kirstie Woodcock – Executive Director of Student Services (appointed 22 April 2025)

Board of Governors

A full list of Governors is given on pages 15-16 of these financial statements.

Clare Mitchell acted as Director of Governance/Clerk to the Corporation, up to the appointment of Jacqueline Mutibwa (appointed 2 June 2025), leaving the College on 13 June 2025.

Professional advisers

Financial statements auditors and reporting accountants:

Buzzacott Audit 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:

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 2025

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 2025.

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

During the 2024/25 academic year the College finalised its new Corporate Strategy 2024-29. The College focused on delivering a number of key priorities and progress against these key priorities is summarised below:

1. Raise the Quality of Education to be sustainably Good or better: **Achieved** – Ofsted inspected the College in October 2024 and judged all areas to be Good. The College is self-assessing as Good for the Quality of Education and all provision types, other than Apprentices (which is self-assessed as Requires Improvement), in the 24/25 academic year. Achievement in classroom based learning for all ages for both campuses increased by 5% to 88%. Education Programmes for Young People has increased by over 3.3% to 86.6%, exceeding the target of 84% and 3.3% above national benchmark. Achievement for Adults has increased to 89.5%, 1.7% above national benchmark. Achievement for Apprentices has dipped this year to 50% due to the withdrawal of legacy learners.
2. Better prepare our young learners to have successful careers through the development of their personal skills on study programmes: **Achieved**, the Tutorial Framework in 2024/25 covered all key aspects of the LSIP identified transferable skills. The target for external work placements was exceeded, with over 54% of young people accessing these placement and Employer engagement embedded in Schemes of Learning. The FREDIE principles (Fairness, Respect, Equality, Diversity, Inclusion and Engagement) are well embedded in the college, and Silver re-accreditation was achieved in September 2025.
3. Address identified local and national needs through the expansion of our offer in Construction and the Built Environment, IT and Digital, Health and Care and Education. Also to expand the T level offer to Health. **Partially achieved**, with good recruitment to new courses that commenced in September 2024 – ie two new level 4 digital programmes and Mental Health Nursing degree. There was some increase to our Construction courses, however the offer will be expanded for 2025/26. The Health T Level did not recruit, however has recruited well and started in September 2025. The College's Teaching Academy started with Level 3 courses, progresses to Level 5 in September 2025 and a new degree with St Mary's University in September 2026.
4. Ensure an efficient and effective corporate core by:
Generating an operating surplus of £57k (excl FRS102 adjustments) to provide Good financial health. **Achieved**, 16-18 number were very close to target and despite lack of any in year growth funding from the Greater London Authority ('GLA') Adult Skills Funding, an operating surplus of £273k and Good financial health was achieved.

Meeting the ICT/ILT Strategy 2024-02029 Objectives for 2024/25, which includes securing even more robust IT, working towards ISO 27001 and continuing development of on-line teaching and

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systems. **Achieved**, Cyber Essential accreditation renewed, a new AI Policy and training, improved Teams teaching facilities and increased security following internal audit recommendations.

To continue our journey towards net zero through further development of the sustainability agenda and our journey towards net zero by 2030 **Achieved**, completion of the FE Condition Transition Fund (“FECTF”) grant, by improving the condition of the Croydon campus’s West End entrance. Substantial new ESOL classrooms were refurbished in summer 2025, with replacement windows for the crittall style ones in place, LED lights etc, to increase the sustainability of the campus. The Estates Strategy was also updated for 2024-29 and a draft received by the Finance and Resources Committee in November 2025.

Financial objectives

A series of annual performance indicators have been agreed to monitor the achievement of the financial objectives. In 2023/24, due to the level of unfunded learners and pay costs needed to meet that commitment and drive up quality in the organisation, not many of the financial objectives were met. Capital investment reduced due to delays to planning consent for the Croydon campus, subsequently received for a reduced project.

Measure	Objective for 2024/25 (per July 2024 CFFR)	Outcome
DFE financial health score	Rating of <i>Good</i> against current DFE scoring calculation	<i>Good</i> score, self-assessed.
Underlying Operating Surplus (excluding FRS102 (s28) pension impact)	£57k, excluding budget for Enhanced Pension Scheme FRS102 adjustments	£273k surplus before FRS102 adjustments and income from property transactions.
Net adjusted current asset ratio > 1	4.13	3.32
Cash in hand > 45 days	121 days	133 days
Staff costs, excl restructuring and FRS102, to an optimum level against income and activity	72.81%	73.62%, due to increased employer’s NI and TPS costs in year, not fully matched by DfE grant income.
Capital investment (cash spend)	£1.742m	£2.6m

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 Department for Education (‘DfE’). The College’s financial health is assessed annually by the DfE. The College has self-assessed its financial health for 2024/25 as Good.

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 increased to 639 (467 Full Time Equivalent) in 2024/25, compared to 633 (435 Full Time Equivalent) in 2023/24. The growth in staffing has occurred in maths and English, Additional Learning Support and SEN areas as well as the Safeguarding and Quality support teams.

The College has 5,939 students in total (2023/24: 6,278). The student population includes 2,704 16-18 year old students (2023/24: 2,658) (of which 1,701 study at the Croydon campus and 1,003 at Coulsdon). In addition, there were 249 Apprentices (2023/24: 274), 113 Higher Education students (2023/24: 111), 2,525 Adult Learners (2023/24: 2,800) and 348 students on full cost provision including the University of Roehampton Nursing degree students and Year 11 students (2023/24: 435).

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

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a third party in Selhurst. Substantial refurbishment of the refectory at Croydon and FECTF Building Condition funded works comprise the bulk of the additions in 2024/25.

As at 31st July 2025, the College has £58.1 million of net assets (including £74k pension liability) (2024: £55.4m, including £0k of pension liability) and long term debt of £3.6 million (2024: £4.3m).

Stakeholders

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

- Students
- Department for Education
- 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 15 and 15

In setting and reviewing the College's strategic objectives, the Governing Body has had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education.

In delivering its mission, the College provides the following identifiable public benefits through the advancement of education to 5,939 students, including 98 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 249 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, after profit on disposal of fixed assets of £637k (2023/24 – surplus of £622k). The Local Government Pension Scheme ('LGPS') FRS102 provision adjustments are again significant this year, generating a surplus of £3,224k before a ceiling adjustment was made to bring this surplus down to a liability of £74k. The underlying operations of the College can be illustrated in the following table:

£'000	2024/25	2023/24
Surplus for the year	637	622
Profit on disposal of fixed assets	-	(1,910)
LGPS and EPP FRS 102 credits	(369)	(249)
Movement in holiday pay accrual	4	(109)
Underlying operational surplus/(deficit)	272	(1,646)

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After an increase in the value of the Selhurst site of £1.447m and actuarial losses in respect of the LGPS and the Enhanced Pension of £(581)k, total comprehensive income for the year was £1.503m (2023/24 – £327k comprehensive income, after actuarial loss in respect of the LGPS of £(295k)).

Under the lagged funding mechanism, the College received funding for 163 additional 16-18 year olds in 2024/25 (which was one of the contributory factors for the operating deficit in 2023/24), and outturned in line with the grant, despite challenges recruiting to T levels. The College delivered above allocation in all of its adult grants this year and was disappointed by the lack of in year growth funding from the GLA's Adult Skills Fund and Free Courses for Jobs, despite waiting lists for starts on campus. The College does not subcontract any of its provision.

The College has cash and short term investments totalling £12.5m and accumulated reserves, including revaluation reserve, of £58.1m as at 31st July 2025, compared to cash and short term investments of £12.8m and accumulated reserves of £56.5m as at 31st July 2024.

Tangible fixed asset additions during the year amounted to £2.69m (2023/24 - £3.951m), comprising a substantial refectory refurbishment and FECTF building condition works at the Croydon campus, as well as IT infrastructure and replacement IT equipment at both campuses. The replacement of old IT equipment led to the disposal of £181k (2023/24: £545k) of fully written down assets.

