DERWEN COLLEGE

England & Wales · Charity number 1153280

Details

Status	Registered
Legal form	Charitable company
Company number	08615826
Registered	2013-08-07
Register	View on the Charity Commission register

Contact

Address	Derwen College Whittington Road Gobowen Oswestry SY11 3JA
Phone	01691661234
Email	andrew.smith@derwen.ac.uk
Website	www.derwen.ac.uk

Activities

Objects: - TO PROVIDE EDUCATION, TRAINING AND WORK EXPERIENCE TO PEOPLE WITH LEARNING DIFFICULTIES AND/OR DISABILITIES;- TO OBTAIN OR PROVIDE EMPLOYMENT FOR PEOPLE WITH LEARNING DIFFICULTIES AND/OR DISABILITIES; AND - TO PROVIDE ACCOMMODATION FOR PEOPLE WITH LEARNING DIFFICULTIES AND/OR DISABILITIES (WITH OR WITHOUT THEIR IMMEDIATE FAMILY OR DEPENDENTS) AND WHO ARE IN NEED OF SUCH SERVICES BECAUSE OF THEIR LEARNING DIFFICULTIES AND/OR DISABILITIES.

Activities: - to provide education, training and work experience to people with learning difficulties and/or disabilities - to obtain or provide employment for people with learning difficulties and/or disabilities - to provide accommodation for people with learning difficulties and/or disabilities, with or without their immediate family or dependents

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Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information, Other Charitable Activities
- **What:** Education/training, Disability, Accommodation/housing
- **Who:** Children/young People, People With Disabilities

Geography

- Shropshire
- Telford & Wrekin

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£14,510,221	£14,465,897	£5,509,622	407
2023-12-31	£13,511,473	£12,681,258	£5,465,298	409
2022-12-31	£11,925,119	£11,393,839	£4,635,083	334
2021-12-31	£9,464,157	£10,266,014	£4,103,803	330
2020-12-31	£9,802,607	£9,328,072	£4,905,660	330

Trustees

Name	Role	Appointed
JAMIE WARD	Chair	2015-03-26
Abigail Louise Plowden		2024-03-20
Andrew Grove		2023-03-23
Daniel Jack Owen		2025-03-20
Dr Robert Matthew Bell		2026-02-03
Elizabeth Mary Leigh		2021-03-25
Helen Victoria Cox		2018-10-11
KATHLEEN KIMBER BA		2005-02-16
MICHAEL COWAN		2013-05-23
Ruth Court		2025-03-20
Tracy Leah		2026-02-03

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Linked charities

- DERWEN COLLEGE TRUST (1153280-1)

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DERWEN COLLEGE

England & Wales - Charity number 1153280

Accounts

Derwen College

Trustees' Report and Financial Statements

For year ending 31 December 2024

Registered Charity No. 1153280
Company Registration No. 08615826

Derwen College

Reference and administrative details of the college, its trustees and advisors for the year ended 31 December 2024.

Trustees

Mrs C S Beaumont (resigned 31 January 2024)
Ms L Burns, Chair of Audit and Risk Assurance
Mrs B Court (resigned 28 November 2024)
Mr M Cowan, Chair of Standards and Effectiveness
Mrs H V Cox, Vice-Chair of Audit and Risk Assurance
Mr P Crosby (co-optee)
Mr D P Evison (resigned 25 November 2024)
Mr A Grove
Mrs K Kimber, Chair, and Chair of Search and Governance (resigned 7 July 2025)
Mr B Langfield (appointed 20 March 2024, Vice-Chair of Resources and Business)
Mrs E Leigh (Vice-Chair of Standards and Effectiveness)
Mr S M Lord, Vice Chair
Mrs A Plowden (appointed 20 March 2024)
Mr D Preston (resigned 30 January 2024)
Mrs H Smith (co-optee)
Mr J E Ward (Chair of Resources and Business, appointed Vice-Chair 30 July 2024 (resigned 7 July 2025)), (appointed Chair, and Chair of Search and Governance 7 July 2025)

Company registered number:
08615826

Charity registered number:
1153280

Registered office:
Derwen College, Whittington Road,
Gobowen, Shropshire SY11 3JA

Principal operating office:
Whittington Road, Gobowen,
Shropshire SY11 3JA

Patron:
H.R.H. The Duchess of Kent

Bankers:
Lloyds plc, 28 Regent Street,
Wrexham, Clwyd LL11 1SE

Independent auditors:
WR Partners, Belmont House,
Shrewsbury Business Park,
Shrewsbury, Shropshire SY2 6LG

Solicitors:
Lanyon Bowdler
39–41 Church Street
Oswestry, Shropshire SY11 2SZ

Clerk to Governors and Company Secretary:
Mrs C Thompson

Senior management team:
Mrs M Green, Principal and Chief Executive Officer
Miss N Bellis, Director of People and Resources
Miss K George, Director of Care, Health and Wellbeing
Mr A Smith, Director of Finance and Sustainability
Mrs C Thompson, Director of Communications, Information and Technology
Mrs Z Wood, Director of Learning and Curriculum Development

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The trustees (governors), who are also the directors, of Derwen College Charity, here report on the activities of the Charity in 2024.

We place on record our sincere thanks to all trustees and co-opted committee members who give so generously of their time and constructively of their experience and wisdom. Resignations have been accepted with much regret. They were from people who have felt unable to continue to commit to the demands of time they believed the role required. We offer our very best wishes to them all and look forward to seeing them as friends of the College. We were fortunate to be able to use the resignations early in the year as opportunities to appoint as trustees people we had recently appointed as co-optees to board committees.

Much information about the Charity, its activities and endeavours is to be found on the website: **www.derwen.ac.uk**

Since Derwen College qualifies as small under section 382 of the Companies Act 2006, the Strategic Report, required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, has been omitted.

The annual report serves the purposes of both a trustees' report and a directors' report under company law. The governors confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the second edition Charities Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Derwen College's Mission, Strategic Priorities and Values

Mission: to enable everyone to achieve beyond what they and others believe possible.

Strategic Priorities: Priorities serve to promote Derwen College's purpose: the development and care of students and residents.

Ensure our long-term sustainability

Areas of focus

- △ Rigorous financial management
- △ Constant review and update of provision
- △ Appropriate diversification
- △ Risk assurance measures
- △ Environmental commitment

Excel in every aspect of our operation

Areas of focus

- △ Student programmes and outcomes
- △ Our holistic approach to people
- △ Quality improvement
- △ Staff CPD and performance management
- △ Staff wellbeing
- △ Compliance monitoring
- △ Response to changing legislative environment and the SEND landscape
- △ Being a learning organisation

Make the most of our exceptional resources

Areas of focus

- △ Accommodation review and planning
- △ Campus management
- △ Commercial developments
- △ Satellite opportunities
- △ Safeguarding
- △ Partnerships

Be trailblazers, initiators and researchers

Areas of focus

- △ Our position / reputation within the sector
- △ Risk appetite
- △ Initiatives and innovations
- △ Marketing, publicity and communication with stakeholders
- △ Award applications
- △ Build thirst for increased understanding

Our Values:

2024

From strength to strength

Our 2023 Reflections concluded with our statement that we believed the Derwen College charity to be in a strong position, much having been achieved. We were committed to embedding the many developments in hand and pursuing our rigorous drive for continuous improvement. This is what has characterised 2024.

- Our provision for students with Profound and Multiple Learning Disabilities (PMLD) now successfully includes residential accommodation. Additional programme provision, Nurture 2, has been planned and implemented.

- A Student Wellbeing Strategy 2024–26 has been implemented, focusing on the following themes:
  - Social, emotional and mental health
  - Physical exercise
  - Diet and Nutrition
  - Quality of Life
  - Sleep

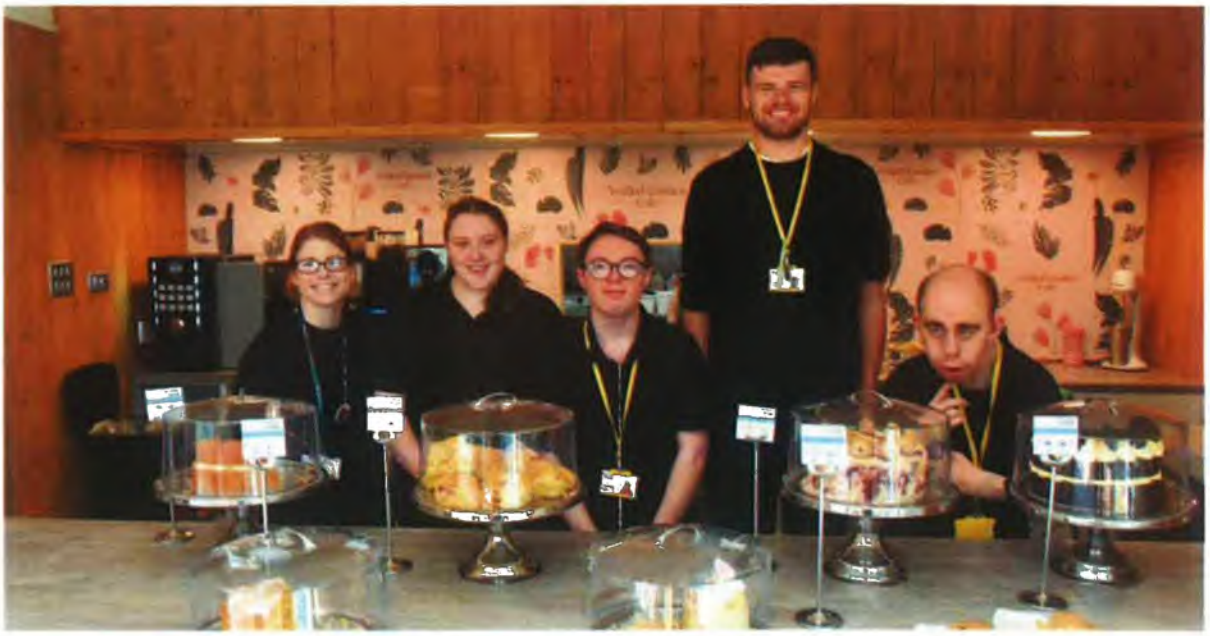
- Derwen College Consulting Ltd has completed its initial international contract. Derwen College has been sharing expertise and working with the Kuwait Society for the Handicapped (KSH) to create and develop the country's first ever specialist further education college, Gharnata Training Centre.

- The year-end accounts showed a positive outturn, as did the budget for 2025.

- The Ludlow satellite has successfully recruited students and reopened.

- The Colleague Engagement Survey showed the most positive results for several years.
- Derwen College became part of the AoC College Collective, a peer sharing group of high performing colleges. Participating colleges put forward three experts each year who then receive coaching, training and accreditation from the Institute of Leadership and Management. Our first year has been successfully completed.

- Student numbers exceeded targets in September 2024. Sadly, 13 applicants were still awaiting the outcome of tribunals, a situation which gives no one satisfaction.



Snapshots of highlights and activities in 2024:

Recognitions and awards:

- NASEN Further Education Provision of the Year 2023 for the quality of student offer and range of opportunities provided for students.
- UK Career Development Award – for Careers Programme of the Year in Post-16 Education. Judges' comment: The approach was highly inclusive and underscored by strong ethical principles.
- The Nursing Team were finalists in the Royal College of Nursing annual awards with their innovative hearing programme.
- Royal Horticultural Society and Heart of England in Bloom It's your neighbourhood Award Level 4 – for work of Horticulture students and staff in Cae Glas Park, Oswestry.
- Five students were nominated for the High Sheriff of Shropshire Awards.
- On 12 May Derwen Dance Crew (DDC) hit the floor at Audacity Events' Ultimate Dance Competition. DDC came first in the musical theatre category and went straight to the Championships in February with a judges' 'Wildcard'. They also came first with their street dancing routine, with another national slot.
- Three staff members were recognised as experts in their field and became members of the Association of Colleges College Collective Expert Programme.
- Retail and Enterprise students and Hospitality and Food students are through to the next round of the World Skills competitions in table laying and enterprise.

College activities:

NASEN's Young Person Advisory Group
The National Association for Special Educational Needs invited students from the Student Council to join an Advisory Group, a platform for people aged 16–25 with SEND to share their views on resources, events and training.

Natspec Learner Voice Forum and Student Parliament
The College hosted, for the first time, the Midlands regional and national Forum and Parliament. The events involved lots of planning and preparation with a mixture of in-person attendance by other Midlands specialist colleges and a live link to other regions. Students played a key role, hosting and taking part in the debates

Derwen Digest is the new student newsletter, put together and edited by students, contains update from around College, promotes clubs and societies, and gives details of key dates and activities.

Hospitality student and **expert beekeeper Sophie** starred in her own 'MeMovie' at Aico HQ auditorium, in Oswestry on 20 March. The grand premiere of Sophie's MeMovie, produced by charity the WoodMor Foundation, showcased the transferable work skills she had learnt at Bee Club.

The Print Shop at the Telford site opened in the Autumn, offering a wide range of services

Retail & Enterprise Industry Day
Retail students enjoyed a dedicated 'Industry Morning' in March where they explored skills needed for employment. Guest speakers included representatives from the retail sector and Police Force.

Forty seven students were enrolled on the **Duke of Edinburgh's Award**. Three students completed Gold and eight of last year's Gold Award students attended Buckingham Palace in May.

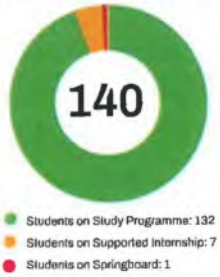
Students enjoyed a wonderful **Pride-themed Glitz and Glitter Party Night** organised by the Student Council.

The Student Council hosted the first **Paper Free Campus Day**, saving 2,700 sheets of paper.

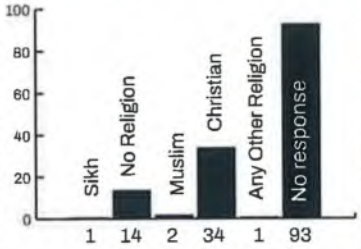
The students in 2024

Derwen College — Student Cohort 2024 Spring Term

Total number of students



Religion



Ethnicity

- 130 English/Welsh/Scottish/NI
- 1 Indian
- 1 Pakistani
- 3 White and Asian
- 2 White and/or Black Carribean
- 1 Any other white background
- 1 Any other mixed/multiple ethnic background
- 1 Any other ethinc group

16 Learners 16–18 yrs

124 Learners 19+ yrs

Biological Sex

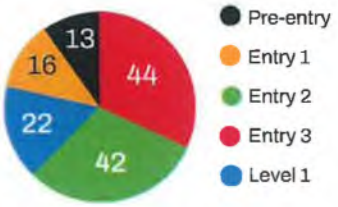
81 Male

59 Female

119 English funded

21 Welsh funded

Number of students working at each level



Number of students at each site

- Gobowen 107
- Telford 24
- Walford 9

76 Residential students

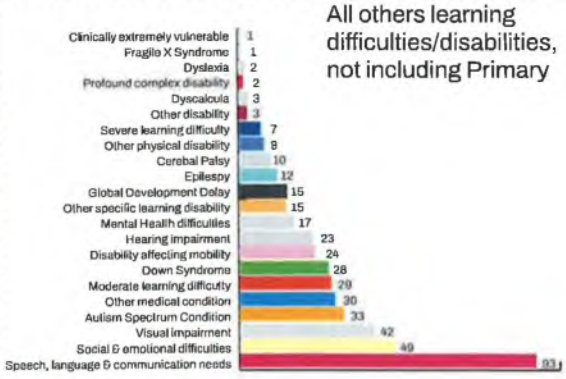
64 Day students

Learner's main Pathway

- 6 Sports & Fitness (Walford)
- 21 Retail & Enterprise
- 18 Perfoming Arts
- 5 Nurture Programme (strand 1)
- 13 Learning for Life
- 3 Horticulture (Walford)
- 17 Hospitality (Telford)
- 37 Hospitality & Food
- 18 Horticulture
- 4 Business Support, Sales & Marketing (Telford)
- 1 Hospitality and Housekeeping (Telford)

Primary learning difficulties/disabilities

All others learning difficulties/disabilities, not including Primary



Pathways and programmes

During the admissions process, students make an informed choice about which pathway or programme to embark on when they start at Derwen College. Pathways are detailed programmes, adopting a holistic approach to student development, and constantly under review. It is possible for students to link two pathways; this proves effective for many. The following pathways and programmes are available:

Gobowen: residential and day provision

- △ Horticulture (vocational pathway)
- △ Hospitality and Food (vocational pathway)
- △ Retail and Enterprise (vocational pathway)
- △ Performing Arts (vocational pathway)
- △ Learning for Life (programme)
- △ Nurture 1 and 2 (programme)
- △ Springboard (programme)*
- △ Supported Internships (programme)

Telford: day provision

- △ Work and Independence (programme)
- △ Springboard (programme)*
- △ Supported Internships (programme)

Walford: day provision

- △ Work and Independence (programme)
- △ Springboard (programme)*
- △ Supported Internships (programme)

Ludlow: day provision

- △ Work and Independence (programme)
- △ Springboard (programme)*
- △ Supported Internships (programme)

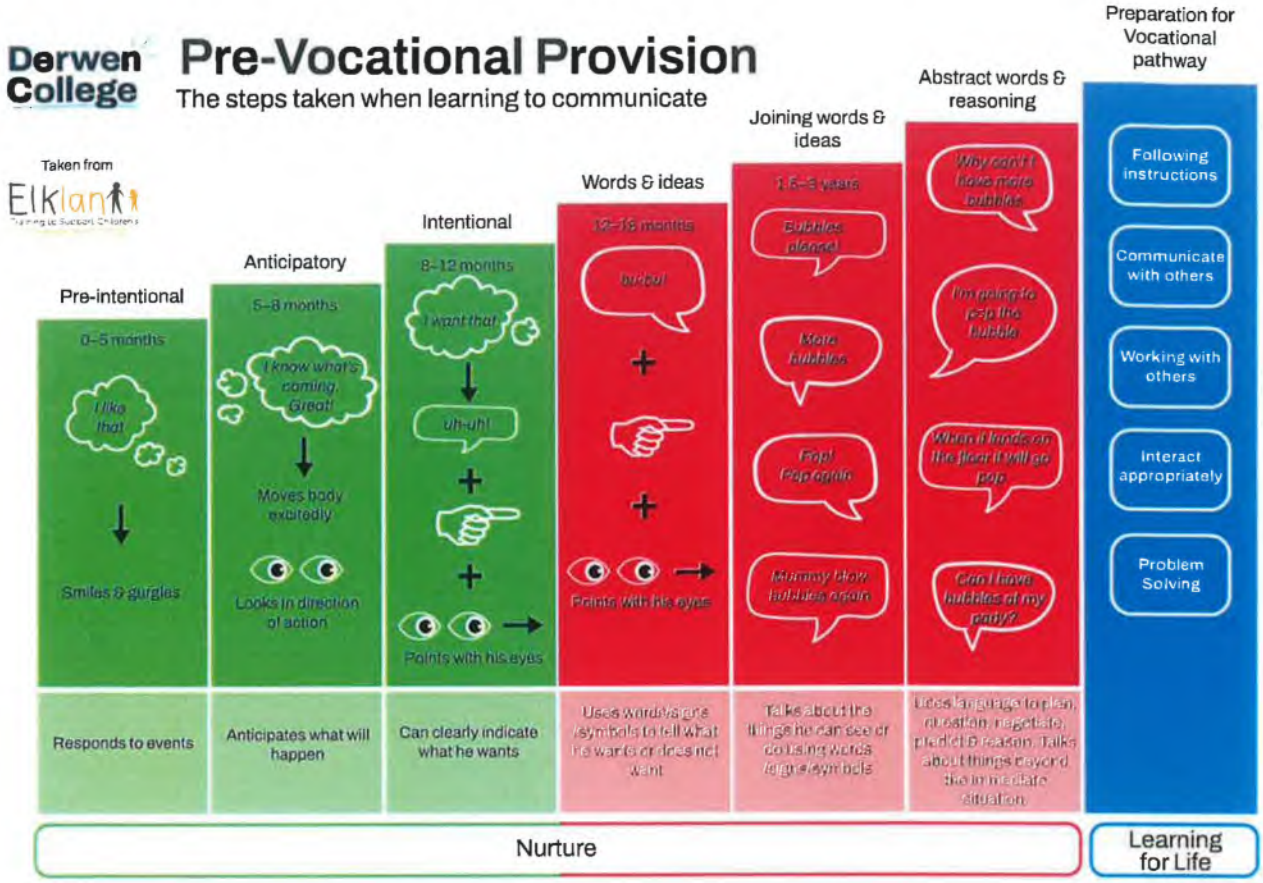
* Springboard is funded through social care

As part of most pathways, students will also access:

- Work experience
- Independence
- Sport, leisure and wellbeing
- Personal, social and health education
- Functional Skills
- Careers education, information, advice and guidance
- Learner Voice
- Student Council

Care and therapy provision is available for all students. This is often critical to student success, enabling them to access all parts of their college experience more effectively. We have occupational therapy, physiotherapy, speech and language therapy, specialist nursing and access to clinical psychology.

Much research has been put into preparing the Nurture 1 and 2 Pathways (now merged into one pathway) and staff training and the provision of appropriate resources and accommodation have been undertaken.



Outcomes

Student progress against their Education Health and Care Plans (ECHP), or their Individual Development Plan (IDP), and their agreed personal targets, are closely monitored. The number of students proceeding to part-time employment, voluntary work or further education has increased, although their learning difficulties and disabilities are more complex than in previous years.

Derwen College ensures that working with students to enhance all their chances of success, happiness and fulfilment after college are a high priority, by developing work ready skills, increasing their independence and ability to look after themselves, and promoting social, cultural and sporting engagement and interaction.

Destination Data – Overall										
Collection – Year	Actual 19–20		Actual 20–21		Actual 21–22		Actual 22–23		Actual 23–24	
Planned Leavers	33		33		43		41		78	
Work outcomes										
Paid work 16hrs+	0	0%	0	0%	1	2.33%	3	7%	0	0%
Paid work less than 16hrs	2	6.06%	5	15.15%	4	9.30%	7	17%	3	3.8%
Voluntary work	3	9.09%	4	12.12%	9	20.93%	6	14%	9	11.5%
FE – another provider	4	12.12%	9	27.27%	16	37.21%	10	24%	8	10.3%
FE – returning to Derwen College									7	8.9%
FE – Derwen College Supported Internship									12	12.8%
FE – Derwen College Springboard									3	3.8%
Not in paid employment/looking for work	3	9.10%	0	0%	6	13.95%	1	2%	0	0%
Community activities	10	30.30%	3	9.10%	3	6.98%	10	24%	11	14.1%
Awaiting confirmation of plans (or not known at this stage)	11	33.33%	12	36.36%	4	9.30%	5	12%	25	32.1%
Living outcomes										
Supported independent living	8	24.24%	10	30%	10	23.26%	9	21%	9	11.5%
Residential placement					2	4.65%	1	2%	1	1.3%
Residential placement at Derwen College									11	14.1%
Living with family – Day student at Derwen College									11	14.1%
Living with family	17	51.52%	4	12%	17	39.53%	19	45%	16	20.5%
Living with family pending supported living	1	3.03%	8	25%	7	16.28%	6	14%	5	6.4%
Awaiting confirmation of plans (or not known at this stage)	7	21.21%	11	33%	7	16.28%	7	18%	25	32.1%

The Clients in 2024

It is one of the objectives of Derwen Charity to provide accommodation for people with disabilities and learning difficulties. The trustees work closely with the Senior Leadership Team to ensure that all accommodation remains fit for purpose for the 85 students and 30 clients who reside at college.

Clients at Derwen College have been an integral part of the college community for many years, and have led very fulfilling lives, many of them living independently with minimal support. Generally, all clients are assessed and reviewed by their funding local authority on a fairly regular basis, and for those clients who have been assessed as having care and support needs, this is currently being provided by Derwen Care if the clients opts for this. Over the last four years we have seen a steady increase in the care and support required for the majority of our clients.

Our commitment is to offer high quality supported living and to continue to look at:

- how we provide for the wellbeing of the clients
- how we can ensure their long-term security
- what we can do to offer meaningful activity in their daily lives
- how we offer care and support and how we do this within current regulations and concepts of best practice.

All clients have an up-to-date tenancy agreement. Clients have access to many activities, both on- and off-site. For example, volunteering to work in The Vintage Advantage, our charity shop, and their contribution to Oswestry in Bloom's success in Cae Glas Park achieved an Award. The trustees and Senior Leadership Team are keeping this provision under close scrutiny.

Performance and quality

Derwen College, a learning establishment, is characterised by a drive for continuous improvement and has strong and varied processes of reflection, evaluation and analysis. The Quality Assurance Calendar (QAC) is updated annually and gives an overview of the depth and breadth of activity to review performance and to learn from the outcomes, so that improvement can be made. There is a strong culture of undertaking continuous professional development, commissioning audits and reports, including from external bodies, to gain the benefit of additional expertise and insight.

Internally

There is a well-established, thorough and transparent self-assessment system. Quality and the achievement of Improvement Plan targets are monitored throughout the year and the formal departmental evaluations of performance and outcomes are moderated at the end of the summer term by panels, which include trustees.

The comprehensive self-assessment and data analysis support the following judgements for the College's performance 2023–24:

- **Overall effectiveness: Good**
- Quality of education: **Good**
- Behaviours and attitudes: **Outstanding**
- Personal development: **Outstanding**
- Leadership and management: **Good**
- Safeguarding: **Effective**

Key strengths identified included:

- Curriculum intent is clear and very appropriate, laying the foundation for a well-designed, high quality curriculum that is well understood by relevant stakeholders.
- Curriculum implementation across all sites is good. Teachers are well qualified and experienced to deliver ambitious and innovative programmes appropriate to learners' individual aspirations and support needs.
- Curriculum impact is very good. Learners make excellent progress in preparing for adulthood and develop knowledge, skills and behaviours to enhance their quality of life, employment opportunities and independence in everyday life.
- Students' achievement of their planned outcomes is excellent; the number of leavers progressing into employment is particularly impressive.

Inspection and public recognition

External Quality Assurers' feedback from awarding bodies is extremely positive. Derwen College holds the Matrix Standard and was re-accredited in 2024. Comments from the report included:

- During the assessment, there was evidence provided by students, partners, and staff of a friendly, welcoming, and professional service. All stakeholders involved in the assessment believe that the support (CEIAG) provided by all staff is highly effective in preparing students for their next step.

- The wrap-around support provided by staff is reinforced by a robust approach to safeguarding and constantly measuring and evaluating the students' responses to equity, health, and well-being, and feeling safe at Derwen College.
- The pathways are supported by the embedded CEIAG and achieve excellent positive outcomes such as improving attendance, timekeeping, resilience, confidence, teamwork, and communication.
- There are many examples of Derwen College students going on to their next steps and examples of progressing beyond their own, and their parents'/carers' expectations.

Derwen College was inspected by Ofsted from 9–11 November 2021, gaining the following grades:

- **Overall effectiveness: Good**
- Quality of education: **Good**
- Behaviours and attitudes: **Outstanding**
- Personal development: **Good**
- Leadership and management: **Good**
- Provision for learners with high needs: **Good**

The report included:

Senior leaders have created a caring, calm and inclusive environment for staff and students. Staff have high standards and clear expectations of learners' behaviour. As a result, staff support learners well. Learners' behaviour and attitudes are exceptional, and they make good progress in their vocational course and independent living skills.

Learners become more independent in their personal lives. Through regular tutorials, learners participate in discussions and take more control of their decision making.

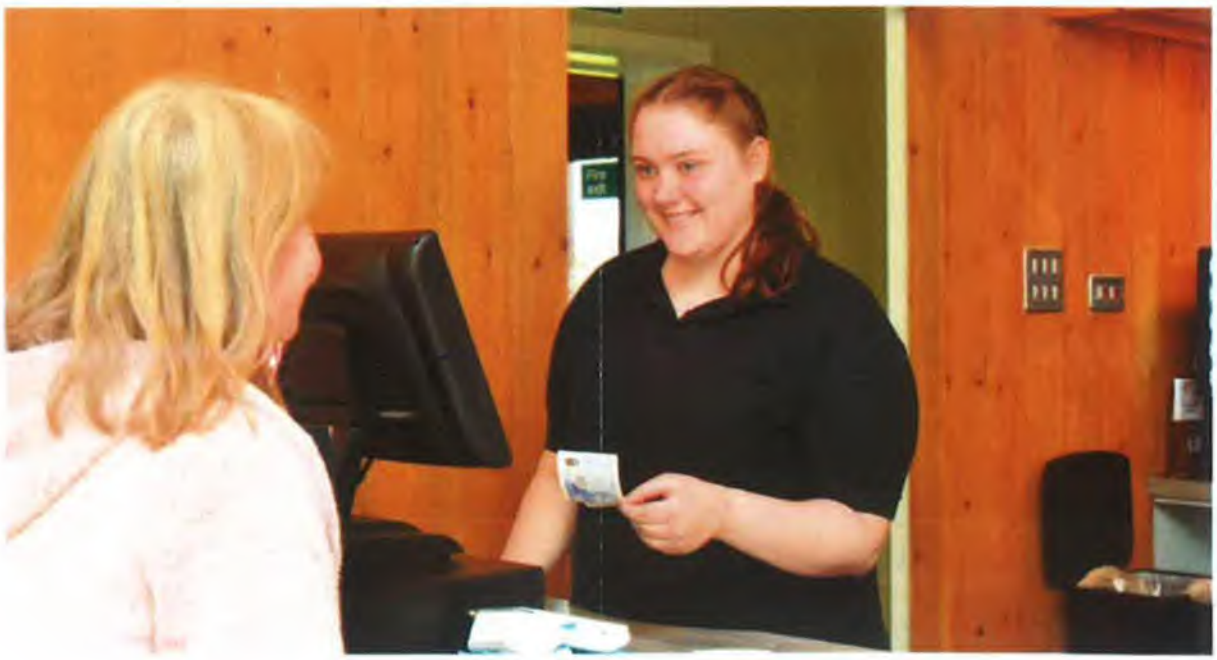
They improve their ability to travel, shop, cook and manage their personal laundry. As they acquire these skills, they move successfully into more independent living arrangements. Learners benefit from a wide range of extra-curricular activities... Learners are encouraged to join the thriving student union and to represent their fellow students... Representatives improve their communication skills and negotiate improvements for the benefit of all learners.

The Care Quality Commission carried out a focused inspection on 16 and 17 November 2022, reviewing specific areas identified in their 2019 inspection. The College has the following grades:

→ Is the service safe?	**Good**
→ Is the service effective?	**Good**
→ Is the service caring?	**Good**
→ Is the service responsive?	**Good**
→ Is the service well led?	**Good**

During the regular monitoring of Food Safety and Hygiene standards all residences were awarded a five-star rating.

Many members of the public do not fully understand learning difficulties and disabilities and their impact on individuals – and on those closest to them. Progress is equally difficult to understand. What may seem a small and inconsequential step to some people can, in fact, be a major achievement and life changing.



Staff and trustees are committed to ensuring life-enhancing progress for students and clients and feedback from families brings constant testimony to such progress. Some comments from 2024:

A worry as a parent can be whether our young people will get the good care they would otherwise get at home. .... Staff and carers at Derwen College made sure that absolutely all areas were covered..... his medicine in a safe in his room, an epilepsy monitor attached to the bed, switches in his room to help him ask for help, Makaton trained staff to mention but a few things.

[Student) has truly thrived as a student at Derwen College! His time there has done for him exactly what we were hoping for. A major obstacle for him has always been his communication skills and with that his confidence. Having spent three years in a nurturing and inclusive environment, he is now a confident young man, happy to chat with people using his voice.

He has learnt that using his charm and winning personality to start interacting with people is a great superpower. [Student]'s independence has grown immeasurably by simply being exposed to a great variety of experiences in a supportive setting.

The start of his college career was tough for [student]. He had previously not been able to access much respite and it took lots of encouragement and support for him to realise that it was actually pretty ok at college. The Juniper Court staff and other students were amazing at supporting him and made him feel safe and start to enjoy his time there to the fullest.

He has loved the social aspect of being a residential student, learnt to take responsibility for his laundry and tidiness, enjoyed helping others, has made lots of friendships, worked hard, and thrived on succeeding in his tasks.

The three years at Derwen College, with all its experiences, has set him up for a great adult life living to his potential as independently as possible.
–Parent of student leaving Derwen.

Thank you for arranging [prospective student]'s transition day, she really enjoyed it. It has made a huge difference on how she is feeling and is now looking forward to September so much. It was lovely to meet her key worker. She is great and they got on so well.
–Parent of student starting in September

Thank you so much for a wonderful show on Friday. We were there with extended family and we all thoroughly enjoyed it! It was such achievement for all the students, [student] and everyone looked like they were having so much fun and thanks to you and the team's hard work it was a great success. [Student] is already looking forward to the next one (as we are!)
–Parent of current student

I just wanted to let you know how fabulous the staff were with [student] when I dropped him off yesterday evening. He was pretty upset, but the staff rallied to make him feel at home. I was grateful for their support as [student] has separation anxiety when I bring him over, and it can be pretty tricky for him.
–Parent of current student

Rest assured, speaking as a parent of a former student, you will not regret choosing Derwen College for your young person. It was the best experience one could hope for
–Parent of former student. Comment on Facebook

Development projects

Change and innovation are constant and the Resources and Business Committee leads on the in-depth consideration of development proposals and the monitoring of progress.

A **capital expenditure plan** is agreed annually. In 2023, a major consideration was the further adaptation of buildings to ensure the best possible environment for students on the Nurture programme. This has continued and includes provision for the expanded programme, Nurture 2. In 2023–24, we saw the first intake of residential Nurture students. This and the continued upgrade of the Agnes Hunt Village properties, which provide student and client accommodation, are the most costly projects.

The Commercial Outlet Strategy is kept under review. This ensures that commercial initiatives are in line with curriculum needs, industry standards and students' individual needs and aspirations.

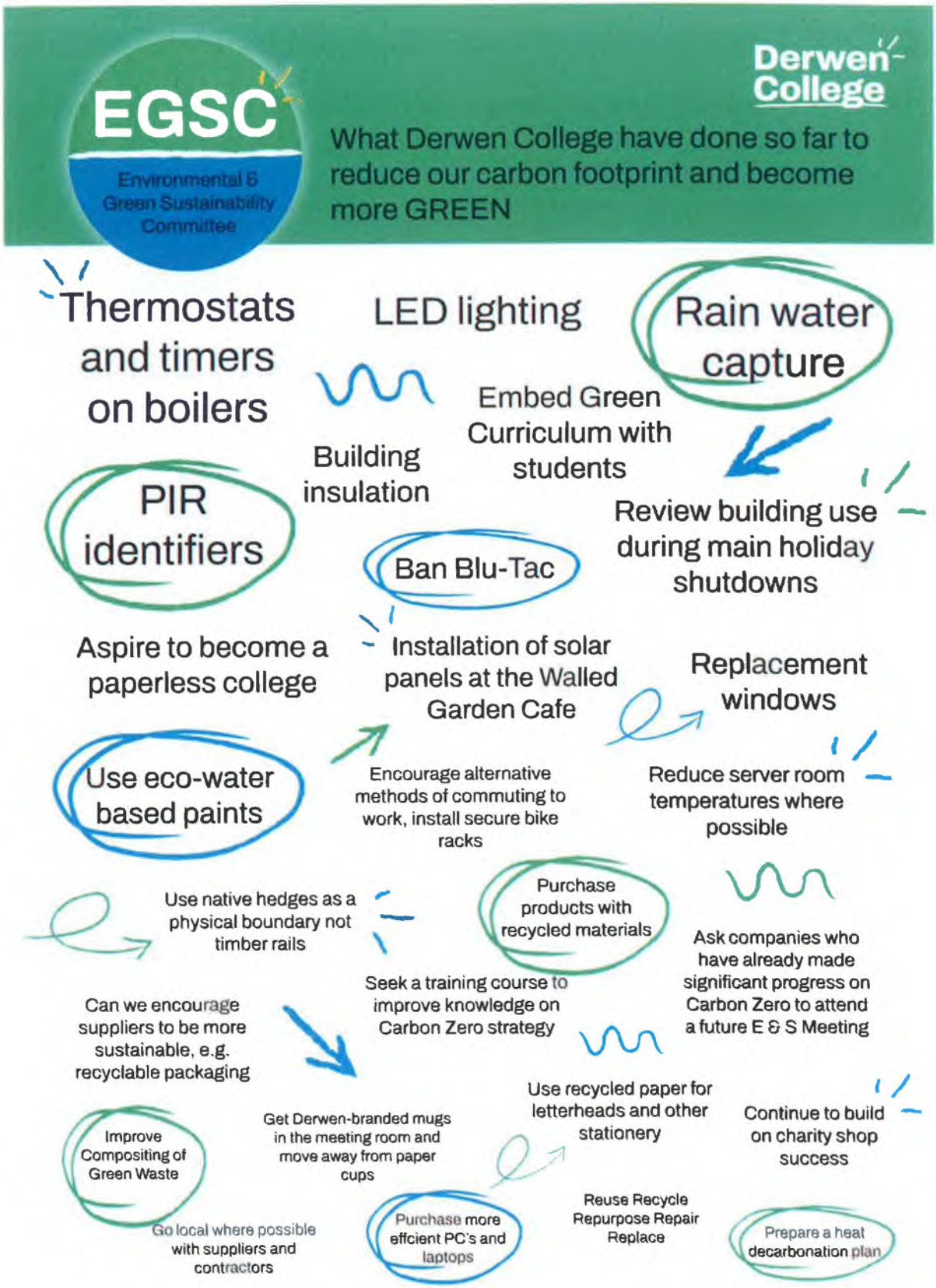
The strategy encompasses all outlets that offer an opportunity for the Charity to generate a commercial income, both on- and off-site. Derwen College as a destination provides:

- Garden Centre & Gift Shop
- Walled Garden Café
- Vintage Advantage Charity Shop
- Ebay and online shop
- The Orangery Restaurant
- Woodland Walk
- Station Café

The Student Union Board (renamed the Student Council in autumn 2024) raised questions about the accessibility of some parts of the site, and, starting with Horticulture and the Student Union building, have worked with relevant staff to identify issues and improvements. From this starting point, the work has developed and there is now a comprehensive, cross-college Accessibility Action Plan for the next three years.

In December 2021, the staff **Environmental & Green Sustainability Committee** (with trustee membership) was formed. The Board supported the College commitment to the Shropshire Zero Carbon pledge. The group's objectives and aims are agreed, members received Carbon Literacy training, and a detailed Reduction of Carbon Footprint Action Plan was costed, agreed, and is regularly monitored.

The plan captures both large and small initiatives. The larger projects (for example the way the College heats its buildings) by their very nature have significant financial implications and are considered as part of the overall capital expenditure budget. How green issues and sustainability are being included in the curriculum has been reviewed.


EGSC
Environmental & Green Sustainability Committee
Derwen College
What Derwen College have done so far to reduce our carbon footprint and become more GREEN
Thermostats and timers on boilers
LED lighting
Rain water capture
Embed Green Curriculum with students
Building insulation
PIR identifiers
Review building use during main holiday shutdowns
Ban Blu-Tac
Aspire to become a paperless college
Installation of solar panels at the Walled Garden Cafe
Replacement windows
Use eco-water based paints
Encourage alternative methods of commuting to work, install secure bike racks
Reduce server room temperatures where possible
Use native hedges as a physical boundary not timber rails
Purchase products with recycled materials
Ask companies who have already made significant progress on Carbon Zero to attend a future E & S Meeting
Seek a training course to improve knowledge on Carbon Zero strategy
Can we encourage suppliers to be more sustainable, e.g. recyclable packaging
Use recycled paper for letterheads and other stationery
Continue to build on charity shop success
Improve Compositing of Green Waste
Get Derwen-branded mugs in the meeting room and move away from paper cups
Purchase more effcient PC's and laptops
Reuse Recycle Repurpose Repair Replace
Prepare a heat decarbonation plan
Go local where possible with suppliers and contractors

Green Skills in the Curriculum

Through May and June, a full evaluation of every building on the Gobowen campus was carried out, reporting a total value of just over £50 million.

Leadership, management and staffing

The Senior Leadership Team (SLT) is headed by Meryl Green, the Principal and CEO, supported by five Directors and the following directorates:

- Finance and Sustainability – Andrew Smith
- People and Resources – Natalie Bellis
- Care and Independence – Karen George
- Learning and Curriculum Development – Zoe Wood
- Communication, Information and Technology – Carol Thompson. This Director is also the Company Secretary.

They have proved a committed and very able team, with whom trustees work particularly closely. They ensure quality, provide real vision, drive and challenge and are supported by highly competent senior managers and department heads.

Included in their responsibilities are safeguarding and Equality, Diversity and Inclusion (EDI). Safeguarding is embedded in all that happens and staff training closely monitored. Named trustees are members of the staff Safeguarding Committee and, before every Standards and Effectiveness Committee meeting, they undertake a detailed review, with relevant staff, of current preoccupations, concerns, activity and reports. These are discussed at the Standards and Effectiveness Committee and reported to every board meeting.

Pay policy for key management personnel

The remuneration and terms and conditions of employment of the members of the SLT are agreed by the Board, following an established procedure. Annually the Chair meets each member of the team and offers the opportunity for the individual to reflect and give feedback and comment on role, status and operational activity and any matter related to her/his employment.

The Chairs of the Board and Committees and Vice-Chair of the Board meet and consider all the feedback and comment, working with the CEO/Principal when discussing the directors, and using any available benchmarking data. A proposal for Board consideration is drawn up. This is discussed at the full Board meeting, with no staff present, and a decision made.

Employee involvement, employment of people with disabilities and volunteers

Staff numbers continue to increase, reflecting the new and expanded provision and the increasing complexity of students' disabilities. Nationally, the labour market for colleges has become much tighter but Derwen College has yet to experience the critical recruitment difficulties many are experiencing. The 2024 staff engagement survey, conducted in the summer, produced an overall engagement score of 87%, compared to 76% in 2022. The Leadership Team is now working with senior managers to conduct focus groups to inform the development of a Colleague Engagement Action Plan for 2024–25.

Continued professional development is closely monitored and any low completion rates are actively followed up. Trustees have been pleased to see the continually increasing staff wellbeing facilities and programme. Employees are consulted on issues of concern to them by means of the Staff Forum, staff meetings and a confidential and anonymous intranet link. They are kept informed on specific matters directly by management and through the weekly Staff Newsletter.

Volunteers are welcomed, contribute to Derwen College's operation, receive an induction process and are DBS checked. In accordance with the Equal Opportunities Policy, Derwen College has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Governance

Constitution

Derwen College is registered in England and Wales as a charitable company, limited by guarantee, and was set up by a Trust deed.

Members' liability

The members of the college guarantee to contribute an amount not exceeding £1 to the assets of the college in the event of winding up.

Qualifying Indemnity Insurance

The Combined Insurance Policy includes a qualifying indemnity provision for the Trustees of the College and its Defined Benefit Pension Scheme

The development of the Charity

Derwen College Charity has a long pedigree. It was founded in 1927 by Dame Agnes Hunt and was originally associated with the Robert Jones and Agnes Hunt Orthopaedic Hospital in Gobowen. The Derwen Estate was purchased in 1928 and the first trust deed was established on 3 August 1932. It was varied or affected by schemes of the Charity Commission dated 25 January 1968 and 18 August 1972, and then consolidated in the Deed of 29 November 1988.

An incorporated charity was established on 18 July 2013, Derwen College (charity number 1153280, Companies House number 8615826). The former charity remains in existence as Derwen College Trust (charity number 208745) with the sole purpose of managing the permanently endowed property. It appointed as its trustees the new Derwen College Charity.

The solicitors drew up a uniting directive which allows a single set of accounts to be drawn up, as the two entities have the same financial reporting period. 'Linked' financial statements for both Companies House and the Charity Commission are submitted annually for reporting purposes.

Methods of appointment or election of trustees

The control of the charity, its property and funds is in the hands of the trustees (governors), who are also the company directors, and who are appointed in line with the Articles of Association. All potential governors undertake a formal interview process which includes a fit and proper person's assessment. Appointments are approved at Board level. Governors

are often appointed from the ranks of Committee co optees. These positions enable people to become familiar with the college, its operations, and the governance system and processes.

The Board's Search and Governance Committee formally reviews the specialisms, strengths and characteristics of the members and of the Senior Leadership Team annually, including diversity. The Board has adopted the Charity Code of Governance.

Policies adopted for the induction and training of trustees

Governors receive an appropriately resourced induction when they join the board. This includes meetings with senior management and formal, often on-line, training. Governors have links with senior management and access to videos covering all areas of the charity's work. Governors have briefings, site visits, learning walks and ongoing learning and development.

