

# **The College of Richard Collyer in Horsham**



**Report and Financial Statements  
Year ended 31 July 2019**

# THE COLLEGE OF RICHARD COLLYER IN HORSHAM

## REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR FROM 1 AUGUST 2018 TO 31 JULY 2019

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## **NATURE, OBJECTIVE AND STRATEGIES**

The members of the Governing Body present their report and the audited financial statements for the year ended 31 July 2019.

### **Legal Status**

The College of Richard Collyer in Horsham is a Sixth Form College of some 1,900 full-time students aged between 16 and 18 years, with a significant number of part-time adult learners.

Collyer's, as it is known locally, was founded in 1532 as a school, under the terms of the will of a prominent member of the Mercers' Company in the City of London. It moved to its present site in 1893 and remained a boys' grammar school until 1976, when it became a voluntary aided Sixth Form College. As such Collyer's was given 'designated' status within the Further Education sector under the Further and Higher Education Act 1992. The Governing Body became incorporated under section 143 of the Learning and Skills Act 2000. The College became a designated Sixth Form College under the Apprenticeships, Skills, Children and Learning Act 2009. Changes from this Act and the Education Act 2010 were incorporated into the College's Instrument and Articles and Rules and Byelaws in July 2013.

The close association with the Mercers' Company and the parish of Horsham continues through the membership of the Governing Body and Trustees of the Collyer Endowment. The Mercers' Company also supports the college through networks with other education sectors and professional advice.

### **Mission**

The college's mission, reviewed and affirmed by the Governing Body in December 2017 is:

'Collyer's is committed to providing excellent education for the success of every student.'

We will aim to do this by:

- Inspiring students to learn through high quality teaching;
- Providing a well-resourced college environment that encourages learning;
- Giving support and guidance to students in their academic personal and career development;
- Promoting an inclusive culture that values every member of the college;
- Focusing primarily on the educational needs of 16-19 year olds and their achievements;
- Providing opportunities for Adult Education and Lifelong Learning;
- Working closely with other educational establishments, the community and employers;
- Always being open to new learning opportunities and technologies.

### **Public benefit**

The College of Richard Collyer is an exempt charity under Part 3 of the Charities Act 2011 and from 1 September 2013 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 12-14.

In setting and reviewing the college's strategic objectives, the Governing Body has had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education. The guidance sets out the requirement that all organisations wishing to be recognised as charities must demonstrate, explicitly, that their aims are for the public benefit. In delivering its mission, the college provides public benefits through the advancement of education as detailed in the Mission Statement above and in the details which follow the college's achievement against its Strategic Plan.

**MEMBERS' REPORT**

FOR THE YEAR FROM 1 AUGUST 2018 TO 31 JULY 2019

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**Implementation of strategic plan**

A Strategic Plan for 2015-2020 was prepared by the new Principal in the autumn of 2015 after consultation with staff, students and governors.

The Governing Body monitors the performance of the college against these plans alongside an annual Operating Plan. The college's strategic aims are as follows:

**Our Strategic Aims**

1. Curriculum - Offer a rich, relevant and responsive curriculum and high quality learning experience
2. Provide a vibrant and comprehensive student experience outside of the main curriculum, including relevant and responsive support and guidance services for learners
3. Communications and marketing - Ensure Collyer's maintains its popularity as a post 16 college
4. Quality and staffing - Recruit, maintain and retain a highly qualified, professional, motivated and valued workforce focused on an excellent student experience
5. Achieve and sustain strong finances and improve our environment through outstanding resources management

**Financial Objectives**

**The College's financial objectives are:**

- a) To achieve a surplus in the underlying operating position prior to the effect of the remeasurement of the defined benefit pension scheme throughout the forecast period.
- b) To ensure the college attains financial health category good or above during the period of the forecast.
- c) To maintain a minimum of 40 cash days in hand.
- d) To achieve a current ratio of at least 1.5.
- e) To ensure that all ESFA returns, both financial and non-financial are timely, that all returns are unqualified by auditors and that all suppliers are paid within the agreed credit period.
- f) To control pay expenditure so that it does not exceed 71% of total income throughout the forecast period.
- g) To generate a positive cash flow by the end of the forecast period from operating activities.

A series of performance indicators have been agreed to monitor the successful implementation of the policies.

**Performance Indicators**

The college's performance for 2018-2019 is set out below:

- a. The college recruited 1,932 16-18-year-old learners compared to 1,966 actually funded.
- b. Headline pass rates for A level courses were 99.4% with 58.3% at A\*/B grades.
- c. Financial viability of the college was retained, with cash days in hand of 183 days.
- d. Staff costs as a percentage of income were 69.5% before FRS 102 (section 28) pensions adjustment.
- e. Value-added maintained at ALPS (Advanced Level Performance System) 3 (top 10% nationally).
- f. The college is required to complete the annual Finance Record for the Education Funding Agency (EFA). The Finance Record produces a Financial Health Grading and the current rating is 'Outstanding'.

## **FINANCIAL POSITION**

### **Financial results**

The College generated an operating deficit in the year of £87,000 (2017-2018 – surplus of £256,000).

The College has accumulated reserves of £12.2 million and cash balances of £4.9 million (2017-2018 £12.2 million and £3.9 million).

The College considers it prudent to hold a cash balance of circa £4.9 million as it also has short term creditors of £1.8 million and a longer term loan of circa £0.6 million. This leaves a net cash position of circa £2.5 million which it considers a reasonable net balance for the college's current level of operations and the possibility that the college may need to make investment in a new building in the near future.

Tangible fixed asset additions during the year amounted to £368,000. This was split between building works of £26,000 and equipment purchased of £342,000.

The College has significant reliance on the ESFA for its principal funding source, largely from recurrent grants. In 2018-2019 the ESFA provided 84% (2018: 80%) of the College's total income.

### **Treasury policies and objectives**

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

### **Cash flow**

At £1,273,000 (2017-2018 - £624,000), operating cash flow was satisfactory.

### **Liquidity**

The college had cash and cash equivalents of £4,861,000 at the year-end (£3,864,000 in 2017-2018).

## **CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE**

### **Student numbers**

The college is funded by the Education and Skills Funding Agency according to the level of activity it generates each year. Activity is determined by the number of students enrolled and retained and the number of programme hours on each student's timetable. Certain programmes have an additional funding uplift e.g., science courses and a 'Disadvantage' allocation is added dependent on the number of students resitting GCSE English and Maths if they did not achieve a Grade 4 or above at school.

In 2018-2019 the college enrolled 1,966 16-18 students and 1,932 had been retained at the end of October enumeration date. Under lagged funding rules, the college will be funded for 1,932 students in the 2019-2020 academic year and submitted budget plans based on this figure. In September 2019 the college enrolled over 2,060 students and anticipates having 2,020 students on roll by the end of October enumeration date. This would mean the college would be funded for 2,020 students in 2020. In relation to other student activity, the college has budgeted prudently regarding funding for Adult Education and international students. The college has expanded its international cohort of students recruiting from the new markets of Switzerland and Japan and offering short courses and one-year courses alongside its more traditional two-year A level programmes.

### **Student Achievements**

Examination results from the 2018-2019 academic year were strong. The A level pass rate was 99.4% and the proportion of A\*-B grades was 58.3%. Value Added was Grade 3 'Excellent'. The 2019 Level 3 BTEC results were also very good with 100% pass rates and 84.7% high grades and Grade 3 Value Added 'Excellent'.

### **Curriculum Developments**

The college is graded 1 'Outstanding' by Ofsted and results remain very strong. Value Added at both A Level and BTEC is graded 3 'Excellent' which is significantly above national benchmarks and places the college in the top 10% of colleges nationally. In the summer 2019 examination session all A Level qualifications were the new, two year linear examinations and so these results show the college has adapted well to the new specifications and assessment requirements. GCSE English and Maths qualifications also has specification changes and a new 1-9 grading system. This new grading system benefitted students who were able to access higher level marks rather than being kept to within a 'C' grade ceiling.

There have been two amendments to the curriculum offer which are the removal of Early Years Education Level 2 and BTEC Dance Level 3. The decision was taken to remove these courses from the curriculum offer due to poor recruitment and viable alternative options e.g., Health and Social Care Level 2 and Dance A Level. A Level German and Music also recruit low numbers but the college is committed to continuing with these subjects. To offset the costs of employing a full time A Level Music teacher, the college has entered into a partnership agreement with West Sussex Music to share the costs. The member of staff will spend 50% of his time supporting the outreach work of WSM in the 2019-2020 academic year.

In May 2018 the college was chosen as one of the 52 colleges across the country to deliver T Levels from September 2020. The Vice Principal (Quality & Curriculum) has been leading on detailed work supporting the preparations to deliver the qualification and has also gained £10,000 of funding from the Mercers' Company to support students' work placements in the City.