The most recent triennial valuation of the Local Government Defined Benefit Pension Liability established that the College's funding of its liabilities had increased to 98% as at 31st March 2022 and the Employer's contribution rate was 23.1% from 1 April 2023 to 31 March 2026. The next valuation is due to be received in January 2026.

Cash Flows and Liquidity

Net cash flow inflows from operations were £789k (2023/24 – outflows of £2.2m), largely due to the increased 16-18 grant and reduced agency pay costs. During the year, the College made capital repayments of £705k (2023/24: £685k) and interest payments of £222k (2023/24: £269k) for the College's loans. Short term investments totalling £367k were made in the year (2023/24: £349k). There were no receipts in 2024/25 (2023/24: £1.9m) from previous land sales. In total, after receipt of £1.9m of capital grants, (2023/24: £1.1m) and capital project spend of £2.6m (2023/24: £3.5m), there was total cash outflow of £0.7m (2023/24: cash outflow of £3.4m).

The College continues to accumulate cash balances in order to finance its investment in its estate, particularly at the Croydon campus, where condition works are reducing energy usage and asbestos risk. The College consider that it has adequate reserves to enable it to maintain operations during 2025/26.

Reserves

Excluding the revaluation reserve, as at 31st July 2025 the College has accumulated positive income and expenditure account reserves of £30.7m (2024: reserves of £29.1m). The College also has net current assets of £8.1m (2023: £8.5m) and cash and deposit reserves over £12m. This level of cash and deposits is larger than the minimum requirement of £7m in the College's 2025 Reserves Policy whilst £3.6m of bank loans are to be repaid.

Sources of Income

The College has significant reliance on the education sector funding bodies for its principal funding source, largely from recurrent grants. In 2024/25 the FE funding bodies provided 81.4% (2023/24 – 78.5%) of the College's total income.

FUTURE PROSPECTS

Developments

in October 2024, the College as inspected and received Grade 2 'Good' in all areas. The College remained in Post Intervention Monitoring and Support during 2024/25 with the FE Commissioners and

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the Department for Education Territorial Team until 30 October 2025, however, the Conditions of Funding, imposed by the Department of Education in 2023, were removed in November 2024.

In 2024/25 the College saw another increase in student demand, for both 16-18 year olds and adults. Unfortunately, for the first time, there will be a 3% reduction in funding available from the GLA for their Adult Skills Funding. Free Courses for Jobs funding has increased in 2025/26, but late in the day, for Construction courses only, where the College will be prioritising growth, despite staff hiring challenges. The GLA'S Multiply scheme, for maths skills, also stopped in March 2025. The further cuts to the Adult Skills Funding for 2025/26 means that the College has had to reduce the number of adult classes for ESOL and Maths and English and has to restrict its enrolment for Access course to FE Loans only students.

The 2025/26 Budget is for a surplus of £175k, however following its 2024 Ofsted report, the College is in a much better position to bid for more grants and grow its provision.

Financial Plan

The Croydon governors approved a financial plan in July 2024 which set the financial objectives for 2024/25, on [page 6](#) and a forecast for 2025/26, 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.

Reserves

It 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 £30.7m (2024: £29.1m). It is the Corporation's intention to maintain adequate reserves over the life of the strategic plan with surplus operations planned to 2026/27.

Going concern

As at 31 July 2025, the College has two loans outstanding with Barclays Bank totalling £3.6m 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 £12.5m as at 31 July 2025 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 2024/25 and is working towards Cyber Essentials Plus. It has also attained its Investors in Diversity re-accreditation with the National Centre for Diversity under its FREDIE initiative and Matrix accreditation.

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

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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.

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 2024/25 81.4% (2023/24: 78.9%) 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 late increase to funding in 2024/25 to assist colleges to make the same pay award as the schools for 2024/25. In addition some subsidy of the additional costs following the National Insurance increase in April 2025 is receivable. 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 August 2025 Skills England 'Assessment of priority skills to 2030' publication may bring changes to the qualifications and training which Colleges currently deliver
- The impact of 16-18 recruitment on funding, with changes in funding lagging a year behind, and reduced, probably rationed, in year growth funding only for over 100 learners
- The changes to the use of Employer's Levy, still currently only used for Apprenticeship funding
- The College's ability to grow Adult Skills delivery to meet demand, which is reducing for 2025/26 due to restricted GLA funding
- Increases in the cost of living and the pressure on staff pay increases compared to significant difference in schools' pay, and impacts on our ability to recruit and retain staff
- The increases in maintenance 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 2025, is due in January 2026, which could result in increases to the employers' costs from April 2026.

These risks 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, applying for growth or alternative provision contracts where possible
- Ensuring the College is focused on those priority sectors which will continue to benefit from public funding
- Increasing resources, and therefore reducing margins, to assist Apprenticeship employers navigate the continuously changing Funding Rules
- Continuing to benchmark operational efficiencies to enable sector wide pay increases to be paid to staff.

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2. Growth of HE and Apprenticeship 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. Apprenticeship recruitment in 2024/25 has been affected by the loss of a key local employer whose staff were concerned about security in the Croydon High Street area.

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 promoting courses which better meet our students' needs for shorter, 1 year, programmes
- By ensuring the College is rigorous in delivering high quality education and training, thus ensuring value for money for students.
- Partnering with more HE providers to ensure progression for our students at our campuses.

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 2024/25 and the outturn are:

KPI	Targets 2024/25	Actual 2024/25
Student numbers 16-18	2,774 actual, 2,709 funded	2,704
GLA ASF income attainment	100%	103%
GLA FCFJ income attainment	100%	110%
DFE ASF attainment	100%	110%
EBITDA - education specific	£0.95m	£1.16m
Cash reserves	£10.9m	£12.5m
Financial health score	Good	Good, self-assessed

Student Achievements

Achievement in classroom based learning for all ages for both campuses increased by 5% to 88% in 2024/25 from 83% in 2023/24. 16-18 achievement increased by over 4%, finalised at 86.6% compared to 82.3% for 2023/24. Following improvements at the Coulsdon campus particularly, 16-18 achievement is above National Benchmark and the target set of 84%.

Student Performance 2024/25 compared to 2023/24 – all College

Achievement	2024/25	2023/24	National benchmarks
	Actual	Actual	
Overall All	88.0%	83%	85%
Overall 16-18	86.6%	82.3%	83.4%
Overall 19+	89.5%	83.7%	87.8%
Apprenticeships – Overall	50%	69%	61.5%

Good outcomes for Adult students were retained, with Adult ESOL now achieving 6% above national rate. There was significant improvement in outcomes on Access to Higher Education programmes and across the areas of Engineering, Motor Vehicle & Science and Construction.

Achievement for 16-18 provision exceeded the college target of 84%. This had most notably been due to a significant increase in outcomes on Vocational Programmes at both campuses, and high rates of achievement on ESOL, Basic Skills and GCSE provision. Achievement rates for 16-18 at the Coulsdon campus rose by 2.6% from 82.5% to 85.1% and at the Croydon campus by 5.2% from 82.2% to 87.4%.

Overall achievement on Apprenticeships has reduced compared to 2023/24, due to withdrawals of learners from prior years, many of whom had breaks in learning. Like all organisations, delays with End Point Assessments in certain sectors is affecting the timeliness of achievements and therefore income.

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Curriculum developments

The number of students on a study programme at the Croydon Campus in 2024/25 continued to grow, with further growth in ESOL for 16-18s leading to recruitment of 2,704 students. Growth in ESOL 16-18, healthcare and construction were notable. This growth has continued to September 2025, where we are currently 30 16-18s higher than the same time last year and expect the 2026/27 allocation to increase.

