

Registered number: 00408340
Registered Charity: 214339

PORTLAND COLLEGE

ANNUAL REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

PORTLAND COLLEGE

Nottingham Road, Mansfield, Nottinghamshire
NG18 4TJ

(Registered Office and Principal Address)

Telephone : 01623 499111

A Company Limited by Guarantee

No. 00408340 (England & Wales)

Registered Charity Number 214339

Patron : Her Majesty The Queen (1974-2022)

President : Mrs A Swan Parente MBE DL

Vice-Presidents:

Mr K McDonald

Mrs D McDonald

Mr H P Matheson DL

Professor C O'Brien OBE

**BOARD OF GOVERNORS & COMPANY
DIRECTORS**

Chairman : Mr T S Richmond OBE TD DL

Vice Chairman : Dr D Green

Mr N E Aspley (Resigned 26 April 2022)

Mrs H K Atwal (Resigned 19 July 2022)

Mr M Briggs

Mrs J Butler

Councillor S Deakin (co-opted member)

Mrs S Egley

Mr P Emerson DL

Mrs A Farr DL

Professor D Fathers DL

Mr Stephen Jackson

Mr David Sneath DL

Mr T Vasishtha (Resigned 26 April 2022)

Mr S Walsh (Resigned 26 April 2022)

Mrs M Murray (Appointed 2 November 2022)

Mrs D Jackson (Appointed 25 January 2023)

KEY MANAGEMENT PERSONNEL:**SENIOR MANAGEMENT TEAM**

Principal & Chief Executive Officer: Dr M Dale

Assistant Principal Development:

Mr E Johnstone

Assistant Principal Corporate Services:

Mrs L Kenwright

Assistant Principal Quality & Curriculum:

Mrs A Newton-Soanes

Head of Care: Mr I Onwukwe

BANKERS

HSBC Bank plc

1 St. Peter's Street, Derby DE1 2AE

SOLICITORS:

Freeth's LLP

Cardinal Square, 2nd Floor, West Point,

10 Nottingham Road, Derby DE1 3QT

AUDITORS:

Cooper Parry Group Limited

Sky View, Argosy Road, East Midlands Airport,

Castle Donington, Derby

DE74 2SA

INSURANCE BROKERS:

Hettle Andrews & Associates Limited

9th Floor, Eleven Brindley Place, 2 Brunswick

Square, Brindley Place, Birmingham B1 2LP

The Directors (members of the Board of Governors) present their annual report and financial statements for the year ended 31 August 2022, which comply with the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity. The strategic report required under company law is included in the report and covers the sections of achievement and performance, financial review and plans for future periods.

Portland College has two wholly owned subsidiaries, Portland College Enterprises Limited and Polly Teach Limited, held in Portland College Enterprise Limited. All income, expenditure and balance sheets have been consolidated into the Portland College accounts, with explanatory notes.

Reference and administrative details

Portland College is a company limited by guarantee and a registered charity. The Registered Office is as shown on the front cover. The present Directors and any other Directors who served during the year are listed on the front cover, together with the Patron, President, Vice-Presidents, key management personnel and the College's external advisers.

Structure, governance and management

Governing Document

Portland College was founded as a company limited by guarantee (Company number 408340) on 12 April 1946 and is governed in accordance with its Articles of Association. As a registered charity (charity number 214339) the College is also subject to the rules of the Charity Commission. The group results incorporate Portland College Enterprises Limited and Polly Teach Limited both companies registered in England and Wales.

The College is controlled by a Board of Governors (the Directors under Company Law), who bring a broad range of expertise to the College and are appointed by the Members of the College at a General Meeting. Under Article 25, the Governing Body must comprise not less than 10 Ordinary Governors and (if and only if appointed as Governors) the President and Vice-Presidents of the College. An Ordinary Governor is appointed for a term of four years, and normally would serve no more than two consecutive terms. The Ex-Officio Members i.e. President and Vice-Presidents are appointed annually. On appointment, new Directors are given a personal induction to the College, individual meetings with all senior managers and an information pack including the Governing Document and familiarising them with the work of the Board and their roles and responsibilities.

Details of governors, senior management personnel and professional advisors are shown on the front cover of this report.

In accordance with the Articles of Association, the Directors retire by rotation. The Board of Governors has an open recruitment policy.