Enrolments continue to be buoyant despite a 3% dip in the number of pupils in local schools in 2018. From September 2019 the number of pupils in local schools grows and a new 11-16 school, Bohunt Academy, has opened to accommodate the growth in the school age population. The number of students who travel to college from outside Horsham has increased as the college's reputation for excellence grows.

Funding for Post-16 programmes of Study remains at £4,000 per student per annum and £3,200 for students over the age of 18 in 2019-2020. However, funding announcements made by the Chancellor in September 2019 stated a 4.7% increase in the funding rate would apply from September 2020:

- 16-18 year old students (£4,000 to £4,188)
- 18 year old students (£3,300 to £3,455).

In addition, a further government announcement on 5<sup>th</sup> November 2019 introduced a High Value Courses Premium (HVCP) from September 2020 of £400 per student per year for students studying two or more STEM subjects at Level 3, plus a programme cost weighting of 10% of the funding rate equivalent to £418 per student and additional funding for students on Level 3 programmes retaking GCSE English and Maths. Data from the 2018-2019 ILR will be used to calculate 2020-2021 allocations and the ESFA has assured colleges that the usual allocations timeline will apply. Allocation toolkits containing funding factors will be issued in January 2020. In summary, this funding is expected to double the 4.7% funding increase for 2020-2021. Although no spending commitments have been made beyond 2020-2021, the Sixth Form Colleges Association is confident that the rate increase and HVCP will remain in place for future years.

Notwithstanding curriculum changes and funding uplifts our focus remains to provide an outstanding educational experience for our students and all indicators show we are achieving this. The current ESFA rating for the college's financial health is Grade 1 'Outstanding'.

**MEMBERS' REPORT**

FOR THE YEAR FROM 1 AUGUST 2018 TO 31 JULY 2019

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**Payment performance**

The Late Payment of Commercial Debts (Interests) 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 2018 to 31 July 2019, the College paid 99% of its invoices within 30 days. The College incurred no interest charges in respect of late payment for this period.

**Events after the end of the reporting period**

There are no significant post balance sheet events.

**Future prospects**

The college has a Strategic Plan which looks to grow student numbers to 2020 by September 2020 and this looks likely to be exceeded.

The college will review the Strategic Plan in 2019-2020 looking forward to 2025; it is likely an ambitious plan for further student growth will be included. The college has a new International Strategy which looks to grow international student numbers by exploring other markets and types of course. The college has employed a relationship manager based in China to build relationships with schools and the Principal visited five schools in mainland China and signed partnership agreements in the Spring of 2019. Partnerships with Guangya School in Guangzhou and Paddington School in Shanghai have helped to enrol an additional 14 students in September 2019. The Vice Principal (Quality & Curriculum) has also been working with Rikkyo School, an independent school for Japanese nationals, and three Rikkyo students have enrolled on single term cultural as well as educational courses in September 2019. This partnership has great potential and could grow in popularity. The college also offered a 3 week 'Prepare for Oxbridge' course in June 2019 which was popular.

The college appointed a team of architects in September 2018 to work with the college on developing a ten phase Property Strategy. The strategy allows flexibility regarding the purpose of particular buildings but does not compromise any area of the estate by constructing something which may become redundant later due to changes in the curriculum offer or particular curriculum growth. A Condition Improvement Fund bid was submitted in December 2018 for a new 10 classroom teaching block and a refurbished and extended Art and Design area but this was not successful. The bid will be revised and resubmitted in December 2019. The college has sufficient reserves to fund the new teaching block, starting in the spring of 2020 if the second bid is also unsuccessful.

The college governors approved a Lettings Policy in September 2017 and the college is now benefitting from considerable income from private lettings, most notably West Sussex Music, Horsham Symphony Orchestra and Latitude Church. West Sussex Music is now based at Collyer's, an exciting development which places Collyer's as central to music education in West Sussex.

**RESOURCES:**

*Financial*

The College has £12.2 million of net assets, including £1.0 million pension surplus and long term debt of £4.2 million, £3.6 million of which relates to deferred government grants.

*People*

The College employs 150 people (expressed as full time equivalents), of whom 83 are teaching staff.

*Reputation*

The College has a good reputation locally and nationally. Maintaining a quality brand is essential for the College's success at attracting students and external relationships.

**MEMBERS' REPORT**

FOR THE YEAR FROM 1 AUGUST 2018 TO 31 JULY 2019

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**GOING CONCERN**

After making appropriate enquiries, the Governing Body considers that the college has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

**PRINCIPAL RISKS AND UNCERTAINTIES:**

The College has undertaken further work during the year 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.

Based on the strategic plan, the Risk Management Group undertakes a comprehensive review of the risks to which the College is exposed. They identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the College.

The internal controls are then implemented and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions.

In addition to the annual review, the 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.

A risk register is maintained at College level which is reviewed at least annually by the Audit Committee and the Governing Body, and more frequently when necessary. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the College and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system. A termly risk register review is a standing item on the Senior Management Team agenda in addition to the regular appraisal of risk as an integral part of all decision-making.

This is supported by a risk management training programme to raise awareness of risk throughout the College.

Outlined below is a description of the principal risk factors that may affect the College. Other factors besides that listed below, may also adversely affect the College.

**1. Government funding**

The College has considerable reliance on continued government funding through the ESFA. In 2018-2019, 82% of the College's revenue was ultimately public funded and this level of requirement is expected to continue. There can be no assurance that government policy or practice will continue at the same levels or on the same terms.

**2. Tuition Fee Policy**

In line with the majority of other colleges, The College of Richard Collyer will seek to increase tuition fees in accordance with the fee assumptions. The risk for the college is that demand falls off as fees increase. This will impact on the growth strategy of the college.

The risk is mitigated in a number of ways:

- By ensuring the college is rigorous in delivering high quality education and training, thus ensuring value for money for students;
- Close monitoring of the demand for courses as prices change.

**3. Maintain adequate funding of pension liabilities**

The financial statements report the share of the Local Government Pension Scheme asset or deficit on the College's balance sheet in line with the requirements of FRS 102. The College reviews this and, if in deficit, considers whether it is appropriate to make a voluntary lump sum additional payment to reduce the deficit.

**MEMBERS' REPORT**

FOR THE YEAR FROM 1 AUGUST 2018 TO 31 JULY 2019

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**STAKEHOLDER RELATIONSHIPS**

In line with other Colleges and with universities, The College of Richard Collyer has many stakeholders. These include:

- Students;
- Parents;
- Funding bodies;
- Sixth Form Commissioner
- Staff;
- Mercers' Company;
- Local employers;
- Local authorities;
- Local Enterprise Partnerships;
- Government offices;
- The local community;
- Other FE institutions;
- Trade unions;
- Professional bodies;
- Partner schools.

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

**TRADE UNION FACILITY TIME**

**Relevant union officials**

Number of employees who were relevant union officials during the relevant period:	Full-time equivalent employee number 3.7
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**Percentage of time spent on facility time**

Percentage of time - %	Number of employees
0	-
1-50	4
51-99	-
100	-

**Percentage of pay bill spent on facility time**

Provide the total cost of facility time	£2,564
Provide the total pay bill	£6,553,062
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time / total pay bill) * 100	0.04%

MEMBERS' REPORT

FOR THE YEAR FROM 1 AUGUST 2018 TO 31 JULY 2019

**Paid trade union activities**

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period / total paid facility hours) * 100	0%
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**EQUAL OPPORTUNITIES AND DISABILITY STATEMENT**

When Richard Collyer made his will in 1532 and provided for a free school in Horsham he wanted “none to be refused likely to learn”. The present College of Richard Collyer in Horsham continues to operate a policy of equal opportunity and aims to provide for learners on the basis of individual needs, in compliance with current legislation. Collyer’s is committed to valuing diversity.

The College’s approach aims to respond to the existing legal duties as under the Equality Act 2010 and Equality Act 2010 (Specific Duties) Regulations 2011.

All aspects of college provision, to both internal and external customers, are covered by the Equality and Diversity Policy and Single Equality Scheme incorporating equality schemes on grounds of race, disability, gender, sexual orientation, age, pregnancy and maternity, gender re-assignment and religion or belief.

These and the annually published Equality and Diversity Review (covering students, staff and governors and comprising Equality Objectives) are fully compliant with legal requirements.

These are further supplemented by the annual quality cycle of Equality and Diversity Self-Assessment Review (SAR) and Quality Improvement Plan (QIP) detailing the college’s significant activities, including the constant upgrading of facilities and support.

**Equality and Diversity Statement**

Collyer’s is fully committed to its responsibilities under the Equality Act 2010 and the Public Sector Equality Duty 2011. Collyer’s actively maintains excellent educational practice entailing the active promotion of equality of opportunity for all.