Demand for Adult Skills Funding courses continues to be higher than our funding allocation particularly for ESOL, discrete English and Maths. In 2024/25 the College delivered more employability SWAPS courses to students though JCP+ locally and out of London, with impressive results in terms of students progressing to employment.

In partnership with the University of Roehampton and supported by Croydon University Hospital, the College commenced a new Degree in Mental Health Nursing, alongside 2 other Nursing Degrees, at its Croydon Campus.

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 increased by over 40 in 2024/25 and the lower Vith intake has grown in September 2025, compared to the previous year. A number of key improvements were put into place during 2024/25, which has improved the overall outcomes for students.

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%. During the accounting period 1 August 2024 to 31 July 2025, the College paid 86% of its invoices within 30 days, a decrease of 8% on last year, due to temporary staff shortages for 2 months, subsequently remedied. 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. 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. The National Centre for Diversity's Investors in Diversity award was re-accredited at Silver level in September 2025 and we continue to embed the FREDIE values (Fairness, Respect, Equality, Diversity, Inclusion and Engagement) in all our activities,

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

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- 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.
- 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.

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MEMBERS REPORT FOR THE YEAR ENDED 31 JULY 2025**

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 2024/25, this information for the College is as follows:

Numbers of employees who were trade union officials during the year	FTE employee number
5	5
Percentage of time	Number of employees
0%	-
1-50%	5
51-99%	-
100%	-
Total cost of facility time	£27k (including costs for a Union Official recharged by Collegiate Trust)
Total pay bill	£24,293k
Percentage of total bill spent on facility time	0.11%
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 10th December 2025 and signed on its behalf by:



**Valerie Shawcross
Chair**

**CROYDON COLLEGE
MEMBERS REPORT FOR THE YEAR ENDED 31 JULY 2025**

Statement of Corporate Governance and Internal Control

The following statement is provided to enable readers of the annual report and accounts of the College to obtain a better understanding of its governance and legal structure. This statement covers the period from 1st August 2024 to 31st July 2025 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 adopted the updated AoC Code of Good Governance at its meeting in July 2024;

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 2025.

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 AoC Code as set out above.

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

Public Value Statement:

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

The Corporation

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

Name	Date of appointment/ reappointment	Term of office	Date of resignation/ end of term of office	Category to which appointed	Committees served	Attendance at meetings in year ended 31 July 2025 (Board & committees)
Valerie Shawcross (Chair of Governors)	2 July 2025	4 years		Chair of Governors	Finance & Resources Search & Governance Remuneration	n/a
Ian Valvona (Chair of Governors)	13 November 2023 for 1 year, then reappointed to 31 July 2024.	1yr	2 July 2025	Chair of Governors	Finance & Resources, Learning & Quality Search & Governance, Remuneration	95%
Andrew Lowe	1 August 2019 (reappointed to 31 July 2027)	4 yrs		Governor	Finance & Resources (Chair)	90%
Andrew Gilchrist	18 May 2020 (reappointed to 17 May 2028)	4 yrs		Governor	Audit (Chair)	100%

**CROYDON COLLEGE
MEMBERS REPORT FOR THE YEAR ENDED 31 JULY 2025**

Frederick Law	24 March 2021 (reappointed to 23 March 2029)	4 yrs		Governor	Finance & Resources Search & Governance Remuneration	69%
Andy Wilson	1 June 2021 (reappointed to 31 May 2029)	4 yrs		Governor	Learning & Quality Committee (Chair)	100%
Niral Patel	20 October 2021 (reappointed to 19 October 2029)	4 yrs		Governor	Finance & Resources	100%
Louise Cretton (Vice-Chair of Governors from 1 September 2023)	7 December 2022	4 yrs		Governor	Learning & Quality Committee Search & Governance Remuneration	94%
Martin Bentham	18 October 2023	4 yrs	2 July 2025	Governor	Learning & Quality Committee	30%
Jonathan Brookes	18 October 2023	4 yrs		Governor	Audit	100%
Yvonne White	Elected 19 October 2022	4 yrs	26 March 2025	Staff Governor	Learning & Quality Committee	67%
Terrance James	Elected 26 May 2023	4 yrs		Staff Governor	Learning & Quality Committee	100%
Michael Cutbill	3 July 2024	4yrs		Governor	Audit, Search & Governance (Chair) Remuneration	100%
Maria Glasscock	3 July 2024	4yrs		Governor	Finance & Resources Search & Governance Remuneration (Chair)	100%
Armaghan Ul Haq	3 July 2024 (reappointed to 2 July 2028)	3yrs		Governor	Audit Committee	88%
Nicholas Voute	26 March 2025	4 yrs		Staff Governor	Learning & Quality Committee	100%
Portia Kumalo	2 July 2025	4 yrs		Governor	Learning & Quality Committee	N/A
Nezia De Roche	18 October 2023 and appointed from 6 November 2024 to 31 July 2025	1 yr	31 July 2025	Student Governor	Learning & Quality Committee	50%
Oleksandr Bristow	6 November 2024	1yr	31 July 2025	Student Governor	Learning & Quality Committee	50%
Ashanti France	15 October 2025	1 yr	31 July 2026	Student Governor	Learning & Quality Committee	N/A

The clerk and Director of Governance is Jacqueline Mutibwa.

CROYDON COLLEGE MEMBERS REPORT FOR THE YEAR ENDED 31 JULY 2025

Ian Valvona stood down from the Board on 2nd July 2025 and his contract of employment with the College ended on 31 July 2025. Valerie Shawcross was appointed as the Chair of the Board on 2nd July 2025.

During 2024/25 the Link Governors were: Frederick Law for Health and Safety, Terence James for EDI, Andrew Lowe for Apprenticeships, Niral Patel for Careers, Employability and Skills, Jonathan Brookes for ESOL/English/Maths and Sustainability, Michael Cutbill for Higher Education, Louise Cretton for Coulsdon Campus, Andy Wilson for Adult Learning and Martin Bentham for Safeguarding. Portia Kumalo replaced Martin Bentham as the Link Governor for Safeguarding from 2 July 2025. Martin Bentham was appointed as a Co-opted member on the Learning & Quality Committee (from 2 July 2025 to 1 July 2029) and link Governor for SEND. The Link Governor scheme has been effective in strengthening engagement with both staff and students, and has enhanced the Governors' oversight of key areas such as curriculum quality and safeguarding.

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

The Corporation approved a new College strategy "Creating Careers" for the period 2024-29. Progress made against the 2024/25 strategic plan high level objectives and targets were discussed at each Corporation meeting. At the end of 2024/25, good progress had been made in most areas which had achieved the agreed target.

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 safeguarding, health and safety and environmental issues. Management Accounts are provided monthly. The Corporation meets at least one each term and met five times during 2024/25.

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. Once approved, full minutes of meetings, except those deemed to be confidential by the Corporation, are available on the College website www.croydon.ac.uk or from the Director of Governance at: Croydon College, College Road, Croydon 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, 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 are matters for the Corporation as a whole.

Formal agendas, papers and reports are supplied to governors in a timely manner. Briefings are provided on an ad hoc basis. The Corporation and its Committees continued to meet as scheduled during 2023/24, with committee meetings were held virtually or in person as appropriate.

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

CROYDON COLLEGE

MEMBERS REPORT FOR THE YEAR ENDED 31 JULY 2025

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.

The Board appointed Valerie Shawcross as the new Chair of the Governing Body on 2 July 2025 following Ian Valvona stepping down on 2 July 2025. Ian Valvona's original appointment for 1 year was extended following approval by the Charity Commission in January 2025.

In 2024/25 the Search and Governance Committee consisted of six members of the Corporation including the Principal & CEO. The Search and Governance Committee recommended the appointment of two new external governor in 2024/25. Following the resignation of the Coulsdon campus staff governor, a new staff governor for the campus was appointed following a ballot and interview. Student Governors are now appointed rather than elected by the student body. Staff and Student Governors play a vital role in bringing the perspective of staff and students to the Corporation's decision-making.