Organisation

The college benefits from a governing body possessing a comprehensive range of skills and experience which allows detailed oversight of all facets of the business of the college. The Directors discharge their duties via Governing Body meetings, held at least four times per year and through a range of Committees which include: Audit Committee, Remuneration Committee, Oversight of Standards Group, Oversight of Finance Group, Enterprises Board, Estates Planning Group and Development Working Group. These committees, together with any other working parties that may at times be necessary, meet as and when required. The Principal and Chief Executive Officer is responsible to the Directors for the day-to-day running of the

College and the execution of strategy and policies as decided by the Board of Governors. In 2021-22 the breadth of Board expertise available to the College is described below:

Timothy S Richmond OBE TD DL FCA CCMI (Hon) DBA – Chair of Governors

Tim joined the Board of Governors in 2013. He is a Chartered Accountant. He is a self-employed consultant in strategic business direction and management. He is the Non-Executive Chairman of Futures Advice, Skills and Employment Limited. He has wide non-executive director experience in the private sector and extensive public and voluntary sector experience in non-executive roles including higher education, competition, defence, housing and care services, youth services and health. A past High Sheriff of Nottinghamshire (2002), he was appointed Vice Lord Lieutenant in 2008.

Dawn Green BSc (Hons) PhD CertEd PGDip FSET – Vice Chair, Chair of the Oversight of Standards Group and lead Governor for Safeguarding

Dawn joined the Board in 2015. She was previously Principal & CEO at Landmarks College and Vice Principal at Portland College. She is now the Karten Network Manager and also provides consultancy services in whole College/School improvement and behaviour support. Dawn is also Chair of the Oversight of Standards Group and Lead Governor for Safeguarding.

Stephen Jackson – FCMA GCMA FInstD Chair of Audit Committee

Stephen joined the Board in 2019. He is a commercially focused Executive with global experience and Chairs the Audit Committee. He has 30 years board level experience in Finance, IT and Commercial Development and more recently Nottingham Trent University. He is the Vice Chair of Nottinghamshire Healthcare Trust and a member of other education and sport charities.

David Sneath MA(Cantab) TD DL – Chair of Remuneration Committee

David joined the Board in 2018. He is a recently retired senior employment tribunal judge. He has extensive Reserve Army experience at the rank of Colonel. A past High Sheriff of Nottinghamshire (2017) and a current Deputy Lieutenant.

Thalej Vasishta LLB(Hons) – Chair of Staff Council & Non-Executive Director of Steps to Employment Limited – **retired by rotation 26th April 2022**

Thalej joined the Board in 2013. As a solicitor and CEO of Paragon Law Thalej works primarily with UK companies wishing to employ skilled foreign nationals and overseas companies and individuals seeking to invest in or trade with the UK. He has previously been a board member of The Racial Equality Council (as it was known then), The Galleries of Justice Museum, and Young Enterprise (East Midlands). He is currently a founding and board member of the British Indian Business Forum.

Shaun Walsh BA(Hons) FCA – Chair of Oversight of Finance Group – **resigned 26th April 2022**

Shaun joined the Board in 2015. He is a former PWC Chartered Accountant. As Managing Partner of Business Growth Services, he helps business owners in a Consultant CFO capacity with his team to turnaround, raise finance and grow their businesses. Shaun is also the co-owner and CFO of a private equity group, the IBG Group, doing M&A in the construction and building services sector.

Peter Emerson DL – Chair of Estates Planning Group

Peter joined the Board in 2017. Peter retired as Commercial Director of Severfield PLC and Chief Operating Officer of Watson Steel in 2013. He now works as a consultant in the construction industry and for Laing O'Rourke Limited.

Nick Aspley LLB(Hons) – Lead Governor for the Prevent Duty – **resigned 26th April 2022**

Nick joined the Board of Governors in January 2015. He is a solicitor and partner in a leading local multi office law firm. He has worked in the local area for nearly 30 years and specialises in Family Law. He is a past member of the Law Society's Family Law Committee.

Harvinder Atwal – Chair of Portland College Enterprises Limited – **retired by rotation, 19th July 2022**

Harvinder joined the Board in 2015. She was formerly the Managing Director of bksb Limited, a West Nottinghamshire College owned business which has become the most successful online skills assessment and development company for functional skills/GCSEs in the UK.