Each member of the college community is entitled to be respected, supported and rewarded appropriately and fairly and continue to be part of a community in which all work to eliminate discrimination.

The college celebrates diversity and values the differences between individuals within the whole college community. Collyer’s will continue to actively challenge prejudice and any discriminatory practices or behaviour.

The college continues its responsibility to educate students for life and for work in a diverse society and to promote tolerance and sensitivity. The college has a responsibility to continue to encourage and maintain wide access to and participation in the range of courses it offers.

**Employment of disabled persons**

The college is an equal opportunities employer and considers all applications for employment from disabled persons, bearing in mind the aptitudes of the individuals concerned. Where an existing employee becomes disabled every effort is made to ensure that employment with the college continues. The college’s policy is to provide training, career development and opportunities for promotion which are, as far as possible, identical to those of other employers.

**Disclosure of information to auditor**

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 auditor is 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 auditor is aware of that information.

**THE COLLEGE OF RICHARD COLLYER IN HORSHAM**

**MEMBERS' REPORT**

FOR THE YEAR FROM 1 AUGUST 2018 TO 31 JULY 2019

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Report of the Members of the Governing Body

Signed on behalf of the Governing Body

Chairman \_\_\_\_\_

Dr D G Skipp

Date .....2019

**KEY MANAGEMENT PERSONNEL, BOARD OF GOVERNORS AND PROFESSIONAL ADVISORS**

FOR THE YEAR FROM 1 AUGUST 2018 TO 31 JULY 2019

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**Key management personnel**

Key management personnel are defined as members of the College Leadership Team and were represented by the following in 2018/2019:

S A Bromley - Principal and Accounting Officer  
D P Lodge - Vice Principal (Quality and curriculum)  
S A Martell - Deputy Principal (Admissions and progress)  
A John - Assistant Principal (Student support)  
I F Dumbleton - Finance Director

**Board of Governors**

The full list of Governors is given on pages 12-14 of these financial statements.

**Professional advisers:**

**Financial Statement and Regularity Auditor:**

RSM UK Audit LLP  
Chartered Accountants  
3<sup>rd</sup> Floor  
Portland  
25 High Street  
Crawley.  
West Sussex  
RH10 1BG

**Internal Auditor:**

MHA MacIntyre Hudson  
New Bridge Street House  
30-34 New Bridge Street  
London  
EC4V 6BJ

**Bankers:**

Barclays Bank Plc  
PO Box 165  
Crawley  
West Sussex  
RH10 1YX

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

FOR THE YEAR FROM 1 AUGUST 2018 TO 31 JULY 2019

**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 1 August 2018 to 31 July 2019 and up to the date 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. having due regard to the UK Corporate Governance Code ('the Code') issued by the Financial Reporting Council (FRC) in September 2016.

The college is committed to exhibiting best practice in all aspects of corporate governance and is therefore mindful of all guidance on the subject.

We have not adopted and therefore do not apply the UK Corporate Governance Code 2016. However, we have reported on our corporate governance arrangements by drawing upon best practice available, including those aspects of the UK Corporate Governance Code we consider to be relevant to the Sixth Form College Sector, and best practice.

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.

**The Governing Body**

The Governors who served on the Governing Body during the period and up to the date of signature of this report were as follows:

Name	Date of appointment/ re-appointment	Term of office	Date of resignation	Status of appointment	Committees served	Attendance in the year 2018-2019* Actual/ Possible Governing Body Committees
Mrs R Aylett	20 July 2017	2 years	19 July 2019	Parent Governor	Quality and Standards Committee	3/1
Mr Karl Banister	10 July 2019	4 years		Independent Governor	Audit Committee	1/1 N/A
Revd. G Bridgewater	18 July 2007	Ex-officio as Vicar of Horsham	26 October 2018	Governor	Quality & Curriculum Committee	1/1 N/A
Mrs S Bromley	1 September 2014	Ex-officio		Principal	Finance and General Purposes Committee, Nominations Committee, Estates Sub-Committee, (Chair: Risk Management Group)	4/4 12/12

**THE COLLEGE OF RICHARD COLLYER IN HORSHAM**

**STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL**

FOR THE YEAR FROM 1 AUGUST 2018 TO 31 JULY 2019

<b>Name</b>	<b>Date of appointment/ re-appointment</b>	<b>Term of office</b>	<b>Date of resignation</b>	<b>Status of appointment</b>	<b>Committees served</b>	<b>Attendance in the year 2018-2019* Actual/ Possible Governing Body Committees</b>
Dr M Coward	1 August 2017	4 years	8 July 2019	Independent Governor	Quality and Curriculum Committee	<b>0/3</b> 2/3
Mr T Cox	30 March 2017	4 years		Staff Governor	Finance and General Purposes Committee	<b>4/4</b> 3/4
Mr R Crawford Clarke	16 June 2018	1 year	25 June 2019	Student Governor	Quality and Curriculum Committee	<b>2/3</b> 2/2
Miss J Demjan	16 June 2018	1 year	25 June 2019	Student Governor	Quality and Curriculum Committee	<b>3/3</b> 2/2
Miss A Donoghue	1 August 2019 (2 <sup>nd</sup> term)	4 years		Independent Governor	Chair: Finance and General Purposes Committee Nominations and Remuneration Committees member	<b>3/4</b> 7/7
Mrs B Hobday	1 August 2016 (2 <sup>nd</sup> term)	To 31 July 2020		Mercer Governor	Chair: Nominations and Remuneration Committees; Finance and General Purposes Committee (HR) member	<b>4/4</b> 4/4
Mr T Hodson	1 August 2017	4 years	27 March 2019	Mercer Governor	Quality and Curriculum Committee	<b>1/3</b> 0/2
Ms L Karandeja	26 June 2019	1 year		Student Governor	Quality and Curriculum Committee	<b>0/1</b> 0/1
Mr G Lawrence	1 August 2019 (2 <sup>nd</sup> term)	4 years		Independent Governor	Audit Committee; Nominations Committee	<b>3/4</b> 5/5
Ms E Leddy	26 June 2019	1 year		Student Governor	Quality and Curriculum Committee	<b>1/1</b> 1/1
Mrs P Mantey	1 August 2017	4 years	23 June 2019	Independent Governor	Finance and General Purposes Committee	<b>1/3</b> 2/3
Mr P Mittendorfer	24 June 2019	4 years		Independent Governor	Finance and General Purposes Committee	<b>1/1</b> 1/1
Dr D G Powell	1 August 2015	4 years		Mercer Governor	Quality and Curriculum Committee	<b>4/4</b> 1/3
Mr R Raymond	30 August 2015 (2 <sup>nd</sup> term)	4 years	31 July 2019	Staff Governor	Quality and Curriculum Committee	<b>3/4</b> 3/3

**THE COLLEGE OF RICHARD COLLYER IN HORSHAM**

**STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL**

FOR THE YEAR FROM 1 AUGUST 2018 TO 31 JULY 2019

Name	Date of appointment/ re-appointment	Term of office	Date of resignation	Status of appointment	Committees served	Attendance in the year 2018-2019* Actual/ Possible Governing Body Committees
Mrs C Ruaux	1 August 2019	4 years		Staff Governor	Quality and Curriculum Committee	<b>N/A</b>
Dr D Skipp	1 August 2017 (2 <sup>nd</sup> term)	4 years		Independent Governor	Chair: Governing Body and Quality and Curriculum Committee; Finance and General Purposes Committee; Nominations and Remunerations Committees member	<b>4/4</b> 8/10
Mrs H Smith	1 August 2018	4 years		Independent Governor	Finance and General Purposes Committee	<b>4/4</b> 3/4
Mr H Stafford-Smith	1 August 2017	4 years		Mercer Governor	Chair: Audit Committee; Risk Management Group	<b>4/4</b> 3/3
Mr D Wakefield	1 August 2019	2 years		Parent Governor	Quality and Curriculum Committee	<b>N/A</b>
Mrs S Warren	1 August 2017	4 years	12 February 2019	Independent Governor	Audit Committee	<b>2/2</b> 1/1
Mr R Yorke	1 April 2012/2016 (2 <sup>nd</sup> term)	4 years		Independent Governor	Finance and General Purposes Committee, Chair: Estates Sub-Committee	<b>2/4</b> 3/3

Ms. N Whitehead acts as clerk to the Governing Body.

In addition to the above governors, there have been four co-optees to committees over the year 2018-19 in the interests of meeting skills and succession planning needs. Mr Geoffrey Bowley has continued in his second term as an external co-optee to the Audit Committee and Mr Richard Beckwith was reappointed to the Estates Sub-Committee on 1 September 2018 for two years. Mr Sam Uzzell has continued as a co-optee to the Finance and General Purposes Committee and Mrs Sarah Ediss became a second co-optee to the Audit Committee with effect from 1 January 2019.

