

**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 SY113JA

Principal operating office:

Whittington Road, Gobowen,
Shropshire SY113JA

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

Committee 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
- A Appropriate diversification
- A Risk assurance measures
- A Environmental commitment

Excel in every aspect of our operation

Areas of focus

- A Student programmes and outcomes
- A Our holistic approach to people
- A Quality assurance
- A Staff CPD and performance management
- A Staff wellbeing
- A Compliance monitoring
- A Response to changing legislative environment and the SEND landscape
- A 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 their full 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.

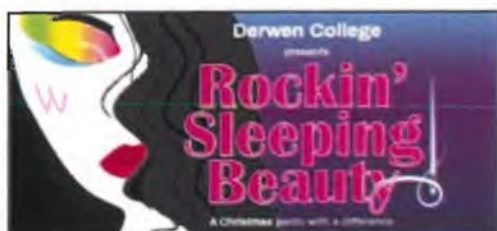


Derwen Christmas Fayre Weekend.



December

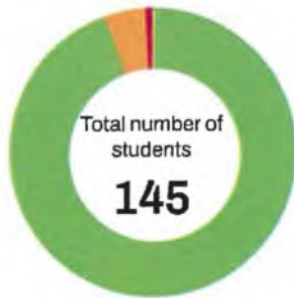
Christmas Show



Christmas Parade in Oswestry

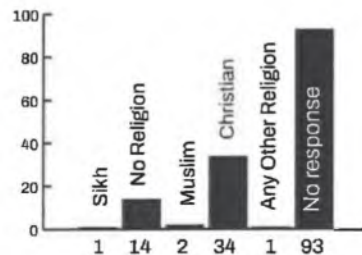


The Students in 2023

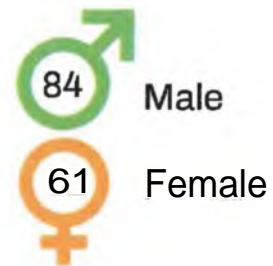
Derwen
CollegeStudent Cohort 2023
Autumn Term

Students on Study Programme: 137
Students on Supported Internship: 7
Students on Springboard: 1

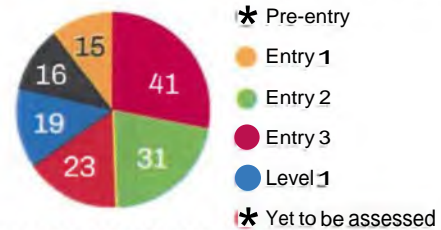
Religion



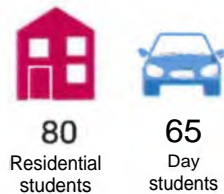
Biological Sex



Number of students working at each level



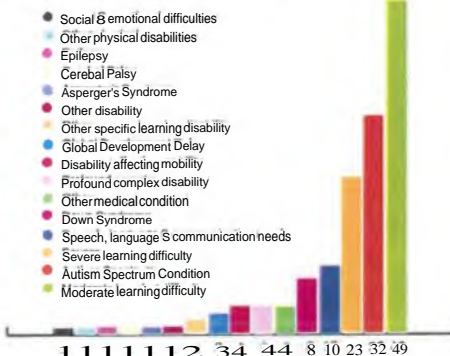
Number of students at each site



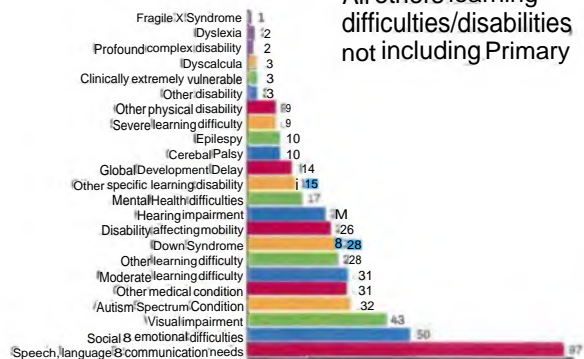
Learner's main Pathway



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

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



Walford: day provision

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



Ludlow: day provision

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

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 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.

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 31 in 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
- A. what we can do to offer meaningful activity in their daily lives
- A. 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:

- A Overall effectiveness: Good**
- A Quality of education: Good
- A Behaviours and attitudes: Outstanding
- A Personal development: Outstanding
- A Leadership and management: Good
- A 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 21 the 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 HDP therefore 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.