Professor Dean Fathers DL – Lead governor for corporate governance

Dean joined the Board in 2017 when he was also Chair of ULHT. He was formerly Chair of Nottinghamshire Healthcare NHS Foundation Trust, on the Boards of both NHS Providers and the Greater Lincolnshire Local Enterprise Partnership and also a Non-Executive Director with the Parliamentary and Health Services Ombudsman. He has also recently been appointed as Chair of the National Centre for Organisational Resilience at the Lincoln International Business School (having formerly been a Professor in the Practice of Healthcare Management at Cass Business School) and is concurrently also a Visiting Professor in The Centre for Governance, Leadership and Global Responsibility at Leeds Business School.

Amanda Farr DL MSc (Oxon)

Amanda joined the Board in 2018. She has worked in NHS rehabilitation and mental health services for most of her career, latterly leading county primary care mental health services. She has been a visiting lecturer at Nottingham and Oxford Universities. She is co-owner of Sweeney and Farr Associates offering mental health treatments and organisational well-being. Amanda is the Chair of Nottingham Playhouse Board and has extensive experience in the voluntary sector in the city and county of Nottinghamshire and is a former High Sheriff and current Deputy Lieutenant of the county.

Sarah Egley RGN BA(Hons) MA

Sarah joined the Board in 2018. She is Assistant Director Quality Improvement, Innovation and Assurance for Derbyshire Community Health Services NHS Trust.

Mark Briggs

Mark joined the Board in 2019 and has extensive experience in the public and cultural sectors, has director level experience in business and transformation. Along with this, Mark is a former Paralympian with insight into sport, health and well-being.

Joanne Butler

Joanne joined the Board in 2021. She is an autism consultant working in education, workplaces, and other youth and adult organisations through her company SEND Support. Joe is the co-author of *Is That Clear? Effective Communication in a neuro-diverse world*. She was previously the Head teacher of an autism specialist school, and now offers specialist teaching advice for Nottinghamshire County Council.

Councillor Samantha Deakin – co-opted member

Samantha joined the Board in 2021 as Nottinghamshire County Council's representative. She is the County Councillor for the Ward where Portland College is located and also a Cabinet Member for Ashfield District Council.

Whilst the Charity benefits from a very strong and pro-active Board, the Governors have been diligent in auditing the skill set of existing members, developing a formal succession plan based on anticipated retirement dates and reviewing the strategic direction of the Charity to ensure that we retain that strength and can provide effective governance of the wide and increasing range of activities.

All new proposed Governor Appointments follow a full recruitment process, including application and interview with College Principal, Chair and Governor Panel ensuring commitment, skills and discovering any potential conflict of interest. This is then followed by a structured induction programme with the Senior Management team and ongoing training including safeguarding.

Liability Insurance

During the year the College purchased Executive, Professional and Fidelity Liability Insurance, which covered the Directors and Officers of the College, at a cost of £9,202 (2021 - £1,150). In all cases the insurance indemnifies the College against losses incurred from wrongful acts that result in claims by third parties. In addition, the individual Directors or Officers are covered under the Executive Liability insurance policy against personal loss, as a result of claims made upon them for actions taken whilst acting in their capacity as Directors or Officers of the College.

Employment Policies

It is the College's policy to have effective communication and consultation with its staff. We have a voluntary recognition agreement with the Trade Union (Unison) for all staff. Under the terms of this agreement, and our Staff Council Constitution, we consult on a variety of issues affecting terms and conditions of employment, which are regularly discussed, at least three times per annum at Staff Council. We also communicate via performance management tools such as individual performance reviews and supervisions, Leadership forum, team briefings, staff training days, frequent news bulletins and the Senior Management Team's core message to all staff members. The College is fully committed to Equality, Diversity and Inclusion (EDI) and publishes its gender pay gap annually. Portland College is an equal opportunities employer and is accredited as a Disability Confident and Mindful Employer, along with being a member of the National Autistic Society.

The College employed an average of 326 full-time equivalent people during the year, compared with 343 in 2020-21.

Senior team remuneration statement

This statement is published by the Board of Governors of Portland College for the financial year 2021-22, informed by the Association of Colleges' *Senior Postholder Remuneration Code*.

Senior post holders within the remit of Remuneration Committee

Principal & Chief Executive Officer	Mark Dale
Deputy Principal Quality & Further Education	Angela Newton-Soanes
Assistant Principal Corporate Services	Lisa Kenwright
Assistant Principal Care & Designated Safeguarding Lead	Ike Onwukwe
Assistant Principal Development	Edward Johnstone
Assistant Principal Schools	Shaun Pollard

Policy on the remuneration of senior post holders

The Remuneration Committee seeks to recruit, retain and reward the best possible staff to deliver the College's strategic objectives and effectively lead operations. The Committee uses external benchmark information, notably the *Association of Colleges Senior Pay Survey Report*, and local labour market information to agree appropriate levels.