The two new Governors appointed in July 2025, bring significant expertise in stakeholder engagement, community partnerships and safeguarding, further strengthening the Corporation's capacity to provide effective oversight and respond to the needs of learners and the wider community. A comprehensive induction programme was delivered to all new Governors following their appointments in March and July 2025.

Corporation performance

The annual strategic conversation with DfE and GLA took place in the summer term of 2024/25. The meeting was positive, with the College performing well and moving in the right direction after the formal intervention. The post intervention monitoring and support meetings were expected to conclude in November 2025.

The Corporation carried out its annual assessment of governance effectiveness during 2024/25. It also reviewed the 2022/23 External Governance Review Action Plan and good progress had been made in implementing the agreed actions. The next triennial external Governance Review will be undertaken in 2025/26.

Governors have access to a live Dashboard of key data and key performance indicators to support informed decision-making.

Training and development

The Corporation agreed its 2024/25 development programme in November 2024. The programme entailed mandatory training in Safeguarding and Prevent. Governors received FE sector briefings from the AoC and the external auditor, online training sessions and also attended networking events. Governors also took part in a number of internal engagement activities with students and staff such as curriculum reviews, teaching and observation activities and link governor visits. The Student Governors attended the AoC/Unloc training for Student Governors in November 2024.

The Director of Governance attends meetings of the AoC London Governance Professionals Network.

Remuneration Committee

The membership of the Remuneration Committee in 2024/25 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 2024/25 is stated in the membership table above.

Details of remuneration for the year ended 31 July 2025 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 FE Code of Good Governance.

CROYDON COLLEGE

MEMBERS REPORT FOR THE YEAR ENDED 31 JULY 2025

Audit Committee

The Audit Committee comprised a minimum of three members of the Corporation (excluding the Accounting Officer and Chair) during 2024/25 and met on three occasions during the year. Attendance was as follows:

Committee member	Meetings attended
Andrew Gilchrist (Chair)	3
Jonathan Brookes	3
Michael Cutbill	3
Armagan Ul Haq	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 Framework and guide for external auditors and reporting accountants of colleges.

The Audit Committee provides a forum for reporting by the College's internal auditors, reporting accountants and financial statements auditors, who have access to the Committee for independent discussion without the presence of College management. The Committee also receives and considers reports from the main FE and other funding bodies as they affect the College's business.

The College's internal auditors review the systems of internal control, risk management controls and governance processes in accordance with an agreed plan of input and report their findings to management and the Audit Committee. 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 2024/25. Following a re-tender of the external audit services, Buzzacott was reappointed as the College's external auditor for an initial term of three years effective from 2024/25.

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 2024/25 the Committee made recommendations to the Board in relation to the Financial Statements for 2024/25, the budget for 2025/26. Given the small surplus budget set for 2024/25 the Committee paid close attention to the management accounts and challenged the Executive as to why income streams had not performed as budgeted and how costs were being controlled to outturn close to budget. The Committee also discussed updates on the progress of new Estates Strategy for 2025-29. The Committee also discussed human resources activity and Health and Safety matters at each meeting.

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

CROYDON COLLEGE MEMBERS REPORT FOR THE YEAR ENDED 31 JULY 2025

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 2025 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 2025 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Corporation.

The risk and control framework

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

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

Croydon College has an internal audit service, which operates in accordance with the requirements of the DFE's Framework and guide for external auditors and reporting accounts of colleges. 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 11 risks to the attainment of the College's strategic plan to 31 July 2025 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 2024/25:

- Inability to safeguard and keep our students and staff safe from local external threats
- The risk of the Government withdrawing some essential Btech qualifications in the near future, which would affect the progression of local students

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 the risk of not achieving a 10% increase in outcomes at the Coulsdon campus and the risk of not maintaining improvement.

Responsibilities under funding agreements

**CROYDON COLLEGE
MEMBERS REPORT FOR THE YEAR ENDED 31 JULY 2025**

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; compliance with the DfE's College Financial Handbook, estates, cyber security, financial controls - payroll and FE funding rule compliance, as well as following up the recommendations from internal audit reviews undertaken in 2023/24.

In June 2025, the College also received a GLA audit of its 2024/25 R11 learner records submission for its Adult Skills Funding and Free Courses for Jobs grants. Satisfactory outcomes were received in the relevant areas. It has not been notified of any other funding body audits of its 2024/25 learner records or funding claims.

Control weaknesses identified

No High level matters were noted in the 2024/25, although a number of Medium points have been raised, particularly in cyber security – the matters arising from that review were substantially actioned by the time this report was considered at the Audit Committee on 27 November 2025. No significant internal control weaknesses or failures arose during 2024/25. The College continues to action all audit recommendations promptly to ensure that any weaknesses identified are addressed.

Responsibilities under accountability agreements

The Department for Education 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 and in 2024/25 a new College Financial Handbook was issued. The College has 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.

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 2024/25 and up to the date of the approval of the financial statements are:

Area of review	Conclusions	Recommendations – High, Medium or Low
GLA audit of 2024/25 Adult Skills Funding and Free Courses for Jobs grants	Satisfactory Opinion	5 recommendations
Compliance with the DfE's Colleges Financial Handbook	Substantial assurance	5L
Key Financial Controls – Payroll	Reasonable assurance	1M, 2L
Cyber Security Technical Controls	Partial Assurance	10M, 5L
Follow up from previous years	Reasonable progress	2M, 5L
FE Funding Rules Compliance: 16-18 Study Programmes, Apprenticeship and PDSAT	No opinion/advisory	4M, 7L, all Apprenticeship related
Estates Maintenance	Reasonable assurance	2M, 1L

CROYDON COLLEGE

MEMBERS REPORT FOR THE YEAR ENDED 31 JULY 2025

Review of effectiveness

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

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

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

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

The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Corporation's agenda includes a regular item for consideration of risk and control and receives reports thereon from the senior management team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception.

At its December 2025 meeting, the Corporation carried out the annual Board effectiveness self-assessment for the year ended 31 July 2025 by reviewing a range of information as set out earlier in the report, and taking account of events since 1 August 2024. The conclusion was that the Board is operating effectively. Governance is good and has improved since 2022/23. This conclusion is supported by reports from the FEC and Ofsted and the DfE has lifted the additional conditions of funding imposed following the February 2023 Ofsted Inspection.

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 2026 and an indicative forecast for the year to 31 July 2027. This assumes that the funding levels advised by the DfE 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 2026 and beyond through to 31 December 2026 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 10 December 2025 and signed on its behalf by:



Caireen Mitchell
Accounting Officer



Valerie Shawcross
Chair of Governors

**CROYDON COLLEGE
MEMBERS REPORT FOR THE YEAR ENDED 31 JULY 2025**

Statement of regularity, propriety and compliance

As Accounting Officer of the Corporation of Croydon College, I confirm that I have had due regard to the framework of authorities governing regularity, propriety and compliance, including the college's accountability agreement with the DfE and the requirements of the College Financial Handbook. I have also considered my responsibility to notify the Corporation's Board of Governors and DfE of material irregularity, impropriety and non-compliance with terms and conditions of funding.

I confirm that I, and the board of governors, are able to identify any material irregular or improper use of all funds by the Corporation, or material non-compliance with the framework of authorities.

I confirm that no instances of material irregularity, impropriety or non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of governors and DfE.