The regulatory framework

Under the agreed Articles of Association, to which Derwen College is now working, there are:

> at least seven and not more than twelve co-opted trustees, appointed by resolution of the Board conforming to any criteria the Board determines. The term of office of all trustees is five years, with an expectation that usually after three terms of office the trustee shall be eligible for re-election only after a year has elapsed.

The Board co-opts additional members to committees in order to benefit from people's experience and professional expertise.

Trustees' activity in 2024

The Board adopted the Charity Code of Governance, for larger charities, adheres to its principles, and monitors all aspects of its performance against the Code. It has developed a very positive working relationship with the Senior Leadership Team, which recognises the need for trustees to provide effective challenge as well as active support.
In recent years, and particularly for the last two, reflection on the procedures and processes adopted for strategic planning and monitoring has led to more detailed consideration of the external factors influencing Derwen College and the context within which it works. The strategic priorities underpin agenda items and decision making, and trustees maintain their primary commitment to ensuring that the beneficiaries of the Charity, and their wellbeing, are the focus of discussion and activity.

Much of the detailed analysis and scrutiny of the College's operation is managed by the Board's committees, of which there are four. The Resources and Business Committee was formed in the summer 2020 drawing together work previously undertaken by the Business and Finance, Estates, and Human Resources Committees.

A new committee was formed at that time, Audit and Risk Assurance, that undertakes work across the whole College's operation. The Standards and Effectiveness Committee continues its focus on care and the curriculum, with a specific brief for safeguarding and reporting on this at each board meeting. The Search and Governance Committee monitors the profile of the Board and the quality of governance.

All committees were busy and offered detailed scrutiny of plans and proposals and monitored progress across a wide range of Derwen College's services and activities. Reports and papers for meetings continued to be honed and improved; the focus has to be on analysis and reflection, with opportunities and issues clearly identified and options presented.

The work of all the committees is drawn together at the Board meetings, and committee papers are made available online to all trustees. Nevertheless, it is not really

possible for a trustee to claim to be fully informed, such is the complexity of the Charity, and its constant response to challenge and change!

Trustees give generously of their time, experience and expertise. This is not confined to meetings! Trustee Mark Lord's concert, at the Holroyd Community Theatre, took place again in the summer.

The concert featured Performing Arts students, with canapes and drinks served by Hospitality and Food students. Ticket sales and a raffle raised £2,000. Trustees offer their services for fundraising events and give of their time to visit all campus activities.

Financial management

A going concern

The audited and approved annual accounts are submitted by the due dates to both the Charity Commission and Companies House. After making all appropriate enquiries, very thorough consideration of draft budgets, and cash flow up to 2026, and having taken key strategic decisions, the trustees expect the Charity to have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing financial statements.

Reserves policy

The note to the accounts shows the assets and liabilities attributable to the various funds by type and summarise the year's movement on each fund.

The total funds of the charity were £5,509,622 (2023: £5,465,298) of which restricted funds were £396,265 (2023: £459,223) and endowment £2,248,256 (2023: £2,418,385).

The unrestricted funds amounted to £2,865,101 (2023:£2,587,690) of which there is a surplus of £1,576,199 (2023: £1,316,926) relating to free reserves. The current reserves policy followed by the Governors is to have a total reserves figure of up to a maximum of 50 days of expenditure. The current free reserves figure is 36 days (2023: 38 days).

Reserves may need to be utilised during the short to medium term for cash flow and for capital projects. The Governors consider this to be judicious and appropriate especially in the current climate of uncertainty surrounding funding approvals and budgetary restraint. In 2019 the FRS102 defined benefit pension scheme closed to new members and future accrual, it therefore currently has no active members. As a result, the pension asset is no longer included within the charity's balance sheet (2023: £Nil).

Financial summary

During the year the net movement in funds was a surplus of £44,324 (2023: £830,215). Net current assets stand at £1,371,278 (2023: £1,527,055) with the closing cash position of £1,056,982 (2023: £1,600,511). A further £513,521 is held in a short-term investment account (2023: nil).

The subsidiary company, Derwen College Consulting Ltd carried out no consultancy work during 2024, and therefore no income has been generated (2023: £421,350). The surplus of £378,546 generated in 2023 was gifted to Derwen College in 2024. These figures have been included in the consolidated accounts.

The achievement of public benefit

In setting objectives and planning for activities, the trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity' (PB2).

Derwen College transforms lives. The number of students who proceed to Supported Living, progress in managing their medication, travel and healthy eating, clients' response to the meaningful activities programme, the amazing number who gain Duke of Edinburgh's Awards each year, the confidence shown in work placements, performances and encounters with the public, are all examples of significant development and growth.

The quality of provision is inspected by Ofsted, the Care Quality Commission and other agencies. The Board believes that Derwen College provides excellent value for money to the public purse and that student outcomes mean they can be less dependent on benefits throughout the rest of their lives. The high level of staff expertise and commitment are key factors in the success of the College's management of learning, student support and innovation.

It is also evident that, in meeting the specific complex needs of those with SEND from across the country, Derwen College represents very efficient and effective use of public money. Students need access to much specialist provision, and it often needs to be on hand every day and through the night.

It is only when sufficient numbers of students come together that employing specialist teachers, therapists, nurses, and care staff becomes achievable and cost effective. Smaller establishments are not able to recruit and retain staff in this way. In order to meet the commitment to post-16 students with significant and complex SEND, national specialist colleges are essential.

The management of principal risks and uncertainties

The trustees regularly examine the principal areas of Derwen College's operations and consider the major risks faced in each. There are established resources and review systems which, under normal conditions, should allow any risk to be managed to an acceptable level in the College's day to day operation.

Derwen College's risk management has two distinct tiers: strategic and operational. The operational level is reviewed on a 'real time' basis and deals with individual departments, beneficiaries and staff, functions and duties. At the strategic level, the Senior Leadership Team reviews the risk assessment register monthly and it is reviewed at least termly as part of the College Quality Improvement Plan.

They are scrutinised at every Audit and Risk Assurance Committee meeting. Issues are debated and reported to board meetings. This includes College pension arrangements, insurances and trustee responsibilities to ensure these remain in line with current legislation and operational factors.

Derwen College's spacious campus is generally open to visitors and customers in the public areas, Derwen Marketplace, and is imaginatively and purposefully managed to enable students to interact with staff and members of the public appropriately and safely. However, the open plan nature of the campus and the heightened staff awareness of potential hazards necessitate regular reviews.

Gates were erected at strategic points on the campus enabling a secure area for students, away from the public areas, to be closed off at 9pm each evening. The central area of the College is pedestrianised. Departmental operational risk management encompasses all locations and individuals.

There has been an ongoing major installation of CCTV monitoring equipment, the replacement of intruder alarms, and significant upgrading of pathways. In 2023, the College began a trial of an acoustic monitoring system in student bedrooms, to allow for ongoing monitoring of student safety whilst minimising interruptions of their sleep. The successful pilot has led to the system being rolled out across more residences, and continues into 2025.

Site safety is reviewed through the Health and Safety Committee, which includes trustee membership, is audited by specialist advisors and monitored by external agencies. A full time Health and Safety Manager ensures the scrutiny of all aspects of Health and Safety and appropriate action plans are rigorously implemented.

Derwen College provides a safe and supportive environment for learners to access the internet, including social networking sites. Staff give a high priority to all aspects of online safety and the safeguarding team rigorously monitor risk in this area with personalised strategies being implemented to support all individuals as appropriate.

Financial risk management objectives and policies

The Board has adopted the Charity Code of Governance (for larger charities) and adheres to the principles it lays out.

Principal funding

The main source of income is generated from student and client fees paid for by local and central Government and amounts to 81% of the total income. All the £14,510, 221 income raised during 2024 has been used to enable the College to meet its charitable objectives (2023: £13,511,473).

Fundraising

- Donations: £238,020
- The Vintage Advantage Shop: £132,754
- Summer Fete, Sponsored Walk and Christmas Fayre: £19,078
- Spinathon: £6,606
- Movement for Good: £10,000 for the Nurture Programme

- The Freemasons and Rotary organisations continue to give generously to support the Duke of Edinburgh's Award activities.
- The High Sheriff of Shropshire, Mandy Thorn MBE, joined students, staff and volunteers at the beginning of the 24-hour fundraising Spinathon on 2 February.
- In the decade following the inception of Derwen College's Duke of Edinburgh's Award programme, the Basil Haughton Memorial Trust has been with us at every step to support the work we do. This year, the Trust has given a further £11,400 to the Charity to help expand the programme and improve our facilities.
- Funds received in 2023 were used to build a bespoke outdoor shelter for students and volunteers to enjoy. Learning for Life students have used the space and warm summer weather, for an outdoor yoga session.

- In October, volunteers from British Gas came and built a traversing wall, which will help students with balance, coordination and agility, and improve their spatial and directional awareness.

Students have undertaken sponsored activities, and staff regularly donate their time and energy to raising funds to support Derwen Charity.

The trustees are committed to the necessary capital spending to maintain and enhance the College's facilities and to meet the legal and regulatory requirements. The further development and upgrading of the Agnes Hunt Village properties, and ongoing adaptations to meet the needs of our changing cohort remain top priorities.

Investment policy and performance

The College takes a prudent, low risk approach to investments, placing cash surpluses on deposit to attract a return, although this was not especially attractive when interest rates were very low. This is, principally, because the reserves may need to be utilised during the short to medium term for cash flow and for capital projects. The investment strategy of the Derwen College pension scheme has been the subject of a detailed review with very positive results and the scheme is formally reported on annually to the Board.

Where next?

National developments, and a change of government, continue to offer more unknowns and potential challenges. The Welsh Government's changes to Additional Learning Needs are making it harder for Welsh students to obtain funding. Devolution and the extension of mayoral-led combined authorities could have a significant impact on funding and attitudes to placing students. Qualifications and the qualification frameworks are under review, with consequences for pathways and programmes.

However, the College Senior Leadership Team actively takes every opportunity to contribute to the debate and influence outcomes. And we are looking ahead: planning has started for our one-hundred-year birthday celebrations in 2027.

Statement of trustees' responsibilities

The trustees (who are also the directors of the college for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the college and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the college will continue in business; and
- The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the college's transactions and disclose with reasonable accuracy at any time the financial position of the college and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the college and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are trustees at the time when this trustees' report is approved has confirmed that:

- so far as that trustee is aware, there is no relevant audit information of which the charity's auditors are unaware: and
- each trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditors, WR Partners, have indicated their willingness to continue in office. The designated trustees will propose a motion reappointing the auditors at a meeting of the trustees.

Approved by order of the members of the board of trustees and signed on their behalf by:

Mr James Ward
Chair
Date: 29 August 2025

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DERWEN COLLEGE

Opinion

We have audited the financial statements of Derwen College (the 'College') for the year ended 31 December 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flowsthe Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the College Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 December 2024 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees 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 Trustees are responsible for assessing the Group's and the parent charitable company'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 Trustees either intend to liquidate the Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

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

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

• We reviewed the susceptibility of the Charitable Company's financial statements to material misstatement and identified the principal risks, implementing a series of testing procedures to provide us with sufficient comfort to issue our opinion.
• We reviewed the Charitable Company's regulatory environment to ensure we could conclude that it had acted in accordance with the framework relevant to the Charitable Company and its environment and identify any instances of non-compliance.
• We also assessed the Charitable Company's internal control procedures to ensure we could appropriately scrutinise these controls and establish whether our understanding of the control environment was sufficient to supplement our additional testing procedures.
• The engagement team consisted of a team that the engagement partner believes is equipped with the relevant level of technical and Charity awareness to carry out our work to the required standard.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DERWEN COLLEGE (CONTINUED)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

WR Partners

Andrew Malpass BSc FCA (Senior Statutory Auditor)
for and on behalf of
WR Partners
Chartered Accountants and Statutory Auditors
Belmont House
Shrewsbury Business Park
Shrewsbury
Shropshire
SY2 6LG

Date: 8th September 2025

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total funds 2024 £	*Total funds 2023 £*
Income and endowments from:						
Donations and legacies	4	**246,525**	**205,514**	**-**	**452,039**	*301,807*
Charitable activities	5	**13,310,413**	**-**	**-**	**13,310,413**	*11,947,615*
Other trading activities	6	**718,239**	**-**	**-**	**718,239**	*1,075,331*
Investments	7	**29,130**	**-**	**-**	**29,130**	*15,720*
Other income	8	**400**	**-**	**-**	**400**	*171,000*
Total income and endowments		**14,304,707**	**205,514**	**-**	**14,510,221**	*13,511,473*
Expenditure on:						
Raising funds	9	**722,088**	**-**	**-**	**722,088**	*653,194*
Charitable activities		**13,305,208**	**268,472**	**170,129**	**13,743,809**	*12,028,064*
Total expenditure		**14,027,296**	**268,472**	**170,129**	**14,465,897**	*12,681,258*
Net movement in funds		**277,411**	**(62,958)**	**(170,129)**	**44,324**	*830,215*
Reconciliation of funds:						
Total funds brought forward		**2,587,690**	**459,223**	**2,418,385**	**5,465,298**	*4,635,083*
Net movement in funds		**277,411**	**(62,958)**	**(170,129)**	**44,324**	*830,215*
Total funds carried forward		**2,865,101**	**396,265**	**2,248,256**	**5,509,622**	*5,465,298*

DERWEN COLLEGE
REGISTERED NUMBER: 08615826

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2024

	Note		2024 £		*2023 £*
Fixed assets					
Tangible assets	14		**4,160,688**		*3,938,243*
			4,160,688		*3,938,243*
Current assets					
Stocks	16	**46,486**		*47,921*	
Debtors	17	**1,156,097**		*935,637*	
Investments	18	**513,521**		-	
Cash at bank and in hand		**1,056,982**		*1,600,511*	
		2,773,086		*2,584,069*	
Creditors: amounts due within one year	19	**(1,401,808)**		*(1,057,014)*	
Net current assets			**1,371,278**		*1,527,055*
Total assets less current liabilities			**5,531,966**		*5,465,298*
Creditors: amounts falling due after more than one year	20		**(22,344)**		-
Net assets			**5,509,622**		*5,465,298*
Total net assets			**5,509,622**		*5,465,298*

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2024

	Note	2024 £	2023 £
Charity funds			
Endowment funds	21	2,248,256	2,418,385
Restricted funds	21	396,265	459,223
Unrestricted funds	21	2,865,101	2,587,690
Total funds		5,509,622	5,465,298

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Mr James Ward
Chair
Date: 29 August 2025

DERWEN COLLEGE
REGISTERED NUMBER: 08615826

COLLEGE BALANCE SHEET
AS AT 31 DECEMBER 2024

	Note		2024 £		*2023 £*
Fixed assets					
Tangible assets	14		**4,160,688**		*3,938,243*
Investments	15		**100**		*100*
			4,160,788		*3,938,343*
Current assets					
Stocks	16	**46,486**		*47,921*	
Debtors	17	**1,156,097**		*664,372*	
Investments	18	**513,521**		-	
Cash at bank and in hand		**1,056,882**		*1,600,411*	
		2,772,986		*2,312,704*	
Creditors: amounts falling due within one year	19	**(1,401,808)**		*(1,164,295)*	
Net current assets			**1,371,178**		*1,148,409*
Total assets less current liabilities			**5,531,966**		*5,086,752*
Creditors: amounts falling due after more than one year	20		**(22,344)**		-
Net assets			**5,509,622**		*5,086,752*
Total net assets			**5,509,622**		*5,086,752*

COLLEGE BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2024

	Note	2024 £	2023 £
Charity funds			
Endowment funds	21	**2,248,256**	*2,418,385*
Restricted funds	21	**396,265**	*459,223*
Unrestricted funds	21	**2,865,101**	*2,209,144*
Total funds		**5,509,622**	*5,086,752*

The College's net movement in funds for the year was £422,870 *(2023 - £451,669)*.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Mr James Ward
Chair
Date: 29 August 2025

The notes on pages 49 to 72 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 £	2023 £
Cash flows from operating activities			
Net cash used in operating activities	23	**377,578**	*530,516*
Cash flows from investing activities			
Dividends, interests and rents from investments		**29,130**	*15,720*
Proceeds from the sale of tangible fixed assets		**-**	*171,000*
Purchase of tangible fixed assets		**(403,395)**	*(435,573)*
Current investments		**(513,521)**	-
Net cash used in investing activities		**(887,786)**	**(248,853)**
Cash flows from financing activities			
Finance lease movement		**(33,321)**	-
Net cash (used in)/provided by financing activities		**(33,321)**	-
Change in cash and cash equivalents in the year		**(543,529)**	**281,663**
Cash and cash equivalents at the beginning of the year		**1,600,511**	*1,318,848*
Cash and cash equivalents at the end of the year	24	**1,056,982**	*1,600,511*

The notes on pages 49 to 72 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1. General information

Derwen College is a Company limited by guarantee. The registered office is disclosed on the Reference and Administration page. The Charity is primarily involved in working with young people with learning difficulties and disabilities to provide learning, development and care to enable the achievement of aspirations.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the second edition Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Derwen College meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Group and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Group has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

2.2 Company status

The College is a Company limited by guarantee, registered in England and Wales. The members of the company are the Governors named on page 1. In the event of the College being wound up, the liability in respect of the guarantee is limited to £1 per member of the College.

2.3 Going concern

At 31 December 2024 no material uncertainties existed that would impact the going concern basis that these financial statements are prepared upon.

2.4 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds are funds, the capital of which must be maintained.

2. Accounting policies (continued)

2.5 Income

All income is recognised once the College has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Consolidated Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

2.7 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Consolidated Statement of Financial Activities over the expected useful lives of the assets concerned. Other grants are credited to the Consolidated Statement of Financial Activities as the related expenditure is incurred.

2.8 Tangible fixed assets and depreciation

Tangible fixed assets of a capital nature are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

2. Accounting policies (continued)

2.8 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Leasehold property	- over the lifetime of the initial lease
Fixtures, plant and machinery	- 14% on a straight line basis
Motor vehicles	- 25% on a straight line basis
Assets under construction	- nil depreciation

2.9 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.10 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated Statement of Financial Activities.

2.11 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.12 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.13 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2. Accounting policies (continued)

2.14 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the College anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated Statement of Financial Activities as a finance cost.

2.15 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.16 Finance leases and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Group. Obligations under such agreements are included in creditors, net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Consolidated Statement of Financial Activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.17 Pensions

The Group operates a defined contribution pension scheme, the pension charge represents the amounts payable by the Group to the fund in the year.

In 2019 the FRS102 defined benefit pension scheme was closed to new members and future accrual therefore currently has no active members. As a result, the pension asset is no longer included within the Charity's balance sheet.

3. Critical accounting estimates and areas of judgment

Estimates and judgments 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:

The College makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgment:

Assumptions used in Pensions Valuation

The present value of the Local Government Pension Scheme defined benefit positions depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumption used in determining the net cost or income for pensions include the discount rate. Any changes in the assumptions whcih are disclosed in note 24 will impact the carrying value of the pension. The pension fund is currently in a surplus position of £2,343k. This is not recognised in the financial statements as the College does not expect to recover the surplus either through reduced contributions in the future or through refunds from the Scheme.

4. Income from donations and legacies

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	*Total funds 2023 £*
Donations	71,906	205,514	**277,420**	*128,085*
Grants	4,853	-	**4,853**	*173,722*
Government grants	169,766	-	**169,766**	*-*
Total 2024	246,525	205,514	**452,039**	*301,807*
Total 2023	*231,464*	*70,343*	*301,807*	

The government grant income comprises grants received from the Department of Education.

5. Income from charitable activities

	Unrestricted funds 2024 £	Total funds 2024 £	*Total funds 2023 £*
Training Fees	12,582,018	**12,582,018**	*11,188,202*
Miscellaneous Income	66,588	**66,588**	*91,323*
Short Breaks Income	381,239	**381,239**	*417,412*
Rental Income	280,568	**280,568**	*250,678*
Total 2024	13,310,413	**13,310,413**	*11,947,615*
Total 2023	*11,947,615*	*11,947,615*	

6. Income from other trading activities

Fundraising activities

	Unrestricted funds 2024 £	Total funds 2024 £	*Total funds 2023 £*
Retail	350,339	**350,339**	*307,831*
Hospitality	367,900	**367,900**	*346,150*
Derwen College Consulting Ltd	-	**-**	*421,350*
Total 2024	718,239	**718,239**	*1,075,331*
Total 2023	*1,075,331*	*1,075,331*	

7. Investment income

	Unrestricted funds 2024 £	Total funds 2024 £	*Total funds 2023 £*
Interest Receivable	29,130	**29,130**	*15,720*
Total 2024	29,130	**29,130**	*15,720*
Total 2023	*15,720*	*15,720*	

8. Other incoming resources

	Unrestricted funds 2024 £	Endowment funds 2024 £	Total funds 2024 £	*Total funds 2023 £*
Profit on Sale of Assets	400	-	**400**	*171,000*
Total 2024	400	-	**400**	*171,000*
Total 2023	-	*171,000*	*171,000*	

9. Expenditure on raising funds

Other trading expenses

	Unrestricted funds 2024 £	Total funds 2024 £	*Total funds 2023 £*
Retail and Hospitality Expenditure	390,607	**390,607**	*326,860*
Retail and Hospitality Staff Costs	331,466	**331,466**	*283,530*
Derwen College Consulting Ltd	15	**15**	*42,804*
	722,088	**722,088**	*653,194*
Total 2023	*653,194*	*653,194*	

10. Analysis of expenditure by activities

	Activities undertaken directly 2024 £	Support costs 2024 £	Total funds 2024 £	*Total funds 2023 £*
Education	4,364,647	-	**4,364,647**	*3,760,424*
Care	5,350,386	-	**5,350,386**	*4,419,223*
Administration	1,116,246	1,041,946	**2,158,192**	*1,950,552*
Campus & Estates	1,052,250	818,334	**1,870,584**	*1,897,865*
Total 2024	11,883,529	1,860,280	**13,743,809**	*12,028,064*
Total 2023	*10,372,936*	*1,655,128*	*12,028,064*	

10. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Education 2024 £	Care 2024 £	Administration 2024 £	Campus & Estates 2024 £	Total funds 2024 £	*Total funds 2023 £*
Staff costs	3,675,956	4,709,128	-	-	**8,385,084**	*7,435,763*
Depreciation	-	-	180,951	-	**180,951**	*135,303*
Premises & Ground Costs	266,468	53,270	197,907	877,712	**1,395,357**	*1,243,156*
Equipment Repairs and Maintenance	66,668	67,687	10,229	107,012	**251,596**	*243,485*
Licences & Subscriptions	9,892	25,652	102,020	1,230	**138,794**	*88,500*
Legal , Professional & Consultation Costs	42,666	41,895	51,086	-	**135,647**	*99,941*
Cleaning and Consumables	41,859	142,031	4,909	57,691	**246,490**	*252,968*
Marketing and Advertising	6,621	1,011	35,984	24	**43,640**	*49,104*
Learning Equipment and Student Activities	84,479	21,559	105,786	-	**211,824**	*182,271*
Printing Stationery and Computing Consumables	100,165	37,921	213,409	4,551	**356,046**	*331,335*
College Transport	41,021	2,922	87,152	2,765	**133,860**	*101,999*
External Contractors	252	235,900	11,101	-	**247,253**	*62,908*
Miscellaneous	28,600	11,410	115,712	1,265	**156,987**	*146,203*
Total 2024	4,364,647	5,350,386	1,116,246	1,052,250	**11,883,529**	*10,372,936*
Total 2023	*3,760,424*	*4,419,223*	*1,013,766*	*1,179,523*	*10,372,936*	

10. Analysis of expenditure by activities (continued)

Analysis of support costs

	Administration 2024 £	Campus & Estates 2024 £	Total funds 2024 £	*Total funds 2023 £*
Staff costs	1,041,946	818,334	**1,860,280**	*1,655,128*
Total 2024	1,041,946	818,334	**1,860,280**	*1,655,128*
Total 2023	*936,786*	*718,342*	*1,655,128*	

11. Auditors' remuneration

	2024 £	*2023 £*
Fees payable to the College's auditor for the audit of the College's annual accounts	**12,050**	*10,825*
Fees payable to the College's auditor in respect of:		
All non-audit services not included above	**3,100**	*3,750*

12. Staff costs

	Group 2024 £	*Group 2023 £*	Company 2024 £	*Company 2023 £*
Wages and salaries	**9,437,491**	*8,404,727*	**9,437,491**	*8,404,727*
Social security costs	**782,401**	*676,792*	**782,401**	*676,792*
Pension costs	**356,938**	*292,902*	**356,938**	*292,902*
Agency costs	**235,768**	*52,989*	**235,768**	*52,989*
	10,812,598	*9,427,410*	**10,812,598**	*9,427,410*

Included in the above are redundancy payments of £19,868 made payable to 2 employees in the year (2023: £6,494 made payable to 2 employees).

12. Staff costs (continued)

The average number of persons employed by the College during the year was as follows:

	Group 2024 No.	*Group 2023 No.*
Charitable staff	**326**	*287*
Administration and support	**90**	*87*
Management	**6**	*6*
	422	*380*

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2024 No.	*Group 2023 No.*
In the band £60,001 - £70,000	**1**	*3*
In the band £70,001 - £80,000	**4**	*1*
In the band £90,001 - £100,000	**1**	-

The key management personnel of the College comprise of the senior management team as listed on page 2. The total remuneration of the key management personnel during the year was £482,760 (2023: £466,482). The remuneration and terms of conditions of the members of the SLT is agreed by the board following an established procedure.

13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits *(2023 - £NIL)*.

During the year ended 31 December 2024, no Trustee expenses have been incurred *(2023 - £NIL)*.

14. Tangible fixed assets

Group

	Freehold property £	Leasehold property £	Plant and machinery £	Motor vehicles £	Assets under construction £	Total £
Cost or valuation						
At 1 January 2024	**12,363,538**	**542,214**	**1,070,619**	**320,416**	**93,480**	**14,390,267**
Additions	**-**	**-**	**172,653**	**3,490**	**227,252**	**403,395**
Disposals	**-**	**-**	**-**	**(37,739)**	**-**	**(37,739)**
Transfers between classes	**-**	**-**	**93,480**	**-**	**(93,480)**	**-**
At 31 December 2024	**12,363,538**	**542,214**	**1,336,752**	**286,167**	**227,252**	**14,755,923**
Depreciation						
At 1 January 2024	**9,301,907**	**305,043**	**578,324**	**266,750**	**-**	**10,452,024**
Charge for the year	**-**	**22,957**	**141,058**	**16,935**	**-**	**180,950**
On disposals	**-**	**-**	**-**	**(37,739)**	**-**	**(37,739)**
At 31 December 2024	**9,301,907**	**328,000**	**719,382**	**245,946**	**-**	**10,595,235**
Net book value						
At 31 December 2024	**3,061,631**	**214,214**	**617,370**	**40,221**	**227,252**	**4,160,688**
At 31 December 2023	*3,061,631*	*237,171*	*492,295*	*53,666*	*93,480*	*3,938,243*

Included in freehold property is land at a cost of £106,693 (2023: £106,693).

14. Tangible fixed assets (continued)

Company

	Freehold property £	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Assets under construction £	Total £
Cost or valuation						
At 1 January 2024	**12,363,538**	**542,214**	**1,070,619**	**320,416**	**93,480**	**14,390,267**
Additions	**-**	**-**	**172,653**	**3,490**	**227,252**	**403,395**
Disposals	**-**	**-**	**-**	**(37,739)**	**-**	**(37,739)**
Transfers between classes	**-**	**-**	**93,480**	**-**	**(93,480)**	**-**
At 31 December 2024	**12,363,538**	**542,214**	**1,336,752**	**286,167**	**227,252**	**14,755,923**
Depreciation						
At 1 January 2024	**9,301,907**	**305,043**	**578,324**	**266,750**	**-**	**10,452,024**
Charge for the year	**-**	**22,957**	**141,058**	**16,935**	**-**	**180,950**
On disposals	**-**	**-**	**-**	**(37,739)**	**-**	**(37,739)**
At 31 December 2024	**9,301,907**	**328,000**	**719,382**	**245,946**	**-**	**10,595,235**
Net book value						
At 31 December 2024	**3,061,631**	**214,214**	**617,370**	**40,221**	**227,252**	**4,160,688**
At 31 December 2023	*3,061,631*	*237,171*	*492,295*	*53,666*	*93,480*	*3,938,243*

15. Fixed asset investments

College	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2024	**100**
At 31 December 2024	**100**
Net book value	
At 31 December 2024	**100**
At 31 December 2023	*100*

Principal subsidiaries

The following was a subsidiary undertaking of the College:

Name	Company number	Class of shares	Holding
Derwen College Consulting Limited	14503923	Ordinary	100%

	Expenditure £	Net assets £
Derwen College Consulting Limited	**378,546**	**100**

16. Stocks

	Group 2024 £	*Group 2023 £*	Company 2024 £	*Company 2023 £*
Finished goods and goods for resale	**46,486**	*47,921*	**46,486**	*47,921*

17. Debtors

	Group 2024 £	*Group 2023 £*	Company 2024 £	*Company 2023 £*
Due within one year				
Trade debtors	**975,449**	*775,313*	**975,449**	*504,048*
Other debtors	**10,315**	*1,300*	**10,315**	*1,300*
Prepayments and accrued income	**170,333**	*159,024*	**170,333**	*159,024*
	1,156,097	*935,637*	**1,156,097**	*664,372*

18. Current asset investments

	Group 2024 £	*Group 2023 £*	Company 2024 £	*Company 2023 £*
Savings investment	**513,521**	-	**513,521**	-

19. Creditors: Amounts falling due within one year

	Group 2024 £	*Group 2023 £*	Company 2024 £	*Company 2023 £*
Payments received on account	**176,498**	*152,346*	**176,498**	*152,346*
Trade creditors	**331,839**	*324,832*	**331,839**	*282,043*
Amounts owed to group undertakings	**-**	*-*	**-**	*150,085*
Other taxation and social security	**263,172**	*184,677*	**263,172**	*184,677*
Obligations under finance lease and hire purchase contracts	**23,871**	*12,894*	**23,871**	*12,894*
Other creditors	**21,268**	*21,424*	**21,268**	*21,424*
Accruals and deferred income	**585,160**	*360,841*	**585,160**	*360,826*
	1,401,808	*1,057,014*	**1,401,808**	*1,164,295*

	Group 2024 £	*Group 2023 £*
Deferred income at 1 January 2024	**151,393**	*264,142*
Resources deferred during the year	**381,757**	*151,393*
Amounts released from previous periods	**(151,393)**	*(264,142)*
	381,757	*151,393*

Deferred income relates to fees received in advance.

20. Creditors: Amounts falling due after more than one year

	Group 2024 £	*Group 2023 £*	Company 2024 £	*Company 2023 £*
Net obligations under finance lease and hire purchase contracts	**22,344**	*-*	**22,344**	*-*

21. Statement of funds

Statement of funds - current year

	Balance at 1 January 2024 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2024 £
Unrestricted funds					
General Funds	1,316,926	14,304,707	(13,869,303)	(403,396)	1,348,934
Fixed asset Fund	1,270,764	-	(157,993)	403,396	1,516,167
	2,587,690	14,304,707	(14,027,296)	-	2,865,101
Endowment funds					
Fixed asset fund	2,248,256	-	-	-	2,248,256
Expendable Endowment	170,129	-	(170,129)	-	-
	2,418,385	-	(170,129)	-	2,248,256
Restricted funds					
Fixed asset fund	419,223	-	(22,958)	-	396,265
Other restricted funds	40,000	205,514	(245,514)	-	-
	459,223	205,514	(268,472)	-	396,265
Total of funds	5,465,298	14,510,221	(14,465,897)	-	5,509,622

21. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2023 £	*Income* £	*Expenditure* £	*Transfers in/out* £	*Balance at 31 December 2023* £
Unrestricted funds					
General Funds	*438,144*	*13,270,130*	*(12,297,867)*	*(93,481)*	*1,316,926*
Fixed asset Fund	*822,201*	-	*(110,068)*	*558,631*	*1,270,764*
	1,260,345	*13,270,130*	*(12,407,935)*	*465,150*	*2,587,690*
Endowment funds					
Fixed asset fund	*2,371,314*	*171,000*	-	*(294,058)*	*2,248,256*
Expendable Endowment	*558,966*	-	*(217,745)*	*(171,092)*	*170,129*
	2,930,280	*171,000*	*(217,745)*	*(465,150)*	*2,418,385*
Restricted funds					
Fixed asset fund	*444,458*	-	*(25,235)*	-	*419,223*
Other restricted funds	-	*70,343*	*(30,343)*	-	*40,000*
	444,458	*70,343*	*(55,578)*	-	*459,223*
Total of funds	*4,635,083*	*13,511,473*	*(12,681,258)*	-	*5,465,298*

Statement of funds (continued)

Endowment Funds

Endowment funds represent land and buildings of the college, with the exception of those held within restricted funds (see below). The endowed land and buildings are held on trust for Derwen College Trust, Charity Number 1153280-1.

Restricted Funds

The restricted fund brought forward and remaining balance carried forward relates to the net book value of the properties at Ludlow, Telford and Walford College, including 2 properties in Gobowen that were partly funded by the Big Lottery (refer to note 27).

Other restricted funds - Any other restricted income and expenditure that has occurred during the year.

22. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total funds 2024 £
Tangible fixed assets	1,516,167	396,265	2,248,256	**4,160,688**
Current assets	2,773,086	-	-	**2,773,086**
Creditors due within one year	(1,401,808)	-	-	**(1,401,808)**
Creditors due in more than one year	(22,344)	-	-	**(22,344)**
Total	2,865,101	396,265	2,248,256	**5,509,622**

Analysis of net assets between funds - prior period

	Unrestricted funds 2023 £	*Restricted funds 2023 £*	*Endowment funds 2023 £*	*Total funds 2023 £*
Tangible fixed assets	*1,270,764*	*419,223*	*2,248,256*	*3,938,243*
Current assets	*2,373,940*	*40,000*	*170,129*	*2,584,069*
Creditors due within one year	*(1,057,014)*	-	-	*(1,057,014)*
Total	*2,587,690*	*459,223*	*2,418,385*	*5,465,298*

23. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2024 £	*Group 2023 £*
Net income for the period (as per Statement of Financial Activities)	**44,324**	*830,215*
Adjustments for:		
Depreciation charges	**180,950**	*135,303*
Returns on investments and servicing of finance	**(29,130)**	*(15,720)*
Loss/(profit) on the sale of fixed assets	**-**	*(171,000)*
Decrease/(increase) in stocks	**1,435**	*(9,022)*
Increase in debtors	**(220,460)**	*(577,293)*
Increase in creditors	**400,459**	*338,033*
Net cash provided by operating activities	**377,578**	*530,516*

24. Analysis of cash and cash equivalents

	Group 2024 £	*Group 2023 £*
Cash in hand	**1,056,982**	*1,600,511*
Total cash and cash equivalents	**1,056,982**	*1,600,511*

25. Analysis of changes in net debt

	At 1 January 2024 £	Cash flows £	At 31 December 2024 £
Cash at bank and in hand	**1,600,511**	**(543,529)**	**1,056,982**
Finance leases	**(12,894)**	**(33,321)**	**(46,215)**
Liquid investments	**-**	**513,521**	**513,521**
	1,587,617	**(63,329)**	**1,524,288**

26. Pension commitments

Auto - Enrolement Pension Scheme

The College now operates two defined contribution schemes. The assets of the scheme are held seperately from those of the College in independently administered funds. One of these schemes was introduced from 1 June 2019 with staff being given the option to migrate over from the closed defined benefit scheme (see below).

The pension cost charge represents contributions payable by the College to the fund and amunted to £356,938 (2023: £292,902).

College Scheme

The Group operates a defined benefit pension scheme.

The scheme was closed to new members and future accrual in 2019. All active members were given the option to migrate to a new defined contribution scheme that was setup from 1 June 2019. The defined benefit scheme remains open as a de-risking exercise is being completed in preparation to be in a position to a future buy out. There are currently no active members. All members are classed as deferred or pensionable as at 31 December 2024.

*The amounts in the financial statemets for the year ended 31 December 2024 relating to pension are based on a full actuarial valuation dated 31 December 2020 and updated to 31 December 2024 by a qualified actuary, independent of the scheme's sponsoring employer.

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	At 31 December 2024 %	*At 31 December 2023 %*
Discount rate	**5.6**	*4.8*
Inflation (RPI)	**3.3**	*3.2*
Inflation (CPI)	**2.8**	*2.6*

	At 31 December 2024 Years	*At 31 December 2023 Years*
Mortality rates (in years)		
- for a male aged 65 now	**20.7**	*21.4*
- at 65 for a male aged 45 now	**22.0**	*22.6*
- for a female aged 65 now	**23.4**	*23.3*
- at 65 for a female aged 45 now	**24.9**	*24.7*

26. Pension commitments (continued)

The Group's share of the assets in the scheme was:

	At 31 December 2024 £	*At 31 December 2023 £*
Corporate bonds	**2,670,000**	*2,750,000*
Cash and other liquid assets	**66,000**	*50,000*
Other	**7,445,000**	*8,481,000*
Total fair value of assets	**10,181,000**	*11,281,000*

The actual return on scheme assets was £-544,000 *(2023 - £510,000)*.

Movements in the present value of the defined benefit obligation were as follows:

	2024 £
Opening defined benefit obligation	**8,553,000**
Benefits paid	**(480,000)**
Actuarial Losses	**(634,000)**
Interest cost	**399,000**
Closing defined benefit obligation	**7,838,000**

Movements in the fair value of the Group's share of scheme assets were as follows:

	2024 £
Opening fair value of scheme assets	**11,281,000**
Interest income	**528,000**
Benefits paid	**(480,000)**
Actuarial losses	**(1,072,000)**
Admin expenses	**(76,000)**
Closing fair value of scheme assets	**10,181,000**

27. Operating lease commitments

At 31 December 2024 the Group and the College had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Company 2024 £	*Company 2023 £*
Not later than 1 year	**23,872**	*6,189*
Later than 1 year and not later than 5 years	**22,344**	*6,705*
	46,216	*12,894*

28. Big Lottery Funding

The college received Big Lottery Funding in respect of the Derwen Enterprises ceramics buildings and the residential building, The Acorns in 1997 and 2003 respectively.

The grants are repayable in the event of the college ceasing its activities, and the college may not dispose of the buildings or use them as security for a loan without prior written provision of the Big Lottery Fund, such restrictions to be in place for 80 years from 1997 and 2003 respectively when the grants were received.

29. Related party transactions

P Crosby, a Trustee of the Charity, is the owner of Southgate Management Services which was engaged by Derwen College as a Corparate Fundraiser and invoiced the college £26,040 during the year (2023: £Nil). There were no outstanding balances at year end.

DERWEN COLLEGE

England & Wales - Charity number 1153280

Accounts

Derwen College

Annual Report and Accounts 2023

Registered Charity No. 1153280
Company Registration No. 8615826

Reference and administrative details of the college, its trustees and advisors for the year ended 31 December 2023.

Trustees

Mrs C S Beaumont (resigned 31 January 2024)
Mrs L Burns, Chair of Audit and Risk Assurance
Mrs B Court
Mr M Cowan, Chair of Standards and Effectiveness
Mrs H V Cox
Mr P Crosby (co-optee, Resources and Business)
Mr D P Evison
Mr A Grove (appointed 23 March 2023)
Mr K Kimber, Chair, and Chair of Search and Governance
Mr B Langfield (co-optee, Resources and Business, appointed 23 March 2023. Trustee, appointed 20 March 2024)
Mrs E Leigh
Mr S M Lord, Vice Chair
Mrs A Plowden (co-optee, Standards and Effectiveness, appointed 18 May 2023. Trustee, appointed 20 March 2024)
Mr D Preston (appointed 23 March 2023, resigned 30 January 2024)
Mrs H Smith (co-optee, Standards and Effectiveness)
Mr J E Ward

Company registered number:
08615826

Charity registered number:
1153280

Registered office:
Derwen College, Whittington Road,
Gobowen, Shropshire SY11 3JA

Principal operating office:
Whittington Road, Gobowen,
Shropshire SY11 3JA

Patron:
H.R.H. The Duchess of Kent

Bankers:
Lloyds plc, 28 Regent Street,
Wrexham, Clwyd LL11 1SE

Independent auditors:
WR Partners, Belmont House,
Shrewsbury Business Park,
Shrewsbury, Shropshire SY2 6LG

Solicitors:
Lanyon Bowdler
39-41 Church Street
Oswestry, Shropshire SY11 2SZ

Clerk to Governors and Company Secretary:
Mrs C Thompson

Senior management team:
Mrs M Green, Principal and Chief Executive Officer
Miss N Bellis, Director of People and Resources
Miss K George, Director of Care, Health and Wellbeing
Mr A Smith, Director of Finance and Sustainability
Mrs C Thompson, Director of Communications, Information and Technology (appointed 1 April 2023)
Mrs Z Wood, Director of Learning and Curriculum Development (appointed 1 April 2023)

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Trustees' report for the year ended 31 December 2023

The trustees, who are also the directors of the Derwen Charity and known as governors, here, present their annual report on the main activities of the college, together with the audited financial statements of the college, for the year 1 January 2023 to 31 December 2023.

The Annual report serves the purposes of both a trustees' report and a directors' report under company law. The Governors confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the second edition Charities Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

The trustees and co-opted members of the charity

The trustees (governors), who are also the directors, of Derwen Charity here report on the activities of the charity in 2023:

- Kathleen Kimber - Chair and Chair of Search and Governance
- Mark Lord - Vice Chair
- Lucy Beaumont (Resigned 31 January 2024)
- Louise Burns – Chair of Audit and Risk Assurance
- Barbara Court
- Michael Cowan – Chair of Standards and Effectiveness
- Vicki Cox – Vice Chair of Audit and Risk Assurance
- Paul Evison
- Andrew Grove (Appointed 23 March 2023. Resigned 30 January 2024)
- Elizabeth Leigh – Vice Chair of Standards and Effectiveness
- David Preston (Appointed 23 March 2023. Resigned 30 January 2024)
- Jamie Ward – Chair of Business and Resources

Committe co-optees

- Paul Crosby
- Barry Langfield – Vice Chair of Business and Resources (Appointed 23 March 2023. Appointed a trustee 20 March 2024)
- Abigail Plowden (Appointed 18 May 2023. Appointed a trustee 20 March 2024)
- Helen Smith
- Carol Thompson – Clerk and Company Secretary
- Mark Baker – Governance Professional (from September 2023)

We place on record our sincere thanks to all trustees and co-opted committee members who have given generously of their time and constructively of their experience and wisdom. We have been delighted to welcome four new members of the Board. All members are working hard to become familiar with the college's operation and those whom it serves following enforced absence during Covid-19.

Much information about the charity, its activities and endeavours is to be found on the website: **www.derwen.ac.uk**

Since the college qualifies as small under section 382 of the *Companies Act 2006,* the Strategic report required of medium and large companies under the *Companies Act 2006* (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

The college's mission, strategic priorities and values

Mission

To enable everyone to achieve beyond what they and others believe possible.

Strategic priorities

Priorities serve to promote the college's purpose: the development and care of students and residents.

Ensure our long-term sustainability
Areas of focus

- Rigorous financial management
- Constant review and update of provision
- Appropriate diversification
- Risk assurance measures
- Environmental commitment

Excel in every aspect of our operation
Areas of focus

- Student programmes and outcomes
- Our holistic approach to people
- Quality assurance
- Staff CPD and performance management
- Staff wellbeing
- Compliance monitoring
- Response to changing legislative environment and the SEND landscape
- Being a learning organisation

Make the most of our exceptional resources
Areas of focus

- Accommodation review and planning
- Campus management
- Commercial developments
- Satellite opportunities
- Safeguarding
- Partnerships

Be trailblazers, initiators and researchers
Areas of focus

- Our position / reputation within the sector
- Risk appetite
- Initiatives and innovations
- Marketing, publicity and communication with stakeholders
- Award applications
- Build thirst for increased understanding

The college's values

2023 overview

External recognition and involvement

- Derwen College received Silver Makaton status, the first specialist college to be given this recognition. The college is now officially part of the Makaton Friendly community. Silver status is currently the Makaton Charity's highest possible accreditation.
- Our charity shop, The Vintage Advantage, won a top national award at the Charity Retail Awards – the 'Oscars' of the charity shop world. We won the Innovation Award and were at the awards alongside big charity names such as Oxfam, Scope, British Heart Foundation, Shelter and Barnardo's.
- The Derwen Sports and Leisure team won an award for the college tennis programme. Tennis Shropshire presented the award at the British Tennis County Awards in the 'School of the Year' category.
- The college was a finalist in the Worldskills UK EDI Heroes Awards 2023, and won an award in the Skills Competitions Advocate category. Awards organisers also filmed at the college and put together a film showcasing some of our work around skills competitions.

  www.derwen.me/WorldSkills.
- In October, the college was awarded Further Education Provider of the Year at the NASEN Awards, for outstanding work in supporting young people with SEND to reach theirfull potential.
- Derwen Nurses Hearing Project: This Nurse led project was a finalist in the Royal College of Nursing Awards, Learning Disability Nursing category. The project was shortlisted from a total of 920 entries nationally. Their project, focusing on undiagnosed hearing problems in young people with SEND, has been put forward for publication.