All roles in the College are graded using an established market leader system of job evaluation, Croner Reward™. The objective is to implement equal pay for work of equal value.

The Board of Governors sets an Annual Cost of Living rise on 1st April each year and Remuneration Committee takes account of the annual pay award when determining whether or not to apply a cost of living increase to senior post holders.

The College does not have a performance related pay scheme. The College does have an exceptional performance bonus procedure, which could be applied to a senior post holder on the recommendation of her or his line manager. Any recommendation would be subject to approval by the Remuneration Committee. Exceptional performance bonuses are non-consolidated and non-pensionable.

The College offers two pension schemes to employees: Teachers' Pension Scheme for eligible employees and a defined contribution scheme available to any employee.

Remuneration Committee approved a cost of living rise of 3% for senior post-holders from 1st April 2022.

Cost of living rises for other staff varied between 11% and 3% depending on their pay grade.

Policy on income derived from external activities

Staff are supported to undertake external work in certain circumstances, e.g. service in the Reserve Armed Forces, acting as an Ofsted or CQC Inspector or CQC Expert, consultancy projects that would develop the skills of the staff member or enhance their knowledge and understanding in relation to their substantive role. Normally external work should not exceed 10 working days per annum. Special leave will be granted in approved circumstances. The staff member may retain any earnings from up to 10 days external work per annum.

In 2021-22 the Deputy Principal retained external earnings from 10 days work as an Ofsted Inspector.

Pay multiple of the Principal & Chief Executive officer in relation to the lowest paid full-time equivalent salary at the College

Date	Pay Multiple of the CEO/Principal	Lowest full-time equivalent salary
31 st August 2022	5.41 (5.60 in 2021)	£18,525

Any other relevant matters

None.

Objectives and activities

Portland Charity operates a vibrant, national college for people with a wide range of disabilities. It is one of the foremost Colleges of its type in the United Kingdom, providing good learning opportunities for well over 450 learners, residents and citizens aged from 16 upwards. The College's principal objectives, set out in Article 5 of its Articles of Association, are "For the public benefit to advance the education of and promote the relief of persons with disabilities by any and every means".

The vision statement of the Charity is that all people with disabilities will have a lifetime of opportunity. Our mission is to deliver excellent programmes to inspire and empower people with disabilities to live more independent and fulfilling lives. The Charity will achieve this ambition by concentrating on its three strategic goals:

- An increased number of beneficiaries will be able to access a wider, more diversified service offer and will achieve improved health and/or fitness through participation.

- An increased number of beneficiaries will be able to access a more diversified service offer and will achieve their core goals to lead a more independent life.
- An increased number of people benefitting from employability programmes, achieving and sustaining work (both waged and voluntary) or being enabled to access other provision.

The College focuses on supporting student achievement and progression, collaborating and co-operating with others. In particular the College has striven to produce clear evidence that the quality of the provision made for its students demonstrates the impact of these strategic themes. The Directors confirm that during their consideration of the college-wide philosophy, due regard of Charity Commission guidance on public benefit has been taken account of and acted upon, where necessary.

The main activities undertaken by the College are student teaching, learning and assessment carried out by the Further Education team supported by therapy teams and Residential Learning. In adult social care we provide residential and day services including short breaks/respite. The other activities in line with our Articles of Association objectives include an employment support programme, Recovery College and the fully inclusive Woodland Adventure Zone. In 2021-22 there were a number of commercial activities including Portland Print and hospitality functions.

Polly Teach Ltd was established in 2014 and joined the Portland Group in September 2020, providing high-quality individual and group tuition for young people who are disengaged from mainstream education. Combining social work, with teaching practice and youth work, Polly Teach provides bespoke learning programmes to young people with a range of emotional, social, and behavioural difficulties that make it difficult for them to attend school. Polly Teach is an Ofsted registered school with full time on roll pupils as well as part time pupils referred by local authorities or through subcontract from schools providing core educational programmes (Maths, English and Science) and vocational programmes for pupils at Key Stages 2, 3 and 4.