A 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:

- A Finance and Sustainability
- A 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 11 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.



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 all 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, for that period. In preparing these financial statements, the trustees are required to:

- A. 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;
- A. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the college will continue in business; and
- A. 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::

A so far as that trustee is aware, there is no relevant audit information of which the charity's auditors are unaware: and

A 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 2023



DERWEN COLLEGE

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 Flow, the 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.

DERWEN COLLEGE

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

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.

DERWEN COLLEGE

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 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.

DERWEN COLLEGE

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
		<u>3,938,243</u>	<u>3,637,973</u>
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
		<u>2,584,069</u>	<u>1,866,076</u>
Creditors: amounts due within one year	18	(1,057,014)	(868,966)
Net current assets		<u>1,527,055</u>	<u>997,110</u>
Total assets less current liabilities		<u>5,465,298</u>	<u>4,635,083</u>
Net assets		<u>5,465,298</u>	<u>4,635,083</u>
Total net assets		<u><u>5,465,298</u></u>	<u><u>4,635,083</u></u>
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		<u><u>5,465,298</u></u>	<u><u>4,635,083</u></u>

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:

Katrina Kimber
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
		<u>3,938,343</u>	<u>3,638,073</u>
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
		<u>2,312,704</u>	<u>1,866,076</u>
Creditors: amounts falling due within one year	18	(1,164,295)	(869,066)
Net current assets		<u>1,148,409</u>	<u>997,010</u>
Total assets less current liabilities		<u>5,086,752</u>	<u>4,635,083</u>
Net assets excluding pension asset		<u>5,086,752</u>	<u>4,635,083</u>
Total net assets		<u><u>5,086,752</u></u>	<u><u>4,635,083</u></u>
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		<u><u>5,086,752</u></u>	<u><u>4,635,083</u></u>

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:

Katrina Kimber
26 July 2024

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

DERWEN COLLEGE

**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

DERWEN COLLEGE

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

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 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.

DERWEN COLLEGE

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

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.

DERWEN COLLEGE

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

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.

DERWEN COLLEGE

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

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.

DERWEN COLLEGE

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

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.

DERWEN COLLEGE

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

4. Income from donations and legacies

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Donations	57,742	70,343	128,085	193,874
Grants	173,722	-	173,722	1,705
Government grants	-	-	-	242,763
Total 2023	<u>231,464</u>	<u>70,343</u>	<u>301,807</u>	<u>438,342</u>
<i>Total 2022</i>	<u>289,263</u>	<u>149,079</u>	<u>438,342</u>	

5. Income from charitable activities

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
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	<u>11,947,615</u>	<u>11,947,615</u>	<u>9,956,879</u>
<i>Total 2022</i>	<u>9,956,879</u>	<u>9,956,879</u>	

DERWEN COLLEGE

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

6. Income from other trading activities

Fundraising activities

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Retail	307,831	307,831	298,367
Hospitality	346,150	346,150	250,821
Derwen College Consulting Ltd	421,350	421,350	-
Total 2023	<u>1,075,331</u>	<u>1,075,331</u>	<u>549,188</u>
<i>Total 2022</i>	<u>549,188</u>	<u>549,188</u>	

7. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Interest Receivable	15,720	15,720	308
Total 2023	<u>15,720</u>	<u>15,720</u>	<u>308</u>
<i>Total 2022</i>	<u>308</u>	<u>308</u>	

DERWEN COLLEGE

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

8. Other incoming resources

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

9. Expenditure on raising funds

Other trading expenses

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
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
<i>Total 2022</i>	<i>568,496</i>	<i>568,496</i>	

DERWEN COLLEGE

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

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	<u>10,372,936</u>	<u>1,655,128</u>	<u>12,028,064</u>	<u>10,825,343</u>
<i>Total 2022</i>	<u>9,373,824</u>	<u>1,451,519</u>	<u>10,825,343</u>	

DERWEN COLLEGE

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

10. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Education 2023 £	Care 2023 £	Administration 2023 £	Campus & Estates 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
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
<i>Total 2022</i>	<i>3,477,191</i>	<i>3,931,242</i>	<i>934,392</i>	<i>1,030,999</i>	<i>9,373,824</i>	

DERWEN COLLEGE

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

10. Analysis of expenditure by activities (continued)

Analysis of support costs

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

11. Auditors' remuneration

	2023 £	<i>2022 £</i>
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	<u>3,750</u>	<u>1,920</u>

12. Staff costs

	Group 2023 £	<i>Group 2022 £</i>	Company 2023 £	<i>Company 2022 £</i>
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	-	-
	<u>9,427,410</u>	<u>8,487,287</u>	<u>9,374,421</u>	<u>8,207,837</u>

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

DERWEN COLLEGE

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

12. Staff costs (continued)

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

	Group 2023 No.	<i>Group 2022 No.</i>
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.	<i>Group 2022 No.</i>
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).