SEND and Alternative Provision (AP) Improvement Plan

Following the SEND Review the Department for Education announced the £70m 'SEND Change Programme' partnership areas. These pilot areas, of which West Midlands is one, will test various elements of the Improvement Plan, starting with the creation of Local Inclusion Partnerships and the development of Local Area Inclusion Plans. Telford and Wrekin are the lead and Derwen College is engaging closely with them.

Various elements of the SEND and AP Review Improvement Plan will be tested over a two-year period, underpinned by the three overarching aims identified in the Review:

- a better experience of the system for families
- better outcomes for young people with SEND
- a cost effective, sustainable system

Progress towards a standard, digitised EHCP (Education, Health & Care Plan) is well underway but there is little progress reported around the development of 'National Standards'. The overwhelming focus of this work continues to be on schools.

AoC college collective

Following a direct approach from the Chief Executive of the Association of Colleges, Derwen College is now part of the AoC college collective, a peer sharing group of high performing colleges. Participating colleges put forward 3 experts each year who then receive coaching, training and accreditation from the Institute of Leadership and Management. They are then 'matched' with appropriate colleges to provide input in their specialist areas. Derwen, in turn, receives coaching around identified improvement areas from up to 3 experts from other colleges within the Collective.

Derwen International

Derwen College has been sharing expertise and working with the Kuwait Society for the Handicapped (KSH) to create and develop the country's first ever specialist further education college, Gharnata Training Centre. KSH are a 40 year old charity whose values align closely with those of Derwen College. They have a wonderful track record of setting up three schools for children with SEND, and as such, are a role model for other organisations in the region. The Centre replicates Derwen's model of vocational learning and work experience, combined with embedded functional skills and learning around independent living. The initial pathways available to students will be:

- Business Administration
- Hospitality and Food

The KSH team have been focused on staffing, buildings and equipment. They have demonstrated a greater personalisation of learning, moving away from the traditional medical model to bespoke packages to support each student individually. The Derwen Teaching and Learning Programme for Post-16 with SEND includes modules in Inclusive Learning for SEND, Vocational Pathway Training, Exploring Autism and Exploring Down Syndrome.

Snapshots of highlights and activities in 2023:

January

A former student and client Richard Keagan-Bull came to talk to students, clients and members of the community about his remarkable life and autobiography Don't Put Us Away. Richard found a talent as a speaker and ambassador for people with special educational needs and disabilities. He has travelled the world with organisation L'Arche.

Our therapy dog: Teddy is a flat coated retriever who joined the Derwen College family back in 2019 when he was just 18 months old. A crucial part of Teddy's training was to learn to socialise with students. It is immensely rewarding to see just how calm and friendly he is in all situations, providing comfort and support to students. One says 'He always helps you when you're feeling upset'..

February

Former Blue Peter presenter and Doctor Who actor Peter Purves, who was filming in the area with a local film company, took a mini tour of the college.

March

National Careers Week, the most successful and varied yet. All pathways created inspiring events, workshops and talks to help students to think about their future careers. Industry Champions shared knowledge and answered questions about their businesses, former students joined in on Teams to talk about their futures after Derwen, Supported Interns explained how they were further honing their work skills to prepare for employment, and experts delivered interactive workshops. Performing Arts were even joined by some famous faces, including actors Annette Badland and our very own Adult Student of the Year graduate Amy Jude!

Competitions Week and a host of events across all college pathways and sites. Retail invited students to participate in a live Easter-themed Visual Merchandising Challenge at the Garden Centre and Gift Shop. Hospitality and Food ran a roast dinner competition; Performing Arts had a talent show, and Learning for Life ran a smaller in-house competition. The winners of the recent poetry and Employability competitions were announced. During breaks and lunchtimes, there were gaming competitions, open to staff and students.

The Spinathon - 24 hours of spin bike pedalling. Students, clients and staff from all sections of the college kept all the bikes moving, encouraged throughout the evening and night by special entertainment.

The Student Union Board visited the Houses of Parliament to find out more about the democratic process and British values. They took odd socks with them for World Down Syndrome Day and presented them to Helen Morgan MP. They also enjoyed a performance of The Lion King.

April

Retail's Tia Hughes raised more than £1000 from her skydive over the Easter holidays.

Derwen beekeepers were checking up on our three hives of bees, making sure the colonies were safe, clean, happy and well-fed.

May

Duke of Edinburgh's Awards: many staff supported students on expeditions. Here it's the turn of Nurture students who are embarking on their first ever expedition on a canal boat on the Llangollen Canal, near Ellesmere, with the help of accessible canal boat providers the Lyneal Trust.

Digi Dave Robinson and students, who worked in front of and behind the camera, helped Iain Evans of National Numeracy to produce a video highlighting anxieties around maths and numeracy, and how we use maths every day. The video was released for National Numeracy Day, on 17 May, at **https://derwen.me/NationalNumeracy**

June

A Walford student enjoyed a day as a ticket inspector, as thanks for his work experience at Cambrian Heritage Railways. Supported by a support practitioner and accompanied by railway volunteers and passengers, Harry boarded the new Wednesday service to Weston.

July

Four students were supported to create their own singles by local musician Jon Roberts. Jon met the students when they performed as soloists at the charity concert, organised by a trustee. He was

so impressed with their talents that he brought his specialist equipment into college to record all four soloists. He then went away and edited them, providing each learner with a copy of their own single.

Attendees at the Duke of Edinburgh's Award Celebration learnt that in the last year 23 students completed their Gold Award. 22 received Silver awards and 24 Bronze.

Staff and students at Gobowen site limbered up for the annual Donald Davis Memorial Football Match. What a great atmosphere with some silky skills displayed on the pitch, and great support and cheerleading on the sideline. Later, residential students and staff enjoyed a mass watertight.

October

Derwen partnered with Severn Dee Travel and Gobowen Station Buildings Trust to put on a 175th birthday bash for the Chester to Shrewsbury railway line. Sign, song and dance group DOT (Derwen on Tour) performed 'Reach for the Stars' and Hospitality and Food students served drinks and canapes to visitors outside the Station Cafe. The Retail team staffed a pop-up shop on the station, which was set up especially for the day by the Commercial team. The shop was a mini showcase of the Derwen Marketplace.

Sports and Leisure Coordinator Steve Evans was invited to a reception at London's 10 Downing Street by MP Gillian Keegan, Secretary of State for Education. The event was to celebrate the 25th anniversary of the Teaching Awards Trust. Steve won a Gold teaching award in 2021 for his work within sports and leisure and Duke of Edinburgh's Awards. He has since become an ambassador for the awards, and has been asked to join founder, David Puttnam, colleagues from the Department for Education, and past award winners.

Graduation ceremony at Lion Quays, Oswestry. It was an emotional weekend when the achievements of 2023 graduates were celebrated at The Lion Quays, near Oswestry. Forty former students and their families, as well as local supporters, attended the momentous occasion to celebrate the inspirational achievements of our students.

The Horticulture team were honoured to receive The Chair's Award for exceptional work in the Oswestry in Bloom Awards. Nursery and Production Manager Paul Moss accepted the impressive metalwork trophy for the work that he and our students and clients carried out in Oswestry, including designing and planting stunning displays of bedding plants and perennials in Cae Glas Park. More than 100 people attended the ceremony, which was a wonderful celebration of the community working together.

November

Staff helped to promote Road Safety Week. West Mercia Community Police officers visited college to advise students on road safety awareness. A group of students also joined Councillor Craig Emery as part of the local parish council's Speed Watch campaign in Gobowen. Cllr Emery showed them how to use a speed gun to monitor traffic along Whittington Road.

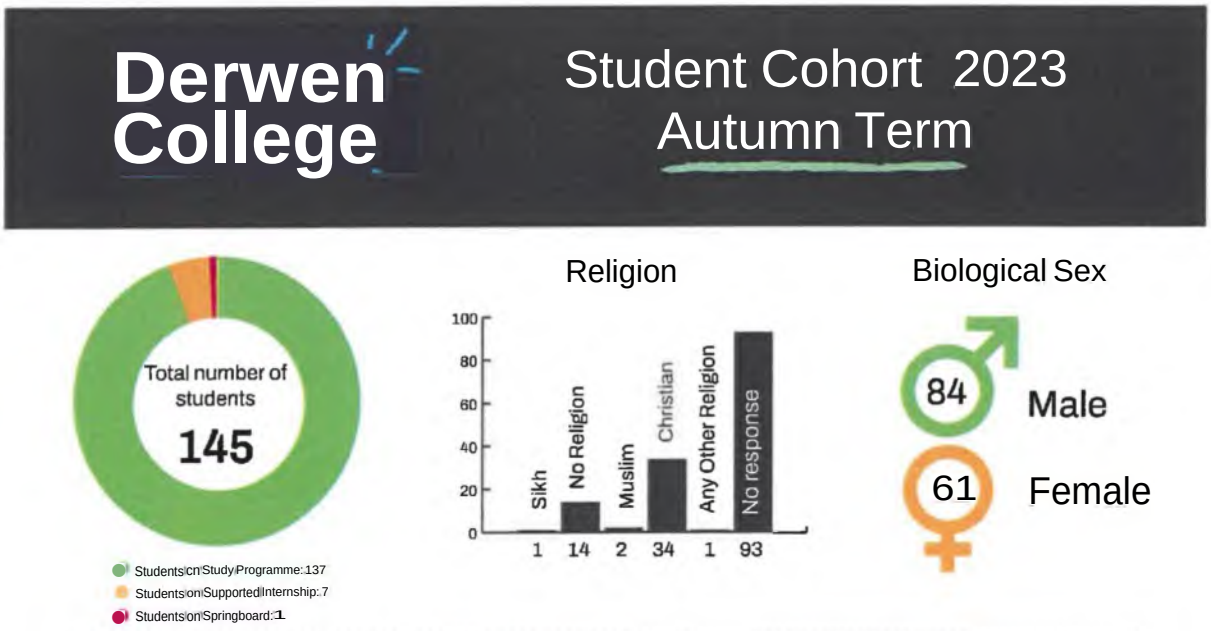
Derwen Christmas Fayre Weekend.

December

Christmas Show

Christmas Parade in Oswestry

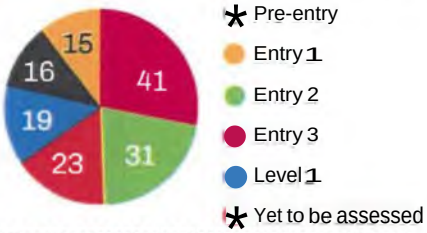
The Students in 2023



Religion

Biological Sex

Number of students working at each level

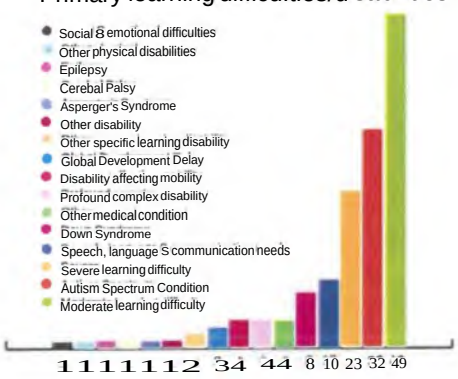


Number of students at each site

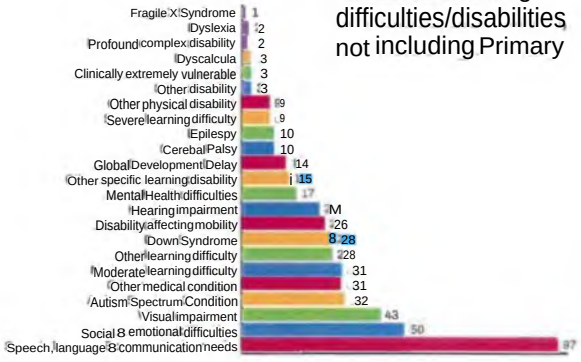
Learner's main Pathway

6 Sports & Fitness (Walford)
21 Performing Arts
5 Nurture Programme
11 Learning for Life
3 Horticulture (Watford)
17 Hospitality (Telford)
41 Hospitality & Food
15 Horticulture
4 Business Support, Sales & Marketing (Ielford)
1 Hospitality and Housekeeping (Telford)

Primary learning difficulties/disabilities



All others learning difficulties/disabilities not including Primary



Pathways and programmes

During the admissions process, students make an informed choice about which pathway or programme to embark on when they start college. Pathways are detailed programmes, adopting a holistic approach to student development, and constantly under review. The following pathways and programmes are available:

Gobowen Main Site: residential and day

- Horticulture (vocational pathway)
- Hospitality and Food (vocational pathway)
- Retail and Enterprise (vocational pathway)
- Performing Arts (vocational pathway)
- Learning for Life (programme)
- Nurture (programme)
- Springboard (programme)*
- Supported Internships (programme)

Telford: day provision

- Business Support, Sales and Marketing (vocational pathway)
- Hospitality (vocational pathway)
- Learning for Life (programme)
- Springboard (programme)*
- Supported Internships (programme)

Walford: day provision

- Horticulture (vocational pathway)
- Sport and Fitness (vocational pathway)
- Learning for Life (programme)
- Springboard (programme)*
- Supported Internships (programme)

Ludlow: day provision

- Business Support, Sales and Enterprise (vocational pathway)
- Learning for Life (programme)
- Springboard (programme)*
- Supported Internships (programme)

* Springboard is funded through social care

Provision at Ludlow was suspended in February 23.

Independence

This may include:

- Travel training
- Skills in the home, such as preparing and cooking food, laundry, hoovering
- Skills in the community, such as shopping, budgeting, personal safety

Sport, leisure and wellbeing

There is an extensive range of wellbeing activities at evenings and weekends for residential students. These include swimming, gym, football, Boccia, arts, karaoke, cinema, theatre and shopping trips.

Special occasions are celebrated including prize-giving, prom, religious festivals, and events, and all students are invited to take part.

Learner Voice and Student Union Board

Derwen College Student Union (SU) is affiliated to the National Union of Students. Each October, students vote for who they want to represent them on the SU Board.

There is one representative and one deputy representative from each pathway. Students learn howto communicate their likes, dislikes, and thoughts, and how to represent the thoughts of other students to make Derwen College a special place for all of them.

Personal, social and health education (PSHE)

Learners take part in all of the following PSHE modules:

- Online safety -modules 1,2 and 3
- Managing relationships
- Rights and cultures
- Drugs and alcohol awareness
- Moving on
- Relationships and sex education, including bespoke support for anyone who needs it.

Functional Skills

Functional Skills comprises of English, maths and ICT and is delivered through small discrete groups and embedded into every aspect of the pathway. It is linked to vocational activities and everyday life.

Careers Education, Information, Advice and Guidance (CEIAG)

CEIAG is an integral part of the programme. Students on a vocational pathway take part in small group employability sessions. External guests are also invited to talk to students about their experiences outside of college. Impartial CEIAG is also provided by an external Careers Lead.

Universal therapy provision

All students benefit from access to therapy services enabling a universal approach to developing independence in preparation for adulthood and transition post-college.

Specialist therapy provision

Specialist therapy need should be identified in the EHCP or IDP, but the therapy team may recommend additions/alterations to outcomes and further therapy provision.

A student's specialist provision will be reviewed regularly, to ensure it meets their needs in the college environment. Therapy will be delivered in the most appropriate way to enable students to achieve their individual goals and outcomes. The students also have time to spend with the college therapy dog.

Targeted fhsrspy proyfetan

Targeted therapy provision is available following referral to the integrated therapy team.

Outcomes

Student progress against their Education Health Care Plans and their agreed personal targets is closely monitored. The number of students proceeding to part-time employment, voluntary work or further education has increased, although their learning difficulties and disabilities are more complex than in previous years.

Destination outcomes – Planned				
Year	Actual 21-22		Planned to date 22-23	
Leavers	43		41	
Work				
Paid work 16hrs+	1	2.33%	0	0%
Paid work less than 16hrs	4	9.30%	4	9.75%
Voluntary work	9	20.93%	10	24.39%
Local college or training programme	16	37.21%	12	29.27%
Not in paid employment but looking for work	6	13.95%	1	2.44%
Community activities	3	6.98%		
Plans not finalised at this stage	4	9.30%	14	34.15%
Living				
Supported independent living	10	23.26%	16	39.02%
Residential placement	2	4.65%	1	2.44%
Living with family	17	39.53%		
Living with family pending Supported Living	7	16.28%		
Awaiting confirmation of plans	7	16.28%	24	58.54%

National average of young people with SEND going into work – 5.4%

The clients in 2023

It is one of the objects of Derwen Charity that we provide accommodation for people with disabilities and learning difficulties. The trustees have worked closely with the Senior Leadership Team and have reviewed the provision we make within this objective and what that means for our clients, our residents, of whom there were 31in 2023. Our commitment is to offer high quality supported living and to continue to look at:

- how we provide for the wellbeing of the clients
- how we can ensure their long-term security
- what we can do to offer meaningful activity in their daily lives
- how we offer care and support and how we do this within current regulations and concepts of best practice.

Derwen Care has been established to provide support for those needing it. All clients now have an up to date tenancy agreement. Clients have access to many activities, both on and off site. For example, they enjoy helping in Vintage Advantage, our charity shop, and contributing to Oswestry in Bloom success in Cae Glas Park.

Excellent performance and quality

The college, a learning establishment, is characterised by a drive for continuous improvement and has strong and varied processes of reflection, evaluation and analysis. The Quality Assurance Calendar (QAC) is updated annually and gives an overview of the depth and breadth of activity to review performance and to take learning from the outcomes, so that improvement can be made. There is a strong culture of undertaking continuous professional development, commissioning audits and reports, including from external bodies, to gain the benefit of additional expertise and insight. Similarly, peer-working and scrutiny are actively pursued, both with Derwen team members being invited to review others' work, and the college having reciprocal input about its working.

Internally

There is a well-established, thorough and transparent self-assessment system. Quality and the achievement of Improvement Plan targets are monitored throughout the year and the formal departmental evaluations of performance and outcomes are moderated at the end of the summer term by panels, which include trustees.

The comprehensive self-assessment and data analysis support the following judgements for the college's performance 2022-23:

- **Overall effectiveness: Good**
- Quality of education: Good
- Behaviours and attitudes: Outstanding
- Personal development: Outstanding
- Leadership and management: Good
- Safeguarding: Effective

The audit and monitoring procedures ensure reflection on specific experiences and activities and lead to the lessons learnt being shared and implemented across the college.

Inspection and public recognition

External Quality Assurers' feedback from awarding bodies is extremely positive. The college holds the Matrix Standard and was re-accredited in 2021.

The college was inspected by Ofsted, under the new Inspection Framework, from 9-11 November 2021, gaining the following grades:

△ Overall effectiveness	**Good**
△ The quality of education	**Good**
△ Behaviour and attitudes	**Outstanding**
△ Personal development	**Good**
△ Leadership and management	**Good**
△ Provision for learners with high needs	**Good**

The report included:

> Senior leaders have created a caring, *calm and inclusive environment for staff and* students. *Staff have* high *standards and clear* expectations *of learners' behaviour.* As *a* result, *staff* support learners well. Learners' behaviour and attitudes are *exceptional, and they* make good progress in their vocational course and independent *living skills.*
>
> Learners become more *independent in their personal lives. Through regular tutorials,* learners *participate in discussions and take* more control *of* their decision *making.*
>
> They improve their *ability to travel,* shop, cook and manage *their* personal laundry. As *they acquire these* skills, they move *successfully into more independent living* arrangements.
>
> Learners benefit from *a wide* range of extra-curricular *activities... Learners* are encouraged to *join the thriving* student *union and to represent their fellow students... Representatives* improve their communication skills *and* negotiate improvements for the benefit of all learners.

The Care Quality Commission carried out a focused inspection on 16 and 17 November 2022, reviewing specific areas identified in their 2019 inspection. The college has the following grades:

A Is the service safe?	**Good**
A Is the service effective?	**Good**
A Is the service caring?	**Good**
A Is the service responsive?	**Good**
A Is the service well led?	**Good**

During the regular monitoring of Food Safety and Hygiene standards all residences were awarded a five-star rating.

Many members of the public do not understand learning difficulties and disabilities and their impact on individuals and on those closest to them. Progress is equally difficult to understand. What may seem a small and inconsequential step to some people is, in fact, a major achievement and life changing. Staff and trustees are committed to ensuring life-enhancing progress for students and clients and feedback from families brings constant testimony to such progress.

From the mother of a student, following a Marketing write up about her son for a case study

> *Oh, this article made me so tearful.* Such a *wonderful read. In terms of my* input, *I'd just like to add: Mainstream school was difficult for (student). He was a tiny fish in a big pond who struggled to* stay afloat. His needs were *never fully met and he just* stopped *growing as a* person. That *all changed when he* was given the opportunity *to* attend Derwen. It was like *a* switch was *flicked and he just* woke up. *It has been wonderful seeing him* grow *in* confidence *and to explore* who he is *in a safe environment. When he was* chosen as *student representative, we* were *thrilled. This* was the first time *he'd* been accepted by his peers. Things have just gone *from strength to strength from then on. We are forever* grateful *for* the support *(student)* has received at Derwen.

From the parent of a student on DofE

> Just *wanted to say a big thank* you to you and the support team *for* giving (student) the opportunity of DofE. He's absolutely made *up* to complete the expedition and *I have to say, I'm massively* impressed you got 10km out *of him - that's the furthest* he's ever walked.

Mother of student

> Just wanted *to say how impressive all the Derwen* students were yesterday at the audacity dance competition. In addition to superb dancing, their positive *attitude and exemplary behaviour* were wonderful *to* see. They are a credit to you and Derwen College. Thank you again *for giving them the opportunity to shine - they all* grabbed that opportunity and shone *like the stars they* are.

Father of a student who achieved his gold DofE award

> Just *wanted to say thank* you for helping (student) get his Gold. *(Student) and (student's* mum) had *a lovely* day at the Palace. You must be so proud of what you and *your team have* achieved at Derwen with the D of E programme. It's incredible to have over *20 students* from Derwen *receiving their Gold at* the Palace in that week- wow!

From the parent/carer's survey question: What is working well?

- *A fantastic experience of living away from home. The teaching environment regarding the chosen pathway.*
- *Peer friendships and independent living skills - I have seen an improvement in both these areas*
- *Independence, relationships, travel training, sports training outside college, range of activities within college, Student Union.*
- *He loves it. He is learning many new skills and his confidence is growing. He enjoys his living situation, his own space but plenty to do when he wants to join in. Feeling his voice is heard.*

Development projects

Change and innovation are constant and the Resources and Business Committee leads on the in depth consideration of development proposals and the monitoring of progress with developments.

A **capital expenditure plan** is agreed annually. In 2023 a major consideration was the further adaptation of buildings to ensure the best possible environment for students on the Nurture programme. This also included preparing for the first residential Nurture students, who started at the college in September 2023.

Thomas House was repurposed to ensure it could accommodate the particular needs of this group of learners. Acorns, a building used as a residence by clients, has been refurbished and returned to student accommodation.

The Commercial Outlet Strategy was kept under review. This ensures that commercial initiatives are in line with curriculum needs, industry standards and students' individual needs and aspirations. It aligns with and supports our overarching strategic priorities to:

- Ensure our long-term sustainability
- Excel in every aspect of our operation
- Make the most of our exceptional resources

The strategy encompasses all destinations that offer an opportunity for the charity to generate a commercial income, both on and offsite. Derwen as a destination provides:

- Garden Centre & Gift Shop
- Walled Garden Cafe
- The Vintage Advantage charity shop
- Derwen online shop
- The Orangery Restaurant
- Woodland Walk
- Station Cafe

The Student Union Board raised questions about the accessibility of some parts of the site, and

starting with Horticulture and the Student Union building, have worked with relevant staff to identify issues and possible improvements. This has become a cross-college initiative.

In December 21the staff **Green Environment and Sustainability Committee** (with trustee membership) was formed. The Board supported the college commitment to the Shropshire Zero Carbon pledge. The group's objectives and aims are agreed, members received Carbon Literacy training, and a detailed Reduction of Carbon Footprint Action Plan was costed, agreed, and is regularly monitored.

The charity received grant funding of £43,200 to cover the costs of engaging ESOS Energy Limited to produce a Heat Decarbonisation Plan (HDP) for the Gobowen Campus. This involved surveying 28 properties across the site with the aim being to support the drive to reduce carbon emissions across the organisation and support with compliance to the grant conditions of the Public Sector Decarbonisation Scheme (PSDS). This HDPtherefore focused on the actions which can be taken to move away from using gas and oil for the heating and hot water requirements of the buildings and estate.

Â whole college scheme was initially prepared and was calculated to cost over £10m. Despite being previously advised that grants of up to 90% were available, the maximum grant that would have been allocated for such a scheme was only £2.6m, a shortfall of £7.4m. The consultants are now looking at significantly smaller schemes that would replace the oldest gas boilers to see what grants would be available and what funds would need to be contributed from reserves.

Leadership, management and staffing

The Senior Leadership Team (SLT) is headed by Meryl Green, the Principal and CEO, supported by five Directors:

- Â Finance and Sustainability
- Â People and Resources
- A Care, Health and Wellbeing
- A Learning and Curriculum Development; and
- A Communication, Information and Technology, who is also the Company Secretary.

Pictured from left to right: Andrew Smith, Carol Thompson, Meryl Green, Zoe Wood, Karen George and Natlaie Bellis.

They have proved a committed, close working and very able team, with whom governors work particularly closely. They ensure quality, provide real vision, drive and challenge and are supported by highly competent senior managers/heads.

Included in their responsibilities are safeguarding and Equality, Diversity and Inclusion (EDI). Safeguarding is embedded in all that happens and staff training closely monitored. Named trustees are members of the staff Safeguarding Committee and before Board Standard and Effectiveness meetings they undertake a detailed review, with relevant staff, of current preoccupations, concerns, activity and reports. These are discussed at the Standards and Effectiveness Committee and reported to every Board meeting.

Staff numbers have increased, reflecting new and expanded provision and the increasing complexity of students' disabilities. Nationally, the labour market has become much tighter but the college has yet to experience the critical recruitment difficulties many are experiencing. Continued professional development is closely monitored and any low completion rates actively followed up. Trustees have been pleased to see, indeed are almost envious of, the continually increasing staff wellbeing facilities and programme.

Pay policy for key management personnel

The remuneration and terms and conditions of employment of the members of the SLT are agreed by the Board, following an established procedure. Annually the Chair meets each member of the team and offers the opportunity for the individual to reflect and give feedback and comment on role, status and operational activity and any matter related to her/his employment.

The Chairs of the Board and Committees and Vice-Chair of the Board meet and consider all the feedback and comment, working with the CEO/Principal when discussing the directors, and using any available benchmarking data. A proposal for Board consideration is drawn up. This is discussed at the full Board meeting, with no staff present, and a decision made.

Employee involvement, employment of people with disabilities and volunteers

Employees are consulted on issues of concern to them by means of the Staff Forum, staff meetings and a confidential and anonymous website link. They have been kept informed on specific matters directly by management and through the regular Staff Newsletter.

The college carries out a biennial staff survey and has adopted a procedure of upward feedback for the Governors and 360-degree feedback for senior managers. A specific focus on staff wellbeing continues to characterise much of the work, including a FUN Fund for activities by teams of staff, and the implementation of the Staff Engagement Plan is closely monitored. The Gender Pay Gap return and the review and production of policies have been discussed in detail by governors. The changes necessitated by the General Data Protection Regulations have been rigorously enforced and monitored. There has been a particular focus on professional development and qualifications.

Volunteers are welcomed, contribute to the college's operation, receive an induction process and are DBS checked.

In accordance with the college's Equal opportunities policy, the college has long established fair employment practices in the recruitment, selection, retention and training of disabled staff. Full details of these policies are available from the college.

EDI highlights 2022-23 included:

- taking on the Autism Education Trust post 16 licence for Shropshire, which allows Derwen staff to deliver autism awareness training externally in the county.
- holding the first Derwen Pride event in June.
- making available Menopause Support and How to be a Menopause Friendly Manager training.
- Student Union Board being invited to talk about disabilities to pupils at a local primary school. 2 workshops were delivered to 3 groups of children aged 6-8 yrs.
- delivering neurodiversity's CPD, focusing on strategies for learners with Dyslexia, Dyspraxia and ADHD to 58 staff.
- delivering Assistive Technology training to 58 staff.
- delivering unconscious-bias manager-training to 11staff.

Governance

Constitution

Derwen College is registered in England and Wales as a charitable company, limited by guarantee, and was set up by a Trust deed.

Members' liability

The members of the college guarantee to contribute an amount not exceeding £1 to the assets of the college in the event of winding up.

The development of the charity

Derwen Charity has a long pedigree. It was founded in 1927 by Dame Agnes Hunt and was originally associated with the Orthopaedic Hospital in Gobowen. The Derwen Estate was purchased in 1928 and the first trust deed was established on 3 August 1932. It was varied or affected by schemes of the Charity Commission dated 25 January 1968 and 18 August 1972, and then consolidated in the Deed of 29 November 1988.

An incorporated charity was established on 18 July 2013, Derwen College (charity number 1153280, Companies House number 8615826). The former charity remains in existence as Derwen College Trust (charity number 208745) with the sole purpose of managing the permanently endowed property. It appointed as its trustees the new Derwen Charity.

The solicitors drew up a uniting directive which allows a single set of accounts to be drawn up, as the two entities have the same financial reporting period. 'Linked' financial statements for both Companies House and the Charity Commission are submitted annually for reporting purposes.

The regulatory framework

Under the agreed Articles of Association to which the college is now working there are:

at least seven and not more than twelve co-opted trustees, appointed by resolution of the Board conforming to any criteria the Board determines. The term of office of all trustees is five years, with an expectation that usually after three terms of office the trustee shall be eligible for re-election only after a year has elapsed.

The Board co-opts additional members to committees in order to benefit from people's experience and professional expertise.

Trustees' activity in 2023

The Board works closely with the Senior Leadership Team. A very positive working relationship has been developed, which recognises the need for trustees to provide effective challenge as well as active support.

The report on the 2022 Governance Review, undertaken by a consultant, was studied in detail and an action plan drawn up. At the Board's request, reflection on the procedures and processes adopted for strategic planning and monitoring had been undertaken and this has led to yet more detailed consideration of the external factors influencing the college and the context within which it works. The amount of preparation for meetings trustees need to do has also been a subject of debate.

Much of the detailed analysis and scrutiny of the college's operation is managed by the committees, of which there are four. The Resources and Business Committee was formed in the summer 2020 drawing together work previously undertaken by the Business and Finance, Estates, and Human Resources Committees. A new committee was formed at that time, Audit and Risk Assurance, that undertakes work across the whole college's operation. The Standards and Effectiveness Committee continues its focus on care and the curriculum, with a specific brief for safeguarding and reporting on this at each Board meeting. The Search and Governance Committee monitors the profile of the Board and the quality of governance.

Trustees were delighted this year to be able to become familiar once again with the Gobowen site and visits to the Telford and Walford sites acquainted them with students, staff and activities in the satellites.

Major decisions and areas of activity during 2023 concerned:

- The consultancy agreement with Kuwait Society for the Handicapped (KSH)
- The expansion of the Nurture provision to include residential students and to broaden the programme for a larger cohort of students.

Trustees give generously of their time, experience and expertise. This is not confined to meetings! Trustee Mark Lord's fundraising concert, which took place at the Holroyd Community Theatre in summer, 22 was such a success that it was repeated in June 23. The concert featured Performing Arts students, with canapes and drinks served by Hospitality & Food students. Ticket sales and a raffle raised £2,000.

Methods of appointment or election of trustees

The control of the charity, its property and funds is in the hands of the trustees (governors), who are also the company directors, and who are appointed in line with the Articles of Association. All potential governors undertake a formal interview process which includes a fit and proper person's assessment. Appointments are approved at Board level. Governors are often appointed from the ranks of Committee co optees. These positions enable people to become familiar with the college, its operations, and the governance system and processes.

The Board's Search and Governance Committee formally reviews the specialisms, strengths and characteristics of the members and of the Senior Leadership Team annually, including diversity. The Board has adopted the Charity Code of Governance.

Policies adopted for the induction and training of trustees

Governors receive an appropriately resourced induction when they join the board. This includes meetings with senior management and formal, often on-line, training. Governors have links with senior management and access to videos covering all areas of the charity's work. Governors have briefings, site visits, learning walks and ongoing learning and development.

The Achievement of Public Benefit

In setting objectives and planning for activities, the Governors have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2).

Derwen College transforms lives. The number of students who proceed to supported living, students' progress in managing their medication, travel and healthy eating, clients' response to the meaningful activities programme, the amazing number who gain Duke of Edinburgh's Awards each year, the confidence shown in work placements, performances and encounters with the public, are all examples of significant development and growth. The quality of provision is inspected by Ofsted, the Care Quality Commission and other agencies. The Board believes that the college provides excellent value for money to the public purse and that student outcomes mean they can be less dependent on benefits throughout the rest of their lives. The high level of staff expertise and commitment are key elements of the college's management of learning, student support and innovation.

It is also evident that, in meeting the specific complex needs of those with SEND from across the country, Derwen College represents efficient and effective use of public money. These students need access to much specialist provision, and it often needs to be on hand every day and through the night. It is only when sufficient numbers of students come together that employing specialist teachers, therapists, nurses, and care staff becomes achievable and cost effective. Smaller establishments are not able to recruit and retain staff in this way. In order to meet the commitment to post-16 students with significant SEND, national specialist colleges are essential.

Financial review

Going concern

The audited and approved annual accounts are submitted by the due dates to both the Charity Commission and Companies House. After making ail appropriate enquiries, very thorough consideration of draft budgets, and cash flow up to 2025, and having taken key strategic decisions, the trustees expect the charity to have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing financial statements. The sale of assets has had a significant positive effect and income from the KSH Project will be used for further development.

Reserves policy

The note to the accounts shows the assets and liabilities attributable to the various funds by type, and summarise the year's movement on each fund.

The total funds of the charity were £5,465,298 (2022: £4,635,083) of which restricted funds were £459,223 (2022: £448,458) and endowment £2,418,385 (2022: £2,930,280).

The unrestricted funds amounted to £2,587,690 (2022: £1,260,345) of which there is a surplus of £1,316,926 (2022: £438.044) relating to free reserves. The current reserves policy followed by the Governors is to have a total reserves figure of up to a maximum of 50 days of expenditure. The current free reserves figure is 38 days (2022: 15 days).

Reserves may need to be utilised during the short to medium term for cash flow and for capital projects. The Governors consider this to be judicious and appropriate especially in the current climate of uncertainty surrounding funding approvals and budgetary restraint.

In 2019 the FRS102 defined benefit pension scheme closed to new members and future accrual, it therefore currently has no active members. As a result, the pension asset is no longer included within the charity's balance sheet (2022: £Nil).

Financial summary

During the year the net movement in funds was a surplus of £830,215 (2022: £531,280). Net current assets have increased to £1,527,055 (2022: £997,110) with the closing cash position increasing to £1,600,511 (2022: £1,318,848).

The subsidiary company, Derwen College Consulting Ltd carried out some significant consultancy work in Kuwait during 2023, generating income of £421,350 and a surplus of £378,546 for the period ending 31.12.2023. These figures have been included in the consolidated accounts.

Principal risks and uncertainties

The trustees regularly examine the principal areas of the college's operations and consider the major risks faced in each. There are established resources and review systems which, under normal conditions, should allow any risk to be managed to an acceptable level in the college's day to day operation.

College risk management has two distinct tiers: strategic and operational. The operational level is reviewed on a 'real time' basis and deals with individual departments, students, functions and duties. At the strategic level, the Senior Leadership Team reviews the risk assessment register monthly and it is reviewed at least termly as part of the college quality improvement plan. Issues are debated and reported at Board meetings. This includes college pension arrangements, insurances and trustee responsibilities to ensure these remain in line with current legislation and operational factors.

The college's spacious campus is, when pandemic regulations and guidance allow, open to visitors and customers in the public areas, Derwen Marketplace, and is imaginatively and purposefully managed to enable students to interact with staff and members of the public appropriately and safely However, the open plan nature of the campus and the heightened staff awareness of potential hazards necessitate regular reviews. During 2014 gates were erected at strategic points on the campus enabling a secure area for students, away from the public areas, to be closed off at 9 p.m. each evening. In 2017 the central area of the college became pedestrianised. Departmental operational risk management encompasses all locations and individuals. Since 2019 there has been an ongoing major programme of installation of CCTV monitoring equipment and the replacement of intruder alarms.

Site safety is reviewed through the Health and Safety Committee, which includes governor membership, is audited by specialist advisors and monitored by external agencies. A full time Health and Safety Manager ensures the scrutiny of all aspects of H&S and appropriate action plans are rigorously implemented.

The college provides a safe and supportive environment for learners to access the internet, including social networking sites. Staff across college give a high priority to all aspects of on line safety and the safeguarding team rigorously monitor risk in this area with personalised strategies being implemented to support all individuals as appropriate.

Financial risk management objectives and policies

The Board has adopted the Charity Code of Governance (for larger charities) and adheres to the principles it lays out.

Principal funding

The main source of income is generated from student and client fees paid for by local and central Government and amounts to 85% of the total. All the £13,511,473 income raised during 2023 has been used to enable the college to meet its charitable objectives.

Fundraising

- Donations £127,783
- The Vintage Advantage Shop £112,274
- Summer Fete, Sponsored Walk and Christmas Fayre £38,962
- Students have undertaken sponsored activities, and staff are not slow to donate their time and energy.
- The notable event of 2023 was the Spinathon in April, which raised £15,000.
- The Freemasons and Rotary organisations continue to give generously to support the Duke of Edinburgh's Award activities.

The trustees are committed to the necessary capital spending to maintain and enhance the college's facilities and to meet the legal and regulatory requirements. The major appeal for £1,000,000, launched to fund the further development and upgrading of the Agnes Hunt bungalow properties, is ongoing.

Investment policy and performance

The college takes a prudent, low risk approach to investments, placing cash surpluses on deposit to attract a return, although this was not especially attractive when interest rates were very low. This is principally because the reserves may need to be utilised during the short to medium term for cash flow and for capital projects. The investment strategy of the Derwen pension scheme has been the subject of a detailed review with very positive results and the scheme is formally reported on annually to the Board.

So much achieved

During recent years the college has managed a reduction in residential student numbers, a significant increase in day student numbers, a marked increase in the complexity of students' disabilities, the opening of three satellites, an expansion of the curricular programme, a major restructuring of provision for clients, the funding and opening of the hydrotherapy pool, massive improvements to buildings, the sale of some assets, the management of Covid 19's impact, a review of strategic priorities, and a successful international consultancy. This has been achieved through team work, detailed planning, and without recourse to borrowing. The Senior Leadership Team and the trustees believe the charity is now in a strong position; it will embed the many developments and pursue its drive to improve continuously.

Where next?

However national developments continue to offer more unknowns and potential challenges. The trustees are delighted that the college is in a position to be fully aware of and influence the SEND and AP Change Programme, as members of a Change Programme Partnership. The Additional Learning Needs (ALN) Transformation – Wales, led by the Welsh Government, is making it harder for Welsh students to obtain funding and is being monitored. Nationally, teaching and the qualifications framework are under review and the subject of consultation; this could have a significant impact on programmes.

The extension of mayoral led authorities could influence attitudes to funding and placing students.

However, as Principal and CEO Meryl Green said:

> At Derwen, we are confident that our model can transform lives, not only in the UK and a parent wrote:

(Student) called after his annual review and said it went perfect (his exact words).

> Once *again, I can't thank you* enough for everything you've done *in giving him* some independence and lots of positive *encouragement. I* am *truly grateful,* (Student) also feels things *are perfect.*

Statement of trustees' responsibilities

The trustees (who are also the directors of the college for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the college and of its incoming resources and application of resources, including its income and expenditure, forthat period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the college will continue in business; and
- The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the college's transactions and disclose with reasonable accuracy at any time the financial position of the college and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the college and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are trustees at the time when this trustees' report is approved has confirmed that::

- so far as that trustee is aware, there is no relevant audit information of which the charity's auditors are unaware: and
- each trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditors, WR Partners, have indicated their willingness to continue in office. The designated trustees will propose a motion reappointing the auditors at a meeting of the trustees.

Approved by order of the members of the board of trustees and signed on their behalf by:

Mrs Kathleen Kimber, chair of trustees

Date: 26 July 2^0^

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DERWEN COLLEGE

Opinion

We have audited the financial statements of Derwen College (the 'College') for the year ended 31 December 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flowsthe Consolidated statement of financial activities, the Consolidated balance sheet, the College balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 December 2023 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees 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 Trustees are responsible for assessing the Group's and the parent charitable company'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 Trustees either intend to liquidate the Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

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

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

- We reviewed the susceptibility of the Charitable Company's financial statements to material misstatement and identified the principal risks, implementing a series of testing procedures to provide us with sufficient comfort to issue our opinion.
- We reviewed the Charitable Company's regulatory environment to ensure we could conclude that it had acted in accordance with the framework relevant to the Charitable Company and its environment and identify any instances of non-compliance.
- We also assessed the Charitable Company's internal control procedures to ensure we could appropriately scrutinise these controls and establish whether our understanding of the control environment was sufficient to supplement our additional testing procedures.
- The engagement team consisted of a team that the engagement partner believes is equipped with the relevant level of technical and Charity awareness to carry out our work to the required standard.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DERWEN COLLEGE (CONTINUED)

Andrew Malpass BSc FCA (Senior statutory auditor)
for and on behalf of
WR Partners
Chartered Accountants and Statutory Auditors
Belmont House
Shrewsbury Business Park
Shrewsbury
Shropshire
SY2 6LG

Date: 1 August 2024

DERWEN COLLEGE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £	*Total funds 2022 £*
Income and endowments from:						
Donations and legacies	4	**231,464**	**70,343**	**-**	**301,807**	*438,342*
Charitable activities	5	**11,947,615**	**-**	**-**	**11,947,615**	*9,956,879*
Other trading activities	6	**1,075,331**	**-**	**-**	**1,075,331**	*549,188*
Investments	7	**15,720**	**-**	**-**	**15,720**	*308*
Other income	8	**-**	**-**	**171,000**	**171,000**	*980,402*
Total income and endowments		**13,270,130**	**70,343**	**171,000**	**13,511,473**	*11,925,119*
Expenditure on:						
Raising funds	9	**653,194**	**-**	**-**	**653,194**	*568,496*
Charitable activities		**11,754,741**	**55,578**	**217,745**	**12,028,064**	*10,825,343*
Total expenditure		**12,407,935**	**55,578**	**217,745**	**12,681,258**	*11,393,839*
Net income/(expenditure)		**862,195**	**14,765**	**(46,745)**	**830,215**	*531,280*
Transfers between funds	19	**465,150**	**-**	**(465,150)**	**-**	*-*
Net movement in funds		**1,327,345**	**14,765**	**(511,895)**	**830,215**	*531,280*
Reconciliation of funds:						
Total funds brought forward		**1,260,345**	**444,458**	**2,930,280**	**4,635,083**	*4,103,803*
Net movement in funds		**1,327,345**	**14,765**	**(511,895)**	**830,215**	*531,280*
Total funds carried forward		**2,587,690**	**459,223**	**2,418,385**	**5,465,298**	*4,635,083*

DERWEN COLLEGE
REGISTERED NUMBER: 08615826

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2023

	Note		2023 £		*2022 £*
Fixed assets					
Tangible assets	14		**3,938,243**		*3,637,973*
			3,938,243		*3,637,973*
Current assets					
Stocks	16	**47,921**		*38,899*	
Debtors	17	**935,637**		*508,329*	
Cash at bank and in hand		**1,600,511**		*1,318,848*	
		2,584,069		*1,866,076*	
Creditors: amounts due within one year	18	**(1,057,014)**		*(868,966)*	
Net current assets			**1,527,055**		*997,110*
Total assets less current liabilities			**5,465,298**		*4,635,083*
Net assets			**5,465,298**		*4,635,083*
Total net assets			**5,465,298**		*4,635,083*
Charity funds					
Endowment funds	19		**2,418,385**		*2,930,280*
Restricted funds	19		**459,223**		*444,458*
Unrestricted funds	19		**2,587,690**		*1,260,345*
Total funds			**5,465,298**		*4,635,083*

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Mrs K Kimber
Chair
Date: 26 July 2024

DERWEN COLLEGE
REGISTERED NUMBER: 08615826

COLLEGE BALANCE SHEET
AS AT 31 DECEMBER 2023

	Note		2023 £		*2022 £*
Fixed assets					
Tangible assets	14		**3,938,243**		*3,637,973*
Investments	15		**100**		*100*
			3,938,343		*3,638,073*
Current assets					
Stocks	16	**47,921**		*38,899*	
Debtors	17	**664,372**		*508,329*	
Cash at bank and in hand		**1,600,411**		*1,318,848*	
		2,312,704		*1,866,076*	
Creditors: amounts falling due within one year	18	**(1,164,295)**		*(869,066)*	
Net current assets			**1,148,409**		*997,010*
Total assets less current liabilities			**5,086,752**		*4,635,083*
Net assets excluding pension asset			**5,086,752**		*4,635,083*
Total net assets			**5,086,752**		*4,635,083*
Charity funds					
Endowment funds	19		**2,418,385**		*2,930,280*
Restricted funds	19		**459,223**		*444,458*
Unrestricted funds	19		**2,209,144**		*1,260,345*
Total funds			**5,086,752**		*4,635,083*

The College's net movement in funds for the year was £451,669 *(2022 - £531,280).*

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Mrs K Kimber
(Chair of Trustees)
Date: 26 July 2024

The notes on pages 40 to 63 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash used in operating activities	21	**530,516**	*(550,088)*
Cash flows from investing activities			
Dividends, interests and rents from investments		**15,720**	*308*
Proceeds from the sale of tangible fixed assets		**171,000**	*1,235,270*
Purchase of tangible fixed assets		**(435,573)**	*(247,019)*
Net cash (used in)/provided by investing activities		**(248,853)**	**988,559**
Cash flows from financing activities			
Net cash provided by financing activities		**-**	*-*
Change in cash and cash equivalents in the year		**281,663**	**438,471**
Cash and cash equivalents at the beginning of the year		**1,318,848**	*880,377*
Cash and cash equivalents at the end of the year	22	**1,600,511**	*1,318,848*

The notes on pages 40 to 63 form part of these financial statements

1. General information

Derwen College is a Company limited by guarentee. The registered office is disclosed on the Reference and Administration page. The Charity is primarily involved in working with young people with learning difficulties and disabilities to provide learning, development and care to enable the achievement of aspirations.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the second edition Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Derwen College meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Group and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Group has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

2.2 Company status

The College is a Company limited by guarantee, registered in England and Wales. The members of the company are the Governors named on page 1. In the event of the College being wound up, the liability in respect of the guarantee is limited to £1 per member of the College.