**Caireen Mitchell
Accounting Officer
10 December 2025**

CROYDON COLLEGE

MEMBERS REPORT FOR THE YEAR ENDED 31 JULY 2025

Statement of Responsibilities of the Members of the Corporation

The members of the Corporation are required to present audited financial statements for each financial year. Within the terms and conditions of the College's accountability agreement, funding agreements and contracts with the DfE 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*, DfE'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), and
- 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 (as amended), 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 DfE and any other public bodies, are used only in accordance with the accountability agreement, funding agreements and contracts and any other conditions, that may be prescribed from time to time by the DfE, or any other public funder, including that any transactions entered into by the Corporation are within the delegated authorities set out in the College Financial Handbook. On behalf of the Corporation, the Chair of the Board of Governors is responsible for discussing the Accounting Officer's statement of regularity, propriety and compliance with the accounting Officer.

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 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 DfE and other public bodies are not put at risk.

Approved by order of the members of the Corporation on 10 December 2025 and signed on its behalf by:



Valerie Shawcross, Chair of Governors

**CROYDON COLLEGE
MEMBERS REPORT FOR THE YEAR ENDED 31 JULY 2025**

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 2025 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) and the College Accounts Direction 2024 to 2025 issued by the Department for Education (DfE).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the College's affairs as at 31 July 2025 and of its financial performance and cash flows for the year then ended;
- ◆ have been properly prepared in accordance with UK Generally Accepted Accounting Practice, the Statement of Recommended Practice: Accounting for Further and Higher Education and the College Accounts Direction 2024 to 2025 issued by the DfE;
- ◆ 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) 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, including the Report of the Corporation, other than the financial statements and our auditor's report thereon. The members of the Corporation are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

CROYDON COLLEGE MEMBERS REPORT FOR THE YEAR ENDED 31 JULY 2025

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

In the light of the knowledge and understanding of the College and its environment obtained in the course of our audit, we have not identified material misstatements in the annual report.

We have nothing to report in respect of the following matters in relation to which the Framework and guide for external auditors and reporting accountants of colleges issued by the DfE requires us to report to you if, in our opinion:

- proper accounting records have not been kept, or returns adequate to our audit have not been received from branches not visited by us;
- 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.

We have nothing to report in respect of the following matter in relation to which the Office for Students requires us to report to you, if in our opinion:

- The College's grant and fee income, as disclosed in note 2 to these financial statements has been materially misstated.

Responsibilities of the Corporation

As explained more fully in the statement of responsibilities of members of the Corporation on [page 24](#) the members of the Corporation are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members of the Corporation determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

CROYDON COLLEGE MEMBERS REPORT FOR THE YEAR ENDED 31 JULY 2025

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the College through discussions with management, and from our knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the College, including the College Accounts Direction 2024 to 2025 issued by the DfE, the Accounts Direction issued by the OfS, Further and Higher Education Act 1992, funding agreements with the DfE and associated funding rules, DfE 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. This description forms part of our auditor's report.

**CROYDON COLLEGE
MEMBERS REPORT FOR THE YEAR ENDED 31 JULY 2025**

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 Corporation as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott Audit LLP

Buzzacott Audit LLP
Chartered Accountants and Registered Auditor
130 Wood Street
London
EC2V 6DL

Date: 17 December 2025

Buzzacott Audit LLP is eligible to act as an auditor in term of section 1212 of the Companies Act 2006.

**CROYDON COLLEGE
MEMBERS REPORT FOR THE YEAR ENDED 31 JULY 2025**

REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY

To: The Corporation of Croydon College and Secretary of State for Education

In accordance with the terms of our engagement letter dated 6 June 2025 and further to the requirements of Department for Education (DfE) as included in the extant Framework and Guide for External Auditors and Reporting Accountants of Colleges, 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 2024 to 31 July 2025 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

This report is made solely to the Corporation of Croydon College and the Secretary of Education 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 Secretary of State 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 Secretary of State for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the Accounting Officer of Croydon College and the reporting accountant

The Corporation of Croydon College is responsible, under the requirements of the Corporation's accountability agreement with the Secretary of State for Education and the College Financial Handbook, 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 extant Framework and Guide for External Auditors and Reporting Accountants of Colleges. 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 2024 to 31 July 2025 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 Framework and Guide for External Auditors and Reporting Accountants of Colleges issued by the DfE, which requires a limited assurance engagement, as set out in our engagement letter.

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 2025

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 2024 to 31 July 2025 has not been applied to purposes intended by Parliament, and the financial transactions do not conform to the authorities that govern them.



Buzzacott Audit LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

Date: 17 December 2025

CROYDON COLLEGE
STATEMENT OF COMPREHENSIVE INCOME

	Notes	Year ended 31 July 2025 £'000	Year ended 31 July 2024 £'000
INCOME			
Funding body grants	2	29,752	26,950
Tuition fees and education contracts	3	5,138	5,405
Other grants and contracts	4	-	14
Other income	5	1,168	1,284
Investment income	6	497	662
Total income		36,555	34,315
EXPENDITURE			
Staff costs	7	25,295	24,605
Other operating expenses	8	7,372	7,824
Depreciation	10a	2,969	2,840
Interest and other finance costs	9	282	334
Total expenditure		35,918	35,603
Surplus / (deficit) before other gains		637	(1,288)
Profit on disposal of fixed assets		-	1,910
Surplus before tax		637	622
Taxation		-	-
Surplus for the year		637	622
Other recognised gains and losses			
Increase in value of investment property	10b	1,447	-
Actuarial loss in respect of pension schemes		(581)	(295)
Total Comprehensive Income for the year		1,503	327

The notes on pages 35-55 form part of these financial statements

The statement of comprehensive income is in respect of continuing activities

CROYDON COLLEGE
STATEMENT OF CHANGES IN RESERVES

		Income and Expenditure account £'000	Revaluation reserve £'000	Total £'000
Balance at 31 July 2023		28,853	27,376	56,229
Surplus from the statement of comprehensive income		622	-	622
Actuarial gain in respect of LGPS pension scheme	19	2,972	-	2,972
Ceiling cap adjustment in respect of LGPS pension scheme	19	(3,224)	-	(3,224)
Actuarial loss in respect of Enhanced Pension Scheme		(43)	-	(43)
Balance at 31 July 2024		29,180	27,376	56,556
Surplus from the statement of comprehensive income		637	-	637
Revaluation of investment property	10b	1,447	-	1,447
Actuarial gain in respect of LGPS pension scheme	19	10,714	-	10,714
Ceiling cap adjustment in respect of LGPS pension scheme	19	(11,217)	-	(11,217)
Actuarial loss in respect of Enhanced Pension Scheme	15	(78)	-	(78)
Balance at 31 July 2025		30,683	27,376	58,059

CROYDON COLLEGE
BALANCE SHEET AS AT 31 JULY 2025

	Notes	As at 31 July 2025 £'000	As at 31 July 2024 £'000
Non-current assets			
Tangible Fixed assets	10a	90,502	90,781
Investment Property	10b	7,450	6,003
		<u>97,952</u>	<u>96,784</u>
Current assets			
Trade and other receivables	11	2,391	2,133
Short term deposits		9,136	8,770
Cash and cash equivalents		<u>3,404</u>	<u>4,105</u>
		14,931	15,008
Less: Creditors – amounts falling due within one year	12	<u>(6,844)</u>	<u>(6,501)</u>
Net current assets		<u>8,087</u>	<u>8,507</u>
Total assets less current liabilities		106,039	105,291
Creditors – amounts falling due after more than one year	13	(46,652)	(47,373)
Provisions			
Defined benefit obligations	19	(74)	-
Other provisions	15	<u>(1,254)</u>	<u>(1,362)</u>
Total net assets		<u>58,059</u>	<u>56,556</u>
Unrestricted Reserves			
Income and expenditure account		30,683	29,180
Revaluation reserve		<u>27,376</u>	<u>27,376</u>
Total unrestricted reserves		<u>58,059</u>	<u>56,556</u>

The financial statements on pages 31 to 55 were approved by the Corporation and authorised for issue on 10 December 2025 and were signed on its behalf on that date by:


Caireen Mitchell
Principal and CEO, Croydon College


Valerie Shawcross
Chair, Croydon College

CROYDON COLLEGE
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JULY 2025

	Year ended 31 July 2025 £'000	Year ended 31 July 2024 £'000
Cash flow from operating activities		
Surplus for the year	637	622
Adjustment for non-cash items		
Depreciation	2,969	2,840
Increase in debtors	(348)	(220)
Increase / (decrease) in creditors due within one year	166	(1,053)
Decrease in creditors due after one year	(1,900)	(1,843)
Decrease in provisions	(109)	(33)
Pensions costs less contributions payable	(411)	(307)
Adjustment for investing or financing activities		
Investment income	(497)	(662)
Interest payable	282	334
Profit on disposal of fixed assets	-	(1,910)
	<hr/>	<hr/>
Net cash inflow / (outflow) from operating activities	789	(2,232)
Cash flows from investing activities		
Capital Grants received	1,906	1,110
Insurance capital received	-	1,092
Proceeds from sale of fixed assets	-	818
Investment income	505	629
Increase in cash deposits	(366)	(349)
Payment made to acquire fixed assets	(2,608)	(3,510)
	<hr/>	<hr/>
	(563)	(210)
Cash flows from financing activities		
Interest paid	(222)	(269)
Repayments of amounts borrowed	(705)	(685)
	<hr/>	<hr/>
	(927)	(954)
Decrease in cash and cash equivalents in the year	<hr/> (701) <hr/>	<hr/> (3,396) <hr/>
Cash and cash equivalents at beginning of the year	4,105	7,501
Cash and cash equivalents at end of the year	<hr/> 3,404 <hr/>	<hr/> 4,105 <hr/>
	(701)	(3,396)

CROYDON COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

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 2024 to 2025 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 2025, the College has £3.6m 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 £12.54m as at 31 July 2025 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

CROYDON COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

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

Capital grant funding

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

Fee income

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

Investment income

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

Other income

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

AGENCY ARRANGEMENTS

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

ACCOUNTING FOR POST-EMPLOYMENT BENEFITS

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

Teachers' Pension Scheme (TPS)

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

Croydon Local Government Pension Scheme (LGPS)

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

Net interest on the net defined benefit liability is also recognised in the Statement of Comprehensive Income and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period

by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in interest and other finance costs.

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

When the present value of the LGPS obligations is less than the fair value of assets at year end, then the LGPS scheme has a surplus. The College will then assess whether this asset should be recognised as an asset if it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. If the surplus cannot be recovered, then a ceiling cap adjustment will be made to reduce the surplus.

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 Coudson 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 at the Selhurst site, 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 July 2025, leading to an increase in the value.

CROYDON COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

Equipment

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

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

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

BORROWING COSTS

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

LEASED ASSETS

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

OTHER INVESTMENTS

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

CASH AND CASH EQUIVALENTS

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

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

FINANCIAL LIABILITIES AND EQUITY

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

TAXATION

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

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

PROVISIONS AND CONTINGENT LIABILITIES

Provisions are recognised when

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

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in the statement of comprehensive income in the period it arises.

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

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

JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

- Determine whether leases entered into by the College either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the College's tangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- Determined the value to the Corporation of the investment property, which was professionally valued in August 2025 under the long lease agreement with Brit School. The building continues to be occupied and rental is paid.

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 2025. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

CROYDON COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

- *Budgets and cashflow forecasts for the coming year*
The Budget set for the following financial year is for a surplus 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 2025

2 Funding body grants

	Year ended 31 July 2025 £'000	Year ended 31 July 2024 £'000
Recurrent grants:		
Department for Education -16 -18	19,544	17,094
Greater London Authority – Adult Skills Fund	5,207	5,350
Department for Education – Adult Skills Fund	547	349
Department for Education – Non Levy Apprenticeships	336	395
Department for Education – Advanced Learner Loan Bursary	11	85
Greater London Authority – Adult Education Budget - prior year	148	-
Department for Education – Adult Education Budget - prior year	-	28
Office for Students	41	53
Specific grants:		
Greater London Authority:		
- Free Courses for Jobs	542	519
- Multiply	147	197
Department for Education:		
- 16-19 Tuition Fund	-	362
- Teachers' Pension Contribution Grant	1,057	766
- National Insurance increase grant	141	-
- Post 16 grant	218	-
Releases of government capital grants	1,813	1,752
Total	29,752	26,950

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

	Year ended 31 July 2025 £'000	Year ended 31 July 2024 £'000
Grant income from the Office for Students (included in Note 2)	41	53
Fee income for taught awards (included in Note 3 below)	1,042	1,005

CROYDON COLLEGE
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

3 Tuition fees and education contracts

	Year ended 31 July 2025 £'000	Year ended 31 July 2024 £'000
Adult education fees	76	98
Apprenticeship fees (inc Levy contracts)	456	473
Fees for FE loan supported courses	101	281
Fees for HE loan supported courses	1,042	1,005
International student fees	11	23
Total tuition fees	1,686	1,880
Education contracts	3,452	3,525
Total	5,138	5,405

4 Other Grants and contracts

	Year ended 31 July 2025 £'000	Year ended 31 July 2024 £'000
Turing / Erasmus	-	5
Other grant income	-	9
Total	-	14

5 Other income

	Year ended 31 July 2025 £'000	Year ended 31 July 2024 £'000
Catering income	547	571
Rental income	290	290
Insurance claim	-	99
Student related income	131	209
Other income	200	115
Total	1,168	1,284

6 Investment income

	Year ended 31 July 2025 £'000	Year ended 31 July 2024 £'000
Other interest receivable	486	657
Interest credit (Note 19)	11	5
	497	662

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 2025	Year ended 31 July 2024
	No.	No.
Teaching staff (including curriculum support)	430	406
Non-teaching staff	209	227
	639	633
	Year ended 31 July 2025	Year ended 31 July 2024
	£'000	£'000
	No.	No.
Staff costs for the above persons:		
Wages and salaries	18,402	16,955
Social security costs	1,983	1,683
Other pension cost (including FRS102 credit of £411k (2024: credit of £307k) Note 19)	3,908	3,499
Payroll sub total	24,293	22,137
Contracted out staffing services	691	2,316
	24,984	24,453
Restructuring costs -		
Statutory	47	82
Special payments	91	22
Contractual	173	48
	311	152
Total staff costs	25,295	24,605

Total staff costs included £31,366 (2023/24: £13,268) of pay costs for the Chair of Governors in 2024/25, as described in Note 20.

The College paid 33 (2023/24: 20) severance payments in the year, disclosed in the table below by bands. Special payments (which are amounts paid to employees outside of statutory and contractual requirements and included in the severance payments), paid to 9 individuals comprised £2,000, £4,715, £6,435, £8,111, £10,589, £10,989, £12,420, £15,051 and £20,334.