Attendance at meetings overall, for Governing Body and Committee meetings during 2018-2019 was 81% ahead of the 80% target. These figures do not reflect the significant additional commitment shown to wider attendance at key college events as reflected in further governance performance indicators. For example, training and mentoring targets were met and participation in strategy awaydays, self-assessment and link activities was strong.

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

# THE COLLEGE OF RICHARD COLLYER IN HORSHAM

## STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

FOR THE YEAR FROM 1 AUGUST 2018 TO 31 JULY 2019

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The Governing Body is provided with regular and timely information on the overall financial performance of the college together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel related matters such as health and safety and environmental issues. The Governing Body meets at least once each term with an additional meeting in the Autumn Term.

The Governing Body conducts its business through a number of committees. Each committee has terms of reference, which are regularly reviewed and approved by the Governing Body. These committees are Finance and General Purposes and its Estates Sub-Committee, Nominations, Audit and Quality and Curriculum. Full minutes of all Governing Body and Committee meetings, except those deemed by the Governing Body to be confidential, are available on the College website or from the Clerk to the Governing Body at:

The College of Richard Collyer  
Hurst Road  
Horsham  
West Sussex  
RH12 2EJ

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

FOR THE YEAR FROM 1 AUGUST 2018 TO 31 JULY 2019

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The Clerk to the Governing Body 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 Clerk to the Governing Body, who is responsible to the Governing Body for ensuring that all applicable procedures and regulations are complied with. The appointment, evaluation and removal of the Clerk are matters for the Governing Body as a whole.

Formal agendas, papers and reports are supplied to governors in a timely manner, prior to Governing Body meetings. Briefings are also provided on an ad-hoc basis.

The Governing Body has three executive members – the Principal and two staff governors (see below) - as well as a strong and independent non-executive element with no individual or group dominating its decision-making process. The Governing Body 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 Principal as Accounting Officer are separate.

### **Appointments to the Governing Body**

There are 19 members of the Governing Body. The Governing Body comprises: the ex officio governor, the Vicar of Horsham, four appointed by the Court of Assistants of the Mercers' Company and eight independent governors as well as the Principal, two student governors, two staff and one parent governor with the aim of facilitating succession planning and a diverse Governing Body. Members of the Governing Body are appointed for a term of office not exceeding four years.

In 2018-2019 one new governor joined the Governing Body with effect from 1 August 2018 and there were elections for the student and parent governors as well as one of the two staff governors with ratification in the summer term. Over the course of the year there were four early resignations of governors owing largely to other work pressures, impacting adversely on previous successes in increasing the diversity of the Governing Body. Two of these vacancies arose at the end of the financial year and therefore remained unfilled, as was that of the *ex officio* Vicar of Horsham whose appointment by the diocese is anticipated in the Autumn term 2019. Three governors have been appointed for a second term in order to retain their skills and experience as well as provide continuity.

The Governing Body has a Nominations Committee comprising five members of the Governing Body including the Principal.

It meets at least once (and generally twice) a year to review and make recommendations to the Governing Body on the composition and balance of the Governing Body, on the procedures for appointment or re-appointment of governors, committee membership and Chairs, as well as the induction and training of governors and implementation of the quality improvement plan arising from the self-assessment of governance.

The Governing Body has continued to monitor the diversity of the board and reports against this in the College's annual Equality and Diversity Review in January each year in respect of gender, age, race and disability. The Governing Body seek to recruit from all backgrounds and has generally been representative of the local community.

### **Governing Body performance**

The Governing Body carried out a self-assessment of its own performance for the year ended 31 July 2019 and graded itself overall as "Outstanding" on the Ofsted scale whilst recognising areas for development in its annual Quality Improvement Plan.

### **Remuneration Arrangements**

Whilst the College has not adopted the AoC's Senior Staff Remuneration Code, it has been guided by the principles within it. In December 2018 the Governing Body agreed to the establishment of a new Remuneration Committee taking over work previously carried out by the F&GP Committee. Terms of reference were agreed in March 2019 and the Committee met first in May 2019 to make pay recommendations for 2019-2020 for the Principal and Deputy Principal as senior post holders as well as those for the Clerk and senior management team benchmarking these against the sector and other Collyer's staff. A further meeting was held in November 2019 to consider the wider remit of the Committee

Details of remuneration for the year ended 31 July 2019 are set out in note 7 to the financial statements.

### **Audit Committee**

The Audit Committee aims to comprise of at least four members of the Governing Body (to exclude the Accounting Officer and Chair) and at least one external co-optee. The Committee membership includes audit, accountancy and wider experience of relevance to the College's internal systems and controls. The Committee operates in accordance with written terms of reference approved by the Governing Body to take account of the latest funding body guidance.

The Audit Committee usually meets on a termly basis and provides a forum for reporting by the college's internal, 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 funding bodies as they affect the College's business.

The College's internal auditors review the college's systems of internal control, risk management controls and governance processes in accordance with an agreed plan of input (and within a wider framework of internal and external assurance activity) 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 Audit Committee also advises on the appointment of internal, reporting accountants and financial statements auditors and their remuneration for both audit and non-audit work as well as reporting annually to the Governing Body.

### **Quality and Curriculum Committee**

The Quality and Curriculum Committee is one of the largest with nine members (the two student, parent and one of the staff governors, the Principal and four independent governors to include its Chair as Chair of the Governing Body) in recognition of its pivotal role in examining the quality of the learner experience. Its remit covers quality assurance, curriculum, admissions, safeguarding and equality and diversity policy and performance. Its work is complemented by the role of the link governors who support the College's self-assessment and development planning processes.

### **Finance and General Purposes Committee (F&GP)**

The F&GP is of a similar size, to include an HE co-optee. In addition to advising on the character and mission of the College, its remit principally covers safeguarding the solvency of the College and its assets. As such it has paid particular attention to performance against agreed budgets, forecasts, income growth, pay, treasury management and investment policies and the effective development of capital projects supported by its Estates Sub-Committee. Whilst matters concerning the College's staff are a standing item, one F&GP meeting per year focusses on HR issues.

## **Internal Control**

### **Scope of responsibility**

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

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

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of college policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The College of Richard Collyer in Horsham for the year ended 31 July 2019 and up to the date of approval of the annual report and accounts.

### **Capacity to handle risk**

The Governing Body 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 Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the College's significant risks that has been in place for the period ended 31 July 2019 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Governing Body.

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

The system of internal financial 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.

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

FOR THE YEAR FROM 1 AUGUST 2018 TO 31 JULY 2019

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The College has an internal audit service which operates in accordance with the requirements of the ESFA's Post 16 *Audit Code of Practice*. Its work 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 college's Governing Body on the recommendation of the Audit Committee. The Head of Internal Audit (HIA) provides the Governing Body with an annual summary report of internal audit activity in the college giving an independent opinion on the adequacy and effectiveness of the college's system of risk management, controls and governance processes.

Review of effectiveness

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

- the work of internal auditors and alternative external assurance providers;
- 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 and the regularity auditors in their management letters and other reports.

The Principal 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 other sources of assurance and the Risk Management Group (on which two Audit members sit), and a plan to address a small number of generally minor 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 internal audit reports, 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 Governing Body'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 2019 meeting, the Governing Body carried out the annual assessment for the year ended 31 July 2019, by considering documentation by the Senior Management Team, Audit and Financial and General Purposes Committees and taking account of events since 31 July 2019.

Based on the advice of the Audit Committee and the Principal as Accounting Officer, the Governing Body 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 currently has £0.6m of loans outstanding with bankers on terms negotiated in 2009-2010. The terms of the existing agreements are for up to another 11 years. The College's forecasts and financial projections indicate that it will be able to operate within these existing facilities and covenants for the foreseeable future.

After making appropriate enquiries, the Governing Body considers that the college has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

**THE COLLEGE OF RICHARD COLLYER IN HORSHAM**

**STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL**

FOR THE YEAR FROM 1 AUGUST 2018 TO 31 JULY 2019

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Dr D G Skipp  
Chair

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Mrs S A Bromley  
Accounting Officer

**THE COLLEGE OF RICHARD COLLYER IN HORSHAM**

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

FOR THE YEAR FROM 1 AUGUST 2018 TO 31 JULY 2019

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The Governing Body has considered its responsibility to notify Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of funding, under the college's grant funding arrangements and contracts with ESFA. As part of our consideration we have had due regard to the requirements of grant funding arrangements and contracts with ESFA.