2.3 Going concern

At 31 December 2023 no material uncertainties existed that would impact the going concern basis that these financial statements are prepared upon.

2.4 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds are funds, the capital of which must be maintained.

2. Accounting policies (continued)

2.5 Income

All income is recognised once the College has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

2.7 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Consolidated statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Consolidated statement of financial activities as the related expenditure is incurred.

2.8 Tangible fixed assets and depreciation

Tangible fixed assets of a capital nature are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

2. Accounting policies (continued)

2.8 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Leasehold property	- over the lifetime of the initial lease
Fixtures, plant and machinery	- 14% on a straight line basis
Motor vehicles	- 25% on a straight line basis
Assets under construction	- nil depreciation

2.9 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.10 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated statement of financial activities.

2.11 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.12 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.13 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2. Accounting policies (continued)

2.14 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the College anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated statement of financial activities as a finance cost.

2.15 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.16 Finance leases and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Group. Obligations under such agreements are included in creditors, net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Consolidated statement of financial activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.17 Pensions

The Group operates a defined contribution pension scheme, the pension charge represents the amounts payable by the Group to the fund in the year.

In 2019 the FRS102 defined benefit pension scheme was closed to new members and future accrual therefore currently has no active members. As a result, the pension asset is no longer included within the Charity's balance sheet.

2.18 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

3. Critical accounting estimates and areas of judgment

Estimates and judgments 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:

The College makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgment:

Assumptions used in Pensions Valuation

The present value of the Local Government Pension Scheme defined benefit position depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumption used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions which are disclosed in note 24 will impact the carrying value of the pension. The pension fund is currently in a surplus position of £2,728k. This is not recognised in the financial statements as the College does not expect to recover the surplus either through reduced contributions in the future or through refunds from the Scheme.

4. Income from donations and legacies

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	*Total funds 2022 £*
Donations	57,742	70,343	**128,085**	*193,874*
Grants	173,722	-	**173,722**	*1,705*
Government grants	-	-	**-**	*242.763*
Total 2023	231,464	70,343	**301,807**	*438,342*
Total 2022	*289,263*	*149,079*	*438,342*	

5. Income from charitable activities

	Unrestricted funds 2023 £	Total funds 2023 £	*Total funds 2022 £*
Training Fees	11,188,202	**11,188,202**	*9,483,181*
Miscellaneous Income	91,323	**91,323**	*106,508*
Short Breaks Income	417,412	**417,412**	*237,469*
Rental Income	250,678	**250,678**	*129,721*
Total 2023	11,947,615	**11,947,615**	*9,956,879*
Total 2022	*9,956,879*	*9,956,879*	

6. Income from other trading activities

Fundraising activities

	Unrestricted funds 2023 £	Total funds 2023 £	*Total funds 2022 £*
Retaill	307,831	**307,831**	*298,367*
Hospitality	346,150	**346,150**	*250,821*
Derwen College Consulting Ltd	421,350	**421,350**	*-*
Total 2023	1,075,331	**1,075,331**	*549,188*
Total 2022	*549,188*	*549,188*	

7. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £	*Total funds 2022 £*
Interest Receivable	15,720	**15,720**	*308*
Total 2023	15,720	**15,720**	*308*
Total 2022	*308*	*308*	

8. Other incoming resources

	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £	*Total funds 2022 £*
Profit on Sale of Assets	-	171,000	**171,000**	*980,402*
Total 2023	-	171,000	**171,000**	*980,402*
Total 2022	*(45,958)*	*1,026,360*	*980,402*	

9. Expenditure on raising funds

Other trading expenses

	Unrestricted funds 2023 £	Total funds 2023 £	*Total funds 2022 £*
Retail and Hospitality Expenditure	326,860	**326,860**	*297,035*
Retail and Hospitality Staff Costs	283,530	**283,530**	*271,461*
Derwen College Consulting Ltd expenses	42,804	**42,804**	-
Total 2023	653,194	**653,194**	*568,496*
Total 2022	*568,496*	*568,496*	

10. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £	*Total funds 2022 £*
Education	3,760,424	-	**3,760,424**	*3,477,191*
Care	4,419,223	-	**4,419,223**	*3,931,242*
Administration	1,013,766	936,786	**1,950,552**	*1,776,056*
Campus & Estates	1,179,523	718,342	**1,897,865**	*1,640,854*
Total 2023	10,372,936	1,655,128	**12,028,064**	*10,825,343*
Total 2022	*9,373,824*	*1,451,519*	*10,825,343*	

10. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Education 2023 £	Care 2023 £	Administration 2023 £	Campus & Estates 2023 £	Total funds 2023 £	*Total funds 2022 £*
Staff costs	3,357,508	4,078,255	-	-	**7,435,763**	*6,484,857*
Depreciation	-	-	135,303	-	**135,303**	*104,266*
Premises & Ground Costs	118,943	9,304	152,500	962,409	**1,243,156**	*1,151,297*
Equipment Repairs and Maintenance	32,556	47,130	25,080	138,719	**243,485**	*186,349*
Licences & Subscriptions	7,214	21,754	55,225	4,307	**88,500**	*58,091*
Legal , Professional & Consultation Costs	4,612	16,097	79,232	-	**99,941**	*105,327*
Cleaning and Consumables	48,044	142,595	6,261	56,068	**252,968**	*229,736*
Marketing and Advertising	1,151	2,446	45,507	-	**49,104**	*49,087*
Learning Equipment and Student Activities	93,609	3,924	83,995	743	**182,271**	*177,256*
Printing Stationery and Computing Consumables	46,727	24,732	253,006	6,870	**331,335**	*236,701*
College Transport	24,586	5,559	68,627	3,227	**101,999**	*106,571*
External Contractors	816	53,815	2,878	5,399	**62,908**	*300,311*
Miscellaneous	24,658	13,612	106,152	1,781	**146,203**	*183,975*
Total 2023	3,760,424	4,419,223	1,013,766	1,179,523	**10,372,936**	*9,373,824*
Total 2022	*3,477,191*	*3,931,242*	*934,392*	*1,030,999*	*9,373,824*	

10. Analysis of expenditure by activities (continued)

Analysis of support costs

	Administration 2023 £	Campus & Estates 2023 £	Total funds 2023 £	*Total funds 2022 £*
Staff costs	936,786	718,342	**1,655,128**	*1,451,519*
Total 2023	936,786	718,342	**1,655,128**	*1,451,519*
Total 2022	*841,664*	*609,855*	*1,451,519*	

11. Auditors' remuneration

	2023 £	*2022 £*
Fees payable to the College's auditor for the audit of the College's annual accounts	**10,825**	*9,680*
Fees payable to the College's auditor in respect of:		
All non-audit services not included above	**3,750**	*1,920*

12. Staff costs

	Group 2023 £	*Group 2022 £*	Company 2023 £	*Company 2022 £*
Wages and salaries	**8,404,727**	*7,338,827*	**8,404,727**	*7,338,827*
Social security costs	**676,792**	*600,713*	**676,792**	*600,713*
Pension costs	**292,902**	*268,297*	**292,902**	*268,297*
Agency costs	**52,989**	*279,450*	**-**	*-*
	9,427,410	*8,487,287*	**9,374,421**	*8,207,837*

Included in the above are redundancy payments of £6,494 (2022: £37,696) made payable to 2 (2022: 3) employees in the year.

12. Staff costs (continued)

The average number of persons employed by the College during the year was as follows:

	Group 2023 No.	*Group 2022 No.*
Charitable staff	**287**	*255*
Administration and support	**87**	*84*
Management	**6**	*4*
	380	*343*

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2023 No.	*Group 2022 No.*
In the band £60,001 - £70,000	**3**	*3*
In the band £70,001 - £80,000	**1**	*1*

The key management personnel of the College comprise of the senior management team as listed on page 2. The total remuneration of the key management personnel during the year was £466,482 (2022: £333,661). The remuneration and terms of conditions of the members of the SLT is agreed by the board following an established procedure.

13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits *(2022 - £NIL).*

During the year ended 31 December 2023, no Trustee expenses have been incurred *(2022 - £NIL).*

14. Tangible fixed assets

Group

	Freehold property £	Leasehold property £	Plant and machinery £	Motor vehicles £	Assets under construction £	Total £
Cost or valuation						
At 1 January 2023	**12,309,250**	**542,214**	**833,927**	**269,303**	**-**	**13,954,694**
Additions	**54,288**	**-**	**236,691**	**51,114**	**93,480**	**435,573**
At 31 December 2023	**12,363,538**	**542,214**	**1,070,618**	**320,417**	**93,480**	**14,390,267**
Depreciation						
At 1 January 2023	**9,301,907**	**279,808**	**480,780**	**254,226**	**-**	**10,316,721**
Charge for the year	**-**	**25,235**	**97,544**	**12,524**	**-**	**135,303**
At 31 December 2023	**9,301,907**	**305,043**	**578,324**	**266,750**	**-**	**10,452,024**
Net book value						
At 31 December 2023	**3,061,631**	**237,171**	**492,294**	**53,667**	**93,480**	**3,938,243**
At 31 December 2022	*3,007,343*	*262,406*	*353,147*	*15,077*	-	*3,637,973*

Included in freehold property is land at a cost of £106,693 (2022: £106,693).

14. Tangible fixed assets (continued)

Company

	Freehold property £	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Other fixed assets £	Total £
Cost or valuation						
At 1 January 2023	**12,309,250**	**542,214**	**833,927**	**269,303**	**-**	**13,954,694**
Additions	**54,288**	**-**	**236,691**	**51,114**	**93,480**	**435,573**
At 31 December 2023	**12,363,538**	**542,214**	**1,070,618**	**320,417**	**93,480**	**14,390,267**
Depreciation						
At 1 January 2023	**9,301,907**	**279,808**	**480,780**	**254,226**	**-**	**10,316,721**
Charge for the year	**-**	**25,235**	**97,544**	**12,524**	**-**	**135,303**
At 31 December 2023	**9,301,907**	**305,043**	**578,324**	**266,750**	**-**	**10,452,024**
Net book value						
At 31 December 2023	**3,061,631**	**237,171**	**492,294**	**53,667**	**93,480**	**3,938,243**
At 31 December 2022	*3,007,343*	*262,406*	*353,147*	*15,077*	*-*	*3,637,973*

15. Fixed asset investments

College	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2023	**100**
At 31 December 2023	**100**
Net book value	
At 31 December 2023	**100**
At 31 December 2022	*100*

Principal subsidiaries

The following was a subsidiary undertaking of the College:

Name	Company number	Class of shares	Holding
Derwen College Consulting Limited	14503923	Ordinary	100%

	Income £	Expenditure £	Profit/(Loss)/ Surplus/ (Deficit) for the year £	Net assets £
Derwen College Consulting Limited	**421,350**	**(42,350)**	**378,546**	**378,546**

16. Stocks

	Group 2023 £	*Group 2022 £*	Company 2023 £	*Company 2022 £*
Finished goods and goods for resale	**47,921**	*38,899*	**47,921**	*38,899*

17. Debtors

	Group 2023 £	*Group 2022 £*	Company 2023 £	*Company 2022 £*
Due within one year				
Trade debtors	**775,313**	*342,529*	**504,048**	*342,529*
Other debtors	**1,300**	*7,469*	**1,300**	*7,469*
Prepayments and accrued income	**159,024**	*158,331*	**159,024**	*158,331*
	935,637	*508,329*	**664,372**	*508,329*

18. Creditors: Amounts falling due within one year

	Group 2023 £	*Group 2022 £*	Company 2023 £	*Company 2022 £*
Payments received on account	**152,346**	*148,730*	**152,346**	*148,730*
Trade creditors	**324,832**	*143,575*	**282,043**	*143,575*
Amounts owed to group undertakings	**-**	*-*	**150,085**	*100*
Other taxation and social security	**184,677**	*154,233*	**184,677**	*154,233*
Obligations under finance lease and hire purchase contracts	**12,894**	*-*	**12,894**	*-*
Other creditors	**21,424**	*27,044*	**21,424**	*27,044*
Accruals and deferred income	**360,841**	*395,384*	**360,826**	*395,384*
	1,057,014	*868,966*	**1,164,295**	*869,066*

	Group 2023 £	*Group 2022 £*
Deferred income at 1 January 2023	**264,142**	*-*
Resources deferred during the year	**151,393**	*264,142*
Amounts released from previous periods	**(264,142)**	*-*
	151,393	*264,142*

Deferred income relates to fees received in advance.

19. Statement of funds

Statement of funds - current year

	Balance at 1 January 2023 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2023 £
Unrestricted funds					
General Funds - all funds	438,144	13,270,130	(12,297,867)	(93,481)	1,316,926
Fixed asset fund	822,201	-	(110,068)	558,631	1,270,764
	1,260,345	13,270,130	(12,407,935)	465,150	2,587,690
Endowment funds					
Fixed asset fund	2,371,314	171,000	-	(294,058)	2,248,256
Expendable Endowment	558,966	-	(217,745)	(171,092)	170,129
	2,930,280	171,000	(217,745)	(465,150)	2,418,385
Restricted funds					
Fixed asset fund	444,458	-	(25,235)	-	419,223
Other restricted funds	-	70,343	(30,343)	-	40,000
	444,458	70,343	(55,578)	-	459,223
Total of funds	4,635,083	13,511,473	(12,681,258)	-	5,465,298

19. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2022 £	*Income* £	*Expenditure* £	*Transfers in/out* £	*Balance at 31 December 2022* £
Unrestricted funds					
General Funds - all funds	*353,715*	*10,795,638*	*(10,575,314)*	*(135,895)*	*438,144*
Fixed asset fund	*703,702*	-	*(85,773)*	*204,272*	*822,201*
	1,057,417	*10,795,638*	*(10,661,087)*	*68,377*	*1,260,345*
Endowment funds					
Fixed asset fund	*2,265,731*	-	-	*105,583*	*2,371,314*
Expendable Endowment	-	*1,026,360*	*(484,869)*	*17,475*	*558,966*
	2,265,731	*1,026,360*	*(484,869)*	*123,058*	*2,930,280*
Restricted funds					
Fixed asset fund	*780,655*	*(45,958)*	*(98,804)*	*(191,435)*	*444,458*
Other restricted funds	-	*149,079*	*(149,079)*	-	-
	780,655	*103,121*	*(247,883)*	*(191,435)*	*444,458*
Total of funds	*4,103,803*	*11,925,119*	*(11,393,839)*	-	*4,635,083*

Statement of funds (continued)

Endowment Funds

Endowment funds represent land and buildings of the college, with the exception of those held within restricted funds (see below). The endowed land and buildings are held on trust for Derwen College Trust, Charity Number 1153280-1.

During the year the college sold one property, the funds received are being held as expendable endowed funds until the Trustees wish to exercise the power to spend them. The expenditure during the year relates to expenditure on the properties, as permitted by the scheme granted by the Charity Commission.

Restricted Funds

The restricted fund brought forward and remaining balance carried forward relates to the net book value of the properties at Ludlow, Telford and Walford College, including 2 properties in Gobowen that were partly funded by the Big Lottery (refer to note 26).

Other restricted funds - Any other restricted income and expenditure that has occurred during the year.

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £
Tangible fixed assets	1,270,764	419,223	2,248,256	**3,938,243**
Current assets	2,523,925	40,000	170,129	**2,734,054**
Creditors due within one year	(1,206,999)	-	-	**(1,206,999)**
Total	2,587,690	459,223	2,418,385	**5,465,298**

20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £	*Restricted funds 2022 £*	*Endowment funds 2022 £*	*Total funds 2022 £*
Tangible fixed assets	*822,201*	*444,458*	*2,371,314*	*3,637,973*
Current assets	*1,307,110*	-	*558,966*	*1,866,076*
Creditors due within one year	*(868,966)*	-	-	*(868,966)*
Total	*1,260,345*	*444,458*	*2,930,280*	*4,635,083*

21. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2023 £	*Group 2022 £*
Net income for the year (as per Statement of Financial Activities)	**830,215**	*531,280*
Adjustments for:		
Depreciation charges	**135,303**	*104,266*
Returns on investments and servicing of finance	**(15,720)**	*(308)*
Profit on the sale of fixed assets	**(171,000)**	*(980,402)*
Decrease/(increase) in stocks	**(9,022)**	*2,294*
Increase in debtors	**(577,293)**	*(219,192)*
Increase in creditors	**338,033**	*11,974*
Net cash provided by/(used in) operating activities	**530,516**	*(550,088)*

22. Analysis of cash and cash equivalents

	Group 2023 £	*Group 2022 £*
Cash in hand	**1,600,511**	*1,318,848*
Total cash and cash equivalents	**1,600,511**	*1,318,848*

23. Analysis of changes in net debt

	At 1 January 2023	Cash flows	New finance leases	At 31 December 2023
	£	£	£	£
Cash at bank and in hand	1,318,848	281,663	-	1,600,511
Finance leases	-	-	(12,894)	(12,894)
	1,318,848	281,663	(12,894)	1,587,617

24. Pension commitments

Auto - Enrolment Pension Scheme

The College now operates two defined contribution pension schemes. The assets of the scheme are held separately from those of the College in independently administered funds. One of these schemes was introduced from 1 June 2019 with staff being given the option to migrate over from the closed defined benefit scheme (see below).

The pension cost charge represents contributions payable by the College to the fund and amounted to £292,902 (2022: £268,296).

College Scheme

The Group operates a defined benefit pension scheme.

The scheme was closed to new members and future accrual in 2019. All active members were given the option to migrate to a new defined contribution scheme that was setup from 1 June 2019. The defined benefit scheme remains open as a de-risking exercise is being completed in preparation to be in a position to a future buy out. There are currently no active members. All members are classed as deferred or pensionable as at 31 December 2023.

The amounts in the financial statements for the year ended 31 December 2023 relating to pensions are based on a full actuarial valuation dated 31 December 2020 and updated to 31 December 2023 by a qualified actuary, independent of the scheme's sponsoring employer.

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	At 31 December 2023	*At 31 December 2022*
	%	*%*
Discount rate	4.8	*5*
Inflation (RPI)	3.2	*3.3*
Inflation (CPI)	2.6	*2.7*

24. Pension commitments (continued)

	At 31 December 2023 Years	*At 31 December 2022 Years*
Mortality rates (in years)		
- for a male aged 65 now	**21.4**	*21.8*
- at 65 for a male aged 45 now	**22.6**	*23.1*
- for a female aged 65 now	**23.3**	*23.6*
- at 65 for a female aged 45 now	**24.7**	*25.1*

The Group's share of the assets in the scheme was:

	At 31 December 2023 £	*At 31 December 2022 £*
Corporate bonds	**2,750,000**	*946,000*
International Bonds	**8,481,000**	*10,091,000*
Cash and Others	**50,000**	*82,000*
Total fair value of assets	**11,281,000**	*11,119,000*

The actual return on scheme assets was £510,000 *(2022 - £-6,019,000).*

The amounts recognised in the Consolidated Statement of Financial Activities are as follows:

Movements in the present value of the defined benefit obligation were as follows:

	2023 £
Opening defined benefit obligation	**8,428,000**
Admin Expenses	**-**
Actuarial Losses	**60,000**
Interest cost	**413,000**
Benefits paid	**(348,000)**
Closing defined benefit obligation	**8,553,000**

24. Pension commitments (continued)

Movements in the fair value of the Group's share of scheme assets were as follows:

	2023 £
Opening fair value of scheme assets	**11,119,000**
Interest income	**546,000**
Benefits paid	**(348,000)**
Actuarial Gains	**(36,000)**
Closing fair value of scheme assets	**11,281,000**

The Group has an unrecognised gain of £2,728,000 *(2022 - £2,691,000)* in respect of its defined benefit pension scheme as it does not expect to recover the plan surplus either through reduced contributions in the future or through refunds from the scheme.

25. Operating lease commitments

At 31 December 2023 the Group and the College had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Company 2023 £	*Company 2022 £*
Not later than 1 year	**6,189**	*7,876*
Later than 1 year and not later than 5 years	**6,705**	*-*
	12,894	*7,876*

26. Big Lottery Funding

The college received Big Lottery Funding in respect of the Derwen Enterprises ceramics buildings and the residential building, The Acorns in 1997 and 2003 respectively.

The grants are repayable in the event of the college ceasing its activities, and the college may not dispose of the buildings or use them as security for a loan without prior written provision of the Big Lottery Fund, such restrictions to be in place for 80 years from 1997 and 2003 respectively when the grants were received.

27. Finance lease commitments

The college has a finance lease with a commitment to £12,894 at the year end. This relates to the lease of two lawn mowers.

28. Related party transactions

The College has not entered into any related party transaction during the year, nor are there any outstanding balances owing between related parties and the College at 31 December 2023.

DERWEN COLLEGE

England & Wales - Charity number 1153280

Accounts

Derwen College

Trustees' Report and Financial Statements

For the year ended 31 December 2022

Registered Number 8615826 | Charity Number 1153280
DERWEN COLLEGE | WHITTINGTON ROAD, GOBOWEN SY11 3JA

Derwen College

The Trustees' Report for the Year ended 31 December 2022

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Derwen College

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees, who are also the directors of the Derwen College charity and known as governors, here, present their annual report on the main activities of the College, together with the audited financial statements of the College, for the year 1 January 2022 to 31 December 2022.

The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Governors confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the second edition Charities Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

The following were members of the Board during 2022:

- Kathleen Kimber – Chair and Chair of Search and Governance
- Helen Owens – Vice Chair resigned 30 July 2022
- Lucy (C S) Beaumont
- Louise Burns – trustee from 14 July 2022 and Chair of Audit and Risk Assurance
- Barbara Court – stood down from Chair of Audit and Risk Assurance 14 July 2022
- Mick Cowan – Chair of Standards and Effectiveness
- Vicki Cox
- Paul Crosby – co-optee to Resources and Business
- Paul Evison
- Elizabeth Leigh
- Mark Lord – Vice-Chair from 6 October 2022
- Paul Milner – trustee to 14 July 2022. Co-optee to Resources and Business from 14 July 2022
- Marianne Rolland – resigned as co-optee to Standards & Effectiveness 7 January 2022
- Helen Smith – trustee to 14 July 2022. Co-optee to Standards and Effectiveness from 14 July 2022
- Jamie Ward – Chair of Resources & Business

Carol Thompson – Clerk and Company Secretary

We place on record our sincere thanks to all trustees and co-opted committee members who have given generously of their time and constructively of their experience and wisdom. We are delighted that in 2022 face-to-face meetings became possible once more and Board members were able to begin to resume their familiarity with the College, its students, clients and staff.

Much information about the charity and its activities and endeavours will be found on the website: www.derwen.ac.uk

Since the College qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Strategic Report

The College's Mission, Strategic Priorities and Values

Our Mission: to enable everyone to achieve beyond what they and others believe possible.

Strategic Priorities:

Ensure our long-term sustainability - Areas of focus

- Rigorous financial management
- Constant review and update of provision
- Appropriate diversification
- Risk assurance measures
- Environmental commitment

Excel in every aspect of our operation - Areas of focus

- Our holistic approach to people
- Quality assurance
- Staff CPD and performance management
- Staff wellbeing
- Compliance monitoring
- Response to changing legislative environment and the SEND landscape
- Being a learning organisation

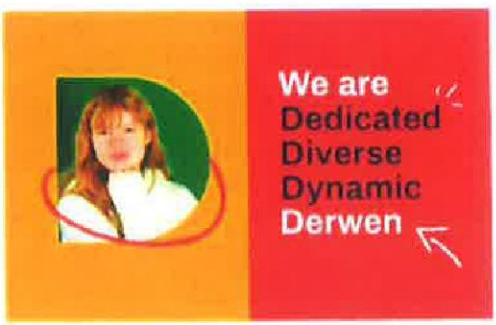
Make the most of our exceptional resources - Areas of focus

- Accommodation review and planning
- Campus management
- Commercial developments
- Satellite opportunities
- Safeguarding
- Partnerships

Be trailblazers, initiators and researchers - Areas of focus

- Our position / reputation within the sector
- Risk appetite
- Initiatives and innovations
- Marketing, publicity and communication with stakeholders
- Award applications
- Build thirst for increased understanding

The College's Values:



Derwen
College

2022 – Public recognition

The College had gained significant, national prestigious awards in 2021. This continued throughout 2022:

Adult Student of the Year – Amy Jude
There are some 1,700 adult further education students in England and each year the Association of Colleges recognises students who have excelled and gone above and beyond others. On 15 November, Amy was awarded the Adult Student of the Year, an outstanding achievement. Amy was applauded for:

> *her commitment, passion and sense of justice. During her time at the college, Amy became an impressive ambassador for people with learning difficulties and disabilities, for women and for all minorities.*

The Natspec Bulletin wrote of her:

> *She is a bold and impressive young woman who has Optic Nerve Hypoplasia – resulting in multiple hormone deficiencies and a visual impairment, autism, hypersensitivity, learning difficulties and ARFID (food intake disorder). She is a force to be reckoned with.*
>
> *During her time at College, she represented fellow students as President of the Student Union for two years' running. She was never afraid to raise issues with the senior leadership team and governors.*
>
> *She also represented Derwen College at Natspec Student Parliament. She was part of the national gathering of student representatives from specialist colleges who come together to discuss and collaborate on issues that are important to them. At the 2022 Natspec Conference, Amy delivered the opening speech on the final day, speaking eloquently and with passion about what further education had meant for her.*
>
> *These achievements are on top of Amy's studies and work experience as a Performing Arts student. She is a talented actress, who has embraced lead roles in the College's Christmas and Summer Shows, taken part in community performances and competitions, written and delivered moving monologues about inclusion, and inspired dancers of all ages while working at a local dance school.*
>
> *Amy has risen to every challenge, never allowing disability to become a barrier to her ambitions.*
>
> *Amy's mum Kirsten said "...at Derwen we saw her confidence soar. She has achieved so much, including her Gold Duke of Edinburgh's Award, and now Adult Student of the Year. We are very proud that she's developed from that quiet and shy little girl to a young woman who can deliver a rousing speech or star performance."*

The Queen's Award for Enterprise – Promoting Opportunity category
The College was one of only nine UK award winners in this category. It was based on the College's mission to educate, inspire and empower young adults to lead the lives they choose, with a focus on the vocational skills and on-the-job training provided to enable many of them to access further training and employment back in their home areas.

The Queen's Award judges recognised the life-changing value of students learning in the customer-facing Marketplace – Garden Centre & Gift Shop, Walled Garden Cafe, The Orangery Restaurant, Hotel 751 and the Vintage Charity Shop, where students learn skills in an industry-standard environment.

The bid also recognised the College's work to build partnerships with local and national businesses, in areas which are relevant to the students' learning and desired employment outcomes, and our work with industry champions. Even the College's green credentials, customer and supplier relations, and students and staff wellbeing were examined as part of this extensive process.

Makaton Friendly
Makaton is a language programme that combines signs, symbols and speech to provide multiple ways to enable people to communicate. Derwen College is the first specialist college to be awarded Makaton Silver Status, the highest Makaton charity accreditation. Led by a team of six tutors, there has been a cross-college initiative of training, with 75% of student-facing staff needing to reach at least Level 2. More than 20% of staff have reached the advanced Level 4, and 10% have attended workshops in Makaton for Safeguarding, an area where clear communication is vitally important. The College's Head of Speech and Language, is a senior tutor for Makaton and is also the symbols advisor for The Makaton Charity

The Autism Specialist Award
The National Autistic Society Lead Assessor, Jonny Knowles, in presenting the official Autism Specialist Award certificate spoke of how much he had enjoyed working with the College for three years. He added, 'Having spent two days at Derwen College, even staying the night at the College's Hotel 751, I can say it is unique to anywhere I've seen. We were blown away by the unique offer you have here and person-centred aspirations for students.'

The development work was college-wide, combining expertise from the therapies team, nurses, teaching, sports and leisure, and care staff, as well as listening to the needs of the real experts – the students. The College is the only accredited centre in Shropshire.

SEND Awards 2022 – Winners in:
Inclusion in Higher and Further Education
Support into Employment

Natspec Award for 'Pathways Into Employment'
Recognised how staff adapted and created work experience opportunities for students and interns, during the pandemic.

AoC Beacon Awards
Commended the College in the Support for Students category.

Snapshots of highlights and activities during 2022

January
Four of our students were taking part in a study to investigate how eye shape can affect focusing and vision in people with Down's syndrome. Students volunteered for the optometry study by Aston University. www.bit.ly/EyeStudyAston

February
The new sensory room for Nurture Students was completed. Nurture students, who have profound and multiple learning disabilities, are benefitting hugely from this new state-of-the-art provision. The room was designed by Premier Solutions, and offers a dedicated space for therapeutic development and sensory play. It features a vibrating plinth, light tube, projector and music, and is designed to give students maximum control of their surroundings.

March
The Student Union Board went to London, a visit which included a tour of the Houses of Parliament and the theatre.

BBC children's news programme, *Newsround*, sent presenter Martin Dougan to visit the College to meet two Duke of Edinburgh's Gold award students for a feature to be broadcast on World Down's Syndrome Day.

April
The first Spinathon: sports teachers Sian Roberts and Steve Evans pedalled spin bikes for 24 hours, to raise funds for equipment. They were well supported for briefer periods by numerous colleagues, friends and students, raising nearly over £8,000.

The first three colonies of bees were installed and honey was being sold in July

Derwen College

May
College won Initiative of the Year in the Aico Community Awards, for the creation of The Vintage Advantage, which provides work placements for students, interns and clients.

28 May – the first time traditional key events were put together: sponsored walk, fun run and Fete.

Through the summer term – Derwen Dance Crew (DDC) performed at a West Midlands street dance competition, winning second place. Many of the students collected trophies for solo performances! The talented sign, song and dance group DOT (Derwen on Tour) gave several performances, including Gobowen School fete and Mark Lord's Charity Concert. They returned to Llangollen International Musical Eisteddfod, for the third time, as part of the Inclusion Project.

June
The Platinum Jubilee street party was a great success. The College looked splendid decked out in red, white and blue, and students enjoyed a barbecue, and were even treated to a visit from a uniformed Welsh Guard.

The Summer Show, called 'Included', was performed to much acclaim. The audience of families, friends and VIPs, included Coronation Street and Waterloo Road actor Sam Retford, and a producer and writer from Hollyoaks. They have promised to look at opportunities to work together in the future. Principal Meryl Green said: 'The team didn't shy away from some hard-hitting themes and, to me, this was absolutely right for our college and our young adults. I enjoyed all the different scenes and thought that they were linked very cleverly with strong, relevant messages. The quality of dance and singing was also amazing.'

July
The first off-site prom, which was held at The Venue, and involved plenty of glamour, dancing, cake and mocktails.

The Duke of Edinburgh's Awards: the success of 57 students were marked in a celebration which was attended by local dignitaries, families and DofE Awards officials. Students reflected on how they had been challenged by learning skills, volunteering, completing physical elements and undertaking an expedition.

There was a Sports Day, prize giving and leaving parties across College.

The Clients completed their moves into their supported living accommodation throughout the summer.

October
Autism Advisor, Helen Evans, delivered a presentation on research skills training for students at Natspec's Learner Voice Practitioner network meeting. The project, which is part of her ongoing PhD study, is the first of its kind to focus on students with SEND as researchers.

November
Walford's Leaf it to Us team were awarded a Certificate of Appreciation from the Baschurch Parish Council for all the hard work that staff and students contributed to the Baschurch Community: roundabout, cemetery and local spots.

December
The talented Derwen Dance Crew (DDC) were dancing for joy after winning trophies and medals galore at a street dance competition, the Audacity Winter Street Dance competition in Walsall. Many of the students were new to competitions.

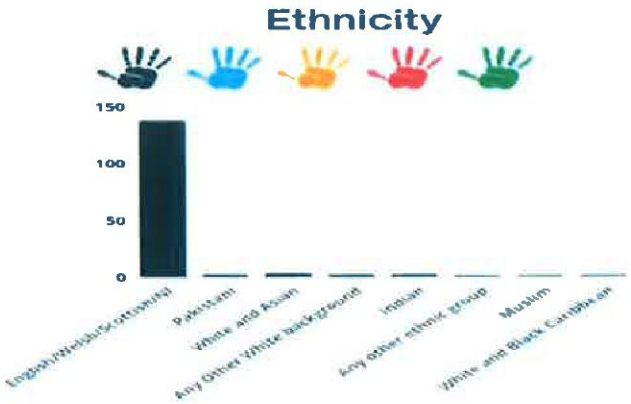
Two floats were entered in the Oswestry Christmas parade.

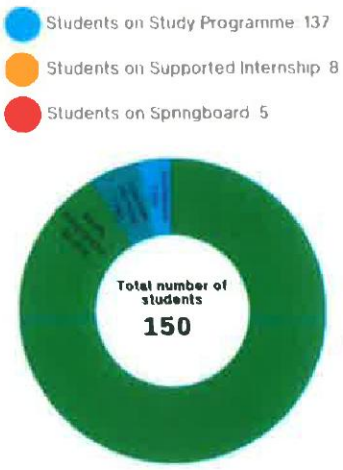
And Covid Regulations and the need for safe procedures continued throughout the year. In February and in December, the last week of the Autumn term, there was particular activity, and everyone worked hard to minimise disruption and deal with the impact.

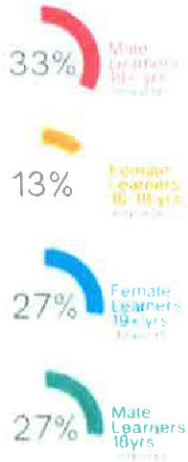
Derwen College

The Students in 2022

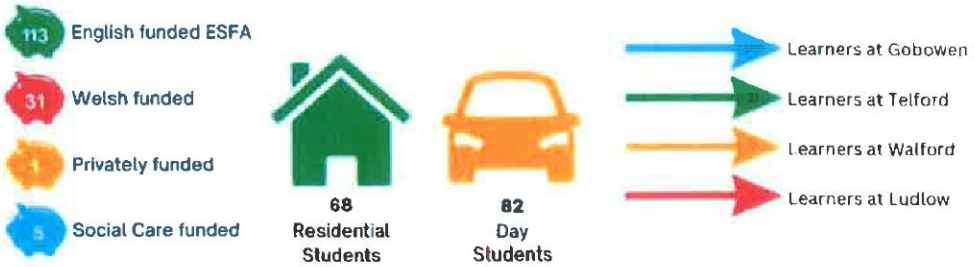
The Student cohort in Autumn 2022

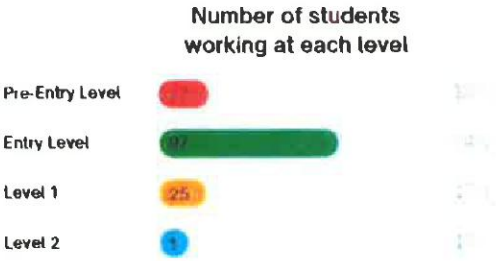


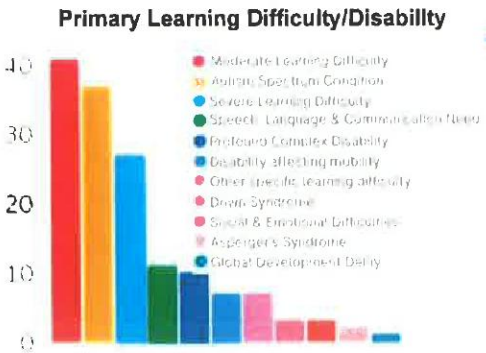




Derwen College







Pathways and Programmes

During the admissions process students make an informed choice about which Pathways to embark on when they start college. Pathways are detailed programmes, adopting a holistic approach to student development, and constantly under review. The following Pathways and Programmes are available:

Gobowen Main Site: residential and day

- Horticulture (vocational pathway)
- Hospitality and Food (vocational pathway)
- Retail and Enterprise (vocational pathway)
- Performing Arts (vocational pathway)
- Learning for Life (programme)
- Nurture (programme)
- Springboard (programme – funded through Social Care)
- Supported Internships (programme)

Ludlow: day provision

- Business Support and Enterprise (vocational pathway)
- Learning for Life (programme)
- Springboard (programme)*
- Supported Internships (programme -funded through Social Care)

Telford: day provision

- Business Support, Sales and Marketing (vocational pathway)
- Hospitality (vocational pathway)
- Learning for Life (programme)
- Springboard (programme – funded through Social Care)
- Supported Internships (programme)

Walford: day provision

- Horticulture (vocational pathway)
- Sport and Fitness (vocational pathway)
- Learning for Life (programme)
- Springboard (programme – funded through Social Care)
- Supported Internships (programme)

Independence	**Functional Skills**
This may include: • Travel training • Skills in the home, such as preparing and cooking food, laundry, hoovering • Skills in the community, such as shopping, budgeting, personal safety	Functional Skills comprises of English, maths and ICT and is delivered through small discrete groups and embedded into every aspect of the pathway. It is linked to vocational activities and everyday life.
Sport, leisure and wellbeing	**Careers Education, Information, Advice and Guidance (CEIAG)**
There is an extensive range of wellbeing activities at evenings and weekends for residential students. These include swimming, gym, football, Boccia, arts, karaoke, cinema, theatre and shopping trips. Special occasions are celebrated including prize-giving, prom, religious festivals, and events, and all students are invited to take part.	CEIAG is an integral part of the programme. Students on a vocational pathway take part in small group employability sessions. External guests are also invited to talk to students about their experiences outside of College. Impartial CEIAG is also provided by an external Careers Lead.

Derwen College

Learner Voice and Student Union Board	Universal therapy provision
Derwen College Student Union (SU) is affiliated to the National Union of Students. Each October, students vote for who they want to represent them on the SU Board. There is one representative and one deputy representative from each pathway. Students learn how to communicate their likes, dislikes, and thoughts, and how to represent the thoughts of other students to make Derwen College a special place for all of them.	All students benefit from access to therapy services enabling a universal approach to developing independence in preparation for adulthood and transition post-College.
Personal, social and health education (PSHE)	**Specialist therapy provision**
Learners take part in all of the following PSHE modules: • Online safety – modules 1, 2 and 3 • Managing relationships • Rights and cultures • Drugs and alcohol awareness • Moving on • Relationships and sex education, including bespoke support for anyone who needs it.	Specialist therapy need should be identified in the EHCP or IDP, but the therapy team may recommend additions/alterations to outcomes and further therapy provision. A student's specialist provision will be reviewed regularly, to ensure it meets their needs in the College environment. Therapy will be delivered in the most appropriate way to enable students to achieve their individual goals and outcomes. The students also have time to spend with the College therapy dog.
	Targeted therapy provision
	Targeted therapy provision is available following referral to the integrated therapy team.

Outcomes

Student progress against their Education, Health Care Plans and their agreed personal targets is closely monitored. The number of students proceeding to part-time employment, voluntary work or further education has increased, although their learning difficulties and disabilities are more complex than in previous years. National average of young people with SEND going into work – 5.4%

Destination date for July 22 leavers: Work and living/accommodation

Collection – year	Planned 21–22		Actual 21–22	
	Work			
Planned leavers destination (identified attransition review)	41		43	
Paid work 16hrs+	0	0%	1	2.33%
Paid work less than 16hrs	9	21.95%	4	9.3%
Voluntary work	7	17.07%	9	20.93%
Local College or training programme	16	39.03%	16	37.21%
Not know at this stage	9	21.95		
Not in paid employment but looking for work			6	13.95%
Community activities			4	9.30%
No response			3	6.98%

Collection – year	Planned 21–22		Actual 21–22	
Living				
Supported independent living	27	65.9%	10	23.26%
Residential placement	1	2.4%	2	4.65%
Not known at this stage	13	31.7%		
Living with family			17	39.53%
Living with family pending supported living			7	16.28%
No response			7	16.28%

The clients in 2022

It is one of the objects of Derwen College charity that we provide accommodation for people with disabilities and learning difficulties. The trustees have worked closely with the Senior Leadership Team and have reviewed the provision we make within this objective and what that means for our clients, our residents, of whom there were 34 in 2022. Our commitment is to offer high quality supported living and to continue to look at:

- how we provide for the wellbeing of the clients
- how we can ensure their long-term security
- what we can do to offer meaningful activity in their daily lives
- how we offer care and support

and how we do this within current regulations and concepts of best practice. Derwen Care has been established to provide support for those needing it. All clients now have an up to date tenancy agreement.

Achievements and performance

Excellent performance and quality

The College, a learning establishment, is characterised by a drive for continuous improvement and has strong and varied processes of reflection, evaluation and analysis.

Internally it has a well-established, thorough and transparent self-assessment system. Quality and the achievement of Improvement Plan targets are monitored throughout the year and the formal departmental evaluations of performance and outcomes are moderated at the end of the summer term by panels which include trustees. These rigorous self-assessment procedures led the College to grade its performance 2021–22 as good.

There are numerous audit and monitoring procedures in place. In 22 a Governance Review was commissioned, using an external consultant. This was part of the drive to ensure reflection on specific experiences and activities and leads to the lessons learnt being shared and implemented across the College.

Inspection and public recognition

External Quality Assurers' feedback from awarding bodies has been extremely positive. The College holds the Matrix Standard and was re-accredited in 2021.

Derwen College

The College was inspected by Ofsted, under the new Inspection Framework, from 9–11 November 2021, gaining the following grades:

Overall effectiveness	Good
The quality of education	Good
Behaviour and attitudes	Outstanding
Personal development	Good
Leadership and management	Good
Provision for learners with high needs	Good

The report includes:

> *Senior leaders have created a caring, calm and inclusive environment for staff and students. Staff have high standards and clear expectations of learners' behaviour. As a result, staff support learners well. Learners' behaviour and attitudes are exceptional, and they make good progress in their vocational course and independent living skills.*
>
> *Learners become more independent in their personal lives. Through regular tutorials, learners participate in discussions and take more control of their decision making. They improve their ability to travel, shop, cook and manage their personal laundry. As they acquire these skills, they move successfully into more independent living arrangements.*
>
> *Learners benefit from a wide range of extra-curricular activities… Learners are encouraged to join the thriving student union and to represent their fellow students… Representatives improve their communication skills and negotiate improvements for the benefit of all learners.*

The Care Quality Commission carried out a focused inspection on 16 and 17 November, reviewing specific areas identified in their 2019 inspection. The College has the following grades:

Is the service safe?	Good
Is the service effective?	Good
Is the service caring?	Good
Is the service responsive?	Good
Is the service well-led?	Good

During the regular monitoring of Food Safety and Hygiene standards all residences were awarded a five-star rating.