Severance Table by Band		
	Year ended 31 July 2025	Year ended 31 July 2024
£1-£25,000	30	20
£25,001-£50,000	3	-

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, Deputy and Vice Principals and Executive Directors, as noted on

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

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

	2025	2024
	No.	No.
The number of key management personnel including the Accounting Officer was:	<u>9</u>	<u>6</u>

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

	Key management personnel		Other staff	
	Year ended 31 July 2025 No.	Year ended 31 July 2024 No.	Year ended 31 July 2025 No.	Year ended 31 July 2024 No.
£1 to £5,000 p.a.	-	-	1	-
£15,001 to £20,000 p.a.	-	1	-	-
£20,001 to £25,000 p.a.	1	-	2	-
£30,001 to £35,000 p.a.	-	-	-	1
£35,001 to £40,000 p.a.	2	-	-	-
£40,001 to £45,000 p.a.	-	-	1	-
£45,001 to £50,000 p.a.	-	-	1	-
£50,001 to £55,000 p.a.	-	-	-	1
£60,001 to £65,000 p.a.	-	-	5	4
£65,001 to £70,000 p.a.	-	-	8	6
£70,001 to £75,000 p.a.	-	-	1	1
£75,001 to £80,000 p.a.	3	-	-	1
£80,001 to £85,000 p.a.	-	-	1	1
£90,001 to £95,000 p.a.	-	1	-	-
£95,001 to £100,000 p.a.	-	2	-	-
£105,001 to £110,000 p.a.	2	1	-	-
£160,001 to £165,000 p.a.	-	1	-	-
£165,001 to £170,000 p.a.	1	-	-	-
	<u>9</u>	<u>6</u>	<u>20</u>	<u>15</u>

Key management personnel emoluments, which is before any salary sacrifice deductions, are made up as follows:

	Year ended 31 July 2025 £'000	Year ended 31 July 2024 £'000
Salaries	707	570
Performance related pay	-	10
Employer's National Insurance	100	74
Benefit in kind	5	4
	<u>812</u>	<u>658</u>
Pension contributions	177	138
Total emoluments	<u>989</u>	<u>796</u>

CROYDON COLLEGE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

There were no amounts due to key management personnel that were waived in the year, not any salary sacrifice arrangement in place.

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, before any salary sacrifice, and comparison to average staff salaries are shown below:

	Year ended 31 July 2025 £	Year ended 31 July 2024 £
Salaries	165,973	161,241
Performance related pay	-	-
Benefit in kind	2,379	2,132
	<u>168,352</u>	<u>163,373</u>
Pension contributions	38,340	37,247
Total emoluments	<u>206,692</u>	<u>200,620</u>

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

	Year ended 31 July 2025	Year ended 31 July 2024
Multiple of the median of all staff based on basic salary	4.12	4.56
Multiple of the median of all staff based on total remuneration (excl benefit in kind)	5.42	5.61
Multiple of the median of all staff based on total remuneration (incl benefit in kind)	5.48	5.67

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 Vice Principal Finance and Resources for achievement of 2024/25 objectives was approved by the Corporation and paid in 2025/26. 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 Deputy Principal and Executive Directors 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 achievement of 2024/25 objectives for key management personnel, other than the VP Finance and Resources was approved by the Principal and CEO and paid in 2025/26.

CROYDON COLLEGE
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

8 Other operating expenses

	Year ended 31 July 2025 £'000	Year ended 31 July 2024 £'000
Teaching costs	1,794	2,117
Non- teaching costs	3,124	3,112
Premises costs	2,454	2,595
Total	7,372	7,824

Other operating expenses include:

	Year ended 31 July 2025 £'000	Year ended 31 July 2024 £'000
Auditors' remuneration:		
Financial statements audit	41	39
Internal audit	44	42
Payment to Sub-contractors	-	40
Hire of assets under operating leases	68	46

9 Interest payable

	Year ended 31 July 2025 £'000	Year ended 31 July 2024 £'000
On bank loans repayable within 5 years, by instalments	222	269
Pensions' finance costs (notes 15 and 19)	60	65
Total	282	334

10a Tangible fixed assets

	Land	Buildings	Equipment	Total
Cost or Valuation				
At 1 August 2024	25,216	79,019	11,691	115,926
Additions	-	1,096	1,594	2,690
Disposals	-	-	(181)	(181)
At 31 July 2025	25,216	80,115	13,104	118,435
Depreciation				
At 1 August 2024	-	(16,295)	(8,850)	(25,145)
Charge for the year	-	(1,867)	(1,102)	(2,969)
Disposals	-	-	181	181
At 31 July 2025	-	(18,162)	(9,771)	(27,933)
Net book value at 31 July 2025	25,216	61,953	3,333	90,502
Net book value at 31 July 2024	25,216	62,724	2,841	96,784

CROYDON COLLEGE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

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. Coulsdon campus land and buildings were valued by Gerald Eve at depreciated replacement cost as at 12 February 2019, the date of the merger.

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.

10b Investment Property

	Year ended 31 July 2025 £'000	Year ended 31 July 2024 £'000
Cost or Valuation		
At 1 August 2024	6,003	6,003
Increased valuation	1,447	-
	<hr/>	<hr/>
As at 31 July 2025	7,450	6,003

The part of the Selhurst site, which remains in the Corporation's ownership as an investment property, was revalued in July 2025 by Lambert Smith Hampton, and the rental charge increased from 29th September 2025.

11 Debtors

	Year ended 31 July 2025 £'000	Year ended 31 July 2024 £'000
Amounts falling due within one year:		
Trade receivables	561	882
Other debtors, including grant income from the Greater London Authority	226	264
Prepayments and accrued income	1,343	900
Amounts owed by the Department for Education	261	87
	<hr/>	<hr/>
Total	2,391	2,133

CROYDON COLLEGE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

12 Creditors: amounts falling due within one year

	Year ended 31 July 2025 £'000	Year ended 31 July 2024 £'000
Bank loans due in one year or less (Note 14)	728	705
Trade creditors	340	759
Payments received in advance	462	483
Other creditors, including grant clawback to the GLA	618	720
Other taxation and social security	448	415
Accruals and deferred income	1,284	721
Holiday pay accruals	504	501
Deferred income – government capital grants	1,842	1,811
Amounts owed to the Department for Education	618	386
Total	6,844	6,501

13 Creditors: amounts falling due after one year

	Year ended 31 July 2025 £'000	Year ended 31 July 2024 £'000
Bank loans (Note 14)	2,894	3,621
Deferred income - government capital grants	43,758	43,752
Total	46,652	47,373

14 Maturity of debt

	Year ended 31 July 2025 £'000	Year ended 31 July 2024 £'000
Bank loans are repayable as follows:		
In one year or less	728	705
Between one and two years	751	728
Between two and five years	1,876	2,116
In five years or more	267	777
Total	3,622	4,326

15 Provisions

	Enhanced Pension Scheme £'000	Other £'000	Total £'000
At 1 August 2024	1,248	114	1,362
Release of provision in the year	(162)	(84)	(246)
Finance cost	60	-	60
Actuarial loss at year end	78	-	78
At 31 July 2025	1,224	30	1,254

CROYDON COLLEGE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

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.

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

16 Capital and other commitments

	Year ended 31 July 2025 £'000	Year ended 31 July 2024 £'000
Commitments contracted as at 31 July	305	1,209

17 Lease obligations

	Year ended 31 July 2025 £'000	Year ended 31 July 2024 £'000
Amounts payable as Lessee		
Equipment:		
Not later than one year	68	46
Later than one year and not later than five	50	61
Total	118	107

Amounts receivable as Lessor

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

	Year ended 31 July 2025 £'000	Year ended 31 July 2024 £'000
Land and Buildings:		
Not later than one year	289	289
Later than one year and not later than five	1,157	1,157
Later than five years	1,785	2,075
Total	3,231	3,521

18 Financial Instruments

	Year ended 31 July 2025 £'000	Year ended 31 July 2024 £'000
Financial assets measured at amortised cost:		
Prepayments and accrued income	1,343	901
Other debtors	560	882
Total	1,903	1,783

CROYDON COLLEGE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

Financial liabilities measured at amortised cost:

Trade creditors	340	759
Other creditors	1,284	721
Holiday pay accruals	504	501
Amounts due to DFE	618	386
Accruals	618	354
Total	3,364	2,721

19 Pension and similar obligations

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

Total pension cost for the year	Year ended 31 July 2025 £'000	Year ended 31 July 2024 £'000
Teachers' Pension Scheme: contributions payable	2,571	2,143
Local Government Pension Scheme:		
Contributions paid	1,748	1,663
FRS 102 (28) credit	(411)	(307)
Charge to the Statement of Comprehensive Income	1,337	1,356
Total pension cost for the year within staff costs	3,908	3,499

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 2020 and of the LGPS 31 March 2022. There were outstanding contributions due to TPS of £278,234 (2024: £278,107) and LGPS of £182,074 (2024 £185,721) as at 31 July 2025. 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 2020. The valuation report was published by the Department of

CROYDON COLLEGE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

Education ('the Department') on 27 October 2023. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222 billion giving a notional past service deficit of £40 billion (compared to £22 billion in the 2016 valuation). As a result of the valuation, new employer contribution rates increased by 5% to 28.68% of pensionable pay from 1 April 2024, compared to 23.68% previously. The DfE has agreed to pay a teacher pension employer contribution grant to cover the additional costs for the 2025/26 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 £2,575,951 (2024: £2,136,812)

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 2025 were £2,225,700 (2024: £2,135,561) of which employer's contributions totalled £1,747,811 (2024: £1,663,834) and employees' contributions totalled £477,889 (2024: £471,727). Following the triennial valuation of the scheme in 2022, the employer contribution rate from 1st April 2023 to 31st March 2026 reduced 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. The next plan valuation will be 31 March 2025, with the new employer contribution rates applicable from 1 April 2026.