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

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

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Dr D G Skipp  
Chair

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Mrs S A Bromley  
Accounting Officer

**STATEMENT OF RESPONSIBILITY OF THE MEMBERS OF THE GOVERNING BODY**

FOR THE YEAR ENDED 31 JULY 2019

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

The law applicable to charities in England and the terms and conditions of the Funding Agreement between the Education and Skills Funding Agency and the Corporation of the College, requires the corporation of the college to prepare financial statements and the Members' Report for each financial year in accordance with the Statement of Recommended Practice – Accounting for Further and Higher Education Institutions the annual Accounts Direction issued by the Education and Skills Funding Agency, and in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and which give a true and fair view of the state of affairs of the College and of the College's surplus of income over expenditure for that period.

In preparing the financial statements, the Governing Body 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;
- prepare financial statements on the going concern basis unless it is inappropriate to assume that the College will continue in operation.

The Governing Body is responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the College and to enable it to ensure that the financial statements are prepared in accordance with the relevant legislation of incorporation and other relevant accounting standards. It is responsible for taking steps that are reasonably open to it to safeguard assets of the College and to prevent and detect fraud and other irregularities.

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

Members of the Governing Body are responsible for ensuring that funds from the Education and Skills Funding Agency are used only in accordance with the authorities that govern them as defined by and in accordance with Further & Higher Education Act 1992, subsequent legislation and related regulations and the Funding Agreement with the Education and Skills Funding Agency and any other conditions that may be prescribed from time to time.

Signed by order of the members of the Governing Body and signed on its behalf

Chairman \_\_\_\_\_

Dr D G Skipp

Date ..... 2019

**INDEPENDENT AUDITORS' REPORT TO THE GOVERNING BODY OF THE COLLEGE OF RICHARD COLLYER IN HORSHAM**

FOR THE YEAR ENDED 31 JULY 2019

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**Opinion**

We have audited the College financial statements ("the financial statements") for the year ended 31 July 2019 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in reserves, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom accounting standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the College's affairs as at 31 July 2019 and of the College's deficit of income over expenditure for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

**Other information**

The other information comprises the information included in the Report and Financial Statements other than the financial statements and our auditor's report thereon. The governors are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

**INDEPENDENT AUDITORS' REPORT TO THE GOVERNING BODY OF THE COLLEGE OF RICHARD COLLYER IN HORSHAM**

FOR THE YEAR ENDED 31 JULY 2019

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**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Post-16 Audit Code of Practice 2018 to 2019 issued by the Department for Education requires us to report to you if, in our opinion:

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

**Responsibilities of the Corporation of The College of Richard Collyer in Horsham**

As explained more fully in the Statement of the Corporation's Responsibilities set out on page 19 the Governing Body is responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governing Body 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 Governing Body is 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 Governing Body either intend to liquidate the College or to cease operations, or have no realistic alternative but to do so.

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

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

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

**Use of our report**

This report is made solely to the Governing Body, as a body, in accordance with the Funding Agreement published by the Education Funding Agency and our engagement letter dated 6 July 2017. Our audit work has been undertaken so that we might state to the Governing Body, as a body, those matters we are engaged 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 Governing Body, as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK AUDIT LLP  
Chartered Accountants  
3<sup>rd</sup> Floor  
Portland  
25 High Street  
Crawley  
West Sussex  
RH10 1BG  
Date:

THE COLLEGE OF RICHARD COLLYER IN HORSHAM

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 JULY 2019

	Notes	Year Ended 31 July 2019 £000	Year Ended 31 July 2018 £000
<b>INCOME</b>			
Funding body grants	3	8,320	8,181
Tuition fees	4	713	677
Other operating income	5	811	1,387
Investment income	6	62	18
<b>Total income</b>		<u>9,906</u>	<u>10,263</u>
<b>EXPENDITURE</b>			
Staff costs	7	6,811	6,996
Other operating expenses	8	2,405	2,238
Depreciation	10	766	762
Interest and other finance costs	9	11	11
<b>Total expenditure</b>		<u>9,993</u>	<u>10,007</u>
(Deficit)/surplus before tax		(87)	256
Taxation		-	-
<b>(Deficit)/surplus for the year</b>		<u>(87)</u>	<u>256</u>
Remeasurement of defined benefit pension scheme	19	80	981
<b>Other comprehensive income for the year</b>		<u>80</u>	<u>981</u>
<b>Total comprehensive income for the year</b>		<u>(7)</u>	<u>1,237</u>

THE COLLEGE OF RICHARD COLLYER IN HORSHAM

BALANCE SHEET

AS AT 31 JULY 2019

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	Notes	2019 £000	2018 £000
<b>Fixed assets</b>			
Tangible assets	10	12,223	12,621
		<hr/>	<hr/>
<b>Current assets</b>			
Debtors	11	91	638
Defined benefit pension scheme asset	19	965	1,092
Cash at bank and in hand	12	4,861	3,864
		<hr/>	<hr/>
		5,917	5,594
<b>Current liabilities</b>			
Creditors – amounts falling due within one year	13	(1,754)	(1,505)
		<hr/>	<hr/>
<b>Net current assets</b>		4,163	4,089
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		16,386	16,710
Creditors – amounts falling due after more than one year	14	(4,170)	(4,487)
		<hr/>	<hr/>
<b>Total net assets</b>		12,216	12,223
		<hr/> <hr/>	<hr/> <hr/>
<b>Unrestricted reserves</b>			
Income and expenditure reserve		12,216	12,223
		<hr/>	<hr/>
<b>Total reserves</b>		12,216	12,223
		<hr/> <hr/>	<hr/> <hr/>

The financial statements on pages 25 to 48 were approved and authorised for issue by the Governing Body on 11 December 2019 and were signed on its behalf by:

Dr D G Skipp - Chairman

Mrs S A Bromley – Principal

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THE COLLEGE OF RICHARD COLLYER IN HORSHAM

STATEMENT OF CHANGES IN RESERVES

FOR THE YEAR ENDED 31 JULY 2019

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	<b>Income and expenditure reserve £000</b>
<b>Balance at 1 August 2017</b>	10,986
Surplus for the year	256
Other comprehensive income	981
<b>Total comprehensive income for the year</b>	<u>1,237</u>
<b>Balance at 31 July 2018</b>	12,223
Deficit for the year	(87)
Other comprehensive income (Note 19)	80
<b>Total comprehensive income for the year</b>	<u>(7)</u>
<b>Balance at 31 July 2019</b>	<u><u>12,216</u></u>

# THE COLLEGE OF RICHARD COLLYER IN HORSHAM

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JULY 2019

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	Notes	Year Ended 31 July 2019 £000	Year Ended 31 July 2018 £000
<b>Operating activities</b>			
Cash generated from operations	16	1,273	624
Interest paid		(11)	(11)
<b>Net cash inflow from operating activities</b>		<u>1,262</u>	<u>613</u>
<b>Investing activities</b>			
Purchase of tangible fixed assets		(227)	(570)
Interest received		62	18
<b>Net cash used in investing activities</b>		<u>(165)</u>	<u>(552)</u>
<b>Financing activities</b>			
Repayments of borrowings		(100)	(101)
<b>Net cash used in financing activities</b>		<u>(100)</u>	<u>(101)</u>
<b>Increase/(decrease) in cash and cash equivalents in the year</b>		<u>997</u>	<u>(40)</u>
<b>Cash and cash equivalents at beginning of the year</b>		<u>3,864</u>	<u>3,904</u>
<b>Cash and cash equivalents at end of the year</b>		<u>4,861</u>	<u>3,864</u>

# THE COLLEGE OF RICHARD COLLYER IN HORSHAM

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2019

### 1. Accounting policies

#### Basis of preparation

The College was incorporated under the Further and Higher Education Act 1992 and became a designated Sixth Form College under the Apprenticeships, Skills, Children and Learning Act 2009. The address of the College's principal place of business is given on page 15. The nature of the College's operations is set out in the Members' Report.

#### Basis of accounting

These financial statements have been prepared in accordance with the *Statement of Recommended Practice: Accounting in Further and Higher Education 2015 (the 2015 FE HE SORP)*, the *College Accounts Direction for 2018-19* and in accordance with Financial Reporting Standard 102 – “*The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland*” (FRS 102) under the historical cost convention. The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

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

The financial statements are presented in sterling which is also the functional currency of the College.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

#### 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 cash flow, liquidity and borrowings are described in the Financial Statements and accompanying Notes.

The College currently has £0.6m of loans outstanding with bankers on terms negotiated in 2008 but activated in 2009-2010. The terms of the existing agreements are for up to another 11 years. The College's forecasts and financial projections indicate that it will be able to operate within these existing facilities 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.

# THE COLLEGE OF RICHARD COLLYER IN HORSHAM

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2019

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### 1. Accounting policies (continued)

#### Recognition of income

##### *Revenue grant funding*

Government revenue grants are accounted for under the accrual model and are recognised where a reliable estimate of the fair value of the asset received or receivable can be made on a systematic basis over the periods in which the related costs for which the grant compensates are recognised.