DERWEN COLLEGE

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

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	<u>12,363,538</u>	<u>542,214</u>	<u>1,070,618</u>	<u>320,417</u>	<u>93,480</u>	<u>14,390,267</u>
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	<u>9,301,907</u>	<u>305,043</u>	<u>578,324</u>	<u>266,750</u>	<u>-</u>	<u>10,452,024</u>
Net book value						
At 31 December 2023	<u>3,061,631</u>	<u>237,171</u>	<u>492,294</u>	<u>53,667</u>	<u>93,480</u>	<u>3,938,243</u>
At 31 December 2022	<u>3,007,343</u>	<u>262,406</u>	<u>353,147</u>	<u>15,077</u>	<u>-</u>	<u>3,637,973</u>

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

DERWEN COLLEGE

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

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

DERWEN COLLEGE

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

15. Fixed asset investments

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

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	<u>47,921</u>	<u>38,899</u>	<u>47,921</u>	<u>38,899</u>

DERWEN COLLEGE

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

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.

DERWEN COLLEGE

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

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
	<u>1,260,345</u>	<u>13,270,130</u>	<u>(12,407,935)</u>	<u>465,150</u>	<u>2,587,690</u>
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
	<u>2,930,280</u>	<u>171,000</u>	<u>(217,745)</u>	<u>(465,150)</u>	<u>2,418,385</u>
Restricted funds					
Fixed asset fund	444,458	-	(25,235)	-	419,223
Other restricted funds	-	70,343	(30,343)	-	40,000
	<u>444,458</u>	<u>70,343</u>	<u>(55,578)</u>	<u>-</u>	<u>459,223</u>
Total of funds	<u>4,635,083</u>	<u>13,511,473</u>	<u>(12,681,258)</u>	<u>-</u>	<u>5,465,298</u>

DERWEN COLLEGE

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

19. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 January 2022 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 December 2022 £</i>
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
	<u>1,057,417</u>	<u>10,795,638</u>	<u>(10,661,087)</u>	<u>68,377</u>	<u>1,260,345</u>
Endowment funds					
Fixed asset fund	2,265,731	-	-	105,583	2,371,314
Expendable Endowment	-	1,026,360	(484,869)	17,475	558,966
	<u>2,265,731</u>	<u>1,026,360</u>	<u>(484,869)</u>	<u>123,058</u>	<u>2,930,280</u>
Restricted funds					
Fixed asset fund	780,655	(45,958)	(98,804)	(191,435)	444,458
Other restricted funds	-	149,079	(149,079)	-	-
	<u>780,655</u>	<u>103,121</u>	<u>(247,883)</u>	<u>(191,435)</u>	<u>444,458</u>
Total of funds	<u>4,103,803</u>	<u>11,925,119</u>	<u>(11,393,839)</u>	<u>-</u>	<u>4,635,083</u>

DERWEN COLLEGE

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

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

DERWEN COLLEGE

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

20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2022 £</i>	<i>Restricted funds 2022 £</i>	<i>Endowment funds 2022 £</i>	<i>Total funds 2022 £</i>
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	<u>1,260,345</u>	<u>444,458</u>	<u>2,930,280</u>	<u>4,635,083</u>

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	<u>530,516</u>	<u>(550,088)</u>

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	<u>1,600,511</u>	<u>1,318,848</u>

DERWEN COLLEGE

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

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)
	<u>1,318,848</u>	<u>281,663</u>	<u>(12,894)</u>	<u>1,587,617</u>

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)	<u>2.6</u>	<u>2.7</u>

DERWEN COLLEGE

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

24. Pension commitments (continued)

	At 31 December 2023 Years	<i>At 31 December 2022 Years</i>
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 £	<i>At 31 December 2022 £</i>
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

DERWEN COLLEGE

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

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.

DERWEN COLLEGE

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

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.