Many members of the public do not understand learning difficulties and disabilities and their impact on individuals – and on those closest to them. What may seem a small and inconsequential change to some people is, in fact, a major achievement and life changing. Staff and trustees are committed to ensuring life-enhancing development for students and clients and feedback from families brings constant testimony to such progress.

> *He is doing so well throughout all work areas. When I think what he was first like when he started at college, to where he is now. The distance travelled by (student) has been huge. You should be extremely proud.*
>
> *A huge thank you to you and all the staff involved in the recent Snowdonia trip. (Student) has really enjoyed her time working towards her Gold Award. After seeing the wonderful images on the film of students out walking and camping it made me so proud to be a parent and see how much effort and time goes into giving students the opportunities to participate. Cannot say a big enough Thank-you.*
>
> *Just want to say a big Thank you. (Short Breaks guest) absolutely loved it and can't wait to stay again . Very strange having a weekend on our own . She loved all the staff and felt at home . It's fantastic that she felt so comfortable . Thanks.*

And from a journalist who reported at length for the professional journal *FE WEEK*:

> *Step through the gates and it becomes clear the College has vast amounts of space, 52 acres in total. On a tour I go past orchards, a walled garden, commercial greenhouses, a garden centre, a period drama-esque building plus restaurant a 'nurture centre' for students with profound and multiple learning difficulties, huge games pitches and a fully functioning hotel…. Oh, and a vintage shop. It's more like arriving at a self-sufficient village than a college.*
>
> *Only at Derwen have I been perfectly served lunch and shown into a hotel room by someone with Downs Syndrome Why never before? To bring that better world into being Derwen College is modelling it here. That's why its huge emphasis on bringing the public into its spaces matters so much.*
>
> **Jess Staufenberg, 4 March 2022**

And from the Commissioning Manager of a local authority, who visited on 23 November:

> *…From reviewing files, speaking to staff and students it is evidence students are not only progressing well and benefitting from applying their learning direct into vocational settings, but they benefit from a wealth of activity choices, enabling them to gain the softer skills of socialization, making friends and building confidence. I found all records to be in order with strong safeguarding processes in place. Medication and care practices are robust.*

And from a member of the public:

> *I stopped off after taking my little boy to the orthopaedic hospital. I just spotted the sign for a Garden centre. My little boy has downs syndrome and after a difficult hospital appointment it was so uplifting to visit. Firstly being served by staff (with learning diffs) who could sign Makaton was so lovely for my little boy and also to see adults with ds busy working. Lovely to see the display boards too with pictures of adults with down syndrome. What an amazing place !*

Development projects and College sites

Change and innovation are constant and good progress was made with development projects underway. Land which was part of the College main estate was sold as development land. Work on the former Derwen Estates to transform it into a Duke of Edinburgh's Award Centre achieved just that: a transformation. It is the first of its kind in the country, sporting the official DofE sign. The area offers classroom space and an outdoor area where students can learn and practise DofE skills across uneven tracks, light a fire and use equipment such as stiles and gates, and even a practice canoe. This facility will be made available to other similar groups. Another trailblazing initiative.

The adaptation of bungalows 21 and 22 was completed to provide five-bedroom independence accommodation, wheelchair accessible, with a communal kitchen and dining room, two lounge areas and an outdoor eating and relaxation area. Five long term residents/ clients have moved in.

In December 2021 the new Environmental and Sustainability Committee came together. During 2022 the Board supported the College commitment to the Shropshire Zero Carbon pledge, the group's objectives and aims were agreed, members received Carbon Literacy training, and a detailed Reduction of Carbon Footprint Action Plan was costed and agreed.

As part of the Association of Colleges and Natspec SEND Pilot Partnerships Project, the College is working with its partner college, Hereford, Ludlow and North Shropshire College, focusing initially on reciprocal work experience placements.

Early 2022 saw the rollout of the newly developed brand, working in conjunction with a local design agency. The focus on transforming our visual image and impact has been achieved through campus signage, publications and document design, and the website. Accessibility has been a major focus, for example, text size and font, contrast colours and dyslexia friendly options.

The major development work and a significant amount of time have been spent on developing our partnership with Al Noor, Dubai, and with the Kuwait Society for the Handicapped (KSH). In February a feasibility trip explored options for Derwen to provide a consultancy service for a vocational programme that KSH wanted to set up at their brand-new college. Once opened, it would be the first ever specialist college in Kuwait. This was seen as an exciting opportunity for Derwen to expand its reach internationally. Much discussion, analysis and further visits led to the signing of a contract for consultancy support. A project and delivery plan have been agreed.

Governance, structure and management

Governance

Constitution

Derwen College is registered as a charitable company limited by guarantee and was set up by a Trust deed.

The development of the Charity

Derwen College charity has a long pedigree. It was founded in 1927 by Dame Agnes Hunt and was originally associated with the Orthopaedic Hospital in Gobowen. The Derwen Estate was purchased in 1928 and the first trust deed was established on 3 August 1932. It was varied or affected by schemes of the Charity Commission dated 25 January 1968 and 18 August 1972, and then consolidated in the Deed of 29 November 1988.
An incorporated charity was established on 18 July 2013, Derwen College (Charity number 1153280, Companies House number 8615826). The former charity remains in existence as Derwen College Trust (charity number 208745) with the sole purpose of managing the permanently endowed property. It appointed as its trustees the new Derwen College charity.

The solicitors drew up a uniting directive which allows a single set of accounts to be drawn up, as the two entities have the same financial reporting period. 'Linked' financial statements for both Companies House and the Charity Commission are submitted annually for reporting purposes.

The regulatory framework of the charity

Under the agreed Articles of Association to which the College is now working there are:

> *at least seven and not more than twelve co-opted trustees, appointed by resolution of the Board conforming to any criteria the Board determines. The term of office of all trustees is five years, with an expectation that usually after three terms of office the Trustee shall be eligible for re-election only after a year has elapsed.*

Governors' activity in 2022

The Board enjoys a very positive working relationship with the Senior Leadership Team, which recognises the need for governors to provide effective challenge as well as active support.

Much of the detailed analysis and scrutiny of the College's operation is managed by the committees, of which there are four. The Resources and Business Committee was formed in the summer 2020 drawing together work previously undertaken by the Business and Finance, Estates, and Human Resources Committees. A new committee was formed at that time, Audit and Risk Assurance, and has undertaken work across the College's operation. The Standards and Effectiveness Committee continues its focus on care and the curriculum, and the Search and Governance Committee monitors the profile of the Board and the quality of governance.

Governors were delighted to be able to access the College sites again at times during the year, as Covid procedures were amended. For those fairly new to the Board there was at last the opportunity to become familiar with the operation of the College and those who work here.

It was decided that a review of governance should take place and an external consultant was given the brief to examine and comment on:

1. Effectiveness: How does governance impact on the College?
2. Culture and relationships: what are the dynamics and are support and challenge appropriate?
3. Suggestions for improving the strategic planning process with the Senior Leadership Team.
4. The effectiveness of the role, input and influence of the Clerk.

Formal feedback is awaited.

Major decisions and areas of activity during 2022 concerned:

- The consultancy agreement with Kuwait Society for the Handicapped (KSH)
- The sale of a significant area of development land.

Governors give generously of their time, experience and expertise. This is not confined to meetingsl Governor Mark Lord's '6 Perfect 10s' fundraising concert, which took place at the Holroyd Community Theatre in the summer, was a huge success. The concert featured Performing Arts students, with canapes and drinks served by Hospitality & Food students. Ticket sales and a raffle raised just under £3,000. This was a novel way to celebrate one's 60th birthday.

Methods of appointment or election of Trustees

The control of the Charity, its property and funds is in the hands of the Trustees (governors), who are also the company directors, and who are appointed in line with the Articles of Association. All potential governors undertake a formal interview process which includes a fit and proper person's assessment. Appointments are approved at Board level. Governors are often appointed from the ranks of Committee co-optees. These positions enable people to become familiar with the College, its operations, and the governance system and processes.

The Board's Search and Governance Committee formally reviews the specialisms, strengths and characteristics of the members and of the Senior Leadership Team annually, including diversity. The Board has adopted the Charity Code of Governance.

Policies adopted for the induction and training of Trustees

Governors receive an appropriately resourced induction when they join the board. This includes meetings with senior management and formal, often on-line, training. Governors have links with senior management and access to videos covering all areas of the charity's work. Governors have briefings, site visits, learning walks and ongoing learning and development.

The achievement of Public Benefit

In setting objectives and planning for activities, the Governors have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2).

Derwen College transforms lives. The number of students who proceed to supported living, students' progress in managing their medication, travel and healthy eating, clients' response to the meaningful activities programme, the amazing number who gain Duke of Edinburgh's Awards each year, the confidence shown in work placements, performances and encounters with the public, are all examples of significant development and growth. The quality of provision is inspected by Ofsted, the Care Quality Commission and other agencies. The Board believes that the College provides excellent value for money to the public purse and that student outcomes mean they can be less dependent on benefits throughout the rest of their lives. The high level of staff expertise and commitment are key elements of the College's management of learning, student support and innovation.

It is also evident that, in meeting the specific complex needs of those with SEND from across the country, Derwen College represents efficient and effective use of public money. These students need access to much specialist provision, and it often needs to be on hand every day. It is only when sufficient numbers of students come together that employing specialist teachers, therapists, nurses, and care staff becomes achievable. Smaller establishments are not able to recruit and retain staff in this way. In order to meet the commitment to post-16 students with significant SEND, national specialist colleges are essential.

Leadership, management and staffing

The Senior Leadership Team (SLT) is headed by Meryl Green, the Principal and CEO, who works with three Directors: Business and Finance; Human Resources and Estates; and Care, Health and Wellbeing and is supported by the Company Secretary. They have proved a committed, close working and very able team, with whom Governors work particularly closely. They ensure quality, provide real vision, drive and challenge and are supported by highly competent senior managers/heads.

Staff numbers have increased, reflecting new and expanded provision and the increasing complexity of students' disabilities. Nationally, the labour market has become much tighter but the College has yet to experience the critical recruitment difficulties many are experiencing. Continued professional development is closely monitored and any low completion rates actively followed up. Trustees have been pleased to see, indeed are almost envious of, the continually increasing staff wellbeing facilities and programme.

Pay policy for key management personnel

The remuneration and terms and conditions of employment of the members of the SLT is agreed by the Board, following an established procedure. Annually the Chair meets each member of the team and offers the opportunity for the individual to reflect and give feedback and comment on role, status and operational activity and any matter related to her/his employment.

The Chairs of the Board and Committees and Vice-Chair of the Board meet and consider all the feedback and comment, working with the CEO/Principal when discussing the directors, and using any available benchmarking data. A proposal for Board consideration is drawn up. This is discussed at the full Board meeting, with no staff present, and a decision made.

Employee involvement, employment of people with disabilities and volunteers

Employees are consulted on issues of concern to them by means of the Staff Forum, staff meetings and a confidential and anonymous website link. They have been kept informed on specific matters directly by management and through the regular Staff Newsletter. The College carries out a biennial staff survey and has adopted a procedure of upward feedback for the Governors and 360-degree feedback for senior managers. A specific focus on staff wellbeing continues to characterise much of the work, including a FUN Fund for activities by teams of staff, and the implementation of the Staff Engagement Plan is closely monitored. The Gender Pay Gap return and the review and production of policies have been discussed in detail by governors. The changes necessitated by the General Data Protection Regulations have been rigorously enforced and monitored. There has been a particular focus on professional development and qualifications.

In accordance with the College's Equal opportunities policy, the College has long established fair employment practices in the recruitment, selection, retention and training of disabled staff. Full details of these policies are available from the College.

Volunteers are welcomed, contribute to the College's operation, receive an induction process and are DBS checked.

Financial review

Going concern

The audited and approved annual accounts are submitted by the due dates to both the Charity Commission and Companies House. After making all appropriate enquiries, very thorough consideration of draft budgets, and cash flow up to December 2024, and having taken key strategic decisions, the trustees are confident the charity 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 financial statements.

Reserves policy

The note to the accounts shows the assets and liabilities attributable to the various funds by type, and summarise the year's movement on each fund.

The total funds of the Charity were £4,635,083 (2021: £4,103,803) of which restricted funds were £448,458 (2021: £780,655) and endowment £2,930,280 (2021: £2,265,731).

The unrestricted funds amounted to £1,260,345 (2021: £1,057,417) of which there is a surplus of £438,044 (2021: £353,715) relating to free reserves. The current reserves policy followed by the Governors is to have a total reserves figure of up to a maximum of 50 days of expenditure. The current free reserves figure is 15 days (2021: 13 days).

Reserves may need to be utilised during the short to medium term for cash flow and for capital projects. The Governors consider this to be judicious and appropriate especially in the current climate of uncertainty surrounding funding approvals and budgetary restraint.

In 2019 the FRS102 defined benefit pension scheme closed to new members and future accrual, it therefore currently has no active members. As a result, the pension asset is no longer included within the Charity's balance sheet (2021: £Nil).

Financial Summary

During the year the net movement in funds was a surplus of £531,280 (2021: £801,857 deficit). Net current assets have increased to £997,010 (2021: £353,715) with the closing cash position increasing to £1,318,848 (2021: £880,377)

Principal risks and uncertainties

The Trustees regularly examine the principal areas of the College's operations and consider the major risks faced in each. There are established resources and review systems which, under normal conditions, should allow any risk to be managed to an acceptable level in the College's day to day operation. College risk management has two distinct tiers: strategic and operational. The operational level is reviewed on a 'real time' basis and deals with individual departments, students, functions and duties. At the strategic level, the Senior Leadership Team reviews the risk assessment register monthly and it is reviewed at least termly as part of the College quality improvement plan. Issues are debated and reported at Board meetings. This includes College pension arrangements, insurances and trustee responsibilities to ensure these remain in line with current legislation and operational factors.

The College's spacious campus is, when pandemic regulations and guidance allow, open to visitors and customers in the public areas, Derwen Marketplace, and is imaginatively and purposefully managed to enable students to interact with staff and members of the public appropriately and safely However, the open plan nature of the campus and the heightened staff awareness of potential hazards necessitate regular reviews. During 2014 gates were erected at strategic points on the campus enabling a secure area for students, away from the public areas, to be closed off at 9 p.m. each evening. In 2017 the central area of the College became pedestrianised. Departmental operational risk management encompasses all locations and individuals. Since 2019 there has been an ongoing major programme of installation of CCTV monitoring equipment and the replacement of intruder alarms.

Site safety is reviewed through the Health and Safety Committee, which includes governor membership, is audited by specialist advisors and monitored by external agencies. A full-time Health and Safety Manager ensures the scrutiny of all aspects of H&S and appropriate action plans are rigorously implemented.

The College provides a safe and supportive environment for learners to access the internet, including social networking sites. Staff across college give a high priority to all aspects of on-line safety and the safeguarding team rigorously monitor risk in this area with personalised strategies being implemented to support all individuals as appropriate.

Financial risk management objectives and policies

The Board has adopted the Charity Code of Governance (for larger charities) and adheres to the principles it lays out.

Principal funding

The main source of income is generated from student and client fees paid for by local and central Government and amounts to 87% of the total. All the £11,925,119 income raised during 2022 has been used to enable the College to meet its charitable objectives.

Fundraising activities and income generation

The usual annual fundraising events, the Walk, Run and the Fete, have been reintroduced and were held on the same day. Major activity has included:

- Donations £191,000
- The Vintage Advantage Shop £95,000
- Summer Fete & Christmas Fair £26,500
- The Fun Walk and Run, followed by the Fete, in May brought a welcome return to fundraising events, after the Covid 19 restrictions, and raised £14,500.
- Income of £12,000 was generated through the Christmas Fair. Students have undertaken sponsored activities, and staff are not slow to donate their time and energy.
- The notable event of 2022 was the Spinathon in April, which raised £7,853.
- The Freemasons and Rotary organisations continue to give generously to support the Duke of Edinburgh's Award activities.
- Three volunteer days have seen staff from HSBC, WR Partners and British Gas Engineers and have transformed the woodland area and made the Woodland Walk pathways accessible for all our students.
- Staff at Persimmon Homes Telford took on the Three Peaks Challenge in the summer for local charities.

The trustees are committed to the necessary capital spending to maintain and enhance the College's facilities and to meet the legal and regulatory requirements. The major appeal for £1,000,000 launched to fund the further development and upgrading of the Agnes Hunt bungalow properties, is ongoing. In 2022 significant donations were received from the Basil Houghton Memorial Trust (£50,000), The Bernard Sunley Foundation (£60,000) and The Bailey Thomas Fund (£25,000)

Investment policy and performance

The College takes a prudent, low risk approach to investments, placing cash surpluses on deposit to attract a return, although this is not especially attractive with the current level of interest rates. This is principally because the reserves may need to be utilised during the short to medium term for cash flow and for capital projects. The investment strategy of the Derwen pension scheme has been the subject of a detailed review with very positive results.

Plans for the future

Where next?

During recent years the College has managed a reduction in residential student numbers, a significant increase in day student numbers, the increase in the complexity of students' disabilities, the opening of three satellites, an expansion of the curricular programme, a major restructuring of provision for clients, the funding and opening of the hydrotherapy pool, massive improvements to buildings, the sale of some assets, the management of Covid 19's impact, a review of strategic priorities, and a step into international consultancy. This has been achieved through team work, detailed planning, and without recourse to borrowing. The Senior Leadership Team and the trustees believe the charity is now in a strong position; it will embed the many developments and pursue its drive to improve continuously.

However national developments continue to offer more unknowns and potential challenges. The results of the consultation on the SEND and Alternative Provision (AP) Review are awaited. Both the College and the Board submitted responses and the Board added a statement about meeting high need, low incidence disability post-16 and its funding. Additional Learning Needs (ALN) Transformation – Wales, led by the Welsh Government, is covering similar ground. The impact of the Skills and Post 16 Education Bill, which came into force on 28th April 22, and the reclassification by the Office for National Statistics of Further Education colleges into the public sector in November must be monitored carefully.

Building the sustainable future

Transforming the lives of young people with Special Educational Needs and Disabilities by maximising their potential for independence is, axiomatically, a 'good thing'. To do this in a way which focusses on enabling their development through real-work activity and becoming as self-sufficient as possible is challenging. It requires a truly holistic approach, in which learning is augmented, facilitated and enriched by care, therapies, and clinical support. The outcomes amaze.

This will continue to be the goal of this charity, working with full-time and part-time residential and day students. It will also focus on transforming the lives of the clients, those using the short-breaks provision and the diverse satellites. The College continues to keep the beneficiaries of the charity as its focus. This requires clarity about the future strategic direction and priorities of the College and continued rigorous financial management. The Board and Senior Leadership Team have this as their focus and work to ensure every decision underpins high quality and sustainability. It will continue to strive to deliver outstanding value for money, and believes it can, and unequivocally does, demonstrate excellence.

The further development of the curriculum, particularly for those with profound and multiple learning difficulties, the embedding of the of the provision for clients, and the continued transformation of our accommodation into 21st century supported living standards will be our immediate priorities.

We remain dedicated to ensuring the very diverse needs of those whom we serve are met exceptionally well.

Approved by the Board of Trustees on 21 June 2023

Signed by Mrs Kathleen Kimber, Chair of Trustees

Members' liability

The Members of the College guarantee to contribute an amount not exceeding £1 to the assets of the College in the event of winding up.

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the College for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the College and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the College will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the College's transactions and disclose with reasonable accuracy at any time the financial position of the College and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the College and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- each Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditors, WR Partners, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:

Mrs Kathleen Kimber, Chair of Trustees
Date: 21 June 2023

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DERWEN COLLEGE

Opinion

We have audited the financial statements of Derwen College (the 'College') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DERWEN COLLEGE (CONTINUED)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees 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 Trustees are responsible for assessing the charitable company'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 Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DERWEN COLLEGE (CONTINUED)

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

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

- We reviewed the susceptibility of the Charity's financial statements to material misstatement and identified the principal risks, implementing a series of testing procedures to provide us with sufficient comfort to issue our opinion.
- We reviewed the Charity's regulatory environment to ensure we could conclude that it had acted in accordance with the framework relevant to the Charity and its environment and identify any instances of non-compliance.
- We also assessed the Charity's internal control procedures to ensure we could appropriately scrutinise these controls and establish whether our understanding of the control environment was sufficient to supplement our additional testing procedures.
- The engagement team consisted of a team that the engagement partner believes is equipped with the relevant level of technical and Charity awareness to carry out our work to the required standard.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

WR Partners

Andrew Malpass BSc FCA (Senior statutory auditor)
for and on behalf of
WR Partners
Chartered Accountants and Statutory Auditors
Belmont House
Shrewsbury Business Park
Shrewsbury
Shropshire
SY2 6LG

Date: 30th June 2023

Derwen College

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £	*Total funds 2021* £
Income:						
Donations and legacies	4	289,263	149,079	-	438,342	*519,017*
Charitable activities	5	9,956,879	-	-	9,956,879	*8,575,705*
Other trading activities	6	549,188	-	-	549,188	*369,395*
Investments	7	308	-	-	308	*40*
Other income	8	-	(45,958)	1,026,360	980,402	-
Total income		10,795,638	103,121	1,026,360	11,925,119	*9,464,157*
Expenditure on:						
Raising funds	9	568,496	-	-	568,496	*458,582*
Charitable activities	10	10,092,591	247,883	484,869	10,825,343	*9,807,432*
Total expenditure		10,661,087	247,883	484,869	11,393,839	*10,266,014*
Net income/(expenditure)		134,551	(144,762)	541,491	531,280	*(801,857)*
Transfers between funds	19	68,377	(191,435)	123,058	-	-
Net movement in funds		202,928	(336,197)	664,549	531,280	*(801,857)*
Reconciliation of funds:						
Total funds brought forward		1,057,417	780,655	2,265,731	4,103,803	*4,905,660*
Net movement in funds		202,928	(336,197)	664,549	531,280	*(801,857)*
Total funds carried forward		1,260,345	444,458	2,930,280	4,635,083	*4,103,803*

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 27 to 47 form part of these financial statements.

REGISTERED NUMBER: 08615826

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note		2022 £		2021 £
Fixed assets					
Tangible assets	14		3,637,973		3,750,088
Investments	15		100		-
			3,638,073		3,750,088
Current assets					
Stocks	16	38,899		41,193	
Debtors	17	508,329		289,137	
Cash at bank and in hand		1,318,848		880,377	
		1,866,076		1,210,707	
Creditors: amounts due within one year	18	(869,066)		(856,992)	
Net current assets			997,010		353,715
Total assets less current liabilities			4,635,083		4,103,803
Net assets			4,635,083		4,103,803
Total net assets			4,635,083		4,103,803
Charity funds					
Endowment funds	19		2,930,280		2,265,731
Restricted funds	19		444,458		780,655
Unrestricted funds	19		1,260,345		1,057,417
Total funds			4,635,083		4,103,803

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Mrs K Kimber
Chair
Date: 21 June 2023

Derwen College

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash used in operating activities		**(550,088)**	*(455,364)*
Cash flows from investing activities			
Dividends, interests and rents from investments		**308**	*40*
Proceeds from the sale of tangible fixed assets		**1,235,270**	-
Purchase of tangible fixed assets		**(247,019)**	*(214,740)*
Net cash provided by/(used in) investing activities		**988,559**	**(214,700)**
Cash flows from financing activities			
Net cash provided by financing activities		**-**	**-**
Change in cash and cash equivalents in the year		**438,471**	**(670,064)**
Cash and cash equivalents at the beginning of the year		**880,377**	*1,550,441*
Cash and cash equivalents at the end of the year		**1,318,848**	*880,377*

The notes on pages 27 to 47 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

Derwen College is a Company limited by guarentee. The registered office is disclosed on the Reference and Admin page. The Charity is primarily involved in working with young people with learning difficulties and disabilities to provide learning, development and care to enable the achievement of aspirations.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the second edition Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Derwen College meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Company status

The College is a Company limited by guarantee, registered in England and Wales. The members of the company are the Governors named on page 1. In the event of the College being wound up, the liability in respect of the guarantee is limited to £1 per member of the College.

2.3 Going concern

At 31 December 2022 no material uncertainties existed that would impact the going concern basis that these financial statements are prepared upon.

2.4 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the College and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the College for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds are funds, the capital of which must be maintained.

2. Accounting policies (continued)

2.5 Income

All income is recognised once the College has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the College's objectives, as well as any associated support costs.

2.7 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of financial activities as the related expenditure is incurred.

2.8 Tangible fixed assets and depreciation

Tangible fixed assets of a capital nature are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.9 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Leasehold property	- over the lifetime of the initial lease
Fixtures, plant and machinery	- 14% on a straight line basis
Motor vehicles	- 25% on a straight line basis

2.9 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the College; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.10 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

2.11 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.12 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.13 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2. Accounting policies (continued)

2.14 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the College anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.15 Financial instruments

The College only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.16 Pensions

The College operates a defined contribution pension scheme, the pension charge represents the amounts payable by the College to the fund in the year.

In 2019 the FRS102 defined benefit pension scheme was closed to new members and future accrual therefore currently has no active members. As a result, the pension asset is no longer included within the Charity's balance sheet.

2.17 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

3. Critical accounting estimates and areas of judgment

Estimates and judgments 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:

The College makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

4. Income from donations and legacies

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	*Total funds 2021 £*
Donations	44,795	149,079	**193,874**	*130,835*
Grants	1,705	-	**1,705**	*1,250*
Government grants	242,763	-	**242,763**	*386,932*
Total 2022				
	289,263	149,079	**438,342**	*519,017*
Total 2021				
	434,598	*84,419*	*519,017*	

5. Income from charitable activities

	Unrestricted funds 2022 £	Total funds 2022 £	*Total funds 2021 £*
Training Fees	9,483,181	**9,483,181**	*8,207,146*
Miscellaneous Income	106,508	**106,508**	*50,553*
School Income	-	-	*47,108*
Short Breaks Income	237,469	**237,469**	*86,280*
Rental Income	129,721	**129,721**	*91,688*
Job Retention Scheme Income	-	-	*92,930*
Total 2022			
	9,956,879	9,956,879	*8,575,705*
Total 2021			
	8,575,705	*8,575,705*	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

6. Income from other trading activities

Income from fundraising events

	Unrestricted funds 2022 £	Total funds 2022 £	*Total funds 2021 £*
Retail	298,367	**298,367**	*224,879*
Hospitality	250,821	**250,821**	*144,516*
Total 2022			
	549,188	**549,188**	*369,395*
Total 2021			
	369,395	*369,395*	

7. Investment Income

	Unrestricted funds 2022 £	Total funds 2022 £	*Total funds 2021 £*
Interest Receivable	308	**308**	*40*
Total 2022			
	308	**308**	*40*
Total 2021			
	40	*40*	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

8. Other incoming resources

	Restricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £	*Total funds 2021 £*
Profit on Sale of Assets	(45,958)	1,026,360	**980,402**	-
Total 2022				
	(45,958)	1,026,360	**980,402**	-

9. Expenditure on raising funds

Other trading expenses

	Unrestricted funds 2022 £	Total funds 2022 £	*Total funds 2021 £*
Retail and Hospitality Expenditure	297,035	**297,035**	*223,686*
Retail and Hospitality Staff Costs	271,461	**271,461**	*234,896*
Total 2022			
	568,496	**568,496**	*458,582*
Total 2021			
	458,582	*458,582*	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

10. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	*Total funds 2021 £*
Education	3,477,191	-	**3,477,191**	*3,032,164*
Care	3,931,242	-	**3,931,242**	*3,360,845*
Administration	934,392	841,664	**1,776,056**	*1,478,528*
Campus & Estates	1,030,999	609,855	**1,640,854**	*1,935,895*
Total 2022	9,373,824	1,451,519	**10,825,343**	*9,807,432*
Total 2021	*8,519,158*	*1,288,274*	*9,807,432*	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

10. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Education 2022 £	Care 2022 £	Administration 2022 £	Campus & Estates 2022 £	Total funds 2022 £	*Total funds 2021 £*
Staff costs	3,105,466	3,379,391	-	-	**6,484,857**	*5,713,404*
Depreciation	-	-	104,266	-	**104,266**	*101,546*
Premises & Ground Costs	116,618	10,676	177,617	846,386	**1,151,297**	*1,388,480*
Equipment Repairs and Maintenance	23,434	51,754	7,799	103,362	**186,349**	*220,729*
Licences & Subscriptions	4,177	20,676	31,600	1,638	**58,091**	*91,694*
Legal , Professional & Consultation Costs	7,816	8,424	89,087	-	**105,327**	*113,684*
Cleaning and Consumables	45,227	121,343	6,696	56,470	**229,736**	*200,156*
Marketing and Advertising	1,537	2,701	43,205	1,644	**49,087**	*18,949*
Learning Equipment and Student Activities	89,075	1,807	85,656	718	**177,256**	*107,547*
Printing Stationery and Computing Consumables	41,386	27,794	164,189	3,332	**236,701**	*222,640*
College Transport	13,034	5,093	88,195	249	**106,571**	*72,561*
External Contractors	16,907	263,864	3,063	16,477	**300,311**	*164,810*
Miscellaneous	12,514	37,719	133,019	723	**183,975**	*102,958*
Total 2022	3,477,191	3,931,242	934,392	1,030,999	9,373,824	*8,519,158*
Total 2021	*3,032,164*	*3,360,845*	*745,000*	*1,381,149*	*8,519,158*	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

10. Analysis of expenditure by activities (continued)

Analysis of support costs

	Administration 2022 £	Campus & Estates 2022 £	Total funds 2022 £	*Total funds 2021 £*
Staff costs	841,664	609,855	**1,451,519**	*1,288,274*
Total 2022	841,664	609,855	**1,451,519**	*1,288,274*
Total 2021	*733,528*	*554,746*	*1,288,274*	

11. Auditors' remuneration

	2022 £	*2021 £*
Fees payable to the College's auditor for the audit of the College's annual accounts	**9,680**	*8,850*
Fees payable to the College's auditor in respect of:		
All non-audit services not included above	**1,920**	*1,750*

12. Staff costs

	2022 £	*2021 £*
Wages and salaries	**7,338,827**	*6,466,476*
Social security costs	**600,713**	*506,124*
Pension costs	**268,297**	*263,974*
Agency costs	**279,450**	*129,004*
	8,487,287	*7,365,578*

Included in the above are redundancy payments of £37,696 (2021: £6,592) made payable to 3 (2021: 2) employees in the year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

12. Staff costs (continued)

The average number of persons employed by the College during the year was as follows:

	2022 No.	2021 No.
Charitable staff	255	250
Administration and support	84	76
Management	4	4
	343	330

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2022 No.	2021 No.
In the band £60,001 - £70,000	3	3
In the band £70,001 - £80,000	1	1

The key management personnel of the College comprise of the senior management team as listed on page 2. The total remuneration of the key management personnel during the year was £333,661 (2021: £328,116). The remuneration and terms of conditions of the members of the SLT is agreed by the board following an established procedure.

13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits *(2021 - £NIL-)*.

During the year ended 31 December 2022, no Trustee expenses have been incurred *(2021 - £NIL)*.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

14. Tangible fixed assets

	Freehold property £	Leasehold property £	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation					
At 1 January 2022	**12,700,269**	**542,214**	**725,428**	**253,841**	**14,221,752**
Additions	**123,058**	-	**108,499**	**15,462**	**247,019**
Disposals	**(514,077)**	-	-	-	**(514,077)**
At 31 December 2022	**12,309,250**	**542,214**	**833,927**	**269,303**	**13,954,694**
Depreciation					
At 1 January 2022	**9,561,116**	**265,436**	**404,359**	**240,753**	**10,471,664**
Charge for the year	-	**14,372**	**76,421**	**13,473**	**104,266**
On disposals	**(259,209)**	-	-	-	**(259,209)**
At 31 December 2022	**9,301,907**	**279,808**	**480,780**	**254,226**	**10,316,721**
Net book value					
At 31 December 2022	**3,007,343**	**262,406**	**353,147**	**15,077**	**3,637,973**
At 31 December 2021	*3,139,153*	*276,778*	*321,069*	*13,088*	*3,750,088*

Included in freehold property is land at a cost of £106,693 (2021: £124,168).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

15. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
Additions	100
At 31 December 2022	100
Net book value	
At 31 December 2022	100

The Company has acquired shares in a subsidiary company, Derwen College Consulting Limited, during the year. The subsidiary has the same registered office as the Company and remains dormant at the year end.

Principal subsidiaries

The following was a subsidiary undertaking of the College:

Name	Company number	Principal activity	Class of shares	Holding
Derwen College Consulting Limited	14503923	Dormant company	Ordinary	100%

16. Stocks

	2022 £	2021 £
Finished goods and goods for resale	38,899	41,193

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

17. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	**342,529**	*132,874*
Other debtors	**7,469**	*25,979*
Prepayments and accrued income	**158,331**	*130,284*
	508,329	*289,137*

18. Creditors: Amounts falling due within one year

	2022 £	2021 £
Payments received on account	**148,730**	*302,382*
Trade creditors	**143,575**	*239,900*
Other taxation and social security	**154,233**	*140,589*
Other creditors	**27,144**	*32,759*
Accruals and deferred income	**395,384**	*141,362*
	869,066	*856,992*

	2022 £	2021 £
Deferred income at 1 January 2022	-	*19,934*
Resources deferred during the year	**264,142**	-
Amounts released from previous periods	-	*(19,934)*
	264,142	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

19. Statement of funds

Statement of funds - current year

	Balance at 1 January 2022 £	Income £	Expenditure £	Transfers In/out £	Balance at 31 December 2022 £
Unrestricted funds					
General Funds - all funds	353,715	10,795,638	(10,575,314)	(135,895)	438,144
Fixed asset fund	703,702	-	(85,773)	204,272	822,201
	1,057,417	10,795,638	(10,661,087)	68,377	1,260,345
Endowment funds					
Fixed asset fund	2,265,731	-	-	105,583	2,371,314
Expendable Endowment	-	1,026,360	(484,869)	17,475	558,966
	2,265,731	1,026,360	(484,869)	123,058	2,930,280
Restricted funds					
Fixed asset fund	780,655	(45,958)	(98,804)	(191,435)	444,458
Other restricted funds	-	149,079	(149,079)	-	-
	780,655	103,121	(247,883)	(191,435)	444,458
Total of funds	4,103,803	11,925,119	(11,393,839)	-	4,635,083

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

19. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2021 £	*Income* £	*Expenditure* £	*Transfers in/out* £	*Balance at 31 December 2021* £
Unrestricted funds					
Designated funds					
Infrastructure Improvement Fund	-	-	*(601,842)*	*601,842*	-
General funds					
General Funds - all funds	*666,923*	*9,379,738*	*(9,562,626)*	*(130,320)*	*353,715*
Fixed asset fund	*744,330*	-	*(72,513)*	*31,885*	*703,702*
	1,411,253	*9,379,738*	*(9,635,139)*	*(98,435)*	*1,057,417*
Total Unrestricted funds	*1,411,253*	*9,379,738*	*(10,236,981)*	*503,407*	*1,057,417*
Endowment funds					
Fixed asset fund	*2,265,731*	-	-	-	*2,265,731*
Expendable Endowment	*601,842*	-	-	*(601,842)*	-
	2,867,573	-	-	*(601,842)*	*2,265,731*
Restricted funds					
Fixed asset fund	*626,834*	*84,419*	*(29,033)*	*98,435*	*780,655*
Total of funds	*4,905,660*	*9,464,157*	*(10,266,014)*	- -	*4,103,803*

Statement of funds (continued)

Endowment Funds

Endowment funds represent land and buildings of the college, with the exception of those held within restricted funds (see below). The endowed land and buildings are held on trust for Derwen College Trust, Charity Number 1153280-1.

During the year the college sold land, the funds received are being held as expendable endowed funds until the Trustees wish to exercise the power to spend them. The expenditure during the year relates to expenditure on the properties, as permitted by the scheme granted by the Charity Commission.

Restricted Funds

The restricted fund brought forward and remaining balance carried forward relates to the net book value of the properties at Ludlow, Telford and Walford College, including 2 properties in Gobowen that were partly funded by the Big Lottery (refer to note 23).

Other restricted funds- During the year funds were received for the bungalow refurbishment project. These funds were fully spent in the year.

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £
Tangible fixed assets	822,201	444,458	2,371,314	**3,637,973**
Fixed asset investments	100	-	-	**100**
Current assets	1,307,110	-	558,966	**1,866,076**
Creditors due within one year	(869,066)	-	-	**(869,066)**
Total	1,260,345	444,458	2,930,280	4,635,083

20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	*Restricted funds 2021* £	*Endowment funds 2021* £	*Total funds 2021* £
Tangible fixed assets	*703,702*	*780,655*	*2,265,731*	*3,750,088*
Current assets	*1,210,707*	-	-	*1,210,707*
Creditors due within one year	*(856,992)*	-	-	*(856,992)*
Total	*1,057,417*	*780,655*	*2,265,731*	*4,103,803*

21. Pension commitments

Auto - Enrolment Pension Scheme

The College now operates two defined contribution pension schemes. The assets of the scheme are held separately from those of the College in independently administered fund. One of these schemes was introduced from 1 June 2019 with staff being given the option to migrate over from the closed defined benefit scheme (see below).

The pension cost charge represents contributions payable by the College to the fund and amounted to £268,296 (2021: £263,974).

College Scheme

The College operates a defined benefit pension scheme.

The scheme was closed to new members and future accrual in 2019. All active members were given the option to migrate to a new defined contribution scheme that was setup from 1 June 2019. The defined benefit scheme remains open as a de-risking exercise is being completed in preparation to be in a position to a future buy out. There are currently no active members. All members are classed as deferred or pensionable as at 31 December 2022.

The amounts in the financial statements for the year ended 31 December 2022 relating to pensions are based on a full actuarial valuation dated 31 December 2020 and updated to 31 December 2022 by a qualified actuary, independent of the scheme's sponsoring employer.

21. Pension commitments (continued)

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	At 31 December 2022 %	*At 31 December 2021 %*
Discount rate	**5**	*1.80*
Inflation (RPI)	**3.3**	*3.50*
Inflation (CPI)	**2.7**	*2.90*

	At 31 December 2022 Years	*At 31 December 2021 Years*
Mortality rates (in years)		
- for a male aged 65 now	**21.8**	*21.7*
- at 65 for a male aged 45 now	**23.1**	*23.0*
- for a female aged 65 now	**23.6**	*23.5*
- at 65 for a female aged 45 now	**25.1**	*25.0*

The College's share of the assets in the scheme was:

	At 31 December 2022 £	*At 31 December 2021 £*
Corporate bonds	**946,000**	*2,752,000*
International Bonds	**10,091,000**	*14,746,000*
Cash and Others	**82,000**	*56,000*
Total fair value of assets	**11,119,000**	*17,554,000*

The actual return on scheme assets was £-6,019,000 *(2021 - £738,000)*.

The amounts recognised in the Statement of Financial Activities are as follows:

21. Pension commitments (continued)

Movements in the present value of the defined benefit obligation were as follows:

	2022 £
Opening defined benefit obligation	13,794,000
Admin Expenses	-
Actuarial Gains	(5,195,000)
Interest cost	245,000
Benefits paid	(416,000)
Closing defined benefit obligation	8,428,000

Movements in the fair value of the College's share of scheme assets were as follows:

	2022 £
Opening fair value of scheme assets	17,554,000
Interest income	312,000
Benefits paid	(416,000)
Actuarial Losses	(6,331,000)
Closing fair value of scheme assets	11,119,000

The College has an unrecognised gain of £2,691,000 *(2021 - £3,760,000)* in respect of its defined benefit pension scheme as it does not expect to recover the plan surplus either through reduced contributions in the future or through refunds from the plan.

22. Operating lease commitments

At 31 December 2022 the College had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	*2021 £*
Not later than 1 year	7,876	*11,910*
Later than 1 year and not later than 5 years	-	*10,347*
	7,876	*22,257*

23. Big Lottery Funding

The college received Big Lottery Funding in respect of the Derwen Enterprises ceramics buildings and the residential building, The Acorns in 1997 and 2003 respectively.

The grants are repayable in the event of the college ceasing its activities, and the college may not dispose of the buildings or use them as security for a loan without prior written provision of the Big Lottery Fund, such restrictions to be in place for 80 years from 1997 and 2003 respectively when the grants were received.

24. Related party transactions

Barbara Court's husband is the proprietor of Courthouse Consulting from which purchases were made at arm's length during the year of £1,758 (2021: £Nil). The amount owing to the entity at the year end was £1,758 (2021: £Nil).

During the year purchases of £1,054 (2021: £215) were made at arm's length from James Ward, a director. The amounts owing at the year end was £Nil (2021: £Nil).

DERWEN COLLEGE

England & Wales - Charity number 1153280

Accounts

Registered number: 08615826
Charity number: 1153280

DERWEN COLLEGE

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

WR Partners
Protecting your future.

DERWEN COLLEGE

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE COLLEGE, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2021

Trustees

Mrs C S Beaumont (appointed 25 March 2021)
Mrs L Burns (Resources and Business - co-opted 9 December 2021)
Cllr L L Childs, Wrexham Council Nominee (resigned 11 February 2021)
Mrs B L Court, Chair of Audit and Risk Assurance
Mr M Cowan, Chair of Standards and Effectiveness
Mrs H V Cox
Mr P Crosby (co-optee - Resources and Business)
Mr P Dagger (Audit and Risk Assurance - co-opted 25 March 2021, resigned 31 December 2021)
Mr D P Evison
Mrs K Kimber, Chair & Chair of Search and Governance
Mrs E Leigh (appointed 25 March 2021)
Mr S M Lord (appointed 25 March 2021)
Mr D P Milner
Mrs H C Owens, Vice Chair
Mrs M Rolland (Standards and Effectiveness - co-opted 25 March 2021)
Mrs H Smith
Mr J E Ward, Chair of Business and Resources
Mrs A Williams (co-optee - Standards and Effectiveness, resigned 15 July 2021)

Company registered number

08615826

Charity registered number

1153280

Registered office

Derwen College, Whittington Road, Gobowen, Oswestry, Shropshire, SY11 3JA

Telephone : 01691 661234

Website : www.derwen.ac.uk

Principal operating office

Whittington Road, Gobowen, Oswestry, Shropshire, SY11 3JA

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COLLEGE, ITS TRUSTEES AND ADVISERS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Patron

H.R.H. The Duchess of Kent

Independent auditors

WR Partners, Belmont House, Shrewsbury Business Park, Shrewsbury, Shropshire, SY2 6LG

Bankers

LLoyds plc, 28 Regent Street, Wrexham, Clywd, LL11 1SE

Solicitors

Lanyon Bowdler, 39-41 Church Street, Oswestry, SY11 2SZ

Clerk to Governors and Company Secretary

Mrs C Thompson

Senior management team

Mrs M Green, Principal and Chief Executive Officer
Miss N Bellis, Director Human Resources and Estates
Miss K George, Director Care, Health and Wellbeing
Mr A Smith, Director Business and Finance

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees, who are also the directors, present their annual report together with the audited financial statements of the College for the year 1 January 2021 to 31 December 2021.

The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Governors confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the second edition Charities Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

The Trustees, who are also the directors of the Derwen College charity, here report on the main activities of the College in 2021.

- Kathleen Kimber – Chair and Chair of Search and Governance
- Helen Owens – Vice Chair
- Lucy (C S) Beaumont – co-opted governor 25 March 21
- Louise Burns – co-opted to Resources and Business 9 December 21
- Cllr Krista Childs – resigned 11 February 21
- Barbara Court – Chair of Audit and Risk Assurance
- Mick Cowan – Chair of Standards and Effectiveness
- Vicki Cox
- Paul Crosby – co-opted to Resources and Busines
- Peter Dagger – co-opted to Audit and Risk Assurance 25 March 21, resigned December 21
- Paul Evison
- Elizabeth Leigh – co-opted governor 25 March 21
- Mark Lord – co-opted committee member to governor from 25 March 21
- Paul Milner – nominated to co-opted governor 15 July 21
- Marianne Rolland – co-opted to Standards and Effectiveness 25 March 21
- Helen Smith
- Jamie Ward – Chair of Business and Resources
- Amanda Williams – resigned from committee co-option 15 July 21

Carol Thompson – Clerk and Company Secretary

We place on record our sincere thanks to all trustees and co-opted committee members who have given generously of their time and constructively of their experience and wisdom. Resignations have, in all cases, been because of personal situations and demands which have left people feeling unable to contribute as they believe they should as a trustee. We have welcomed several new members and hope that in 2022 face-to-face meetings will be possible and Board members will resume their familiarity with the College, its students, clients and staff.