Volunteers

Portland values the significant contributions from approximately 45 volunteers who support in a variety of roles, including learning and care support, catering, estates maintenance, administration and minibus driving. The Volunteer and CSR Coordinator also supports local businesses to meet their Corporate Social Responsibility objectives by promoting and facilitating charitable activities.

Strategic Report

Achievements and performance

Charitable Activities

The principal activity of Portland College is to provide the appropriate level of learning & teaching and care support for people with disabilities. Learners and citizens are funded principally by Local Authorities and the Education and Skills Funding Agency (ESFA) who cover the direct and support costs of the placement. The college fundraises to cover the cost of new facilities and equipment to enhance the experience and learning of learners and citizens.

Need, rather than ability to pay, is the key determinant of whether prospective learners access our learning and teaching programmes. The Directors are therefore fully satisfied that our activities meet the legal public benefit requirement.

Funding

The primary sources of funding for Portland College are student fees and residential care fees. Student education and residential fees are funded via the ESFA and local authorities whilst residential and day service fees were received from adult social care and health authorities.

Learning and teaching

During 2021-22 funded learner numbers stabilised at around 196 and success rates for these learners on accredited qualifications continued to show that good progress is made in line with goals and aspirations.

The College was rated as 'good' by Ofsted in all aspects of regulated educational provision in November 2017. We are confident that the curriculum review and offer has further developed, including the new construction trades area and the introduction of health and social care. Our Be Healthy Active and Courageous project underpins all aspects of the FE offer and we continue to see the positive impact of this on our learners' mental and physical health. Our FE intent and implementation align well with the new Education Inspection Framework.

Learner target achievement rate improved in RARPA 98% (89% in 2021) and maths & English 96% (84% in 2021). During 2021-22 there were significantly improved outcomes and achievements in independent travel training. The number of learners benefiting from a dedicated assistive technology assessment increased to 44 (18 in 2021) with new teaching facilities including a smart home teaching facility enabled thanks to a significant charitable gift from the Ian Karten Trust. The quality and impact of internal work experience opportunities was also substantially improved. We made more progress towards our aspiration to model a total communication environment. Our Information, Advice and Guidance Team retained the Matrix standard accreditation for a further 3 year period.

Safeguarding arrangements are a strength of the College and we have implemented the government 'prevent' agenda effectively. Learners feel safe and staff are skilled in supporting learners who find transition into the college environment a challenge. In 2022 we strengthened the focus on developing learners' and staff knowledge of the signs of possible sexual exploitation and how to respond to it.

Care

Citizens access our care provision in a range of ways through the Day Service, Residential Learning, Short Breaks or Independent Living programme. The Day Service provision is classed as non-regulated, whilst the others are as all regulated by the Care Quality Commission. All care services are widely considered to be caring and person-centred with demonstrable outcomes. We have been able to build on the excellent reputation of the College, by improving and widening the impact of our offer to learners and citizens (the preferred term, rather than resident or service user). Regulated services are inspected by the Care Quality Commission and Portland Freedom was rated Good at the most recent inspection (May 2018).

In the Day Services our market position as a quality provider has continued to strengthen and demand for places continued to be exceptionally high. We could not meet all demands for places in our campus-based provision so it was necessary to develop the service in the community. This is also a key objective in our Lifetime of Opportunity vision. We have made excellent progress this year in establishing community hubs 5 days a week from 3 venues in Mansfield and Ravenshead. Plans are also in place to start a Wollaton hub in Autumn 2022. The Wollaton hub could offer longer term placements and potentially short-term enablement opportunities which fits with the Nottinghamshire Day Opportunities Strategy 2022-27. The hubs development has positioned us well to meet the changing local council market strategy with the planned implementation of the Nottinghamshire Day Opportunities strategy which would require flexible day service provision. Furthermore, our IL stepdown service has seen the successful transition of citizens into the community with increased referrals from the county as a result.

We experienced a period of unusual high staff turnover in the first quarter triggered mostly by the cost of living crisis. There was swift intervention by the College with a pay review for all care support staff which had the expected positive impact showing a significant reduction in turnover from the 2nd quarter onwards. However, this is still kept under review due to the continued economic situation. We also have created a career development pathway and succession plan process which will be used to attract, develop and retain skilled care support workers and managers to ensure sustainability. This plan will be implemented in the coming year.

