

**MINUTES OF THE MEETING OF THE CORPORATION
HELD 10 DECEMBER 2018**

Present:

Mr Del Attah (Vice Chair)
Ms Dawn Hughes
Mr Chris Wright (Chair)
Ms Phidelma Keating
Ms Yvonne White
Ms Sharmin Joarder (Vice Chair)
Mr Richard Beales
Mr Andy Booth

In Attendance: Mr Jon Allen (Clerk)

The meeting commenced at 1800.

APOLOGIES, QUORACY & DECLARATION OF INTERESTS

33. There were no apologies. It was confirmed the meeting was quorate.
34. Other than the agenda item 'Staff Pay Award' for the staff Governor and Principal, there were no declared interests against any of the agenda items.

MINUTES

35. It was confirmed the minutes of the Corporation meeting held 29 October 2018 were an accurate record of the meeting.

MATTERS ARISING

36. There were no matters arising.

ANNOUNCEMENT

37. The Principal reported that they had received confirmation via Croydon College that the Minister signed today approval for the merger and that the next stage is for the Treasury to approve the financial support package agreed by the Transaction Unit. It was reported that the financial support package was for £6.3m against the ask price of £6.77m. The financial offer is a conditional grant with one of the conditions being to pay to the ESFA 50% of receipts obtained from any land disposal at Coulsdon College.

FINANCIAL STATEMENTS

38. In attendance for this agenda item was Zoe Longstaff-Tyrrell from RSM who presented the '*Audit Findings Report*' for the financial year-end 31 July 2018. Also made available was a copy of the '*Financial Statements Year Ended 31 July 2018*'

39. It was confirmed the Corporation had already approved the 2016-17 Financial Statements, but due to the proposed Federation with Reigate College not proceeding, the Financial Statements could not be signed as the collapse of the proposed Federation resulted in the opinion of the College being a going concern.

40. The Governors are responsible for assessing whether adopting the going concern basis of accounting for the financial statements remains appropriate for the foreseeable future. Consideration in this regard must be given to a period of at least one year from the expected date of approval of the accounts.

41. In light of the current merger discussions with Croydon College with the merger date of 01 February 2019, it is expected that the College will dissolve within 12 months of the balance sheet date, therefore the auditor confirmed they had not prepared the financial statements on a going concern basis. The area of focus is therefore on measurement of the assets and liabilities as at 31 July 2018 and the rationale behind this in relation to their fair value, as well as the adequacy of the disclosures included within the financial statements.

42. The report confirmed the following:

At the date of this report it is our understanding, based upon discussions with management that the merger with Croydon College is more than likely to go ahead. The activities, assets and liabilities of Coulsdon College will be transferred to Croydon College and Coulsdon College will be dissolved.

The financial statements for both the year ended 31 July 2017 and 2018 will be prepared on a non going concern basis. We have included a modification to our audit report to highlight the basis of accounting and will review the updated financial statement to ensure adequate disclosure has been made as to the position of the College in both years.

No adjustment has been made to the figures included in the financial statements under this basis of accounting.

43. The auditor in attendance confirmed that as at this point in time the financial statements can be signed, as the expectation is that the merger will be confirmed on 01 February 2019.

44. The auditor confirmed there was a disposal of £100,000 of fixed assets in the prior year financial statements that had not been reflected in the comparatives in this year's financial statements. It was noted that this has no impact on the net book value, as the assets were held at nil book value. To address this it was confirmed the brought forward cost and brought forward accumulated depreciation have been adjusted in the fixed assets note.

45. The auditor confirmed that there were no internal controls identified during the audit.

46. Following a thorough review of the 'Audit Findings Report' it was **RESOLVED:**

- (i) To note the '*Audit Findings Report*',
- (ii) To authorise the Chair and Principal to sign the '*Financial Statements Year-Ended 31 July 2017*' that had already been approved by the Corporation, and:
- (iii) To approve the '*Financial Statements Year-Ended 31 July 2018*' and to authorise the Chair and Principal to sign the Financial Statements.

47. The auditor reported that Financial Statements from 01 August 2018 to the date of merger will need to be prepared and this work will be commissioned by Croydon College and Croydon College's Corporation would be asked to approve the financial statements for this period.

48. The Chair thanked the auditor who left the meeting at this point. Thanks were also recorded to the College's Finance Manager for his work in preparing the financial statements and working effectively with the auditors.

PAY AWARD

49. The Corporation is asked to approve a consolidated 1% pay award for all staff back-dated to 01 September 2018 which is in the approved budget for 2018-19.

50. It was **RESOLVED** to award a consolidated 1% pay award to all staff, including the Principal, and for the award to be back-dated to 01 September 2018.