Much information about the charity and its activities and endeavours will be found on the website: www.derwen.ac.uk

Since the College qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Strategic Report

Objectives and activities

a. Policies and objectives

The College's Mission, Strategic Priorities and Values

Our Mission: to enable everyone to achieve beyond what they and others believe possible.

Strategic Priorities:

Ensure our long-term sustainability
- Areas of focus
  - Rigorous financial management
  - Constant review and update of provision
  - Appropriate diversification
  - Risk assurance measures
  - Environmental commitment

Excel in every aspect of our operation
- Areas of focus
  - Our holistic approach to people
  - Quality assurance
  - Staff CPD and performance management
  - Staff wellbeing
  - Compliance monitoring
  - Response to changing legislative environment and the SEND landscape
  - Being a learning organisation

Make the most of our exceptional resources
- Areas of focus
  - Accommodation review and planning
  - Campus management
  - Commercial developments
  - Satellite opportunities
  - Safeguarding
  - Partnerships

Be trailblazers, initiators and researchers
- Areas of focus
  - Our position / reputation within the sector
  - Risk appetite
  - Initiatives and innovations
  - Marketing, publicity and communication with stakeholders
  - Award applications
  - Build thirst for increased understanding

Strategic Report

Objectives and activities (continued)

The College's Values:

2021 – the year when the College gained much public recognition

Tes (Times Educational Supplement): FE Specialist Provider of the Year

Lead judge Lynette Barrett said:

> *During such adverse and difficult times, this College has shown how it has remained focused on student achievements and outcomes. The staff worked relentlessly to remain open and create new ways of working, which allowed some of the most vulnerable young people in society to achieve their outcomes without compromise.*

Pearson National Teaching Awards for Schools and Colleges: Excellence in Special Needs Education. Gold Award – Stephen Evans

> *As Sports & Leisure co-ordinator, Steve recognises and promotes the physical and mental benefits of exercise, encouraging teamwork, social skills and fun. By partnering with community and national sports organisations, Steve has enabled a wide and inclusive range of opportunities for students. He is an inspirational teacher and colleague, motivated by a resolve to find what makes each individual shine.*

Pearson National Teaching Awards for Schools and Colleges: Digital Innovator of the Year category. Bronze Award – Jessie Vaughan

UK Career Development Award for Careers Programme in a Specialist School/College Winner – the award recognised the College's CV Builder app

Strategic Report

Objectives and activities (continued)

The nasen Award for 16–25 Provision, sponsored by Brain in Hand

Derwen College was recognised for going above and beyond to support residential and day students with a wide range of complex needs, disabilities, and autism during the pandemic – ensuring that each and every student was motivated, engaged and learning, whether at home or in college. Embracing online tools, staff ensured everyone stayed connected with Sports Day, Prom, Graduation, weekly sports challenges, national skills competitions, Makaton sessions, and even a Pet Show, all going ahead virtually.

Duke of Edinburgh's Award Scheme (DofE)

The College's DofE Co-ordinator, Steve Evans, was one of only 50 people in the UK to be awarded a specially commissioned commemorative Duke of Edinburgh coin, awarded to inspirational volunteers

His passion and determination to support students through each of the sections of their awards is unrivalled.

Beacon Awards – finalist in the Mental Health and Wellbeing category

And as usual, students gained recognition and participated in skills competitions: Two students received the High Sheriff of Shropshire's Outstanding Young Citizens awards. World Skills – held virtually this year

The student team from Derwen College Ludlow won Bronze in the Media Foundation Skills competition and a student on the Hospitality and Food pathway won Bronze in the Restaurant Service Foundation Skills competition.

And 1–5 March 2021 Derwen College organised and ran the virtual SkillsLive Derwen competitions for schools and colleges across the country.

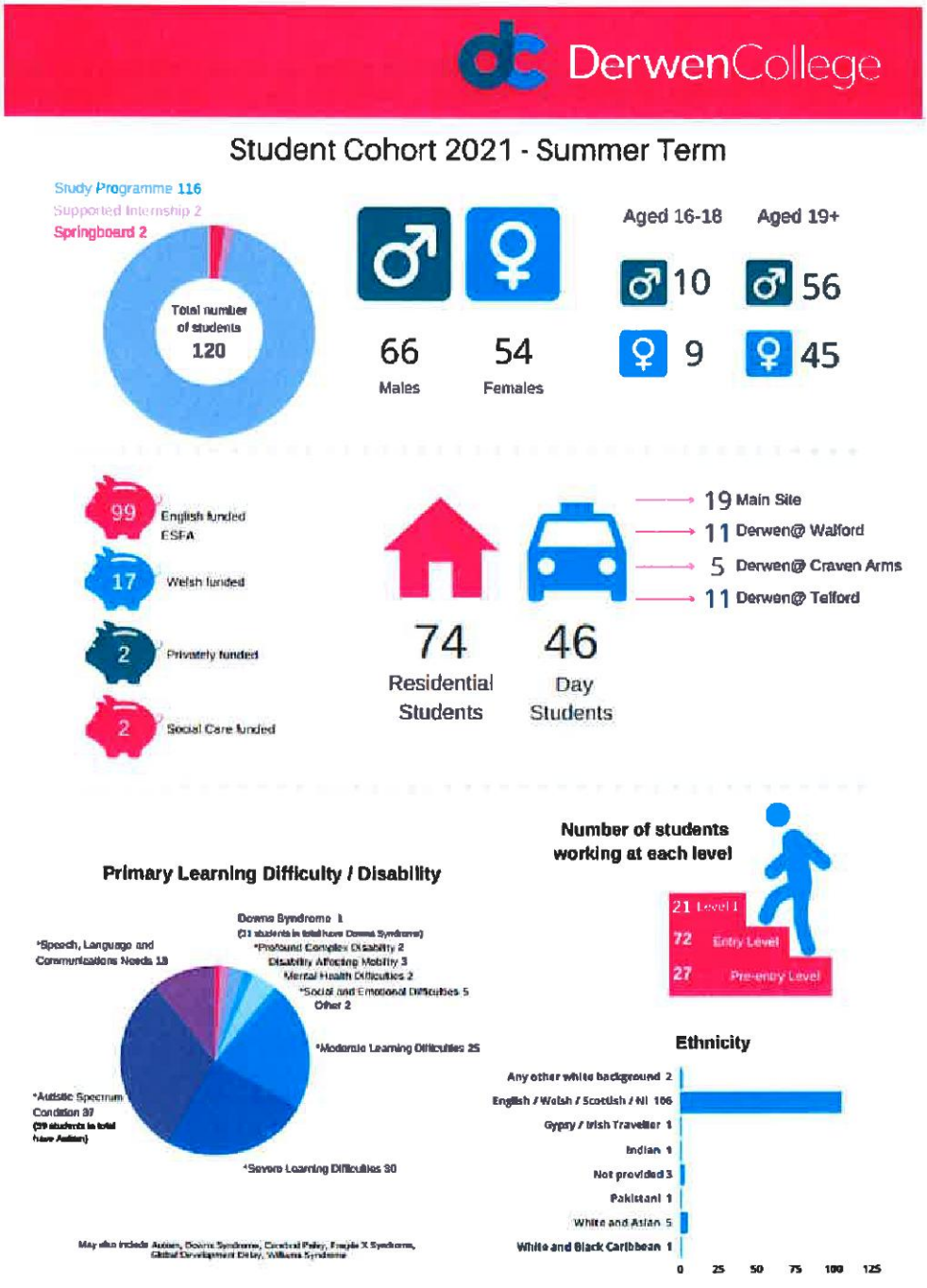
and 2021 – the year the Covid 19 pandemic continued

2020 had challenged everyone and much had been learnt that was to enable continuous, safe and meaningful activity throughout the changing regulations and conditions of 2021. The College had to adapt, as did everyone across the country. It did not close but remained open throughout. With so many clinically extremely vulnerable people to support, both residential and day, student and client, very frequent monitoring of procedures and outcomes took place. Arrangements for social distancing, bubbles, mass regular lateral flow testing, virtual meetings, trips, work experience, visitors on site, social activities on site, commercial activities, safety control measures (e.g. face covering, open windows) and back up isolation procedures were all managed and a road map through it all produced for staff. Students adapted to changes in working arrangements positively and generally calmly. Efforts were made to ensure that, when they were not on site, all had the devices needed and that home-working was fully supported. Relationships with families were strengthened.

Sadly, the College experience for those who have joined us in 2020 and 2021 has not been what we would have wished for them. While huge progress has been made by students, the lack of normal social interaction has had an impact on personal development and relationships. Staff are working hard to address these and accompanying issues and mitigate the impact of the restrictions. Staff and trustees are aware of the limitations of virtual meetings. None the less, work continued and progress was achieved, but differently.

Strategic Report

Objectives and activities (continued)



Strategic Report

Objectives and activities (continued)

Pathways

During the admissions process students make an informed choice about which Pathways to embark on when they start college. Pathways are detailed programmes, adopting a holistic approach to student development, and constantly under review. Currently the following Pathways are available:

Gobowen Main Site: residential and day
- Horticulture
- Hospitality and Food
- Retail and Enterprise
- Performing Arts
- Learning for Life
- Nurture

Ludlow (formerly Craven Arms): day provision
- Business Support and Enterprise

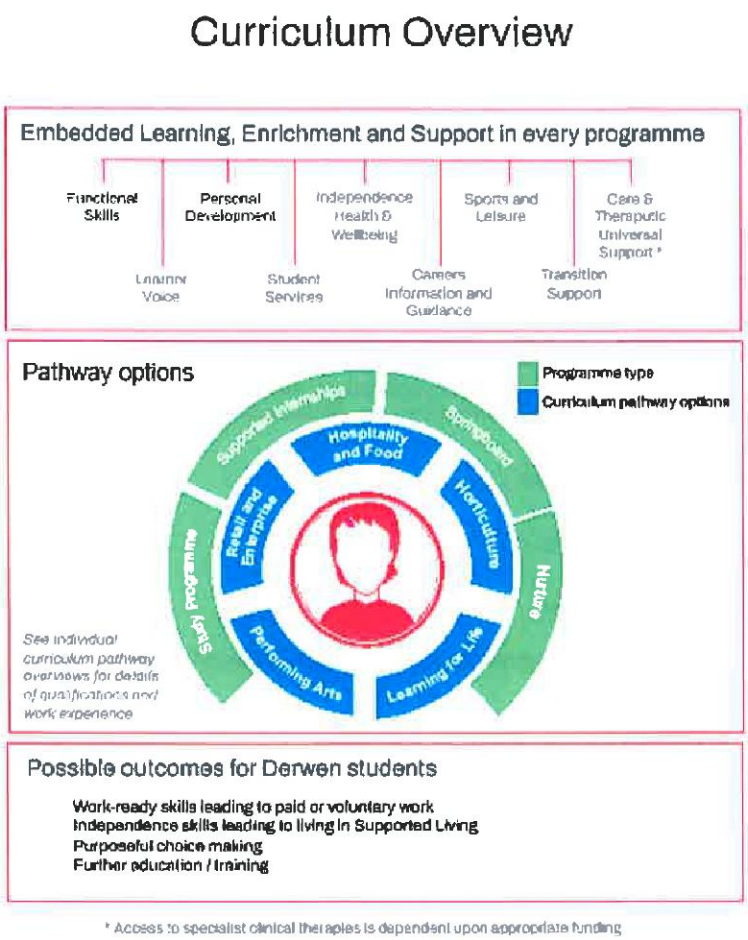
Telford: day provision
- Business Support
- Hospitality

Walford: day provision
- Horticulture
- Sport and Fitness

Strategic Report

Objectives and activities (continued)

For 2020-21 these were summarised as:



* Access to specialist clinical therapies is dependent upon appropriate funding

The new provision, opened in September 21, was the Nurture programme, for students with profound and multiple learning difficulties.

Strategic Report

Objectives and activities (continued)

The new provision, opened in September 21, was the Nurture programme, for students with profound and multiple learning difficulties.

Outcomes
Student progress against their Education, Health Care Plans and their agreed personal targets is closely monitored. The number of students proceeding to part-time employment, voluntary work or further education has increased, although their learning difficulties and disabilities are more complex than in previous years. This reflects in part the amount of time and effort spent working with students and families to identify satisfying ongoing activity in the home area once courses are completed. It was expected that 79% of summer 21 leavers would progress to supported living, a significant increase on 2020 (24%).

The clients during 2021
It is one of the objects of Derwen College charity that we provide accommodation for people with disabilities and learning difficulties. The trustees have worked closely with the Senior Leadership Team and have reviewed the provision we make within this objective and what that means for our clients, our residents, of whom there were 35 in 2021. Our commitment is to look at:

- how we provide for the wellbeing of the clients
- how we can ensure their long-term security
- what we can do to offer meaningful activity in their daily lives
- how we offer care and support

and, how we do this within current regulations and concepts of best practice.
In seeking to provide a well thought through, sustainable, high quality service, in surroundings where people feel supported and valued, we have sought specialist advice, particularly specialist charity legal advice. As we finalise plans for supported living agreements and the launch of Derwen Care, we shall continue to talk with and consult our clients and their families.

Achievements and performance

a. Key performance indicators

Excellent performance and quality

The College is characterised by a drive for continuous improvement and has strong and varied processes of reflection, evaluation and analysis.

Internally it has a well-established, thorough and transparent self-assessment system. Quality and the achievement of Improvement Plan targets are monitored throughout the year and the formal departmental evaluations of performance and outcomes are moderated at the end of the summer term by panels which include trustees. These rigorous self-assessment procedures led the College to grade its performance 2020–21 as good, with an expectation that it would be outstanding the following year!

There are numerous audit and monitoring procedures in place. In autumn 21 a Learning Review was commissioned, using an external consultant. This was part of the drive to ensure reflection on specific experiences and activities and leads to the lessons learnt being shared and implemented across the College.

Inspection and public recognition

External Quality Assurers' feedback from awarding bodies has been extremely positive.

> *Good checking systems are in place. All documents were signed and dated. Good practice was demonstrated throughout. All learners' work sampled was of an excellent standard with learners demonstrating a good understanding of the topics for all qualifications sampled.* (BTEC report)

Achievements and performance (continued)

The College holds the Matrix Standard and received the following comment following the three-day re-accreditation process:

> *a friendly, welcoming, and professional service that goes the extra mile to provide the students, staff, and employers with the opportunity to explore their specific needs. This linked to a culture within the service amongst leaders and staff that live and breathe the values of care, learning and personal development.*

The College was inspected by Ofsted, under the new Inspection Framework, from 9–11 November 2021, gaining the following grades:

• Overall effectiveness	Good
• The quality of education	Good
• Behaviour and attitudes	Outstanding
• Personal development	Good
• Leadership and management	Good
• Provision for learners with high needs	Good

The report includes:

> *Learners are safe and enjoy their time at the College.*
>
> *Senior leaders have created a caring, calm and inclusive environment for staff and students. Staff have high standards and clear expectations of learners' behaviour. As a result, staff support learners well. Learners' behaviour and attitudes are exceptional, and they make good progress in their vocational course and independent living skills.*
>
> *Leaders plan vocational pathways well. After a period of core skill development, teachers help learners to apply their knowledge, skills and behaviours in internal and external work placements. Leaders have established industry champions to ensure that teachers train learners in the most up-to-date approaches and procedures for the sector.*
>
> *During the pandemic, senior leaders invested in innovative ways of providing students access to realistic work opportunities. For example, they developed internal placement opportunities through a charity shop and food takeaway outlet. Students continued to develop their vocational skills during this time.*
>
> *Learners become more independent in their personal lives. Through regular tutorials, learners participate in discussions and take more control of their decision making. They improve their ability to travel, shop, cook and manage their personal laundry. As they acquire these skills, they move successfully into more independent living arrangements.*
>
> *Learners take pride in their achievements and are keen to learn more.*
>
> *Learners benefit from a wide range of extra-curricular activities… Learners are encouraged to join the thriving student union and to represent their fellow students… Representatives improve their communication skills and negotiate improvements for the benefit of all learners.*

It is three years since the Care Quality Commission inspection and re-inspection is awaited. The College submitted its Provider Information Report, as requested in September 2021.

During the regular monitoring of Food Safety and Hygiene standards all residences were awarded a five-star rating.

Many members of the public do not understand learning difficulties and disabilities and their impact on individuals – and on those closest to them. What may seem a small and inconsequential step to some people is, in fact, a major achievement and life changing. Staff and trustees are committed to ensuring life-enhancing progress for students and clients and feedback from families brings constant testimony to such progress.

> *When we look back at X's last three (and a bit) years, we can't help but smile and feel an overwhelming sense of pride. Our little boy has become a confident, independent, hard-working, self-assured young man and that is down to the relationships, experiences, education and training he has had with you. (Parent)*

Achievements and performance (continued)

We felt very supported by Derwen in the transition and importantly in the liaison with our local authority. I honestly can't think of anything you could improve on. XX and I remain incredibly grateful to everyone at Derwen for your care of XX – through thick and thin – over her four years with you. (Parent)

I took X to see her consultant paediatrician for her 'Diabetic Review'... Dr B had not seen X for nearly two years, and was astonished in what he called her transformation. ....He explained that X had lost nearly 3 stones and what she had done was 'absolutely amazing'. X explained that she was eating better at college, was more active in the gym, was swimming and hydro. She explained she was in the Panto.... The team felt that Derwen had been marvellous for her. (Parent)

and a social worker in Telford:

The college clearly have a trauma informed and nurturing approach to the young person, they ensured his views were put forward as part of the meeting and next steps, they spoke really fondly of him with positive regard. They have a clear plan to support with his social skills...

and from a member of the public, who saw a group out for a pizza one Saturday evening:

As a parent, as someone who works in education and just as a human being, I wanted to express my absolute awe at the amazing work your staff were doing to support your young people during their meal and also at how amazing your young people were with their manners and interaction with each other. They were all an absolute credit to your college and I haven't stopped thinking about their kind natures, compassion to each other and their engagement with the adult staff.

Development projects and College sites

2021 was characterised by a considerable amount of activity. At the main site, as The Derwen School (an independent operation not linked to this charity) closed, we were delighted to take back into our use the buildings they had used. This and our detailed review of all building usage and the approved accommodation strategy allowed for much adaptation and update of resources. Facilities for the new Nurture programme were put in place; all therapies and nursing services were grouped and moved to new premises; the programme of upgrading residences and flats was continued; facilities for Corner House (day students) and the swimming pool and sports hall were upgraded, Admissions moved in to the Art Centre. The agreed detailed development programme will continue in 2022.

The College opened its new charity shop, Vintage Advantage, to considerable press and public acclaim. This is providing work experience for our students and volunteering opportunities for our clients. The new Tip Top Take away service was developed as another work related experience, and proved a much needed service during the pandemic.

The Telford site completed a very successful first year and September saw the numbers more than double as a new intake arrived.

The Craven Arms site, for which a much more satisfactory building had been sought, moved to the Eco Park at Ludlow. This site has much potential and good transport links.

Work on the former Derwen Estate to transform it into a Duke of Edinburgh's Award Scheme base achieved just that: a transformation. It is intended that this facility will be made available to other similar groups.

Land which is part of the College main estate is on the market as development land and a purchaser identified.

As part of the Association of Colleges and Natspec SEND Pilot Partnerships Project, the College is working with our partner college, Hereford, Ludlow and North Shropshire College, focusing initially on reciprocal work experience placements.

Exciting partnership working is being explored with Al Noor, Dubai, and with the Kuwait Society for the Handicapped, who are seeking consultancy support for their vocational training.

Achievements and performance (continued)

Leadership, management and staffing

The Senior Leadership Team is headed by Meryl Green, the Principal and CEO, who works with three Directors: Business and Finance; Human Resources and Estates; and Care, Health and Wellbeing and is supported by the Company Secretary. They have proved a committed, close working and very able team, with whom Governors work particularly closely. They ensure quality, provide real vision, drive and challenge and are supported by highly competent senior managers.

Staff numbers have increased, reflecting new and expanded provision and the increasing complexity of student' disabilities. Nationally, the labour market has become much tighter but the College has yet to experience the critical recruitment difficulties many are experiencing. Continued professional development is closely monitored and any low completion rates actively followed up. A new online training platform and CPD Handbook have been launched in the autumn. Trustees have been pleased to see, indeed are almost envious of, the continually increasing staff wellbeing facilities and programme.

Structure, governance and management

a. Constitution

Derwen College is registered as a charitable company limited by guarantee and was set up by a Trust deed.

Governance

The development of the Charity

Derwen College charity has a long pedigree. It was founded in 1927 by Dame Agnes Hunt and was originally associated with the Orthopaedic Hospital in Gobowen. The Derwen Estate was purchased in 1928 and the first trust deed was established on 3 August 1932. It was varied or affected by schemes of the Charity Commission dated 25 January 1968 and 18 August 1972, and then consolidated in the Deed of 29 November 1988.

An incorporated charity was established on 18 July 2013, Derwen College (Charity number 1153280, Companies House number 8615826). The former charity remains in existence as Derwen College Trust (charity number 208745) with the sole purpose of managing the permanently endowed property. It appointed as its trustees the new Derwen College charity.

The solicitors drew up a uniting directive which allows a single set of accounts to be drawn up, as the two entities have the same financial reporting period. 'Linked' financial statements for both Companies House and the Charity Commission are submitted annually for reporting purposes.

The regulatory framework of the charity

Under the agreed Articles of Association to which the College is now working there are:

- at least seven and not more than twelve co-opted trustees, appointed by resolution of the Board conforming to any criteria the Board determines. The term of office of all trustees is five years, with an expectation that usually after three terms of office the Trustee shall be eligible for re-election only after a year has elapsed.

The invitation to up to five local authorities to nominate a trustee was removed from the Articles during 2021. It was no longer appropriate or used.

Governors' activity in 2021

The Board works closely with the Senior Leadership Team. A very positive working relationship has been developed, which recognises the need for governors to provide effective challenge as well as active support.

Structure, governance and management (continued)

Much of the detailed analysis and scrutiny of the College's operation is managed by the committees, of which there are four. The Resources and Business Committee was formed in the summer 20 drawing together work previously undertaken by the Business and Finance, Estates, and Human Resources Committees. A new committee was formed at that time, Audit and Risk Assurance, and it has had a successful first year and undertaken work across the College's operation. The Standards and Effectiveness Committee continues its focus on care and the curriculum, and the Search and Governance Committee monitors the profile of the Board and the quality of governance.

The key decisions and main areas of activity during 2021 concerned:

- managing the Covid19 pandemic
- the adoption of a new Strategic Plan
- the adoption of the Accommodation Strategy
- participation in and review of the Ofsted inspection
- the adoption of a commercial activity 3-year plan
- establishing a Sustainability and Environment Committee
- monitoring of curricular provision and performance
- monitoring of Care action plans, safeguarding and therapies
- approval of the College's Self-Assessment Report
- adoption and monitoring of the budget and accounts, key financial performance indicators
- monitoring of Human Resource data and staff wellbeing
- review of development projects, and building and land developments
- health and safety and regulatory control monitoring
- the implementation of agreed procedures and processes
- the review of Risk Assurance and Business Continuity Plans
- the recruitment, training and performance of trustees

The Ofsted Report of the 9–11 November 2021 inspection recorded:

> *Governors are highly experienced within the education and care sector. They use their experience well to scrutinise the information they receive from senior leaders, managers and staff. They provide strong and appropriate support to senior managers. Governors have a comprehensive understanding of the recent Care Quality Commission inspection, action plan and progress made against the action plan.*

b. Methods of appointment or election of Trustees

The control of the Charity, its property and funds is in the hands of the Trustees (governors), who are also the company directors, and who are appointed in line with the Articles of Association. All potential governors undertake a formal interview process which includes a fit and proper person's assessment. Appointments are approved at Board level. Governors are often appointed from the ranks of Committee co-optees. These positions enable people to become familiar with the College, its operations, and the governance system and processes. There have been two people co-opted to committees in 2021.

The Board has adopted the Charity Code of Governance, which includes this section: Governors receive an appropriately resourced induction when they join the board. This includes meetings with senior management and covers all areas of the charity's work. Governors are given the opportunity to have ongoing learning and development and regular Governor training takes place.

The Board's Search and Governance Committee formally reviews the specialisms, strengths and characteristics of the members and the Senior Leadership Team annually, including diversity.

Structure, governance and management (continued)

c. Policies adopted for the induction and training of Trustees

Governors are often appointed from the ranks of Committee co-optees. These positions enable people to become familiar with the College, its operations, and the governance system and processes. The Board has adopted the Charity Code of Governance, which includes this section:

Governors receive an appropriately resourced induction when they join the board. This includes meetings with senior management and covers all areas of the charity's work. Governors are given the opportunity to have ongoing learning and development.

d. Pay policy for key management personnel

The remuneration and terms and conditions of the members of the SLT is agreed by the Board, following an established procedure. Annually the Chair meets each member of the team and offers the opportunity for the individual to reflect and give feedback and comment on role, status and operational activity and any matter related to her/his employment.

The Chairs of the Board and Committees meet and consider all the feedback and comment, working with the Principal when discussing the directors, and using any available benchmarking data. A proposal for Board consideration is drawn up. This is discussed at the full Board meeting, with no staff present, and a decision made.

e. Related party relationships

No governor supplies goods and/or services to the College.

f. The achievement of Public Benefit

In setting objectives and planning for activities, the Governors have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2).

Derwen College transforms lives. The number of students who proceed to supported living, students' progress in managing their medication, travel and healthy eating, clients' response to the meaningful activities programme, the amazing number who gain Duke of Edinburgh's Awards each year (a total of 16 students have achieved Gold since enrolling in September 2020), the confidence shown in work placements, performances and encounters with the public, are all examples of significant development and growth. The quality of provision is inspected by Ofsted, the Care Quality Commission and other agencies. The Board believes that the College provides excellent value for money to the public purse and that student outcomes mean they can be less dependent on benefits throughout the rest of their lives. The high level of staff expertise is a key element of the College's management of learning, student support and innovation.

Structure, governance and management (continued)

g. Employee involvement, employment of the disabled and volunteers

Employees have been consulted on issues of concern to them by means of the Staff Forum, staff meetings and a confidential & anonymous web-site link. They have been kept informed on specific matters directly by management and through the regular Staff Newsletter. The College carries out exit interviews for all leaving the organisation, carries out an annual staff survey and has adopted a procedure of upward feedback for the Governors and 360 degree feedback for senior managers. A specific focus on staff well-being continues to characterise much of the work and the implementation of the Staff Engagement Plan is closely monitored.

The Gender Pay Gap return and the review and production of policies have been discussed in detail by governors. The changes necessitated by the General Data Protection Regulations have been rigorously enforced.

There has been a particular focus on professional development and qualifications and a FUN Fund has been set up, for activities by teams of staff.

In accordance with the College's Equal opportunities policy, the College has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.
Full details of these policies are available from the College.

Volunteers contribute to the College's operation and receive an induction process and are DBS checked.

Financial review

a. Going concern

The audited and approved annual accounts are submitted by the due dates to both the Charity Commission and Companies House. After making all appropriate enquiries, very thorough consideration of draft budgets, and cash flow up to 2023, and having taken key strategic decisions, the trustees expect the charity to have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing financial statements. The sale of further assets will have a significant positive effect.

The financial impact of the pandemic will be shown clearly in the audited accounts. The College benefited from the Government's Job Retention grants for staff who were eligible to be furloughed, but it lost income as a result of the enforced closure of its commercial outlets. The College also furloughed some staff, and it was able to access grant monies to support the additional costs associated with minimising the risk and impact of Coronavirus infection and testing programmes.

b. Reserves policy

The note to the accounts show the assets and liabilities attributable to the various funds by type, and summarise the year's movement on each fund.

The total funds of the Charity were £4,103,803 (2020: £4,905,660) of which restricted funds were £780,655 (2020: £626,834) and endowment £2,265,731 (2020: £2,867,573).

The unrestricted funds amounted to £1,057,417 (2020: £1,411,253) of which there is a surplus of £353,715 (2020: £666,923) relating to free reserves. The current reserves policy followed by the Governors is to have a *total reserves* figure of up to a maximum of 50 days of expenditure. The current *free reserves* figure is 13 days (2020: 26 days).

Reserves may need to be utilised during the short to medium term for cash flow and for capital projects. The Governors consider this to be judicious and appropriate especially in the current climate of uncertainty surrounding funding approvals and budgetary restraint.

In 2019 the FRS102 defined benefit pension scheme closed to new members and future accrual therefore, currently has no active members. As a result, the pension asset is no longer included within the Charity's balance sheet (2020: £Nil).

c. Financial Summary

During the year the net movement in funds was a deficit of £801,857 (2020: £474,535 surplus). Net current assets have decreased to £353,715 (2020: £1,268,765) with the closing cash position decreasing to £880,377 (2020: £1,550,441).

The financial impact of the Covid-19 Pandemic on the College is most noticeable in the significant reduction in the commercial income earned during the year, with all outlets closed for significant periods of the year. The loss of income has been managed carefully to ensure it has had minimum impact on the financial reserves of the College.

d. Principal risks and uncertainties

The Trustees regularly examine the principal areas of the College's operations and consider the major risks faced in each. There are established resources and review systems which, under normal conditions, should allow any risk to be managed to an acceptable level in the College's day to day operation. College risk management has two distinct tiers: strategic and operational. The operational level is reviewed on a 'real time' basis and deals with individual departments, students, functions and duties. At the strategic level, the Senior Leadership Team reviews the risk assessment register monthly and it is reviewed at least termly as part of the College quality improvement plan. Issues are debated and reported at Board meetings. This includes College pension arrangements, insurances and trustee responsibilities to ensure these remain in line with current legislation and operational factors.

The College's spacious campus is, when pandemic regulations and guidance allow, open to visitors and customers in the public areas and is imaginatively and purposefully managed to enable students to interact with staff and members of the public appropriately and safely However, the open plan nature of the campus and the heightened staff awareness of potential hazards necessitate regular reviews. During 2014 gates were erected at strategic points on the campus enabling a secure area for students, away from the public areas, to be closed off at 9 p.m. each evening. During 2017 the central area of the College became pedestrianised. Departmental operational risk management encompasses all locations and individuals. During 2019 there was a major programme of installation of CCTV monitoring equipment. In 2020 there was further installation of intruder alarms and significant upgrading of pathways.

Site safety is reviewed through the Health and Safety Committee, which includes governor membership, is audited by specialist advisors and monitored by external agencies. During 2019 a full-time Health and Safety Manager was appointed and the scrutiny of all aspects of H&S and appropriate action plans are now rigorously implemented.
The College provides a safe and supportive environment for learners to access the internet, including social networking sites. Staff across college give a high priority to all aspects of on-line safety and the safeguarding team rigorously monitor risk in this area with personalised strategies being implemented to support individuals as appropriate.

e. Financial risk management objectives and policies

The Board has adopted the Charity Code of Governance (for larger charities) and adheres to the principles it lays out.

f. Principal funding

The main source of income is generated from student and client fees paid for by local and central Government and amounts to 86% of the total. All the £9,464,157 income raised during 2021 has been used to enable the College to meet its charitable objectives.

g. Fundraising activities and income generation

The usual annual fundraising events, the Walk and the Fete, have again had to be put on hold. Other initiatives have, however, generated some income. Students have undertaken sponsored activities, particularly while at home. The Easter Challenge for staff was to walk over 3,000 miles, visiting all the counties our students travel from, and in the summer fifty climbed Snowdon. Funding has been secured to remodel the waterside garden, behind the Bradbury Retail Centre (The Hub). This will be a three-year project, led by 'Leaf it to Us' students, assisted by Learning for Life. There was a virtual walk to Lapland at Christmas, and a monthly online draw, the Bonus Ball Competition, has been introduced. The Freemasons and Rotary organisations continue to support the Duke of Edinburgh's Award activities.

The trustees are committed to the necessary capital spending to maintain and enhance the College's facilities and to meet the legal and regulatory requirements. The major appeal for £1,000,000 launched to fund the further development and upgrading of the Agnes Hunt bungalow properties, is ongoing.

h. Investment policy and performance

The College takes a prudent, low risk approach to investments, placing cash surpluses on deposit to attract a return, although this is not especially attractive with the current level of interest rates. This is principally because the reserves may need to be utilised during the short to medium term for cash flow and for capital projects. The investment strategy of the Derwen pension scheme has been the subject of a detailed review with very positive results.

i. Plans for future periods

Looking ahead

Where next?

During recent years the College has managed a reduction in residential student numbers, a significant increase in day student numbers, the increase in the complexity of students' disabilities, the opening of three satellites, an expansion of the curricular programme, a major restructuring of provision for clients, the funding and opening of the hydrotherapy pool, massive improvements to buildings, and the sale of some assets. This has been achieved through team work, detailed planning, and without recourse to borrowing. The Senior Leadership Team and the trustees believe the charity is now in a strong position; it will embed the many developments and pursue its drive to improve continuously.

In the short term at least, Covid 19 will continue to have an impact. However national developments offer more unknowns and potential challenges. The publication of the High Needs Funding Review is awaited and will be critical. The Learning and Skills Bill going through Parliament must be closely followed. We await an all-age Autism Strategy, a Disability Strategy, a Review of Children in Care, and the outcome of consultation on the Mental Capacity Act.

We remain committed to providing an outstanding service to those with disabilities and learning difficulties

Building the sustainable future

Transforming the lives of young people with Special Educational Needs and Disabilities by maximising their potential for independence is, axiomatically, a 'good thing'. To do this in a way which focusses on enabling their development through real-work activity and becoming as self-sufficient as possible is challenging. It requires a truly holistic approach, in which learning is augmented, facilitated and enriched by care, therapies, and clinical support. The outcomes amaze.

This will continue to be the goal of this charity, working with full-time and part-time residential and day students. It will also focus on transforming the lives of the clients, those using the short-breaks provision and the diverse satellites. The College continues to keep the beneficiaries of the charity as its focus. This requires clarity about the future strategic direction and priorities of the College and continued rigorous financial management. The Board and Senior Leadership Team have this as their focus and work to ensure every decision underpins high quality and sustainability. It will continue to strive to deliver outstanding value for money, and believes it can, and unequivocally does, demonstrate excellence in comparison with recently developed, local provision.

The development of the Telford satellite, the further development of the curriculum, particularly for those with profound and multiple learning difficulties, the review of the provision for clients, and the continued transformation of our accommodation into 21st century supported living standards will be our immediate priorities.

Most learners are funded to come to the College because their needs cannot be provided for adequately and sufficiently in a non residential, local further education college, nor can their potential be maximised. The commitment of both staff and trustees is to ensure our high quality, holistic provision, within the culture of constant improvement, continue to characterise the College's operation.

Members' liability

The Members of the College guarantee to contribute an amount not exceeding £1 to the assets of the College in the event of winding up.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the College for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the College and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the College will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the College's transactions and disclose with reasonable accuracy at any time the financial position of the College and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the College and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that each Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditors, WR Partners, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:

Mrs K Kimber
Chair

Date: 14 June 2022

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DERWEN COLLEGE

Opinion

We have audited the financial statements of Derwen College (the 'College') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees 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 Trustees are responsible for assessing the charitable company'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 Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DERWEN COLLEGE (CONTINUED)

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

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

- We reviewed the susceptibility of the Charity's financial statements to material misstatement and identified the principal risks, implementing a series of testing procedures to provide us with sufficient comfort to issue our opinion.
- We reviewed the Charity's regulatory environment to ensure we could conclude that it had acted in accordance with the framework relevant to the Charity and its environment and identify any instances of non-compliance.
- We also assessed the Charity's internal control procedures to ensure we could appropriately scrutinise these controls and establish whether our understanding of the control environment was sufficient to supplement our additional testing procedures.
- The engagement team consisted of a team that the engagement partner believes is equipped with the relevant level of technical and Charity awareness to carry out our work to the required standard.

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

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an Auditors' 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

WR Partners

Andrew Malpass BSc FCA (Senior statutory auditor)
for and on behalf of
WR Partners
Chartered Accountants and Statutory Auditors
Belmont House
Shrewsbury Business Park
Shrewsbury
Shropshire
SY2 6LG

Date: 12th July 2022

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
Income:						
Donations and legacies	5	**434,598**	**84,419**	**-**	**519,017**	*192,060*
Charitable activities	6	**8,575,705**	**-**	**-**	**8,575,705**	*8,849,030*
Other trading activities	7	**369,395**	**-**	**-**	**369,395**	*176,406*
Investments	8	**40**	**-**	**-**	**40**	*147*
Other income	9	**-**	**-**	**-**	**-**	*584,964*
Total income		**9,379,738**	**84,419**	**-**	**9,464,157**	*9,802,607*
Expenditure on:						
Raising funds	10	**458,582**	**-**	**-**	**458,582**	*343,984*
Charitable activities		**9,778,399**	**29,033**	**-**	**9,807,432**	*8,984,088*
Total expenditure		**10,236,981**	**29,033**	**-**	**10,266,014**	*9,328,072*
Net (expenditure)/income		**(857,243)**	**55,386**	**-**	**(801,857)**	*474,535*
Transfers between funds	19	**503,407**	**98,435**	**(601,842)**	**-**	*-*
Net movement in funds		**(353,836)**	**153,821**	**(601,842)**	**(801,857)**	*474,535*
Reconciliation of funds:						
Total funds brought forward		**1,411,253**	**626,834**	**2,867,573**	**4,905,660**	*4,431,125*
Net movement in funds		**(353,836)**	**153,821**	**(601,842)**	**(801,857)**	*474,535*
Total funds carried forward		**1,057,417**	**780,655**	**2,265,731**	**4,103,803**	*4,905,660*

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 28 to 49 form part of these financial statements.

DERWEN COLLEGE
REGISTERED NUMBER: 08615826

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note		2021 £		*2020 £*
Fixed assets					
Tangible assets	15		**3,750,088**		*3,636,895*
			3,750,088		*3,636,895*
Current assets					
Stocks	16	**41,193**		*21,723*	
Debtors	17	**289,137**		*369,761*	
Cash at bank and in hand		**880,377**		*1,550,441*	
		1,210,707		*1,941,925*	
Creditors: amounts due within one year	18	**(856,992)**		*(673,160)*	
Net current assets			**353,715**		*1,268,765*
Total assets less current liabilities			**4,103,803**		*4,905,660*
Net assets			**4,103,803**		*4,905,660*
Total net assets			**4,103,803**		*4,905,660*

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2021

	Note	2021 £	*2020 £*
Charity funds			
Endowment funds	19	**2,265,731**	*2,867,573*
Restricted funds	19	**780,655**	*626,834*
Unrestricted funds	19	**1,057,417**	*1,411,253*
Total funds		**4,103,803**	*4,905,660*

The entity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 144 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Mrs K Kimber
Chair
Date: 14 June 2022

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £	*2020 £*
Cash flows from operating activities			
Net cash used in operating activities	21	**(455,364)**	*(88,697)*
Cash flows from investing activities			
Dividends, interests and rents from investments		**40**	*147*
Proceeds from the sale of tangible fixed assets		**-**	*550*
Purchase of tangible fixed assets		**(214,740)**	*(138,803)*
Net cash used in investing activities		**(214,700)**	**(138,106)**
Cash flows from financing activities			
Proceeds from the sale of endowed properties		**-**	*870,000*
Net cash provided by financing activities		**-**	**870,000**
Change in cash and cash equivalents in the year		**(670,064)**	**643,197**
Cash and cash equivalents at the beginning of the year		**1,550,441**	*907,244*
Cash and cash equivalents at the end of the year	22	**880,377**	*1,550,441*

The notes on pages 28 to 49 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

Derwen College is a Company limited by guarentee. The registered office is disclosed on the Reference and Admin page. The Charity is primarily involved in working with young people with learning difficulties and disabilities to provide learning, development and care to enable the achievement of aspirations.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the second edition Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Derwen College meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Company status

The College is a Company limited by guarantee. The members of the company are the Governors named on page 1. In the event of the College being wound up, the liability in respect of the guarantee is limited to £1 per member of the College.

2.3 Going concern

At 31 December 2021 no material uncertainties existed that would impact the going concern basis that these financial statements are prepared upon.

As referred to in the Governors Report, the Governors have also assessed the potential impact on the future operations of the Charity with regard to the Covid-19 outbreak. The Charity is considered to be well positioned given the current environment with no impact on the going concern basis of the financial statements.

2.4 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the College and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the College for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds are funds, the capital of which must be maintained.

2. Accounting policies (continued)

2.5 Income

All income is recognised once the College has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the College's objectives, as well as any associated support costs.

2.7 Tangible fixed assets and depreciation

Tangible fixed assets of a capital nature are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Leasehold property	- over the lifetime of the initial lease
Plant and machinery	- 14% on a straight line basis
Motor vehicles	- 25% on a straight line basis

2. Accounting policies (continued)

2.8 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the College; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.11 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.12 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the College anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.13 Financial instruments

The College only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2. Accounting policies (continued)

2.14 Pensions

The College operates a defined contribution pension scheme, the pension charge represents the amounts payable by the College to the fund in the year.

In 2019 the FRS102 defined benefit pension scheme was closed to new members and future accrual therefore currently has no active members. As a result, the pension asset is no longer included within the Charity's balance sheet.

2.15 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

3. Critical accounting estimates and areas of judgment

Estimates and judgments 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:

The College makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

4. Critical accounting estimates and areas of judgment

Estimates and judgments 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:

The College makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

5. Income from donations and legacies

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
Donations	46,416	84,419	**130,835**	*63,220*
Grants	388,182	-	**388,182**	*128,840*
Total 2021	434,598	84,419	**519,017**	*192,060*
Total 2020	*159,830*	*32,230*	*192,060*	

6. Income from charitable activities

	Unrestricted funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
Training Fees	8,207,146	**8,207,146**	*8,159,912*
Miscellaneous Income	50,553	**50,553**	*38,065*
School Income	47,108	**47,108**	*111,924*
Short Breaks Income	86,280	**86,280**	*126,275*
Rental Income	91,688	**91,688**	*92,143*
Job Retention Scheme Income	92,930	**92,930**	*320,711*
Total 2021	8,575,705	**8,575,705**	*8,849,030*
Total 2020	*8,849,030*	*8,849,030*	

7. Income from other trading activities

Income from fundraising events

	Unrestricted funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
Retail	224,879	**224,879**	*118,186*
Hospitality	144,516	**144,516**	*58,220*
Total 2021	369,395	**369,395**	*176,406*
Total 2020	*176,406*	*176,406*	

8. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
Interest Receivable	40	**40**	*147*
Total 2021	40	**40**	*147*
Total 2020	*147*	*147*	

9. Other incoming resources

	Unrestricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
Sale of Assets	-	-	-	*584,964*
Total 2021	-	-	-	*584,964*
Total 2020	*551*	*584,413*	*584,964*	

10. Expenditure on raising funds

Other trading expenses

	Unrestricted funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
Retail and Hospitality Expenditure	223,686	**223,686**	*180,328*
Retail and Hospitality Staff Costs	234,896	**234,896**	*163,656*
Total 2021	458,582	**458,582**	*343,984*
Total 2020	*343,984*	*343,984*	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

11. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	*Total funds 2020 £*
Education	3,032,164	-	**3,032,164**	*2,643,072*
Care	3,360,845	-	**3,360,845**	*3,116,880*
Administration	745,000	733,528	**1,478,528**	*1,650,823*
Campus & Estates	1,381,149	554,746	**1,935,895**	*1,573,313*
Total 2021	8,519,158	1,288,274	**9,807,432**	*8,984,088*
Total 2020	*7,541,858*	*1,442,230*	*8,984,088*	

11. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Education 2021 £	Care 2021 £	Administration 2021 £	Campus & Estates 2021 £	Total funds 2021 £	*Total funds 2020 £*
Staff costs	2,748,904	2,964,500	-	-	**5,713,404**	*5,370,719*
Depreciation	-	-	101,546	-	**101,546**	*61,947*
Premises & Ground Costs	92,250	12,104	134,943	1,149,183	**1,388,480**	*900,209*
Equipment Repairs and Maintenance	37,141	35,462	15,593	132,533	**220,729**	*189,335*
Licences & Subscriptions	5,697	20,869	62,353	2,775	**91,694**	*93,777*
Legal , Professional & Consultation Costs	15,928	17,869	79,887	-	**113,684**	*141,044*
Cleaning and Consumables	22,898	116,030	976	60,252	**200,156**	*197,771*
Marketing and Advertising	1,793	680	16,476	-	**18,949**	*11,733*
Learning Equipment and Student Activities	55,221	4,924	46,748	654	**107,547**	*97,971*
Printing Stationery and Computing Consumables	39,714	13,521	167,598	1,807	**222,640**	*230,217*
College Transport	8,777	2,524	61,036	224	**72,561**	*59,271*
External Contractors	375	131,298	1,084	32,053	**164,810**	*73,682*
Miscellaneous	3,466	41,064	56,760	1,668	**102,958**	*114,182*
Total 2021	3,032,164	3,360,845	745,000	1,381,149	**8,519,158**	*7,541,858*
Total 2020	*2,643,072*	*3,116,880*	*765,828*	*1,016,078*	*7,541,858*	

11. Analysis of expenditure by activities (continued)

Analysis of support costs

	Administration 2021 £	Campus & Estates 2021 £	Total funds 2021 £	*Total funds 2020 £*
Staff costs	733,528	554,746	**1,288,274**	*1,442,230*
Total 2021	733,528	554,746	**1,288,274**	*1,442,230*
Total 2020	*884,995*	*557,235*	*1,442,230*	

12. Auditors' remuneration

	2021 £	*2020 £*
Fees payable to the College's auditor for the audit of the College's annual accounts	**8,850**	*8,500*
Fees payable to the College's auditor in respect of:		
All non-audit services not included above	**1,750**	*1,600*

13. Staff costs

	2021 £	*2020 £*
Wages and salaries	**6,466,476**	*6,163,641*
Social security costs	**506,124**	*468,680*
Pension costs	**263,974**	*344,284*
Agency costs	**129,004**	*43,502*
	7,365,578	*7,020,107*

Included in the above pension costs is a gain on curtailment of £Nil (2020: £Nil) from the defined benefit pension scheme. Refer to note 23.