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2022 updated to 31 July 2025 by a qualified independent actuary.

	Year ended 31 July 2025	Year ended 31 July 2024
Pension Increase Rate	2.75%	2.75%
Salary Increase Rate	2.75%	2.75%
Commutation of pensions to lump sums	45%	45%
Pre - April 2008 service	Not split	Not split
Post - April 2008 service	Not split	Not split

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:

	Year ended 31 July 2025	Year ended 31 July 2024
	Years	Years
<i>Current Pensioners</i>		
Males	21.2	21.0
Females	24.3	24.3
<i>Future Pensioners*</i>		
Males	22.1	21.9
Females	25.4	25.4

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

CROYDON COLLEGE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

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

	% of plan assets at 31 July 2025	Fair Value at 31 July 2025 £'000	% of plan assets at 31 July 2024	Fair Value at 31 July 2024 £'000
Equities	67%	44,408	66%	39,849
Bonds	20%	13,256	20%	12,075
Property	10%	6,628	11%	6,642
Cash	3%	1,988	3%	1,811
Total fair value of plan assets		<u>66,280</u>		<u>60,377</u>
Actual return on plan assets (1 July 2024 - 30 June 2025)		7.3%		11.1%
Total returns (1 August 2024 - 31 July 2025)		9.7%		10.0%
Long term discount rate		5.80%		5.00%

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

	Year ended 31 July 2025 £'000	Year ended 31 July 2024 £'000
Fair value of plan assets	66,280	60,377
Present value of plan liabilities	(51,678)	(57,074)
Present value of unfunded liabilities	(74)	(79)
Asset ceiling cap adjustment	(14,602)	(3,224)
Net pensions liability	<u>(74)</u>	<u>-</u>

The estimated value of the LGPS provided by the schemes actuary resulted in a surplus of £14,602k at the year end. As there is no indication that the College will be able to receive the surplus under the scheme rules, the gain on the overall liability has been capped by using an asset ceiling cap adjustment to show the liability on the balance sheet for unfunded liabilities, which is in with accounting standards.

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

	Year ended 31 July 2025 £'000	Year ended 31 July 2024 £'000
Amount included in staff costs:		
Current service cost	1,341	1,381
Past service cost	-	-
Total	<u>1,341</u>	<u>1,381</u>
Amount included in interest (receivable)/payable:		
Net interest (receivable)	(11)	(5)
	<u>(11)</u>	<u>(5)</u>

CROYDON COLLEGE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

Amount recognised in other comprehensive income:

Return on pension plan assets	2,841	2,706
Experience gain arising on defined benefit obligations	570	(1,924)
Changes in assumptions underlying the present value of plan	7,303	2,190
Actuarial gain	10,714	2,972
Asset ceiling cap adjustment	(11,217)	(3,224)
Total	(503)	(252)

Year ended	Year ended
31 July	31 July
2025	2024
£'000	£'000

Movement in net defined benefit liability during year:

Net defined benefit liability in scheme at 1 August	-	(67)
Movement in year:		
Current service cost	(1,341)	(1,381)
Employer contributions	1,759	1,695
Net interest receivable on the defined liability	11	5
Actuarial gain	10,714	2,972
Ceiling cap adjustment	(11,217)	(3,224)
Net defined benefit liability at 31 July	(74)	-

Changes in the present value of defined benefit obligations:

Defined benefit obligations as at 1 August	57,153	54,982
Current service cost	1,341	1,381
Interest cost	2,846	2,768
Contributions by Scheme participants	480	474
Benefits paid	(2,195)	(2,186)
Changes in financial assumptions	(7,550)	(2,075)
Changes in demographic assumptions	247	(115)
Other experience gain	(570)	1,924
Defined benefit obligations at 31 July	51,752	57,153

CROYDON COLLEGE
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

Changes in fair value of plan assets:

	Year ended 31 July 2025 £'000	Year ended 31 July 2024 £'000
Fair value of plan assets at 1st August	60,377	54,915
Interest on plan assets	3,018	2,773
Return on plan assets	2,841	2,706
Employer contributions	1,752	1,688
Contributions by Scheme participants	480	474
Estimated benefits paid	(2,188)	(2,179)
	<hr/>	<hr/>
Fair value of plan assets at 31 July	66,280	60,377

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 2025. These provisions total just over 37.3% of the total scheme liability as at 31 July 2025. 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

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.

Mr Jonathan Brookes joined as a Governor in October 2023 and, as director, with joint control of Evolve Apprenticeships Ltd, has placed 6 apprentices with Croydon College during financial year 2024/25. A levy transfer of £13,286 was received by the College in the year in respect of these apprenticeships, which is the standard rate for equivalent placements.

Mr Ian Valvona joined as a Governor and Chair of the Corporation in December 2023. He has been paid at a daily National Governors Rate of £350 for attendance at Board and Committee meetings, as well as at monthly meetings with the Department for Education and other meetings and activities where the Chairs attendance would normally be expected. This arrangement was approved by the Charities Commission. In total the College has incurred £33,608 of pay, employer pension contributions and NI costs (2023/24 - £13,268) for his services to 31 July 2025.

The total expenses paid on behalf of the Governors during the year was £71.59 for 2 Governors (2023/24: £nil).

The College pays for professional indemnity insurance for staff, including Governors. The amount paid for Governors cannot be separated out.

21 Amount disbursed as agent

	As at 31 July 2025 £'000	As at 31 July 2024 £'000
Balance brought forward	80	30
ESFA funding body grants –16-18 bursary support	294	305
In year transfer from unspent vulnerable bursaries and FE Free School Meals ('FEFM').	99	195
	<u>473</u>	<u>530</u>
Disbursed to students	(203)	(435)
Administration cost	(9)	(15)
Balance unspent as at 31 July, included in creditors	<u>261</u>	<u>80</u>

The College distributes 16-19 discretionary and vulnerable bursaries and free meals in Further Education (FEFM) funds to students as an agent for DfE.

In the accounting period ended 31 July 2025, the college received a total of £604k and disbursed £385k from DfE discretionary and vulnerable bursaries and FEFM funding after charging £14k for administration costs. As at 31 July 2025, the cumulative unspent 16-19 discretionary and vulnerable bursary funds and FEFM funding is £99k, of which £- relates to funds that are in scope to be returned to the DfE in March 2026.

Comparative for the accounting period ended 31 July 2024 are £720k received from the DfE, £882k disbursed to learners after charging £23k for administration costs, and total cumulative unspent funds of £53k, of which £19k was repaid to the DfE in March 2025, relating to prior years in 2024/25.

22 Events after the reporting period

There are no events to be reported.

23 Contingency Liabilities

The College has no contingent liabilities (2024: £0)