Adult Education Budget ('AEB') grant funding income recognised is a best estimate of the amount receivable in accordance with the annual main funding guidance published by the ESFA and either determined as part of the reconciliation process or by separate agreement between the college and the ESFA at the reporting period end date. Any subsequent agreement to determination of the AEB funding after the reporting end date which is not provided for in the annual main funding guidance is not reflected in the income recognised.

16-18 learner responsive funding is not normally subject to reconciliation and is therefore not subject to contract adjustments; the income recognised is the allocation for the year. Additional in-year funding is subject to reconciliation, and any under achievement of the in-year funding is adjusted for and reflected in the level of recurrent grant recognised in the income and expenditure account.

Grants from non-government sources, including grants relating to assets, are recognised in income when the College has met the performance-related conditions and the grant will be received. Income received in advance of performance related conditions being met is recognised as a liability.

##### *Capital grant funding - government*

Government capital grants for assets, other than land, are accounted for under the accrual model. The grant income received or receivable will be recognised over the expected useful life of the asset, with any amount of the asset-related grant that is deferred being recognised as deferred income. The deferred income is allocated between creditors due within one year and those due after more than one year.

##### *Other income*

Income from tuition fees is recognised in the period for which it is received and includes all fees payable by students or their sponsors.

Income from donations is included to the extent of the relevant expenditure incurred during the year, together with any related contributions towards overhead costs.

All income from short term deposits is credited to the income and expenditure account in the period in which it is earned.

Income from the supply of services is recognised at fair value of the consideration received or receivable and represents the value of services to the extent there is a right to consideration.

# THE COLLEGE OF RICHARD COLLYER IN HORSHAM

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2019

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### 1. Accounting policies (continued)

#### Retirement benefits

Retirement benefits to employees of the College are provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS), which are multi-employer defined benefit plans.

The TPS is an unfunded scheme and contributions 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 the Government Actuary on the basis of valuations using a projected unit method. As stated in note 19, the TPS is a multi-employer scheme but sufficient information is not available to use defined benefit accounting and therefore it is accounted for as a defined contribution scheme, with the amount charged to the statement of comprehensive income being the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as other creditors.

The LGPS is a funded scheme and the assets are held separately from those of the college in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method. 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. The net interest income on the net defined benefit asset is credited to comprehensive income and included within investment income. Re-measurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts include in net interest on the net defined benefit asset) are recognised immediately in other comprehensive income.

#### Short term employment benefits

Short term employment benefits such as salaries and compensated absences (holiday pay) are recognised as an expense in the year in which the employees render service to the College. The cost of any unused holiday entitlement the College expects to pay in future periods is recognised in the period the employees' services are rendered.

#### Tangible fixed assets

##### *Land and buildings*

Land and buildings are stated at cost less accumulated depreciation.

The college occupies land and buildings which are owned by "The Collyer Endowment" (*the foundation*), which is a foundation registered with the Charity Commission. Included in the terms of the Charity's "Scheme of Management" is the following paragraph:

##### *"24 Use of Property"*

The trustees shall permit the land and buildings known as "Collyer's School" (hereinafter called the college) to continue to be appropriated and used for the purposes of the Charity as a Designated Institution within the meaning of the Further and Higher Education Act 1992".

# THE COLLEGE OF RICHARD COLLYER IN HORSHAM

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2019

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### 1. Accounting policies (continued)

It is the Governors' understanding, as confirmed by the Trustees of the Charity, that these terms convey to the college the exclusive right to occupy these buildings indefinitely, and on this basis, they have capitalised the cost of expenditure incurred on improvements to land and buildings.

No annual rent is paid by the college for the use of the land and buildings.

Whilst legal title to land and buildings remain with the foundation, all economic benefit passes to the college. In accordance with the relevant Financial Reporting Standards (FRS 102 17.15), the assets have been stated in the balance sheet at valuation on the basis of depreciated replacement cost which was taken as deemed cost on transition to FRS102. The buildings are depreciated over their useful economic life to the college of fifty years.

Improvements to land and buildings are normally depreciated on a straight-line basis over their estimated economic life of fifteen years. The college and foundation's contribution to the new buildings are depreciated on a straight-line basis over its estimated economic life of fifty years. Where improvements to land and buildings are made with the aid of specific grants they are capitalised and depreciated as above. The related government grants are credited to a deferred capital grant account and are released to the income and expenditure account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

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

#### *Subsequent expenditure on existing fixed assets*

Where significant expenditure is incurred on tangible fixed assets it is charged to the income and expenditure account in the period it is incurred, unless it meets one of the following criteria, in which case it is capitalised and depreciated on the relevant basis:

- Asset capacity increases
- Substantial improvement in the quality of output or reduction in operating costs
- Significant extension of the asset's life beyond that conferred by repairs and maintenance

#### *Equipment*

Equipment costing less than £500 per individual item is written off to the income and expenditure account in the period of acquisition. All other equipment is capitalised at cost.

# THE COLLEGE OF RICHARD COLLYER IN HORSHAM

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2019

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### 1. Accounting policies (continued)

A summary of depreciation over the useful economic life of assets held is as follows:

Land and buildings	straight line over 50 years
Building improvements	straight line over 15 - 50 years
Computer equipment	straight line over 3 years
Motor vehicles	20% per annum
General equipment and fixtures and fittings	straight line between 5 and 15 years

Where equipment is acquired with the aid of specific grants it is capitalised and depreciated in accordance with the above policy, with the related government grant being credited to a deferred capital grant account and released to the income and expenditure account over the expected useful economic life of the related equipment.

#### **Leased Assets**

##### *Operating leases*

Costs in respect of operating leases are charged to comprehensive income on a straight-line basis over the lease term.

#### **Financial instruments**

The College has chosen to adopt Sections 11 and 12 of FRS 102 in full in respect of financial instruments.

##### *Financial assets and liabilities*

Financial assets and financial liabilities are recognised when the College becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

All financial assets and liabilities are initially measured at transaction price, except for those financial assets measured at fair value through the profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless arrangement constitutes a financing transaction. A financial asset or financial liability that is payable or receivable in one year is measured at the undiscounted amount expected to be received or paid net of impairment, unless it is a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and financial liabilities are offset only when there is a current legally enforceable right to set off the recognised amounts and the intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

# THE COLLEGE OF RICHARD COLLYER IN HORSHAM

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2019

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### 1. Accounting policies (continued)

#### 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 not registered for Value Added Tax.

#### 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 the amount of the obligation can be reliably measured.

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 reliably measured.

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

#### Agency arrangements

The College acts as an agent in distributing discretionary support funds and free school meals funding from the funding bodies. Payments received from the funding body and subsequent disbursements to students are excluded from the income and expenditure of the College where the College does not have control of the economic benefit related to the transaction.

# THE COLLEGE OF RICHARD COLLYER IN HORSHAM

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2019

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### 2. Critical accounting judgements and estimation uncertainty

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

#### *Critical accounting estimates and assumptions*

- Tangible fixed assets

Tangible fixed assets 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, maintenance programmes, economic utilisation and physical condition of the assets are taken into account. Residual value assessments consider issues such as future market conditions and the remaining life of the asset.

- Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit scheme 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/asset. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions asset at 31 July 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability/asset. Any asset resulting from this calculation is limited to the present value of available refunds or reductions in future contributions to the plan.

#### *Critical areas of judgement*

- Leases

In categorising leases as finance leases or operating leases, the College makes judgements as to whether significant risks and rewards of ownership have transferred to the College as lessee, or the lessee where the College is a lessor.

# THE COLLEGE OF RICHARD COLLYER IN HORSHAM

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2019

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	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
<b>3. Funding body grants</b>		
Main funding body - recurrent grant	8,044	7,905
Main funding body - non recurrent grant	56	56
Releases of government capital grants:		
Buildings	195	196
Equipment	25	24
	<u>8,320</u>	<u>8,181</u>

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	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
<b>4. Tuition fees</b>		
Tuition fees	<u>713</u>	<u>677</u>

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	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
<b>5. Other operating income</b>		
Catering operations	251	226
Other income	560	550
Other grant income	-	49
Other grant income – exceptional	-	562
	<u>811</u>	<u>1,387</u>

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	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
<b>6. Investment income</b>		
Other interest receivable	34	11
Net interest on defined pension asset (note 19)	28	7
	<u>62</u>	<u>18</u>

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# THE COLLEGE OF RICHARD COLLYER IN HORSHAM

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2019

### 7. Staff costs and key management personnel remuneration

The average monthly number of persons (including key management personnel) employed by the college during the year, expressed as full-time equivalents, was:

	<b>2019</b>	<b>2018</b>
	<b>No.</b>	<b>No.</b>
Teaching staff	83	85
Non-teaching staff	67	77
	<u>150</u>	<u>162</u>

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
<b>Staff costs for the above persons:</b>		
Wages and salaries	5,204	5,265
Social security costs	438	464
Other pension costs (note 19)	1,138	1,267
	<u>6,780</u>	<u>6,996</u>
<b>Payroll sub-total</b>	6,780	6,996
Restructuring costs - Contractual	3	-
Restructuring costs – Non-contractual	28	-
	<u>6,811</u>	<u>6,996</u>

### Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the college and are comprised of the principal, the vice principal, the assistant principals and the director of finance.