Included in the above are redundancy payments of £6,592 (2020: £153,933) made payable to 2 (2020: 21) employees in the year.

13. Staff costs (continued)

The average number of persons employed by the College during the year was as follows:

	2021 No.	*2020 No.*
Charitable staff	**250**	*247*
Administration and support	**76**	*79*
Management	**4**	*4*
	330	*330*

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2021 No.	*2020 No.*
In the band £60,001 - £70,000	**3**	*3*
In the band £70,001 - £80,000	**1**	*1*

The key management personnel of the College comprise of the senior management team as listed on page 2. The total remuneration of the key management personnel during the year was £328,116 (2020: £294,583). The remuneration and terms of conditions of the members of the SLT is agreed by the board following an established procedure.

14. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits *(2020 - £NIL)*.

During the year ended 31 December 2021, no Trustee expenses have been incurred *(2020 - £NIL)*.

15. Tangible fixed assets

	Freehold property £	Leasehold property £	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation					
At 1 January 2021	**12,676,268**	**467,780**	**609,122**	**253,841**	**14,007,011**
Additions	**24,000**	**74,434**	**116,306**	**-**	**214,740**
At 31 December 2021	**12,700,268**	**542,214**	**725,428**	**253,841**	**14,221,751**
Depreciation					
At 1 January 2021	**9,561,115**	**236,404**	**343,064**	**229,533**	**10,370,116**
Charge for the year	**-**	**29,033**	**61,295**	**11,219**	**101,547**
At 31 December 2021	**9,561,115**	**265,437**	**404,359**	**240,752**	**10,471,663**
Net book value					
At 31 December 2021	**3,139,153**	**276,777**	**321,069**	**13,089**	**3,750,088**
At 31 December 2020	*3,115,153*	*231,376*	*266,058*	*24,308*	*3,636,895*

Included in freehold property is land at a cost of £124,168 (2020: £124,168).

16. Stocks

	2021 £	*2020 £*
Finished goods and goods for resale	**41,193**	*21,723*

17. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	**132,874**	*203,395*
Other debtors	**25,979**	*-*
Prepayments and accrued income	**130,284**	*166,366*
	289,137	*369,761*

18. Creditors: Amounts falling due within one year

	2021 £	2020 £
Payments received on account	**302,382**	*130,381*
Trade creditors	**239,900**	*248,976*
Other taxation and social security	**140,589**	*110,977*
Other creditors	**32,759**	*35,701*
Accruals and deferred income	**141,362**	*147,125*
	856,992	*673,160*

	2021 £	2020 £
Deferred income at 1 January 2021	**19,934**	*9,457*
Resources deferred during the year	**-**	*19,934*
Amounts released from previous periods	**(19,934)**	*(9,457)*
	-	*19,934*

19. Statement of funds

Statement of funds - current year

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2021 £
Unrestricted funds					
Designated funds					
Infrastructure Improvement Fund	-	-	(601,842)	601,842	-
General funds					
General Funds - all funds	666,923	9,379,738	(9,562,626)	(130,320)	353,715
Fixed asset fund	744,330	-	(72,513)	31,885	703,702
	1,411,253	9,379,738	(9,635,139)	(98,435)	1,057,417
Total Unrestricted funds	1,411,253	9,379,738	(10,236,981)	503,407	1,057,417
Endowment funds					
Fixed asset fund	2,265,731	-	-	-	2,265,731
Expendable Endowment	601,842	-	-	(601,842)	-
	2,867,573	-	-	(601,842)	2,265,731
Restricted funds					
Fixed asset fund	626,834	84,419	(29,033)	98,435	780,655
Total of funds	4,905,660	9,464,157	(10,266,014)	-	4,103,803

19. **Statement of funds (continued)**

Statement of funds - prior year

	Balance at 1 January 2020 £	*Income* £	*Expenditure* £	*Transfers in/out* £	*Balance at 31 December 2020* £
Unrestricted funds					
Designated funds					
Infrastructure Improvement Fund	-	-	*(268,158)*	*268,158*	-
General funds					
General Funds - all funds	*607,526*	*9,047,161*	*(8,987,764)*	-	*666,923*
Fixed asset fund	*601,553*	*138,803*	*(24,809)*	*28,783*	*744,330*
	1,209,079	*9,185,964*	*(9,012,573)*	*28,783*	*1,411,253*
Total Unrestricted funds	*1,209,079*	*9,185,964*	*(9,280,731)*	*296,941*	*1,411,253*
Endowment funds					
Big Lottery Fund – Ceramics Building	*190,000*	-	-	*(190,000)*	-
Big Lottery Fund – The Acorns	*300,000*	-	-	*(300,000)*	-
Fixed asset fund	*2,090,101*	-	-	*175,630*	*2,265,731*
Expendable Endowment	-	*584,413*	-	*17,429*	*601,842*
	2,580,101	*584,413*	-	*(296,941)*	*2,867,573*
Restricted funds					
Fixed asset fund	*641,945*	*32,230*	*(47,341)*	-	*626,834*
Total of funds	*4,431,125*	*9,802,607*	*(9,328,072)*	-	*4,905,660*

Statement of funds (continued)

Designated Funds

The property upgrade fund had been designated for the purpose of refurbishing and upgrading existing accommodation and infrastructure. In the year, £601,842 (2020: £268,158) has been transferred from the sale of endowed properties for infrastructure improvements on a number of College properties. This has been completed in line with the scheme being granted by the Charity Commission.

Endowment Funds

Endowment funds represent land and buildings of the college, with the exception of those held within restricted funds (see below). The endowed land and buildings are held on trust for Derwen College Trust, Charity Number 1153280-1.

In the prior year the College sold 2 properties in which their funds are being held as expendable endowed funds until the Trustees wish to exercise the power to spend them, and they become unrestricted (designated) funds.

Included within the Endowment Fixed Asset Funds are 2 buildings that were partly funded by the Big Lottery (refer to note 25).

Restricted Funds

The restricted income is grant income received.

The restricted fund brought forward and remaining balance carried forward relates to the net book value of the properties at Craven Arms and Walford College, which are considered to be restricted assets.

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £
Tangible fixed assets	703,702	780,655	2,265,731	**3,750,088**
Current assets	1,210,707	-	-	**1,210,707**
Creditors due within one year	(856,992)	-	-	**(856,992)**
Total	1,057,417	780,655	2,265,731	**4,103,803**

20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	*Restricted funds 2020 £*	*Endowment funds 2020 £*	*Total funds 2020 £*
Tangible fixed assets	*744,330*	*626,834*	*2,265,731*	*3,636,895*
Current assets	*1,340,083*	-	*601,842*	*1,941,925*
Creditors due within one year	*(673,160)*	-	-	*(673,160)*
Total	*1,411,253*	*626,834*	*2,867,573*	*4,905,660*

21. Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	*2020 £*
Net income/expenditure for the year (as per Statement of Financial Activities)	**(801,857)**	*474,535*
Adjustments for:		
Depreciation charges	**101,547**	*61,947*
Returns on investments and servicing of finance	**(40)**	*(147)*
Loss/(profit) on the sale of fixed assets	**-**	*(584,964)*
Decrease/(increase) in stocks	**(19,470)**	*5,162*
Decrease/(increase) in debtors	**80,624**	*(73,580)*
Increase in creditors	**183,832**	*28,350*
Net cash used in operating activities	**(455,364)**	*(88,697)*

22. Analysis of cash and cash equivalents

	2021	*2020*
	£	*£*
Cash in hand	**880,377**	*1,550,441*
Total cash and cash equivalents	**880,377**	*1,550,441*

23. Analysis of changes in net debt

	At 1 January 2021	Cash flows	At 31 December 2021
	£	£	£
Cash at bank and in hand	**1,550,441**	**(670,064)**	**880,377**
	1,550,441	**(670,064)**	**880,377**

24. Pension commitments

Auto - Enrolment Pension Scheme

The College now operates two defined contribution pension schemes. The assets of the scheme are held separately from those of the College in independently administered fund. One of these schemes was introduced from 1 June 2019 with staff being given the option to migrate over from the closed defined benefit scheme (see below).

The pension cost charge represents contributions payable by the College to the fund and amounted to £263,974 (2020: £245,267).

College Scheme

The College operates a defined benefit pension scheme.

The scheme was closed to new members and future accrual in 2019. All active members were given the option to migrate to a new defined contribution scheme that was setup from 1 June 2019. The defined benefit scheme remains open as a de-risking exercise is being completed in preparation to be in a position to a future buy out. There are currently no active members. All members are classed as deferred or pensionable as at 31 December 2021.

The amounts in the financial statements for the year ended 31 December 2021 relating to pensions are based on a full actuarial valuation dated 31 December 2017 and updated to 31 December 2021 by a qualified actuary, independent of the scheme's sponsoring employer.

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	At 31 December 2021 %	*At 31 December 2020 %*
Discount rate	**1.80**	*1.40*
Inflation (RPI)	**3.50**	*3.10*
Inflation (CPI)	**2.90**	*2.40*

	At 31 December 2021 Years	*At 31 December 2020 Years*
Mortality rates (in years)		
- for a male aged 65 now	**21.7**	*21.8*
- at 65 for a male aged 45 now	**23.0**	*23.1*
- for a female aged 65 now	**23.5**	*23.7*
- at 65 for a female aged 45 now	**25.0**	*25.2*

24. Pension commitments (continued)

The College's share of the assets in the scheme was:

	At 31 December 2021 £	*At 31 December 2020 £*
Corporate bonds	**2,752,000**	*2,629,000*
International Bonds	**14,746,000**	*14,512,000*
Cash and Others	**56,000**	*149,000*
Total fair value of assets	**17,554,000**	*17,290,000*

The actual return on scheme assets was £738,000 *(2020 - £1,359,000)*.

The amounts recognised in the Statement of Financial Activities are as follows:

	2021 £	*2020 £*
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	-	*40,000*

Movements in the present value of the defined benefit obligation were as follows:

	2021 £
Opening defined benefit obligation	**15,311,000**
Admin Expenses	-
Actuarial Losses	**(1,254,000)**
Interest cost	**211,000**
Benefits paid	**(474,000)**
Liabilities extinguished on settlements	-
Closing defined benefit obligation	**13,794,000**

24. Pension commitments (continued)

Movements in the fair value of the College's share of scheme assets were as follows:

	2021 £
Opening fair value of scheme assets	**17,290,000**
Interest income	**239,000**
Assets distributed on settlements	**-**
Benefits paid	**(474,000)**
Actuarial Gains	**499,000**
Closing fair value of scheme assets	**17,554,000**

The College has an unrecognised gain of £3,760,000 *(2020 - £1,979,000)* in respect of its defined benefit pension scheme as it does not expect to recover the plan surplus either through reduced contributions in the future or through refunds from the plan.

25. Operating lease commitments

At 31 December 2021 the College had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	*2020* *£*
Not later than 1 year	**11,910**	*24,721*
Later than 1 year and not later than 5 years	**10,347**	*23,929*
	22,257	*48,650*

26. Big Lottery Funding

The college received Big Lottery Funding in respect of the Derwen Enterprises ceramics buildings and the residential building, The Acorns in 1997 and 2003 respectively.

The grants are repayable in the event of the college ceasing its activities, and the college may not dispose of the buildings or use them as security for a loan without prior written provision of the Big Lottery Fund, such restrictions to be in place for 80 years from 1997 and 2003 respectively when the grants were received.

27. Related party transactions

Barbara Court is a director of Courthouse Consulting to which purchases were made at arm's length during the year of £Nil (2020: £29,305). The amounts owing to the company at the year end was £Nil (2020: £Nil).

During the year purchases of £215 (2020: £Nil) were made at arm's length from James Ward, a director. The amounts owing at the year end was £Nil (2020: £Nil).

28. Post balance sheet events

On 19 May 2022 the College completed a sale of property generating net proceeds of £191,435.

On 10 June 2022 the College completed a sale of land generating net proceeds of £1,043,835.

DERWEN COLLEGE

England & Wales - Charity number 1153280

Accounts

Registered number: 08615826
Charity number: 1153280

DERWEN COLLEGE

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

WR Partners
Protecting your future.

DERWEN COLLEGE

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE COLLEGE, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2020

Trustees

Mrs K Kimber, Chair
Cllr K L Childs, Wrexham Council Nominee (resigned 12 January 2021)
Mrs B L Court
Mr M Cowan
Mrs H V Cox
Mr D P Evison
Mr P D Jones (resigned 12 March 2020)
Mrs G P Richards (resigned 25 April 2020)
Cllr D P Milner, Shopshire Council Nominee
Mrs H C Owens
Mrs H Smith
Mr J E Ward, Vice Chair

Company registered number

08615826

Charity registered number

1153280

Registered office

Derwen College, Whittington Road, Gobowen, Oswestry, Shropshire, SY11 3JA

Telephone : 01691 661234

Website : www.derwen.ac.uk

Principal operating office

Whittington Road, Gobowen, Oswestry, Shropshire, SY11 3JA

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COLLEGE, ITS TRUSTEES AND ADVISERS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Patron

H.R.H. The Duchess of Kent

Independent auditors

WR Partners, Belmont House, Shrewsbury Business Park, Shrewsbury, Shropshire, SY2 6LG

Bankers

LLoyds plc, 28 Regent Street, Wrexham, Clywd, LL11 1SE

Solicitors

Lanyon Bowdler, 39-41 Church Street, Oswestry, SY11 2SZ

Clerk to Governors and Company Secretary

Mrs C Thompson

Senior management team

Mrs M Green, Principal and Chief Executive Officer
Miss N Bellis, Director Human Resources and Estates
Miss K George, Director Clinical, Care and Therapy
Mr A Smith, Director Business and Finance

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees, who are also the directors, present their annual report together with the audited financial statements of the Derwen College for the yearyear 1 January 2020 to 31 December 2020.

The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Governors confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the second edition Charities Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

The Trustees, who are also the directors of the Derwen College charity, here report on the main activities of the College in 2020.

- Kathleen Kimber – Chair and Chair of Governance & Search
- Jamie Ward – Vice Chair and Chair of Resources and Business
- Barbara Court – Chair of Audit & Risk Assurance
- Mick Cowan – Chair of Standards & Effectiveness
- Krista Childs – Councillor nominated by Wrexham Council
- Vicki Cox
- Paul Crosby – co-opted to Resources & Business 16 July 20
- Kay Eaton – co-opted committee member - resigned 19 November 2020
- Paul Evison
- Mark Lord – co-opted to Resources & Business 22 October 20
- Peter Jones – resigned 12 March 20
- Paul Milner – Councillor nominated by Shropshire Council
- Helen Owens
- Gillian Richards – resigned 25 April 20
- Helen Smith
- Tom Welti – co-opted to Resources and Business 22 October 20
- Amanda Williams – co-opted to Standards & Effectiveness 16 July 20

Carol Thompson Clerk to the Board of Trustees

We record our thanks to all trustees and co-opted committee members for their commitment and work. Co-opted members of committees receive all papers and attend all Board meetings.

Strategic Report

Objectives and activities

a. Policies and objectives

The objectives of Derwen College – where learning comes to life

The College is a national specialist college for day and residential learners. It is a renowned centre of excellence for the training and development of students with Special Educational Needs and Disabilities (SEND).

Our Mission: To educate, inspire and empower young adults to lead the lives they choose – transforming lives.

Our Vision: A world without barriers for people with SEND.

The current context and challenges

Derwen College, a charity of over 90 years' standing, is proud to report on a year in which the staff have risen magnificently to the demands of the Covid-19 pandemic and ensured that students and clients benefited from high quality provision and experiences and stayed safe. The College has pursued new developments and project plans and begins 2021 with continued optimism and in a sound position.

Recent annual reports have started with a reference to the 'unprecedented challenges' faced by colleges and those providing for students with special educational needs and disabilities. However, from February 2020 it was clear that the challenges to be faced in the current year were of a totally different order; they would require exceptional leadership, the ability to respond rapidly to changing situations, a focus on safety and risk management, creativity and well-honed IT skills in delivering learning – and above all commitment and stamina.

The College has remained open, as the Government required, throughout the entire year. As a provider for vulnerable people it has continued to offer its services, although they have been very differently delivered. As many of the beneficiaries are considered clinically extremely vulnerable, a definition which widened as months went by, very close scrutiny of all arrangements has been essential. Each individual has a nominated lead person and regular risk assessments have been made. Some students returned home for a period and during the first lock down the majority were benefitting for a while from on-line delivery of the curriculum. However, all students have been present at times and each is living and working within specific bubbles: curricular; residential students; day students; clients.

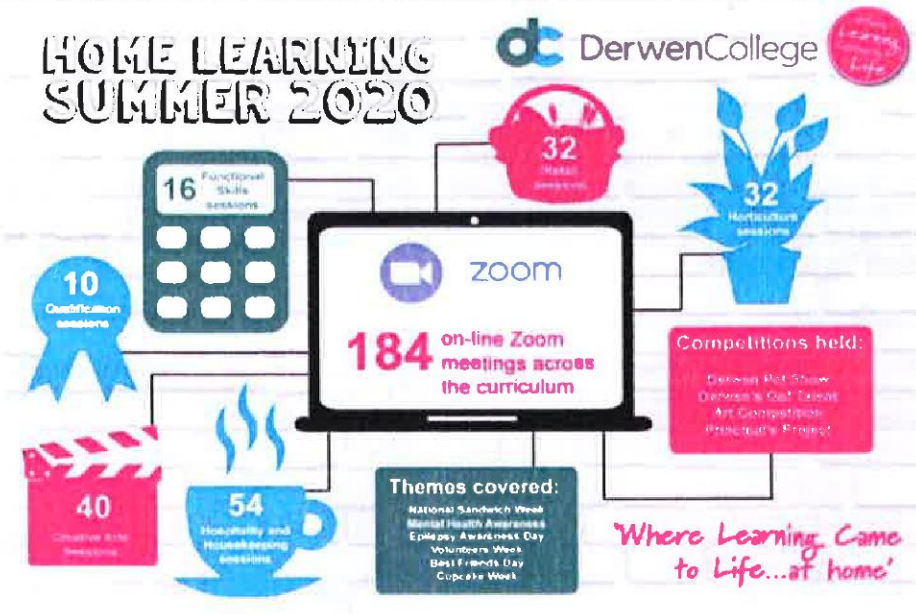
Objectives and activities (continued)

Detailed procedures were rapidly put in place for monitoring, sanitisation, equipment and computer supply, isolation (if needed), website information pages for access by parents and carers, and safe working practices. These have included mask and face coverings, cleaning routines, meeting and meeting room protocols, testing, communication methods and networks. The majority of external activities ceased immediately while others, including work experience at locations outside the College, were subject to increased levels of risk assessment and continued only while deemed safe to do so. Customer-facing outlets closed to the public when students were on site. Only essential visitors were allowed on site, e.g. for critical maintenance. Students did not move between sites. Reviews on site were cancelled as were the Sponsored Walk and Summer Fete. On-line and blended learning became a norm. The word 'virtual' became the most frequently used, and included Open Days, the students' Summer Prom and the November Graduation ceremony. One-way routes were introduced. The situation was new, characterised by constant, and not infrequently rapid, change, driven by regulation and guidance from the Government and authorities.

The senior team's response has been rapid, thorough, professional and positive, although their comments reflect the reality:

I aged ten years in the first fortnight
We're still working at 100 miles an hour

They provide calm, efficient and confident leadership. Staff have responded with amazing commitment, focusing on the wellbeing of students and clients, complying with all regulations and adaptations of them, and revealing astounding creativity in devising the ways of delivering the curriculum and keeping active on-line and in bubbles. Above all outstanding efforts have been made to ensure there is fun and that attitudes remain positive. The site was full of colour in December when there was a window dressing competition, and the drone videoed the Santa Dash around the buildings as each bubble took up its allotted time slot. The trustees have continued their work and deliberations with staff, and found ways of regularly supporting the leadership, but the lack of contact with students and clients is most keenly felt. The year ended with everyone acknowledging that there was much more to come, starting with regular testing for all.



We have reflected previously on the reduction in the number of residential students in the College, with the number of day students not fully compensating for this loss. However, after three years of decline the probability of a little more stability is perceived.

Objectives and activities (continued)

Total Cohort as at September	Main campus Residential	Main campus Day	Satellites
2017	151	25	22
2018	105	22	24
2019	97	23	25
2020	81	17	30

There is no lack of interest but it must all be met differently. Virtual Open Days are now being planned regularly and transition events are all being done virtually, with the College response tailored to specific requirements.

A report on high needs funding was published on 3 December 2020. It was commissioned by the Local Government Association, the Association of Colleges and Natspec, the membership body for specialist colleges. It highlights that the system is overly complicated, resulting in young people, their parents, councils and colleges facing challenges which have a detrimental impact on those students in further education with special educational needs and disabilities (SEND). Part of the problem is that there is too little long-term planning of post-16 High Needs provision. The College echoes the words of Clare Howard, the CEO of Natspec:

The detrimental effects of the system on all young people are amplified for the small number with the most complex needs, who require more specialist provision. We welcome the recommendations that specialist colleges should be more involved in planning provision with local authorities, that decisions should be made earlier, and that young people should be more supported with transition.

The Student Experience During 2020

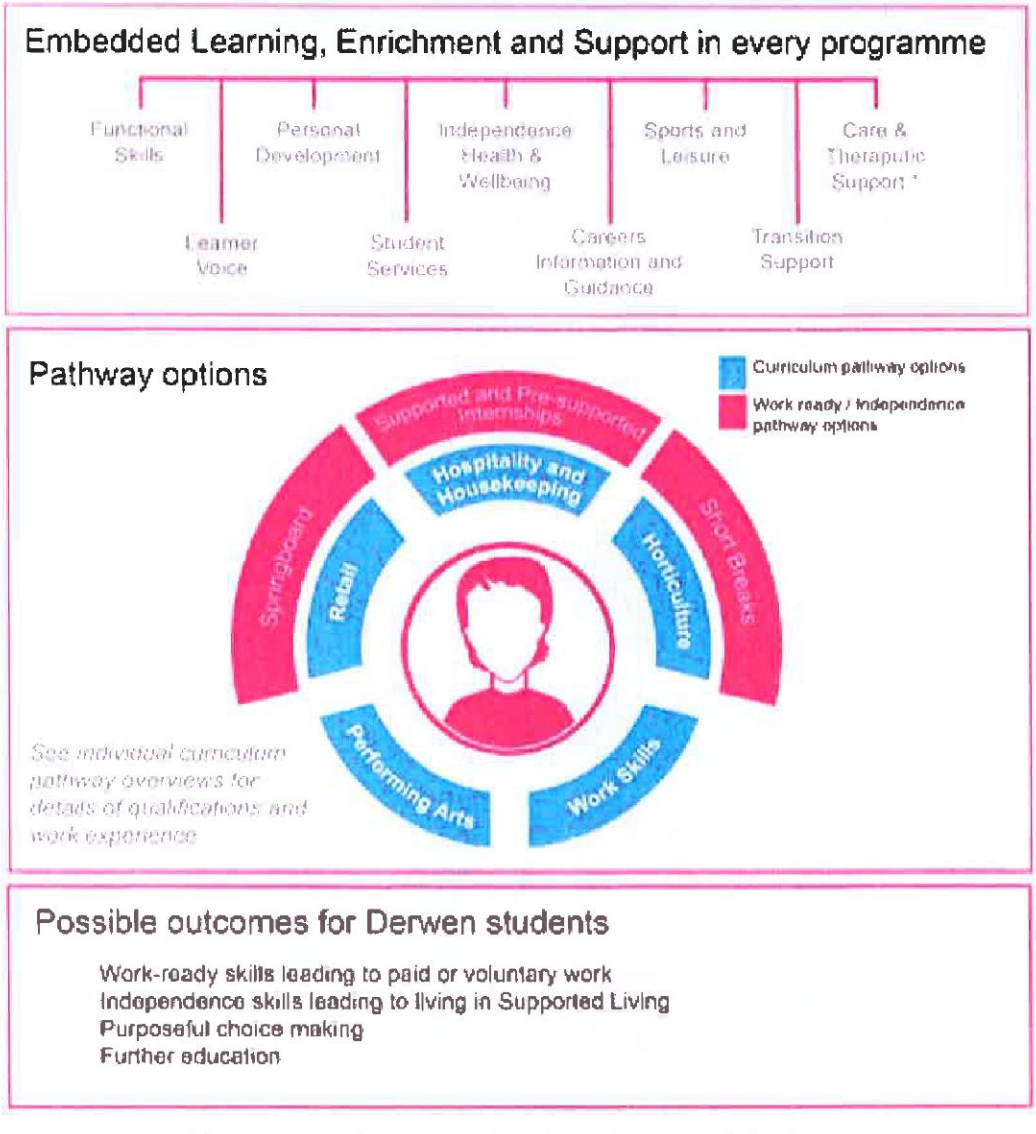
Students adapted to the changed working arrangements positively and generally calmly. Efforts were made to ensure that, when they were not on site, all had the devices needed and that home-working was fully supported. It was, however, recognised, that not all had the same access to quiet conditions or family members familiar with on-line activity. Much progress has been made and this situation is constantly monitored. Relationships between families and the College have changed significantly; they are stronger and more open. Students have embraced on-line learning, bubbles and social distancing requirements and demonstrated just how capable they are. Significantly, students have worked on their independence skills when at home, and not treated the time as 'holiday'. The curriculum has been delivered, and Education, Health and Care Plans progressed.

The main programmes

The curriculum recognises the increasing complexity of the students' range of learning difficulties and disabilities and maximises opportunities for development leading to access to work and meaningful activity after College. Analysis of destination data and regular review underpin the provision.

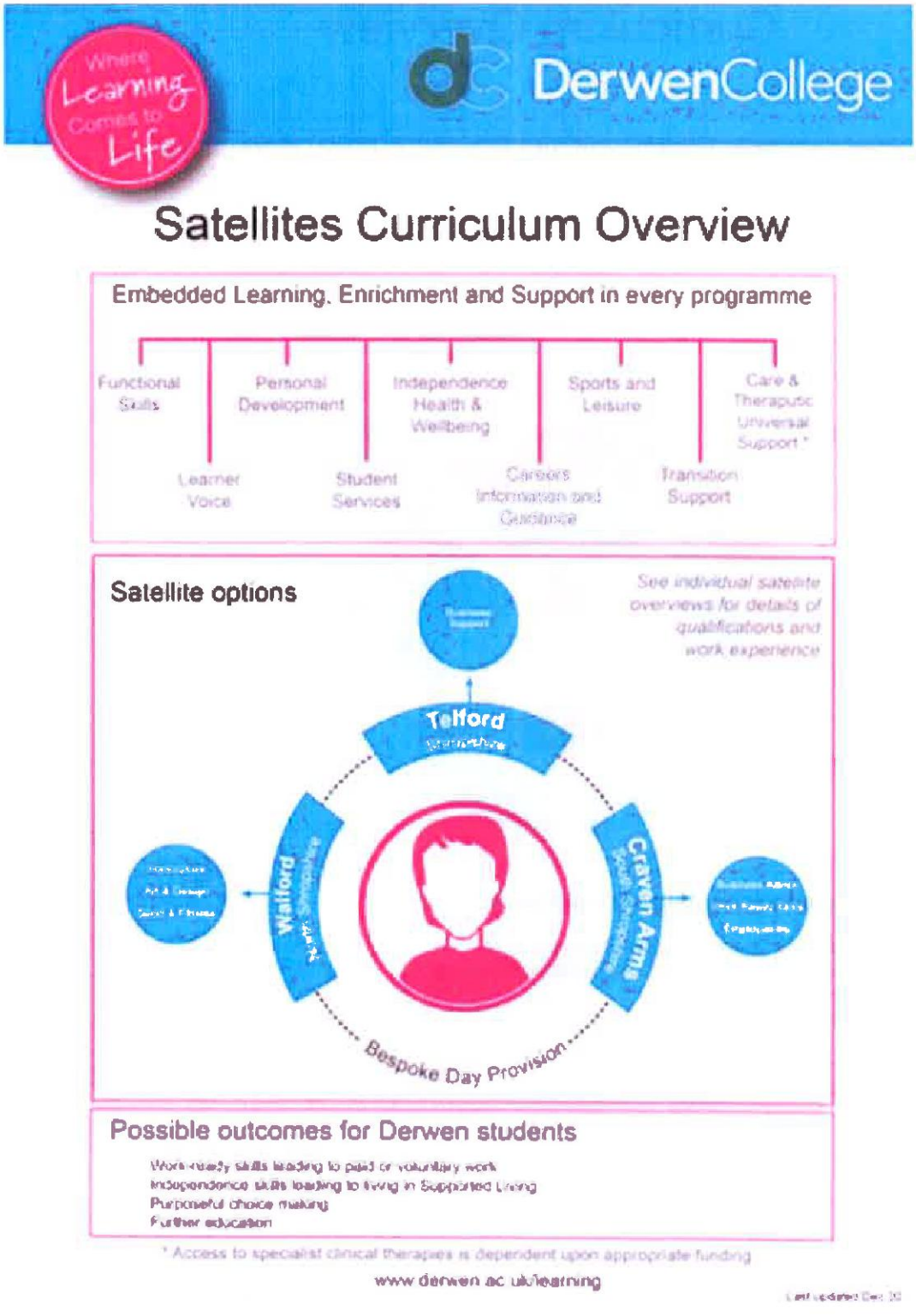
Objectives and activities (continued)

Curriculum Overview



* Access to clinical therapies is dependent upon appropriate funding

Objectives and activities (continued)



Objectives and activities (continued)

The College's specialism continues to be the provision of real experiences of work in customer-facing settings. The 'Work Skills Pathway' is designed for those not ready for a purely vocational route and for those for whom development of employability skills is not the primary learning outcome.

A learner's programme is specific to his or her needs and aspirations. The development of specific understanding and skills which will be invaluable in the workplace, is underpinned by functional skills and work experience. It becomes more rounded and transferable through creative activity and independence development. Health and wellbeing, personal care programmes, and sport and leisure activities contribute to a student's ability to act and live independently.

Access to all provision is enabled through appropriate speech and language therapy, physiotherapy, occupational therapy and counselling services provided as appropriate for each individual by the specialist staff team. Nursing staff oversee the use of medication and train care staff in supporting students, as appropriate, to manage their own medication.

Curriculum staff and Personal Tutors support students with the setting and monitoring of demanding targets, and offer advice and guidance to support decision making for the future.

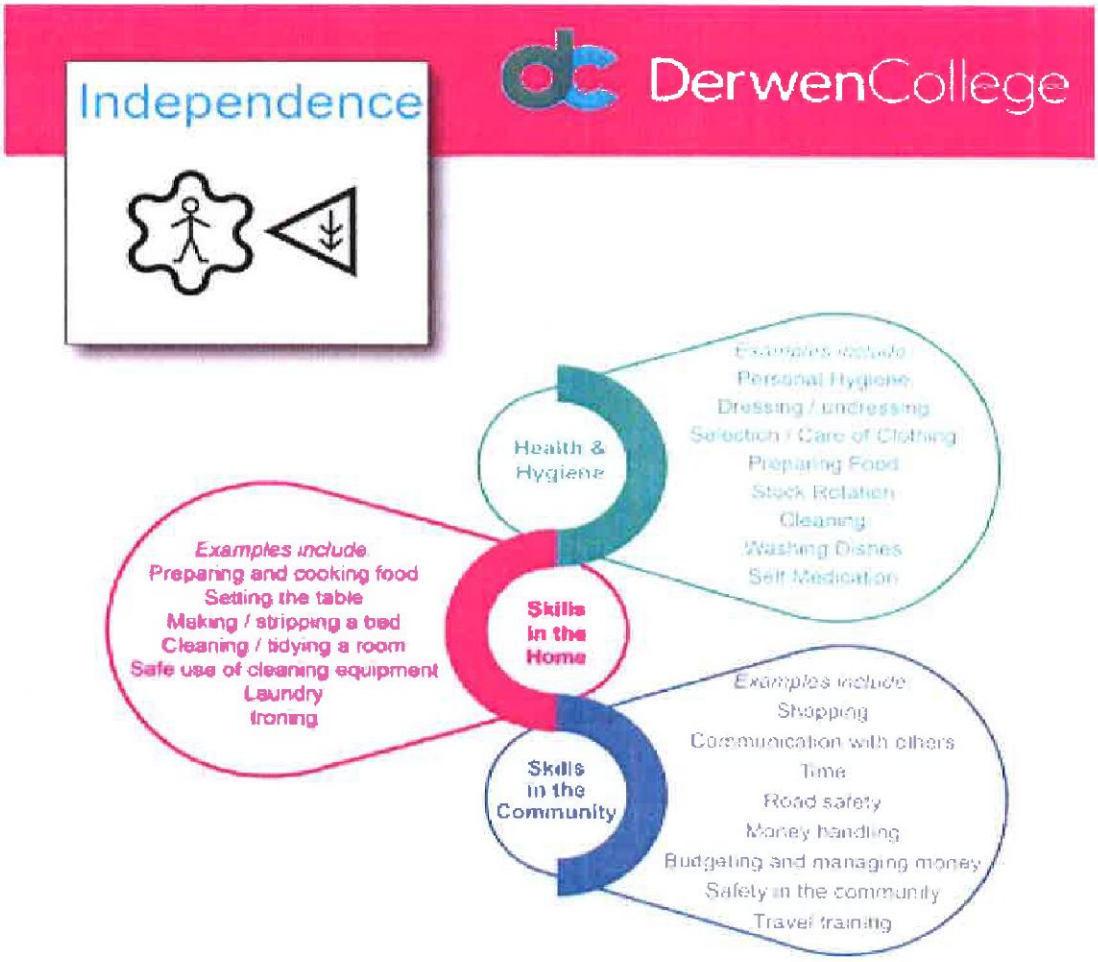
Independence and personal development, well-being and safeguarding

A recognised significant strength of the College is the emphasis on developing students' independence and personal skills, focusing on living in today's society and each individual's wellbeing. Safeguarding is a major pre-occupation and risk assessments have taken on an even greater importance. A huge amount of time, effort and expertise is spent on these. Transition planning and support underpins outcomes.

Staff working on the Independence curriculum contribute to students' ability to move towards increased autonomy. All student meals are prepared and taken within their residences in a model closely aligned to the type of setting they are most likely to move on to after college. Students are taught about managing their medication. Rigorous attention has been paid to developing travel skills with a 'dusk walker' assessment for learners wanting to access the community in the evening. Significantly improved day-student facilities have aided independence development. Home learning has been supported extremely well with a wide range of activities on offer to engage and motivate students to continue to use and develop their independence skills whilst at home and share their achievements through social media.

The College has worked particularly closely with learners around issues of feeling safe and knowing what to do if they wish to raise a concern. Of particular note is the support and training for on-line safety. Creative approaches are employed to develop learners' safe access to social media. Where issues are identified bespoke strategies are put in place.

Objectives and activities (continued)



www.derwen.ac.uk/learning

Objectives and activities (continued)

Objectives and activities (continued)

The Personal, Social and Health Education team focus on delivering discrete sessions in Rights and Cultures, Relationships, Drugs and Alcohol Awareness, Moving On and Online Safety for all levels from pre-entry level to Level 2. Online delivery during Covid-19 was further supported by both the Online Safety Coordinator and Transition Coordinator with a wide variety of key themes covered such as cyber bullying, equality / Black Lives Matter Movement, problem solving, mental health awareness, Covid 19 support and preparing for transition. During the summer term the PSHE team led approximately 80 Zoom sessions.

- *'I just want to say a huge thank you for your support for X this term. She has very much enjoyed the zoom meetings keeping you all connected. It has been so important during this time. I would also like to take this opportunity to feedback how impressed we've been with your resources and delivery.' (from a parent 7.7.20).*

The very active Student Union Board have continued their deliberations. The officers fulfil many important roles, including being members of the groups with oversight of Safeguarding, Prevent, Equality, diversity and inclusion, Health and safety and Infection prevention and control. In addition, they are involved in staff interview panels.

Following the major investment in 2019 in training for all staff by the British Institute of Learning Difficulties (BILD) to strengthen positive behaviour support (PBS) and practice, the PBS coaches and functional assessors now work across the College. PBS is a person-centred framework for providing long-term support to students who may be at risk of developing behaviours which challenge. It is a blend of person-centred values and of behavioural science, and uses evidence to inform decision making which in turn improves the quality of life for all. It has had an extremely positive impact.

The wellbeing programme has been further developed. Sport and leisure activities are of critical importance to students' wellbeing and development. The range of evening and weekend clubs and activities is impressive and the drive of the staff to involve and challenge students is noteworthy, as has been the extent to which the programme has been adapted to meet the special 2020 circumstances. Zoom bingo sessions became very popular.

THE DUKE OF EDINBURGH'S AWARD

The numbers involved in the Duke of Edinburgh's Award Scheme and their achievements continue to amaze and the College is recognised as an outstanding centre for the Scheme. For each award, participation in four categories is required: volunteering, physical exercise, skills development and expedition. The DofE College staff team have prepared plans and costs for developing the Derwen Estates area into a base for their provision and activities. Applications will be made to secure funding and it is envisaged that once completed, the facility will be offered for hire to other appropriate DofE organisations.

This year 61 students on main campus were enrolled on the Scheme. For the first time the satellites joined with the Duke of Edinburgh programme, with 8 students who attend our satellite sites being enrolled.

Work experience and some ground-breaking apps

Work experience is an integral part of the Study Programme. A particular strength of the College are the excellent real work opportunities provided within the commercial outlets on the College perimeter: the Orangery restaurant, the Garden Café, the Garden Centre and its transformed shop, the Karten Print Centre. These have been adapted to comply with pandemic regulations. In the Food Centre, students produce chutneys, jams, bread and cakes. Their creative talents have been on display and for sale in the Garden Centre. The new, in-house takeaway, 'Tip Top Take Out', has provided valuable experience and students were also getting involved with on-line sales through the Derwen on-line shop and new eBay site.

Objectives and activities (continued)

The College has focused much attention on how students with significant special educational needs and disabilities are supported to learn, to develop their skills and move into the workplace. What to the majority are the most basic tasks, present huge challenges to our students, which are not met simply by constant repetition, and more complex tasks cannot just be watered down. With the technological support of our industry partner, Neil Bevan, director of Starfish Labs, the College has developed a unique suite of apps – for mobile devices – which transform students' performance and develop skills and confidence. The apps break down tasks into easy to follow steps, incorporating pictures, Makaton symbols and simple sentences.

Four apps are in use currently:

Digital CV builder app: students create and securely send a CV incorporating videos and documentary evidence of skills.

Premier Inn app: The Premier Inn training manual, converted for use in the College's training hotel, Premier Inn placements and post-college employment.

Getting to Work app: users set up reminders for tasks: when to get up, take medication, appropriate workwear, and support to plan their journey.

My workplace app: is customised to take a user step-by-step through individual tasks necessary in any given workplace, from making a cup of coffee in a café to sorting clothes in a charity shop.

In July the College won the Natspec Award for the ***Innovative Use of Technology*** for this development work, the subject of further award applications and interest from overseas.

The residents' experience during 2020

For many years the College has been home for over thirty people with special educational needs and disabilities, referred to, at their request, as 'clients'. Recent reviews of the supported living arrangements for them have led to a change in the management and staffing structure and attempts to broaden the range of meaningful activity available for them.

Of particular note has been the positive impact of the pandemic. Working with staff new to them, finding fewer students on the campus and not having access to College catering facilities, the Orangery and Garden Café, has led to changed ways of living. Residents have had to make all their own meals. They have learnt how to do on-line shopping. One resident, as a result of the changes, lost weight in a healthy way and is no longer diabetic. The staff report that the residents 'have come alive' and have been empowered to become more independent. These developments will be built upon.

Development projects and the College sites

The facilities at the College remain outstanding. Following its review of all properties and land, decisions to release and adapt properties, land and buildings have been actioned. The four Twmpath Cottages were sold in December. 3.5 acres of land off Southlands Avenue, with outline planning permission for development, was put on the market and is the subject of negotiation.

Objectives and activities (continued)

The hydrotherapy pool opened in September 2019, has been well used and has been particularly important in the support of a learner with multiple disabilities.

The satellite provision is under constant review to ensure it best meets the needs of the students they serve. A decision was taken to close ***ColegDerwen@Ashdale*** and the students and staff moved to main site, where they were better accommodated. Ashdale House was sold in December.

In response to identified need in the Telford and Wrekin area, and working closely with the local authority, a new satellite opened in September in Telford: ***Derwen@Telford***. It has a first year intake of eleven students and enquiries for entry in September 2021. In February the decision was taken to relocate ***Derwen@CravenArms***, as the building was no longer suitable. Suitable premises have been identified in the Ludlow area and negotiations are being pursued vigorously.

Recent initiatives are being progressed and closely monitored, within what is currently permissible. These include The Derwen School for children with learning difficulties and disabilities, which opened in a group of buildings surplus to the College's needs in September 2019. The School, Ofsted-registered, and its operation are completely separate from Derwen College. Hotel 751 (the former Premier Inn facility), the Short Breaks @ Derwen. Programme, the major development project for the 28 bungalows of the Agnes Hunt Village are all being pursued.

The focus on establishing detailed maintenance and improvement plans for the College's buildings and residential accommodation continues and upgrading and refurbishment are very high on the priority list.

Health and safety

Action plans, including that drawn up following the College commissioned British Safety Council audit, are being implemented and monitored. The Food Safety Co-ordinator and the Health and Safety Manager have had a particularly challenging year. The College enjoys the Environmental Health highest Food Hygiene rating, no mean feat as learners are preparing their own meals.

The Senior Leadership Team

2020 was the first full year of operation of the Senior Leadership Team which had evolved over the three previous years. The team is headed by Meryl Green, the Principal and CEO, who works with three Directors: Business and Finance, Human Resources and Estates, and Care, Health and Well-being and is supported by the Company Secretary. They have proved a committed and very able team, with whom Governors work particularly closely. They ensure quality, provide real drive and challenge and are supported by highly competent senior managers.

Achievements and performance

a. Key performance indicators

Outstanding performance and quality

The College continues to benefit from considerable analysis and judgement of its performance! Internally it has a well established, thorough and transparent self assessment system. Quality and the achievement of Improvement Plan targets are monitored throughout the year and the formal departmental evaluations of performance and outcomes are moderated in the autumn by panels which include governors. These rigorous self-assessment procedures led the College to grade its performance 2019-20 as good.