MERGER

51. The following papers were received:

- Minutes of the Project Governance Board meeting held 01 August 2018
- Draft Transfer Deed
- Resolution for merger

52. The minutes of the Project Governance Board meeting held 01 August were noted.

53. Made available for review was the draft '*Transfer Deed*'. The Clerk advised that the draft had been provided by Eversheds for initial review and the final draft, when issued, will need to be signed by both Colleges as a record of the actual transfer of assets and liabilities on merger. The College Seal will have to be applied to the Transfer Deed.

54. There were no issues arising from the review of the draft Transfer Deed.

55. Made available was the proposed merger resolution. The wording of the merger resolution was drafted by Eversheds and the Clerk confirmed the wording was the same as the merger resolution published on the College website that was approved at the Board meeting held 29 October 2018.

56. The Clerk reported that he had sought legal advice from Eversheds on whether this meeting can be used to approve the Transfer Deed and merger resolution prior to receipt of Treasury approval and confirmation that Croydon College has passed a resolution to approve the merger and to accept the assets and liabilities of Coulsdon College. Advice received was that provided it is clearly minuted that the Transfer Deed and merger are agreed but conditional on a) receipt of

Ministerial and treasury written approval, b) the passing of a resolution by Croydon Corporation to approve the merger and to accept the assets and liabilities of Coulsdon College, and c) on a date to be determined and likely to be 1 February 2019 for the merger to take place, then from a Governance perspective, passing the resolution at this meeting would be appropriate.

57. However, as the Transfer Deed was still in draft format, it was **AGREED** to only note the draft Transfer Deed at this meeting but to meet prior to the merger to formally approve the Transfer Deed. If there were no significant changes between the draft and final version then approval would be straightforward.

58. The Clerk advised that there would also be the need to apply the College Seal to the TR1 property transfer document that will transfer Coulsdon College land to Croydon College.

59. Assurances were given that passing the merger resolution at this meeting does not mean the dissolving of the Corporation as of today. The Corporation remains in place up to the date of the merger and Coulsdon Governors remain in post up to the point of merger.

60. Having considered and approved:

- the publication of the results of a statutory consultation exercise undertaken by the Corporation of Coulsdon College in relation to Coulsdon's proposed merger with Croydon College ((as required under The Sixth Form College Corporations (Publication of Proposals) (England) Regulations 2012));
 - the results and recommendations of legal and financial due diligence exercises in respect of Croydon College to ascertain Croydon College's suitability to continue the business of Coulsdon College;
 - the publication of the draft resolutions of Coulsdon College to dissolve and provide for the transfer of its property, rights and liabilities (as required under Article 23(2) of Coulsdon's College's Articles of Government); and
 - the interests of Coulsdon's College's students, staff and wider community,
 - and (i) subject to review and approval of the final draft of the Transfer Deed and applying the College Seal to the Transfer Agreement;
 - and (ii) subject to applying the College Seal to the TRI property transfer document;
 - and (iii) subject to receipt of ministerial and treasury written approval;
 - and (iv) subject to confirmation of the merger date being 01 February 2019;
 - and (v) subject to the passing of a resolution by the Corporation of Croydon College to acquire all the property, rights and liabilities of Coulsdon College, such acquisition to take effect at 00:01 on 1 February 2019, the Corporation of Coulsdon College **HEREBY RESOLVES:**
- i) to approve the transfer of all of Coulsdon College's property, rights and liabilities to Croydon College in accordance with Sections 33O and 33P of the

Further and Higher Education Act 1992 (“**FHEA**”), such transfer to take effect at 00:01 on 1 February 2019 (“**Transfer Date**”); and

- ii) to approve the dissolution of Coulsdon College in accordance with Article 23 of its Articles of Government and the powers in section 27A of the FHEA immediately following the transfer of all of the property, rights and liabilities of Coulsdon College on the Transfer Date; and
- iii) to notify the Secretary of State for Education of these resolutions and the dissolution date as soon as is reasonably practicable after the Transfer Date in accordance with section 33O(4) of the FHEA.

ANY OTHER BUSINESS

60. There was no other business.

DATE OF NEXT MEETING

61. To be confirmed for a date in January prior to the proposed merger date of 01 February 2019. Items to be covered in this meeting to be as follows:

- Approval of the final version of the Transfer Deed and applying the College Seal to the Transfer Deed;
- Approval of the TRI property transfer document and applying the College Seal to the document;
- To record in the minutes that all the pre-conditions set out in minute reference 60(i), 60(ii), 60(iii), 60(iv) and 60(v) have been met;
- That the merger resolution passed at the Board meeting held 10 December 2018 is further endorsed at the final Board meeting; and
- To record thanks and farewells to all current and past governors and to arrange, if at all possible, a farewell governor dinner.

Signed: _____ Date: _____