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

	<b>2019</b>	<b>2018</b>
	<b>No.</b>	<b>No.</b>
The number of key management personnel including the Accounting Officer was:	<u>5</u>	<u>7</u>

# THE COLLEGE OF RICHARD COLLYER IN HORSHAM

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2019

### 7. Staff costs and key management personnel remuneration (continued)

The number of key management personnel who received annual emoluments, excluding pension contributions but including benefits in kind, in the following ranges was:

	<b>2019</b>	<b>2018</b>
	<b>No.</b>	<b>No.</b>
£50,001 to £55,000 p.a.	-	1
£55,001 to £60,000 p.a.	2	1
£60,001 to £65,000 p.a.	-	2
£65,001 to £70,000 p.a.	1	1
£70,001 to £75,000 p.a.	1	1
£105,001 to £110,000 p.a.	1	1
	<u>5</u>	<u>7</u>

There were no other staff, other than those included in key management personnel, who received annual emoluments exceeding £60,000 during the year (2018: none).

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Key management personnel (including the Accounting Officer) total compensation is made up as follows:		
Salaries	365	361
National Insurance	44	44
	<u>409</u>	<u>405</u>
Pension contributions	64	63
<b>Total emoluments</b>	<u><u>473</u></u>	<u><u>468</u></u>

There were no amounts due to key management personnel that were waived in the year, nor any salary sacrifice arrangements in place.

The above emoluments include amounts payable to the Accounting Officer (who is also the highest paid of key management personnel) of:

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Salaries	109	105
Pension contributions	18	17
<b>Total emoluments</b>	<u><u>127</u></u>	<u><u>122</u></u>

# THE COLLEGE OF RICHARD COLLYER IN HORSHAM

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2019

### 7. Staff costs and key management personnel remuneration (continued)

The remuneration of the Accounting Officer for 2018-19 was determined on 28 June 2018 by the College's Finance and General Purposes Committee. The Accounting Officer was not involved in setting their remuneration. The factors taken in to accounts by the Committee in determining the Accounting Officer's remuneration of the period to 31 July 2019 included Cost of living increases, Sector data on pay of accounting officers and performance factors both personal and organisational. The performance assessment was carried out by Chair of Corporation and reviewed by the Finance and General Purposes Committee. A similar approach was used to determine the remuneration of other key management personnel.

The relationship between the accounting officer's emoluments, expressed as a multiple of all other employees based on full-time equivalents, is set out below for both basic salary and total remuneration.

	<b>2019</b>	<b>2018</b>
	<b>No.</b>	<b>No.</b>
Basic salary as a multiple of median basic salary of staff	3.3	3.3
Total remuneration as a multiple of median total remuneration of staff	<u>3.2</u>	<u>3.1</u>

### Governors' remuneration

The key management personnel only receive remuneration in respect of services they provide undertaking their roles of principal and staff members under contracts of employment and not in respect of their roles as governors. The other members of the Governing Body did not receive any payments from the college in respect of their roles as governors.

The total expense for travel and subsistence paid to, or on behalf of the Governors during the year was £64 (2018: £510). No Governor has received any remuneration or waived payments from the College during the year (2018: none).

### 8. Other operating expenses

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Teaching costs	377	377
Non-teaching costs	1,530	1,417
Premises costs	498	444
<b>Total</b>	<u><u>2,405</u></u>	<u><u>2,238</u></u>

# THE COLLEGE OF RICHARD COLLYER IN HORSHAM

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2019

### 8. Other operating expenses (continued)

Surplus before taxation is stated after charging:	2019 £000	2018 £000
Auditors' remuneration		
- financial statements audit	15	14
- other services provided by the external auditors	5	5
Operating lease charges	73	68
	<u>          </u>	<u>          </u>

9. Interest and other finance costs	2019 £000	2018 £000
On bank loans, overdrafts and other loans: Repayable within five years, by instalments	11	11
	<u>          </u>	<u>          </u>
<b>Total</b>	<u>          </u>	<u>          </u>

### 10. Tangible fixed assets

	Land and buildings £000	Building improvements £000	Equipment £000	Motor vehicles £'000	Total £000
<b>Cost</b>					
At 1 August 2018	6,550	11,986	2,313	46	20,895
Additions	-	26	342	-	368
Disposals	-	-	(125)	-	(125)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>At 31 July 2019</b>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	6,550	12,012	2,530	46	21,138
<b>Depreciation</b>					
At 1 August 2018	3,319	3,285	1,644	26	8,274
Charge for year	131	346	284	5	766
Eliminated in respect of disposals	-	-	(125)	-	(125)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>At 31 July 2019</b>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	3,450	3,631	1,803	31	8,915
<b>Net book value</b>					
<b>At 31 July 2019</b>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	3,100	8,381	727	15	12,223
At 31 July 2018	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	3,231	8,701	669	20	12,621

# THE COLLEGE OF RICHARD COLLYER IN HORSHAM

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2019

### 10. Tangible fixed assets (continued)

Building improvements with a net book value of £2,122,163 (2018: £2,208,828) have been partially financed by exchequer funds, through for example the receipt of capital grants. Should these assets be sold, the college may be liable, under the terms of the Funding Agreement with the funding bodies, to surrender the proceeds.

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<b>11. Debtors</b>	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Amounts falling due within one year:		
Other debtors	8	10
Prepayments and accrued income	83	628
	<u>91</u>	<u>638</u>

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<b>12. Cash at bank and in hand</b>	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Cash at bank	2,294	2,170
Cash on treasury deposit	2,567	1,694
	<u>4,861</u>	<u>3,864</u>

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<b>13. Creditors: amounts falling due within one year</b>	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Bank loans and overdrafts	60	64
Payments received in advance	308	389
Trade creditors	17	50
Other creditors	214	25
Other taxation and social security	152	-
Accruals and deferred income	783	757
Deferred government grants (capital)	220	220
	<u>1,754</u>	<u>1,505</u>

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# THE COLLEGE OF RICHARD COLLYER IN HORSHAM

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2019

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### 14. Creditors: amounts falling due after more than one year

	2019 £000	2018 £000
Bank loans	550	646
Deferred government grants (capital)	3,620	3,841
	<u>4,170</u>	<u>4,487</u>

<b>Bank loans and overdrafts</b>	<b>2019 £000</b>	<b>2018 £000</b>
Bank loans and overdrafts are repayable as follows:		
In one year or less	60	64
Between one and two years	60	64
Between two and five years	240	254
In five years or more	250	328
<b>Total</b>	<u>610</u>	<u>710</u>

The bank loans are subject to interest at 1% over Barclay's base rate and are repayable by instalments over the period to July 2029.

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### 15. Financial instruments

The college has the following financial instruments:

	2019 £000	2018 £000
<b>Financial assets:</b>		
Measured at amortised cost	8	572
<b>Financial liabilities:</b>		
Measured at amortised cost	<u>1,493</u>	<u>1,542</u>

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# THE COLLEGE OF RICHARD COLLYER IN HORSHAM

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2019

### 16. Notes to cash flow statement

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
<b>(Deficit)/surplus after tax for the year</b>	(87)	256
Adjustment for:		
Finance costs	11	11
Investment income	(62)	(18)
Depreciation	766	762
Pension scheme non-cash movement	207	300
	<hr/>	<hr/>
Operating cash flow before movements in working capital	835	1,311
Decrease/(increase) in debtors	547	(589)
Decrease in creditors	(109)	(98)
	<hr/>	<hr/>
<b>Cash generated from operations</b>	<b>1,273</b>	<b>624</b>
	<hr/> <hr/>	<hr/> <hr/>

### 17. Contingent liabilities

The College is in dispute with the contractor for a previous building project who are claiming an additional sum of £144,000 (2018: £144,000). The College believes that the claim is unsubstantiated and have seen no evidence to support this. Advice has been sought from the College's quantity surveyor which has supported the College's view. The financial statements therefore only accrue in creditors due within one year for the balance of £63,522 (2018: £63,522) still owed based on the figures calculated by the quantity surveyor, no provision has been made for the additional £144,000 (2018: £144,000).