The impact of the high staff turnover and Covid infection rates meant that we had to close our Short Breaks service for a period of time during the year. This allowed us to redeploy staff to the IL and FE residential services whose citizens are classed as living permanently on the College campus. We subsequently reopened the Short Breaks service after the renovation of the former business units in the Beeches to offer a high quality, consolidated living environment with strong accessibility and inclusion features. When re-opened we have operated at reduced capacity whilst we recruit and train new staff. Despite this the disruptions to normal service, overall demand and number of clients was sustained and with positive outcomes for citizens.

Our focus was also to continue the care quality consolidation, which has seen a massive improvement in care practice and a sustained shift in staff culture towards best practice as the norm rather than the exception. We now have clearly evident elements of outstanding practice within our day-to-day operations. We recorded examples of staff going above and beyond at personal cost and sacrifice to maintain person-centred care for our beneficiaries. We also recorded examples of our beneficiaries achieving their goals and aspirations, enabled by the support from our staff. For instance, we have several examples of authorised restrictive support reduced or removed entirely giving the respective citizens greater independence. We therefore plan to sustain and further improve the high-quality learning and support across all our care provision, ensuring demonstrable outcomes for all our beneficiaries.

Polly Teach Limited

The Charity acquired the remaining tranche of shares in Polly Teach Limited on 30th June 2022. The alternative provision school has been subject to some investment and is being managed to achieve growth and generate an investible surplus to the support the Charity.

During the year student numbers exceed expectation as school education returned to normal following the final Covid lockdown in the summer of 2021. Two new sites were opened. First, a re-purposed accommodation block on the main Portland College campus accommodating a brand new Key Stage 2 offer and relocating Key Stage 3 provision for pupils with EHCPs and/or social emotional & mental health support needs from poorer quality accommodation at Kirkby Cross. Second, a small alternative provision using community facilities in Worksop – this location enabled us to make provision closer to pupils homes.

Fundraising and Other Matters

The fundraising team continues to raise funds via applications to trusts, individuals, organisations, and by organising a number of fund-raising events throughout the year. Although events were still somewhat limited due to the impact of Covid-19, charitable income including grants totalled £507k during 2021-22 (£814k in 2020-21). This decrease in income stemmed primarily from the capital appeals for the Newstart Theatre and sports hall refurbishment that occurred during 2020-21. There were also significant pledges for finance to create a new manufacturing workshop to be co-located with the construction trades learning centre which was based on a re-purposed sports hall which became available when the Newstart Theatre re-opened.

The Covid-19 pandemic had a lingering impact on the number of beneficiaries in Portland Pathways, with low levels of referrals on to the bespoke employment advice programme in the first quarter of the year. Referrals and job outcomes improved in the latter part of the year and the Pathways teams supported 53 individuals into employment (41 in 2021), whilst 113 participants completed Recovery College courses (26 in 2021).

Financial review

Group Operating Results

The net income for the year ended 31 August 2022 was a surplus of £611k (£653k in 2021).

The Directors Memorandum Note on page 21 demonstrates that the College operated at a surplus of £1,697k (£1,588k in 2021) before the extraordinary expenditure of reorganisation and pension deficit repayment and the non-cash item of Depreciation. This, therefore, represents the College's EBITDA (Earnings before Interest, Taxes, Depreciation and Amortisation) result for the year.

Reserves Policy

Reserves are those funds available to the College once it has met its commitments and covered planned expenditure. The Unrestricted Free Reserves retained as at 31 August 2022 were £11,656k (2021: £11,726k).

The Group / College retain 'Free' Reserves at a level that would meet unforeseen shortfalls in short-term income streams. The basis of calculation of Free Reserves agreed by the Directors is three months expenditure. Free Reserves do not include Restricted or Designated Funds and are included within General College unrestricted funds of £13,236k (note 22a). The Designated Funds as at 31 August 2022 total £1,580k (£1,100k as at 31 August 2021) and are listed in Note 22a of the Financial Statements. They provision is for on-going future liabilities (Defined Benefit Pension Scheme Liability - £580k) and provision for future projects (£1,000k). The Directors have approved a campus master plan which sets out a 10-year capital programme (to approximately 2027) to further develop our woodland campus into the premier further education destination for disabled people in the UK.

The level of the Free Reserves required to cover 3 months expenditure is £2,964k as at 31 August 2022 (2021: £2,591k). The actual unrestricted reserve funds at year end were £1,675k which below the level required in the current reserves policy. Whilst reserves are not at policy level, the group is making returns and levels are expected to increase in future periods and recognises the growth of the group over recent years. The Directors undertake a formal review of the Reserves Policy every year and they are satisfied that the current level meets College requirements.