The Self-assessment Report for 2019-20, scrutinised and approved at Board level, included the following:

Strengths:

- Very good governance, leadership and management demonstrating an exceptional response to the Covid- 19 pandemic
- High quality, relevant curriculum at all sites that is rigorously reviewed and aligned to planned student outcomes
- Impressive development of and support for remote learning for specific students
- Significantly improved care management structure, systems and procedures including implementation of Nourish
- Highly responsive careers programme including innovative CV app development to enable all students to record and demonstrate their skills and qualities to potential employers
- Exceptional, diverse and inclusive sports, leisure and wellbeing programme to support students' knowledge of how to keep themselves healthy, both emotionally and physically
- Excellent relationships with local and national employers sustained throughout pandemic
- Very robust safeguarding arrangements – see Ofsted Monitoring visit report January 20
- Highly innovative use of technology to support students into work through multi-award winning app development

However, as before, we have identified specific areas for attention:

- To continue to monitor and respond to the impact of the Covid-19 pandemic and to apply organisational learning across all aspects of provision
- To sustain at least a 'Good' financial health rating
- To achieve a CQC rating of at least 'Good' in all key characteristics at next inspection
- To consolidate updated approaches to individual risk assessment
- To undertake a review of therapy provision to support the evolving needs of the cohort
- To develop a comprehensive IT Strategy supported by a well-resourced technology team in order to deliver key objectives around Management Information Systems and Assistive Technology during 20-21

Following the end of the summer term, staff worked for two days with a consultant to reflect on the College's operation during the pandemic and to begin the analysis of the lessons learnt. It was a detailed and thoughtful process, much appreciated by those involved. Ten pages of reflection and six pages of themes and next steps emerged and have underpinned the operation of the College as the year – and the virus – have progressed. Amongst the consultant's favourite quotations from staff were:

We had been preparing for this for a long time. We had learned our lines, finished the rehearsals and this was the performance.

Care and curriculum have come together

We learned how to be a College again instead of being driven by external assessment regimes.

Attitudes towards care planning have changed. People appreciate the importance of the 'paperwork'.

The clients have started to live again.

We have never been so focused on one goal.

Achievements and performance (continued)

Inspection and Public Recognition

On 8 January there was an **Ofsted** monitoring visit, which focused on safeguarding arrangements and led to a very positive and reassuring report. For example:

- Risk assessment for students are highly individualised. Staff identify clearly the specific risks, including those associated with students' health, behaviour, social and vocational needs.
- Students are well supported and encouraged to manage their own behaviours more effectively. They become more independent and recognise potential risks.
- The safeguarding team swiftly put in place actions to keep students safe.
- For example, students who have demonstrated behaviours of concern are supported to develop strategies to reflect on and improve how they interact with others. Students are proud of how their behaviour improves as a result.

Following the **Care Quality Commission** inspection in May 2019, an action plan outlining the measures that would be taken was submitted to the CQC. All actions were completed by December 14th 2019. The Registered Managers Scrutiny Panel (RMSP) has continued to meet to monitor the actions and to facilitate the continuous improvement required. The purpose of the RMSP is as follows:

- To provide an effective governance system.
- To facilitate the Registered Managers' structured and robust scrutiny and review of the College's systems and processes, to meet all statutory requirements relating to residential provision.
- To provide a structured process to improve quality, by identifying good practice and building on it, and identifying underperformance, the root causes, and taking action to address them.

Each identified area has a key member of staff responsible for reporting against the CQC framework. Where shortfalls are identified, discussion takes place around the root causes and actions are agreed to address. Governors monitor this work through the Standards and Effectiveness Committee.

Awards: The College won the Natspec Award for Innovative Use of Technology and was short-listed in the Tes 2020 FE Awards Support for Students category.

Close and frequent attention is given by governors to the scrutiny of any causes for concern through a specific session of governors from the Standards and Effectiveness Committee with relevant staff. The parents and carers survey in summer 2020 was detailed and focused on the College operation during the lockdown periods and pandemic and invited suggestions for improvements, which were forthcoming! This led to a detailed action plan which has underpinned much of the College operation since August. Communications have been increased and different formats are used. The key worker for each student has been identified. However, it is heartening for all that **tributes** are still received, and included:

Achievements and performance (continued)

Structure, governance and management

a. Constitution

Derwen College is registered as a charitable company limited by guarantee and was set up by a Trust deed.

Governance

The development of the Charity

Derwen College charity has a long pedigree. It was founded in 1927 by Dame Agnes Hunt and was originally associated with the Orthopaedic Hospital in Gobowen. The Derwen Estate was purchased in 1928 and the first trust deed was established on 3rd August 1932. It was varied or affected by schemes of the Charity Commission dated 25th January 1968 and 18th August 1972, and then consolidated in the Deed of 29th November 1988.

An incorporated charity was established on 1st July 2014, Derwen College (Charity number 1153280, Companies House number 8615826). The former charity remains in existence as Derwen College Trust (charity number 208745) with the sole purpose of managing the permanently endowed property. It appointed as its trustees the new Derwen College charity.

The solicitors drew up a uniting directive which allows a single set of accounts to be drawn up, as the two entities have the same financial reporting period. "Linked" financial statements for both Companies House and the Charity Commission are submitted annually for reporting purposes.

The regulatory framework of the charity

Under the agreed Articles of Association to which the College is now working there are:

- at least seven and not more than twelve co opted trustees, appointed by resolution of the Board conforming to any criteria the Board determines, and
- five nominated trustees, one from each of five local authorities invited from time to time to nominate as determined by the Board.

The term of office of all trustees is five years, with an expectation that usually after three terms of office the Trustee shall be eligible for re election only after a year has elapsed. Two governors have currently served for more than nine years.

Structure, governance and management (continued)

Governors' activity in 2020

In my opinion we are extremely fortunate in having a well-led and effective Board, working closely with a cohesive SLT in the strategic planning process, but also developing understanding of the operational aspect of Derwen, in what feels like an atmosphere of mutual respect and trust.
(from an individual governor's self-evaluation form, autumn 2020)

The range of knowledge, skills and experience of members is broad, relevant and generously shared. ... A new strategic planning process was agreed. The focus is on .....the College's sustainability, quality of provision and growth. A raft of decisions about developments and business projects was taken, based on detailed reports and considered discussion. ....Covid and Brexit have taught us that the Board must be ready to face the unknown and respond effectively, with due diligence and in a timely manner.
(from Governance Self-assessment 19-20)

It is noteworthy that much of the detailed analysis and scrutiny of the College's operation is managed by the committees, of which there are now four. Following lengthy discussion of priorities, progress towards certain goals, and effective activity, the Resources and Business Committee was formed in the summer drawing together work previously undertaken by the Business and Finance, Estates, and Human Resources Committees. A further new Committee was formed: Audit and Risk Assurance. The Standards and Effectiveness Committee continues its focus on care and the curriculum, and the Governance and Search Committee monitors the profile of the Board and the quality of governance.

The Board works closely with the Senior Leadership Team. A very positive working relationship has been developed, which recognises the need for governors to provide effective challenge as well as active support.

The key decisions and areas of activity during 2019 concerned:

- *strategic planning including:*
  - *Beneficiaries - defined*
  - *Agnes Hunt Village – development agreed*
  - *Ashdale House – decision to sell*
  - *Craven Arms – decision to relocate*
  - *Derwen School, Short Breaks and Hotel 751 – monitoring and review.*
- *the development of a new provision for day students at Telford*
- *the disposal of those properties and land in Gobowen off the campus which are no longer fit for purpose and the realisation of some assets*
- *the development of the IT and digital technology strategy*
- *the constant monitoring and analysis of the financial performance of the College*
- *the review of the Ofsted monitoring visit report; focus – safeguarding.*
- *following the closure of the Derwen College defined benefit pension scheme and the opening of the defined contribution scheme, the de-risking exercise*
- *negotiations with the Charity Commission and further amendments to the terms of the Derwen College Trust charity.*

During the discussions underpinning the evaluation of the Board's performance, the Clerk summarised, 'The Board is responsive, agile and adaptive'.

Structure, governance and management (continued)

b. Methods of appointment or election of Trustees

The control of the Charity, its property and funds is in the hands of the Trustees (governors), who are also the company directors, and who are appointed in line with the Articles of Association.

All potential Governors undertake a formal interview process which includes a fit and proper person's assessment. Appointments are approved at Board level. Governors are often appointed from the ranks of Committee co-optees. These positions enable people to become familiar with the College, its operations, and the governance system and processes. There have been four people co-opted to committees in 2020.

The Board has adopted the Charity Code of Governance, which includes this section: Governors receive an appropriately resourced induction when they join the board. This includes meetings with senior management and covers all areas of the charity's work. Governors are given the opportunity to have ongoing learning and development and regular Governor training takes place.

The Board's Search and Governance Committee formally reviews the specialisms, strengths and characteristics of the members and the Senior Leadership Team annually, including diversity.

c. Policies adopted for the induction and training of Trustees

Governors are often appointed from the ranks of Committee co-optees. These positions enable people to become familiar with the College, its operations, and the governance system and processes. The Board has adopted the Charity Code of Governance, which includes this section:

Governors receive an appropriately resourced induction when they join the board. This includes meetings with senior management and covers all areas of the charity's work. Governors are given the opportunity to have ongoing learning and development.

d. Pay policy for key management personnel

The remuneration and terms and conditions of the members of the SLT is agreed by the Board, following an established procedure. Annually the Chair meets each member of the team and offers the opportunity for the individual to reflect and give feedback and comment on role, status and operational activity and any matter related to her/his employment. The Chairs of the Board and Committees meet and consider all the feedback and comment, working with the Principal when discussing the directors, and using any available benchmarking data. A proposal for Board consideration is drawn up. This is discussed at the full Board meeting, with no staff present, and a decision made.

e. Related party relationships

No governor supplies goods and/or services to the College. One related party relationship was the subject of formal Board approval. The remuneration of the four members of the Senior Leadership Team is discussed and agreed by the Board of Governors, see note 11 of the financial statements.

f. Financial risk management

The Governors have assessed the major risks to which the College is exposed, in particular those related to the operations and finances of the College, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks. In addition the establishment of the Audit and Risk Assurance Committee ensures a focus on risk management in general.

Structure, governance and management (continued)

g. Main activities undertaken to further the College's purposes for the public benefit

In setting objectives and planning for activities, the Governors have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

The achievement of the Charity's objects is reviewed annually through the College Self-assessment process and subsequent report and Quality Improvement Plan, and through the Governors' Annual Report and the annual statutory accounts. The Self-Assessment Report is available to Ofsted and CQC. The Governors' reports are published on the College web-site and to the Charity Commission and Companies' House. There are regular news letters to parents/carers and stakeholders' surveys.

The quality of provision is inspected by Ofsted and the Care Quality Commission. The successes of former students continue to demonstrate that College programmes provide students with the skills, inspiration and motivation to achieve in their transition from College. The high level of staff expertise is a key element of the College's management of learning, student support and innovation. The Board believes that the College provides excellent value for money to the public purse and that student outcomes mean they can be less dependent on benefits throughout the rest of their lives.

The trustees are committed to the necessary capital spending to maintain and enhance the College's facilities and to meet the legal and regulatory requirements. A major appeal for £1,000,000 was launched to fund the further development and upgrading of the Agnes Hunt bungalow properties, although progress has been delayed by the impact of the pandemic. Business plans for other projects will be drawn up as agreed and a new detailed Accommodation Strategy is being developed for discussion at strategic planning in February 2021.

h. Employee involvement, employment of the disabled and volunteers

Employees have been consulted on issues of concern to them by means of the Staff Forum, staff meetings and a confidential & anonymous web-site link. They have been kept informed on specific matters directly by management and through the regular Staff Newsletter. The College carries out exit interviews for all leaving the organisation, carries out an annual staff survey and has adopted a procedure of upward feedback for the Governors and 360? feedback for senior managers. A specific focus on staff well-being continues to characterise much of the work and the implementation of the Staff Engagement Plan is closely monitored.

The Gender Pay Gap return and the review and production of policies have been discussed in detail by governors. The changes necessitated by the General Data Protection Regulations have been rigorously enforced.

There has been a particular focus on professional development and qualifications and a FUN Fund has been set up, for activities by teams of staff.

In accordance with the College's Equal opportunities policy, the College has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.
Full details of these policies are available from the College.

Volunteers contribute to the College's operation and receive an induction process and are DBS checked.

Financial review

a. Going concern

The audited and approved annual accounts are submitted by the due dates to both the Charity Commission and Companies' House. After making all appropriate enquiries, very thorough consideration of draft budgets, and cash flow up to 2022, and having taken key strategic decisions, the trustees expect the charity to have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing financial statements. At the end of 2020 the sale of two assets was realised.

Financial review (continued)

The financial impact of the pandemic will be shown clearly in the audited accounts. The College benefited from the Government's Job Retention grants for staff who were eligible to be furloughed, but it lost income as a result of the enforced closure of is commercial outlets. The pattern of expenditure changed from that used when the budget was forecast. The College was able to access grants provided by the Local Authority to support its increased costs for managing Infection Control across its sites.

b. Reserves policy

The note to the accounts show the assets and liabilities attributable to the various funds by type, and summarise the year's movement on each fund.

The total funds of the Charity were £4,905,660 (2019: £4,431,125) of which restricted funds were £626,834 (2019: £641,945) and endowment £2,867,573 (2019: £2,580,101).

The unrestricted funds amounted to £1,411,253 (2019: £1,209,079) of which there is a surplus of £666,923 (2019: £607,526) relating to free reserves. The current reserves policy followed by the Governors is to have a *total reserves* figure of up to a maximum of 50 days of expenditure. The current *free reserves* figure is 26 days (2019: 22 days).

Reserves may need to be utilised during the short to medium term for cash flow and for capital projects. The Governors consider this to be judicious and appropriate especially in the current climate of uncertainty surrounding funding approvals and budgetary restraint.

In the prior year the FRS102 defined benefit pension scheme closed to new members and future accrual therefore, currently has no active members. As a result, the pension asset is no longer included within the Charity's balance sheet (2019: £Nil).

The Board have reviewed the current reserves level of 50 days of expenditure. This will continue to be the target but the Board also appreciate that there will be times when reserves may fall below this when used to support College expenditure that is required in advance of income receipts from the sale of surplus assets.

c. Financial Summary

During the year the net movement in funds was a surplus of £474,535 (2019: £3,079,330 deficit) . Net current assets have increased to £1,268,765 (2019: £585,581) with the closing cash position increasing to £1,550,441 (2019: £907,244) which shows a much improved position.

The financial impact of the Covid-19 Pandemic College is most noticeable in the significant reduction in the commercial income earned during the year, with all outlets closed for significant periods of the year. This loss in income has been carefully managed to ensure that it has not impacted on the financial reserves of the College.

Financial review (continued)

d. Principal risks and uncertainties

The Trustees regularly examine the principal areas of the College's operations and consider the major risks faced in each. There are established resources and review systems which, under normal conditions, should allow any risk to be managed to an acceptable level in the College's day to day operation. College risk management has two distinct tiers: strategic and operational. The operational level is reviewed on a 'real time' basis and deals with individual departments, students, functions and duties. At the strategic level, the Senior Leadership Team reviews the risk assessment register monthly and it is reviewed at least termly as part of the College quality improvement plan. Issues are debated and reported at Board meetings. This includes College pension arrangements, insurances and trustee responsibilities to ensure these remain in line with current legislation and operational factors.

The College's spacious campus is, when pandemic regulations and guidance allow, open to visitors and customers in the public areas and is imaginatively and purposefully managed to enable students to interact with staff and members of the public appropriately and safely. However, the open plan nature of the campus and the heightened staff awareness of potential hazards necessitate regular reviews. During 2014 gates were erected at strategic points on the campus enabling a secure area for students, away from the public areas, to be closed off at 9 p.m. each evening. During 2017 the central area of the College became pedestrianised. Departmental operational risk management encompasses all locations and individuals. During 2019 there was a major programme of installation of CCTV monitoring equipment. In 2020 there was further installation of intruder alarms and significant upgrading of pathways.

Site safety is reviewed through the Health and Safety Committee, which includes governor membership, is audited by specialist advisors and monitored by external agencies. During 2019 a full-time Health and Safety Manager was appointed and the scrutiny of all aspects of H&S and appropriate action plans are now rigorously implemented.

The College provides a safe and supportive environment for learners to access the internet, including social networking sites. Staff across college give a high priority to all aspects of on-line safety and the safeguarding team rigorously monitor risk in this area with personalised strategies being implemented to support individuals as appropriate.

e. Financial risk management objectives and policies

The Board has adopted the Charity Code of Governance (for larger charities) and adheres to the principles it lays out.

f. Principal funding

The main source of income is generated from student and client fees paid for by local and central Government and amounts to 89% of the total. All the £9,824,902 income raised during 2020 has been used to enable the College to meet its charitable objectives.

g. Fundraising activities and income generation

The major project: the development of the Agnes Hunt Village, has been pursued. £300,000 was spent on new roofs on the 28 bungalows 17 – 19. In the summer 2019 £200,000 was spent on the initial refurbishment of some kitchens and bathrooms and in November 2019 the £1,000,000 appeal was formally launched. Despite the challenging conditions, over £50,000 has now been pledged towards this project. Smaller fundraising activities took place, such as the virtual walks: in summer Land's End to Joan O'Groats and in December to Finland to find Santa. The College remains committed to transform the bungalows into modern supported living units as its ultimate goal.

A grant of £24,000 was received from the Steve Morgan Foundation towards the costs of developing Aggie's Art House into a charity shop on site. This will further increase the retail and business opportunities for the students, both customer-facing and with regard to on-line sales.

Despite applications for grants being put on hold, over £32,000 was received in donations.

Financial review (continued)

h. Investment policy and performance

The College takes a prudent, low risk approach to investments, placing cash surpluses on deposit to attract a return, although this is not especially attractive with the current level of interest rates. This is principally because the reserves may need to be utilised during the short to medium term for cash flow and for capital projects. In addition, the investment strategy of the pension scheme has been the subject of a detailed review.

i. Plans for future periods

Looking ahead

Building the sustainable future

Transforming the lives of young people with Special Educational Needs and Disabilities by maximising their potential for independence is, axiomatically, a 'good thing'. To do this in a way which focusses on enabling their development through real-work activity and becoming as self-sufficient as possible is challenging. It requires a truly holistic approach, in which learning is augmented, facilitated and enriched by care, therapies, and clinical support. The outcomes amaze.

This will continue to be the goal of this charity, working with full-time and part-time residential and day students. It will also focus on transforming the lives of the clients, those using the short-breaks provision and the diverse satellites. The College continues to keep the beneficiaries of the charity as its focus. This requires clarity about the future strategic direction and priorities of the College and continued rigorous financial management. The Board and Senior Leadership Team have this as their focus and work to ensure every decision underpins high quality and sustainability. It will continue to strive to deliver outstanding value for money, and believes it can, and unequivocally does, demonstrate excellence in comparison with recently developed, local provision.

The development of the Telford satellite, the further development of the curriculum, particularly for those with profound and multiple learning difficulties, the review of the provision for clients, and the continued transformation of our accommodation into 21st century supported living standards will be our immediate priorities.

Most learners are funded to come to the College because their needs cannot be provided for adequately and sufficiently in a non residential, local further education college, nor can their potential be maximised. The commitment of both staff and trustees is to ensure our high quality, holistic provision, within the culture of constant improvement, continue to characterise the College's operation.

– the final word

We do not expect 2021 to be a time when we 'return to normal'. The pandemic challenges will still preoccupy those undertaking the day to day planning and operation of the College. We shall, however, seek to grow in strength, expertise, delivery and diversity from the lessons learnt in 2020.

Members' liability

The Members of the College guarantee to contribute an amount not exceeding £1 to the assets of the College in the event of winding up.

Employee involvement and employment of the disabled and volunteers

Much time has been spent on establishing staffing levels and expertise as the College has moved towards fewer students, with more complex needs, and introduced new activities. All changes are the subject of appropriate consultation, reflection and discussion at Board and senior management level.

Employees have been consulted on issues of concern to them by means of the Staff Forum, staff meetings and a confidential & anonymous web-site link. They have been kept informed on specific matters directly by management and through the regular Staff Newsletter. The College carries out exit interviews for all leaving the organisation, carries out an annual staff survey and has adopted a procedure of upward feedback for the Governors and 360° feedback for senior managers. A specific focus on staff well-being continues to characterise much of the work and the implementation of the Staff Engagement Plan is closely monitored.

- The Gender Pay Gap return and the review and production of policies have been discussed in detail by governors. Changes necessitated by the General Data Protection Regulations have been rigorously enforced and are monitored. Detailed policies in relation to aspects of personnel matters have included Covid-19 related policies. Professional development continues to be monitored regularly.
- In accordance with the College's Equal opportunities policy, the College has long established fair employment practices in the recruitment, selection, retention and training of disabled staff. Full details of these policies are available from the College.

Volunteers contribute to the College's operation and receive an induction process and are DBS checked.

Full details of these policies are available from the College's offices.

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the College for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the College and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the College will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the College's transactions and disclose with reasonable accuracy at any time the financial position of the College and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the College and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditors, WR Partners, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:

Mrs K Kimber
Chair

Date: 27 May 2021

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DERWEN COLLEGE

Opinion

We have audited the financial statements of Derwen College (the 'College') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company'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 Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees 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 Trustees are responsible for assessing the charitable company'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 Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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

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

We reviewed the susceptibility of the Company's financial statements to material misstatement and identified the principal risks, implementing a series of testing procedures to provide us with sufficient comfort to issue our opinion.

We reviewed the Company's regulatory environment to ensure we could conclude that it had acted in accordance with framework relevant to the Company and its environment and identify any instances of non-compliance.

We also assessed the Company's internal control procedures to ensure we could appropriately scrutinise these controls and establish whether our understanding of the control environment was sufficient to supplement our additional testing procedures.

The engagement team consisted of a team that the engagement partner believes is equipped with the relevant level of technical and Company awareness to carry out our work to the required standard.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Malpass BSc FCA (Senior statutory auditor)
for and on behalf of
WR Partners
Chartered Accountants and Statutory Auditors
Belmont House
Shrewsbury Business Park
Shrewsbury
Shropshire
SY2 6LG

Date: 18th June 2021

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £	*Total funds 2019 £*
Income:						
Donations and legacies	4	**159,830**	**32,230**	**-**	**192,060**	*418,212*
Charitable activities	5	**8,849,030**	**-**	**-**	**8,849,030**	*9,266,940*
Other trading activities	6	**176,406**	**-**	**-**	**176,406**	*442,775*
Investments	7	**147**	**-**	**-**	**147**	*1,527*
Other income	8	**551**	**-**	**584,413**	**584,964**	*47,354*
Total income		**9,185,964**	**32,230**	**584,413**	**9,802,607**	*10,176,808*
Expenditure on:						
Raising funds	9	**343,984**	**-**	**-**	**343,984**	*570,103*
Charitable activities	10	**8,936,747**	**47,341**	**-**	**8,984,088**	*9,635,035*
Total expenditure		**9,280,731**	**47,341**	**-**	**9,328,072**	*10,205,138*
Net (expenditure)/income		**(94,767)**	**(15,111)**	**584,413**	**474,535**	*(28,330)*
Transfers between funds	18	**296,941**	**-**	**(296,941)**	**-**	-
Net movement in funds before other recognised gains/(losses)		**202,174**	**(15,111)**	**287,472**	**474,535**	*(28,330)*
Other recognised gains/(losses):						
Losses on revaluation of fixed assets		**-**	**-**	**-**	**-**	*(3,001,000)*
Actuarial losses on defined benefit pension schemes	23	**-**	**-**	**-**	**-**	*(50,000)*
Net movement in funds		**202,174**	**(15,111)**	**287,472**	**474,535**	*(3,079,330)*

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £	*Total funds 2019* £
Reconciliation of funds:						
Total funds brought forward	18	**1,209,079**	**641,945**	**2,580,101**	**4,431,125**	*7,510,455*
Net movement in funds		**202,174**	**(15,111)**	**287,472**	**474,535**	*(3,079,330)*
Total funds carried forward		**1,411,253**	**626,834**	**2,867,573**	**4,905,660**	*4,431,125*

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 34 to 54 form part of these financial statements.

DERWEN COLLEGE
REGISTERED NUMBER: 08615826

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note		2020 £		*2019 £*
Fixed assets					
Tangible assets	14		**3,636,895**		*3,845,624*
			3,636,895		*3,845,624*
Current assets					
Stocks	15	**21,723**		*26,885*	
Debtors	16	**369,761**		*296,182*	
Cash at bank and in hand		**1,550,441**		*907,244*	
		1,941,925		*1,230,311*	
Creditors: amounts due within one year	17	**(673,160)**		*(644,810)*	
Net current assets			**1,268,765**		*585,501*
Total assets less current liabilities			**4,905,660**		*4,431,125*
Net assets			**4,905,660**		*4,431,125*
Total net assets			**4,905,660**		*4,431,125*

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2020

	Note	2020 £	*2019 £*
Charity funds			
Endowment funds	18	**2,867,573**	*2,580,101*
Restricted funds	18	**626,834**	*641,945*
Unrestricted funds	18	**1,411,253**	*1,209,079*
Total funds		**4,905,660**	*4,431,125*

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Mrs K Kimber
Chair
Date: 27 May 2021

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash used in operating activities	20	**(88,697)**	*(719,273)*
Cash flows from investing activities			
Dividends, interests and rents from investments		**147**	*1,527*
Proceeds from the sale of tangible fixed assets		**550**	*47,354*
Purchase of tangible fixed assets		**(138,803)**	*(646,424)*
Net cash used in investing activities		**(138,106)**	**(597,543)**
Cash flows from financing activities			
Proceeds from the sale of endowed properties		**870,000**	-
Net cash provided by financing activities		**870,000**	-
Change in cash and cash equivalents in the year		**643,197**	**(1,316,816)**
Cash and cash equivalents at the beginning of the year		**907,244**	*2,224,060*
Cash and cash equivalents at the end of the year	21	**1,550,441**	*907,244*

The notes on pages 34 to 54 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

Derwen College is a Company limited by guarentee. The registered office is disclosed on the Reference and Admin page. The Charity is primarily involved in working with young people with learning difficulties and disabilities to provide learning, development and care to enable the achievement of aspirations.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the second edition Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Derwen College meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Company status

The College is a Company limited by guarantee. The members of the company are the Governors named on page 1. In the event of the College being wound up, the liability in respect of the guarantee is limited to £1 per member of the College.

2.3 Going concern

At 31 December 2020 no material uncertainties existed that would impact the going concern basis that these financial statements are prepared upon.

As referred to in the Governors Report, the Governors have also assessed the potential impact on the future operations of the Charity with regard to the Covid-19 outbreak. The Charity is considered to be well positioned given the current environment with no impact on the going concern basis of the financial statements.

2. Accounting policies (continued)

2.4 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the College and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the College for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds are funds, the capital of which must be maintained.

During the year the College sold 2 endowed properties to which approval was gained from the Charity Commission to utilise the proceeds on the College's charitable activities. An expendable endowment fund has been set up to account for these funds.

2.5 Income

All income is recognised once the College has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the College's objectives, as well as any associated support costs.

2. Accounting policies (continued)

2.7 Tangible fixed assets and depreciation

Tangible fixed assets of a capital nature are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Leasehold property	- over the lifetime of the initial lease
Plant and machinery	- 14% on a straight line basis
Motor vehicles	- 25% on a straight line basis

2.8 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the College; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.11 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2. Accounting policies (continued)

2.12 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the College anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.13 Financial instruments

The College only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.14 Pensions

The College operates a defined contribution pension scheme, the pension charge represents the amounts payable by the College to the fund in the year.

In 2019 the FRS102 defined benefit pension scheme has closed to new members and future accrual therefore currently has no active members. As a result, the pension asset is no longer included within the Charity's balance sheet.

2.15 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

3. Critical accounting estimates and areas of judgment

Estimates and judgments 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:

The College makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

4. Income from donations and legacies

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	*Total funds 2019 £*
Donations	30,990	32,230	**63,220**	*338,472*
Grants	128,840	-	**128,840**	*79,740*
	159,830	32,230	**192,060**	*418,212*
Total 2019	*257,208*	*161,004*	*418,212*	

5. Income from charitable activities

	Unrestricted funds 2020 £	Total funds 2020 £	*Total funds 2019 £*
Training Fees	8,159,912	**8,159,912**	*8,913,908*
Miscellaneous Income	38,065	**38,065**	*24,157*
School Income	111,924	**111,924**	*48,582*
Short Breaks Income	126,275	**126,275**	*188,840*
Rental Income	92,143	**92,143**	*91,453*
Job Retention Scheme Income	320,711	**320,711**	-
Total 2020	8,849,030	**8,849,030**	*9,266,940*
Total 2019	*9,266,940*	*9,266,940*	

6. Income from other trading activities

	Unrestricted funds 2020 £	Total funds 2020 £	*Total funds 2019 £*
Retail	118,186	**118,186**	*195,976*
Hospitality	58,220	**58,220**	*246,799*
	176,406	**176,406**	*442,775*
Total 2019	*442,775*	*442,775*	

7. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	*Total funds 2019 £*
Interest Receivable	147	**147**	*1,527*
Total 2019	*1,527*	*1,527*	

8. Other incoming resources

	Unrestricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £	*Total funds 2019 £*
Sale of Assets	551	584,413	**584,964**	*47,354*
Total 2019	*47,354*	-	*47,354*	

9. Expenditure on raising funds

Other trading expenses

	Unrestricted funds 2020 £	Total funds 2020 £	*Total funds 2019 £*
Retail and Hospitality Expenditure	180,328	**180,328**	*341,344*
Retail and Hospitality Staff Costs	163,656	**163,656**	*228,759*
	343,984	**343,984**	*570,103*
Total 2019	*570,103*	*570,103*	

10. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	*Total funds 2019 £*
Education	2,643,072	-	**2,643,072**	*3,119,900*
Care	3,116,880	-	**3,116,880**	*3,541,195*
Administration	765,828	884,995	**1,650,823**	*1,189,762*
Campus & Estates	1,016,078	557,235	**1,573,313**	*1,784,178*
	7,541,858	1,442,230	**8,984,088**	*9,635,035*
Total 2019	*8,270,866*	*1,364,169*	*9,635,035*	

10. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Education 2020 £	Care 2020 £	Administration 2020 £	Campus & Estates 2020 £	Total funds 2020 £	*Total funds 2019 £*
Staff costs	2,498,829	2,871,890	-	-	**5,370,719**	*5,772,602*
Depreciation	-	-	61,947	-	**61,947**	*67,915*
Premises & Ground Costs	24,080	10,177	133,950	732,002	**900,209**	*1,023,755*
Equipment Repairs and Maintenance	12,939	22,185	12,372	141,839	**189,335**	*183,631*
Licences & Subscriptions	3,985	23,557	64,366	1,869	**93,777**	*68,266*
Legal , Professional & Consultation Costs	19,227	17,358	104,309	150	**141,044**	*220,065*
Cleaning and Consumables	16,649	106,313	1,209	73,600	**197,771**	*248,237*
Marketing and Advertising	3,099	-	8,634	-	**11,733**	*32,327*
Learning Equipment and Student Activities	40,701	11,827	32,511	12,932	**97,971**	*163,432*
Printing Stationery and Computing Consumables	7,112	7,289	215,749	67	**230,217**	*162,026*
College Transport	5,854	1,770	51,571	76	**59,271**	*121,949*
External Contractors	547	3,225	41,109	28,801	**73,682**	*112,864*
Miscellaneous	10,050	41,289	38,101	24,742	**114,182**	*93,797*
	2,643,072	3,116,880	765,828	1,016,078	**7,541,858**	*8,270,866*
Total 2019	*3,119,900*	*3,541,195*	*352,114*	*1,257,657*	*8,270,866*	

10. Analysis of expenditure by activities (continued)

Analysis of support costs

	Administration 2020 £	Campus & Estates 2020 £	Total funds 2020 £	*Total funds 2019 £*
Staff costs	884,995	557,235	**1,442,230**	*1,364,169*
Total 2019	*837,648*	*526,521*	*1,364,169*	

11. Auditors' remuneration

	2020 £	*2019 £*
Fees payable to the College's auditor for the audit of the College's annual accounts	**8,500**	*8,200*
Fees payable to the College's auditor in respect of:		
All non-audit services not included above	**1,600**	*1,600*

12. Staff costs

	2020 £	*2019 £*
Wages and salaries	**6,163,641**	*6,965,353*
Social security costs	**468,680**	*549,916*
Pension costs	**344,284**	*(149,739)*
	6,976,605	*7,365,530*

Included in the above pension costs is a gain on curtailment of £Nil (2019: £397,000) from the defined benefit pension scheme. Refer to note 22.

Included in the above are redundancy payments of £153,933 made payable to 21 Employees in the year.

12. Staff costs (continued)

The average number of persons employed by the College during the year was as follows:

	2020 No.	*2019 No.*
Teaching	**74**	*86*
Welfare	**174**	*191*
Ancillary and Administration	**82**	*86*
	330	*363*

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2020 No.	*2019 No.*
In the band £60,001 - £70,000	**3**	*3*
In the band £70,001 - £80,000	**1**	*1*

The key management personnel of the College comprise of the senior management team as listed on page 2. The total remuneration of the key management personnel during the year was £294,583 (2019: £341,806). Pay and remuneration of the key management personnel are set by the Governors through discussion at the Human Resources Committee and then proposal and ratification at Board Meetings.

13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits *(2019 - £NIL)*.

During the year ended 31 December 2020, no Trustee expenses have been incurred *(2019 - £NIL)*.

14. Tangible fixed assets

	Freehold property £	Leasehold property £	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation					
At 1 January 2020	**13,365,212**	**391,322**	**553,942**	**287,610**	**14,598,086**
Additions	**7,165**	**76,458**	**55,180**	**-**	**138,803**
Disposals	**(696,109)**	**-**	**-**	**(33,769)**	**(729,878)**
At 31 December 2020	**12,676,268**	**467,780**	**609,122**	**253,841**	**14,007,011**
Depreciation					
At 1 January 2020	**9,971,637**	**227,887**	**298,982**	**253,956**	**10,752,462**
Charge for the year	**-**	**8,517**	**44,082**	**9,348**	**61,947**
On disposals	**(410,522)**	**-**	**-**	**(33,771)**	**(444,293)**
At 31 December 2020	**9,561,115**	**236,404**	**343,064**	**229,533**	**10,370,116**
Net book value					
At 31 December 2020	**3,115,153**	**231,376**	**266,058**	**24,308**	**3,636,895**
At 31 December 2019	*3,393,575*	*163,435*	*254,960*	*33,654*	*3,845,624*

Included in freehold property is land at a cost of £124,168 (2019: £124,168).

15. Stocks

	2020 £	*2019 £*
Finished goods and goods for resale	**21,723**	*26,885*

16. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	**203,395**	*179,439*
Other debtors	**-**	*620*
Prepayments and accrued income	**166,366**	*116,123*
	369,761	*296,182*

17. Creditors: Amounts falling due within one year

	2020 £	2019 £
Payments received on account	**130,381**	*148,704*
Trade creditors	**248,976**	*180,505*
Other taxation and social security	**110,977**	*136,431*
Other creditors	**35,701**	*30,853*
Accruals and deferred income	**147,125**	*148,317*
	673,160	*644,810*

	2020 £	2019 £
Deferred income at 1 January 2020	**9,457**	-
Resources deferred during the year	**19,934**	*9,457*
Amounts released from previous periods	**(9,457)**	-
	19,934	*9,457*

18. Statement of funds

Statement of funds - current year

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2020 £
Unrestricted funds					
Designated funds					
Infrastructure Improvement Fund	-	-	(268,158)	268,158	-
General funds					
General Funds - all funds	607,526	9,047,161	(8,987,764)	-	666,923
Fixed asset fund	601,553	138,803	(24,809)	28,783	744,330
	1,209,079	9,185,964	(9,012,573)	28,783	1,411,253
Total Unrestricted funds	1,209,079	9,185,964	(9,280,731)	296,941	1,411,253
Endowment funds					
Big Lottery Fund – Ceramics Building	190,000	-	-	(190,000)	-
Big Lottery Fund – The Acorns	300,000	-	-	(300,000)	-
Fixed asset fund	2,090,101	-	-	175,630	2,265,731
Expendable Endowment	-	584,413	-	17,429	601,842
	2,580,101	584,413	-	(296,941)	2,867,573
Restricted funds					
Fixed asset fund	641,945	32,230	(47,341)	-	626,834
Total of funds	4,431,125	9,802,607	(9,328,072)	-	4,905,660

18. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2019 £	*Income* £	*Expenditure* £	*Transfers in/out* £	*Gains/ (Losses)* £	*Balance at 31 December 2019* £
Unrestricted funds						
Designated funds						
Infrastructure Improvement Fund	*610,962*	*247,635*	*(257,044)*	*(601,553)*	-	-
General funds						
General Funds - all funds	*991,921*	*9,768,169*	*(10,152,564)*	-	-	*607,526*
Fixed asset fund	-	-	-	*601,553*	-	*601,553*
Pension reserve	*2,577,000*	-	*474,000*	-	*(3,051,000)*	-
	3,568,921	9,768,169	(9,678,564)	*601,553*	*(3,051,000)*	*1,209,079*
Total Unrestricted funds	4,179,883	10,015,804	(9,935,608)	-	*(3,051,000)*	*1,209,079*
Endowment funds						
Big Lottery Fund – Ceramics Building	*190,000*	-	-	-	-	*190,000*
Big Lottery Fund – The Acorns	*300,000*	-	-	-	-	*300,000*
Fixed asset fund	*2,090,101*	-	-	-	-	*2,090,101*
	2,580,101	-	-	-	-	*2,580,101*
Restricted funds						
Fixed asset fund	*750,471*	*161,004*	*(269,530)*	-	-	*641,945*

18. Statement of funds (continued)

Statement of funds - prior year (continued)

	Balance at 1 January 2019 £	*Income* £	*Expenditure* £	*Transfers in/out* £	*Gains/ (Losses)* £	*Balance at 31 December 2019* £
Total of funds	*7,510,455*	*10,176,808*	*(10,205,138)*	-	*(3,051,000)*	*4,431,125*

Statement of funds (continued)

Designated Funds

The property upgrade fund had been designated for the purpose of refurbishing and upgrading existing accommodation and infrastructure. In the year, £268,158 has been transferred from the sale of endowed properties for infrastructure improvements on a number of College properties. This has been completed in line with the scheme being granted by the Charity Commission.

Endowment Funds

Endowment funds represent land and buildings of the college, with the exception of those held within restricted funds (see below). The endowed land and buildings are held on trust for Derwen College Trust, Charity Number 1153280-1.

In the year the College sold 2 properties in which their funds are being held as expendable endowed funds until the Trustees wish to exercise the power to spend them, and they become unrestricted (designated) funds.

Included within the Endowment Fixed Asset Funds are 2 buildings that were partly funded by the Big Lottery (refer to note 25).

Restricted Funds

The restricted income is grant income received.

The restricted fund brought forward and remaining balance carried forward relates to the net book value of the properties at Craven Arms and Walford College, which are considered to be restricted assets.

19. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £
Tangible fixed assets	744,330	626,834	2,265,731	**3,636,895**
Current assets	1,340,083	-	601,842	**1,941,925**
Creditors due within one year	(673,160)	-	-	**(673,160)**
Total	1,411,253	626,834	2,867,573	**4,905,660**

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	*Restricted funds 2019 £*	*Endowment funds 2019 £*	*Total funds 2019 £*
Tangible fixed assets	601,553	663,970	2,580,101	*3,845,624*
Current assets	1,230,311	-	-	*1,230,311*
Creditors due within one year	(622,785)	(22,025)	-	*(644,810)*
Total	1,209,079	641,945	2,580,101	*4,431,125*

20. Reconciliation of net movement in funds to net cash flow from operating activities

	2020 £	2019 £
Net income/expenditure for the period (as per Statement of Financial Activities)	**474,535**	*(28,330)*
Adjustments for:		
Depreciation charges	**61,947**	*67,915*
Returns on investments and servicing of finance	**(147)**	*(1,527)*
Profit on the sale of fixed assets	**(584,964)**	*(47,354)*
Decrease/(increase) in stocks	**5,162**	*(4,322)*
Decrease/(increase) in debtors	**(73,580)**	*274,568*
Increase/(decrease) in creditors	**28,350**	*(506,223)*
Defined benefit pension scheme cost less contributions payable	**-**	*(4,000)*
Defined benefit pension scheme finance cost	**-**	*(73,000)*
Defined benefit pension gain on curtailment	**-**	*(397,000)*
Net cash used in operating activities	**(88,697)**	*(719,273)*

21. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	**1,550,441**	*907,244*
Total cash and cash equivalents	**1,550,441**	*907,244*

22. Analysis of changes in net debt

	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash at bank and in hand	**907,244**	**643,197**	**1,550,441**
	907,244	**643,197**	**1,550,441**

23. Pension commitments

Auto - Enrolment Pension Scheme

The College now operates two defined contribution pension schemes. The assets of the scheme are held separately from those of the College in independently administered fund. One of these schemes was introduced from 1 June 2019 with staff being given the option to migrate over from the closed defined benefit scheme (see below).

The pension cost charge represents contributions payable by the College to the fund and amounted to £245,267 (2019: £231,738).

College Scheme

The College operates a defined benefit pension scheme.

The scheme was closed to new members and future accrual in 2019. All active members were given the option to migrate to a new defined contribution scheme that was setup from 1 June 2019. The defined benefit scheme remains open as a de-risking exercise is being completed in preparation to be in a position to a future buy out. There are currently no active members. All members are classed as deferred or pensionable as at 31 December 2020.

The amounts in the financial statements for the year ended 31 December 2020 relating to pensions are based on a full actuarial valuation dated 31 December 2017 and updated to 31 December 2020 by a qualified actuary, independent of the scheme's sponsoring employer.

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	At 31 December 2020 %	*At 31 December 2019 %*
Discount rate	**1.40**	*2.10*
Future salary increases	**3.10**	*2.90*
Inflation (RPI)	**3.10**	*2.90*
Inflation (CPI)	**2.40**	*2.10*

	At 31 December 2020 Years	*At 31 December 2019 Years*
Mortality rates (in years)		
- for a male aged 65 now	**21.8**	*21.8*
- at 65 for a male aged 45 now	**23.1**	*23.6*
- for a female aged 65 now	**23.7**	*23.6*
- at 65 for a female aged 45 now	**25.2**	*25.2*

23. Pension commitments (continued)

The College's share of the assets in the scheme was:

	At 31 December 2020 £	*At 31 December 2019 £*
UK Equities	-	*1,641,000*
Overseas Equities	-	*2,731,000*
Corporate bonds	**2,629,000**	*3,796,000*
Fixed Interest Government Bonds	-	*5,759,000*
International Bonds	**14,512,000**	*2,247,000*
Cash and Others	**149,000**	*395,000*
Total fair value of assets	**17,290,000**	*16,569,000*

The actual return on scheme assets was £1,359,000 *(2019 - £1,558,000)*.

The amounts recognised in the Statement of Financial Activities are as follows:

	2020 £	*2019 £*
Current service cost	-	*(87,000)*
Interest cost	-	*72,000*
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	**40,000**	*397,000*
Total amount recognised in the Statement of Financial Activities	**40,000**	*382,000*

Movements in the present value of the defined benefit obligation were as follows:

	2020 £
Opening defined benefit obligation	**13,486,000**
Contributions by scheme participants	-
Admin Expenses	-
Actuarial Losses	**2,227,000**
Losses on curtailments	-
Interest cost	**276,000**
Benefits paid	**(337,000)**
Liabilities extinguished on settlements	**(341,000)**
Closing defined benefit obligation	**15,311,000**

23. Pension commitments (continued)

Movements in the fair value of the College's share of scheme assets were as follows:

	2020 £
Opening fair value of scheme assets	**16,569,000**
Interest income	**339,000**
Assets acquired in a business combination	**-**
Assets distributed on settlements	**(301,000)**
Contributions by employer	**-**
Contributions by scheme participants	**-**
Benefits paid	**(337,000)**
Actuarial Gains	**1,020,000**
Closing fair value of scheme assets	**17,290,000**

The College has an unrecognised gain of £1,979,000 *(2019 - £3,001,000)* in respect of its defined benefit pension scheme as it does not expect to recover the plan surplus either through reduced contributions in the future or through refunds from the plan.

24. Operating lease commitments

At 31 December 2020 the College had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	*2019* *£*
Not later than 1 year	**24,721**	*26,876*
Later than 1 year and not later than 5 years	**23,929**	*48,650*
	48,650	*75,526*

The following lease payments have been recognised as an expense in the Statement of financial activities:

	2020 £	*2019* *£*
Operating lease rentals	**9,246**	*15,447*

25. Big Lottery Funding

The college received Big Lottery Funding in respect of the Derwen Enterprises ceramics buildings and the residential building, The Acorns in 1997 and 2003 respectively.

The grants are repayable in the event of the college ceasing its activities, and the college may not dispose of the buildings or use them as security for a loan without prior written provision of the Big Lottery Fund, such restrictions to be in place for 80 years from 1997 and 2003 respectively when the grants were received.

26. Related party transactions

The part time Strategic Advisor of the College, (now left) was a Director of Natspec in the prior year to which purchases were made at arm's length of £13,800. There have been no such related party transactions in the current year therefore no balances outstanding at year end (2019: £240).

Barbara Court is a director of Courthouse Consulting to which purchases were made at arm's length during the year of £29,305 (2019: £Nil). The amounts owing to the company at the year end was £Nil (2019: £Nil).