### 18. Commitments under operating leases

At the reporting end date the college had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Amounts due:		
Within one year	60	70
Between one and five years	93	153
After five years	-	1
	<hr/>	<hr/>
	153	224
	<hr/> <hr/>	<hr/> <hr/>

# THE COLLEGE OF RICHARD COLLYER IN HORSHAM

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2019

### 19. Retirement benefits

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

<b>Total pension cost for the year</b>	<b>2019 £000</b>	<b>2018 £000</b>
Teachers' Pension Scheme: contributions paid	523	578
Local Government Pension Scheme:		
Contributions paid	380	382
FRS 102 (section 28) charge	235	307
	<u>615</u>	<u>689</u>
Charge to Statement of Comprehensive Income	615	689
<b>Total pension cost for year within staff costs (note 7)</b>	<b>1,138</b>	<b>1,267</b>

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

There were outstanding pension contributions of £2,605 (2018: £nil) at the end of the financial period.

#### Teachers' Pension Scheme

The Teachers' Pensions Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. 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. The TPS is a multi-employer pension plan and there is insufficient information to account for the scheme on as a defined benefit plan so it is accounted for as a defined contribution plan.

#### Valuation of the Teachers' Pensions Scheme

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

The latest actuarial valuation was carried out as at 31 March 2016 in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 except it has been prepared following the Government's decision to pause the operation of the cost control mechanisms at the time when legal challenges were still pending. The valuation report was published in April 2019. The key results of the valuation and subsequent consultation are:

- Total scheme liabilities for service (pensions currently payable and the estimated cost of future benefits) amounted to £218 billion
- Value of the notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £196 billion
- Notional past service deficit of £22 billion
- Discount rate is 2.4% in excess of CPI

# THE COLLEGE OF RICHARD COLLYER IN HORSHAM

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2019

### 19. Retirement benefits (continued)

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/9). DfE has agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2019-20 academic year.

However, legal challenge to the 2015 public sector pension reforms could have a further impact on the scheme, which would have retrospective application.

The pension costs paid to TPS in the year amounted to £523,000 (2018: £578,000).

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by West Sussex County Council Pension Fund. The total contributions made for the year ended 31 July 2019 was £467,000 of which employer's contributions totalled £380,000 and employees' contributions totalled £87,000. The agreed contribution rate for employers is 17.3%. There is a variable rate for employees.

#### Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2016 and updated to 31 July 2019 by a qualified independent actuary.

	2019	2018
Rate of increase in salaries	3.1%	3.1%
Rate of increase for pensions	2.4%	2.4%
Inflation assumption	2.2%	2.2%
Discount rate for liabilities	2.1%	2.8%
Commutation of pensions to lump sums:		
- Pre 2008	50%	50%
- Post 2008	75%	75%

The average life expectancy for a pensioner retiring at 65 on the reporting date is:

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	21.8	23.6
Females	23.6	25.0
<i>Retiring in 20 years</i>		
Males	23.0	26.0
Females	25.5	27.8

# THE COLLEGE OF RICHARD COLLYER IN HORSHAM

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2019

### 19. Retirement benefits (continued)

Amounts recognised in the statement of financial position in respect of the defined benefit schemes are as follows:

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Fair value of scheme assets at 31 July	11,114	9,947
Present value of defined benefit obligations at 31 July	(10,149)	(8,855)
Net defined benefit asset	<u>965</u>	<u>1,092</u>

The College's share of the assets in the plan at the balance sheet date was:

	<b>Fair value of assets</b>	
	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Equity instruments	5,779	5,372
Debt instruments	3,890	3,481
Property	889	796
Cash	556	298
<b>Total fair value of plan assets</b>	<u>11,114</u>	<u>9,947</u>
<b>Actual return on plan assets</b>	<u>578</u>	<u>632</u>

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

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Current service cost	547	555
Past service cost	68	69
Net interest on the net defined benefit pension asset	(28)	(7)
<b>Total</b>	<u>587</u>	<u>617</u>

# THE COLLEGE OF RICHARD COLLYER IN HORSHAM

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2019

### 19. Retirement benefits (continued)

<b>Changes in the present value of defined benefit obligations</b>	<b>2019 £000</b>
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<b>Defined benefit obligations at start of period</b>	8,855
Current service cost	547
Past service cost	68
Interest cost	255
Contributions by scheme participants	87
Benefits paid	(161)
Plan introductions, changes, curtailments and settlements *	498
<b>Defined benefit obligations at end of period</b>	<u>10,149</u>

<b>Changes in fair value of plan assets</b>	<b>2019 £000</b>
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<b>Fair value of plan assets at start of period</b>	9,947
Interest income	283
Return on plan assets (excluding net interest on the net defined benefit liability) *	578
Employer contributions	380
Contributions by scheme participants	87
Benefits paid	(161)
<b>Fair value of plan assets at end of period</b>	<u>11,114</u>

<b>* Remeasurement of defined benefit pension scheme</b>	<b>2019 £000</b>
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Plan introductions, changes, curtailments and settlements	(498)
Return on plan assets (excluding net interest on the net defined benefit liability)	578
<b>Remeasurement of defined benefit pension scheme</b>	<u>80</u>

The current valuation reflects the expected increase in benefits and therefore liability as a result of Guaranteed Minimum Pension ('GMP') equalisation between men and women which is required as a result of the removal of the Additional State Pension. Methodologies for a long-term solution are still being investigated by the Government as set out in the published (January 2018) outcome of the Government Consultation 'Indexation and Equalisation of GMP in Public Sector Pensions Schemes'. The liability recognised in these financial statements is £nil.

# THE COLLEGE OF RICHARD COLLYER IN HORSHAM

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2019

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### **19. Retirement benefits (continued)**

McCloud Judgement (Public service pensions age discrimination cases) - A recent ruling by the Supreme Court has denied the Government's right to appeal the McCloud judgement. With this decision the Government's right to appeal is now fully exhausted. An estimate has been included in these financial statements of £68k. This impact is recognised as a past service cost. An 'adjustment factor' based on the Government Actuary's Department's recommended figure of 3.2% which represents the impact on scheme liabilities expressed as a percentage of active liabilities has been modified to reflect West Sussex Pension Fund's withdrawal, promotional and inflationary salary increase assumptions.

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## **THE COLLEGE OF RICHARD COLLYER IN HORSHAM**

### **INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON REGULARITY TO THE CORPORATION OF THE COLLEGE OF RICHARD COLLYER IN HORSHAM AND THE SECRETARY OF EDUCATION ACTING THROUGH EDUCATION AND SKILLS FUNDING AGENCY**

FOR THE YEAR ENDED 31 JULY 2019

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#### **Conclusion**

We have carried out an engagement, in accordance with the terms of our engagement letter dated 6 July 2017 and further to the requirements of the grant funding agreements and contracts with the Education and Skills Funding Agency (the "ESFA"), to obtain limited assurance about whether the expenditure disbursed and income received by The College of Richard Collyer in Horsham during the period 1 August 2018 to 31 July 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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 2018 to 31 July 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

#### **Basis for conclusion**

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

We are independent of The College of Richard Collyer in Horsham in accordance with the ethical requirements that are applicable to this engagement and we have fulfilled our ethical requirements in accordance with these requirements. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion.

#### **Responsibilities of Governing Body of The College of Richard Collyer in Horsham for regularity**

The Corporation of The College of Richard Collyer in Horsham is responsible, under the grant funding agreements and contracts with the ESFA and the requirements of the Further & Higher Education Act 1992, subsequent legislation and related regulations and guidance, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. The Corporation of The College of Richard Collyer in Horsham is also responsible for preparing the Governing Body's Statement of Regularity, Propriety and Compliance.

#### **Reporting accountant's responsibilities for reporting on regularity**

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 ACoP.

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 the procedures performed vary in

## **THE COLLEGE OF RICHARD COLLYER IN HORSHAM**

### **INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON REGULARITY TO THE CORPORATION OF THE COLLEGE OF RICHARD COLLYER IN HORSHAM AND THE SECRETARY OF EDUCATION ACTING THROUGH EDUCATION AND SKILLS FUNDING AGENCY**

FOR THE YEAR ENDED 31 JULY 2019

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nature and timing from, and are less in extent than for a reasonable assurance engagement; consequently a limited assurance engagement 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.

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 2018 to 31 July 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including the specific requirements of the grant funding agreements and contracts with the ESFA and high level financial control areas where we identified a material irregularity is likely to arise. We undertook detailed testing, on a sample basis, on the identified areas where a material irregularity is likely to arise where such areas are in respect of controls, policies and procedures that apply to classes of transactions.

This work was integrated with our audit of the financial statements and evidence was also derived from the conduct of that audit to the extent it supports the regularity conclusion.

#### **Use of our report**

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

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