Investment Powers and Policy

The Directors require the best use to be made of available cash resources through the prudent placement of fixed-term investments. Fixed-term UK bank deposits totalled £1,500k as at the Balance Sheet date 31st August 2022 (2021: £2,200k) and Cash at Bank on Deposit stood at £1,497k (2021: £2,242k). Total Cash and cash equivalents at bank decreased by £745k during the year, mainly due to temporary working capital fluctuations and capital expenditure investment in building improvements, and fixtures and fitting.

The annual return on investments was £13k (2021: £36k).

Fixed Assets

Changes in Fixed Assets are shown in Note 12 to the Financial Statements. In the opinion of the Directors the market value of the freehold property may differ from the book value, but as there is no intention of disposing of any premises it is therefore not considered appropriate to quantify the difference.

Risk management

A regular assessment of risk is carried out, covering financial and non-financial risks to which the College is exposed, with a particular emphasis on those risks which involve beneficiaries. This assessment is formally reviewed at every main Board meeting, with the Audit Committee able to scrutinise risk management in more detail where directed by the Board. Each identified risk is RAG rated, allocated to an individual senior manager and actions identified to minimise the overall risks. The risk register is an interactive document that is continually reviewed and updated

by the Senior team which not only identifies the risk, but helps manage the delivery of specific actions identified.

The main area of risk for the organisation are considered to be:

- Learners and Citizens have outcomes below their potential owing to a lack of suitable external opportunities on leaving the college
- A risk that staff do not have the skills to effectively support our current cohort of learners and citizens
- Reputational damage following a safeguarding or Prevent incident involving a learner or citizen
- Cyber Security risk through virus and cyber-attack leading to loss of information's system controlling all areas of the College business and campus security
- Inability to recruit and retain sufficient number of care support workers
- Water leaks as a result of ageing infrastructure leading to significant operational disruption and increased costs
- Price and wage inflation leading to financial instability

Plans for future periods

The Board of Governors have worked with the Senior Management Team to develop an ambitious 5-year plan, entitled *A Lifetime of Opportunity* which reflects the recent vision statement adopted by the Charity. The plan has been through an extensive period of stakeholder consultation and engagement and the Directors are confident that the investment and development will result in increased public benefit as defined through the Articles of Association. The plan anticipates that all current core programmes will also continue to operate, serving an increased number of beneficiaries during the plan period.

The plan contains significant ambitions to geographically extend the range and number of further and adult education opportunities through the creation of hub sites in Nottingham and a number of other towns. This will enable the Charity to benefit more individuals every year, following a period of successful expansion, 2017-20.

Building on the success of major refurbishment projects and the creation of the award-winning Woodland Adventure Zone, the Directors are supporting substantial new investment during the plan period:

- Redevelopment of an existing 60 bed student residence, converted to 36 Independent Living flats with some communal facilities. This will create high quality housing suitable for younger disabled adults – an area of considerable housing shortage locally and nationally.
- Redesign of the small animal farm and horticulture areas. The current facilities range between 70 and 15 years old and are all but life-expired. Purposeful outdoor work remains a popular area for people with complex disabilities and also provides wider therapeutic and educational opportunities (e.g. education for sustainability linked to the United Nations sustainability goals).
- Construction of a light manufacturing workshop. This project complements and completes the recent investment into construction trades and is carefully mapped on to the local

jobs market where there is continuous demand for labour in furniture manufacturing. The investment will be substantially funded by the Government's Towns Fund.

- A renewal of the main campus core infrastructure including the water main, electricity main and campus data cable network.
- Investment in energy generation and lower carbon heating technologies to support a drive toward Net Zero in Scope 1 emissions by 2035.

Other core development actions seek to address issues such as the lack of transport for people with complex physical disabilities or learning disabilities who can't successfully use public transport or adapted mobility vehicles. This seeks to deploy the Charity's own transport fleet more intensively to create new opportunities to adults with disabilities to access adult education, therapies and social programmes. At the same time, we are beginning a programme of vehicle replacements with new electric vehicles.

With the key focus on health and well-being in our 5-year plan, we have identified the potential for people with certain disabilities to benefit from access to therapeutic services (e.g. physiotherapy and hydrotherapy) which are not available via the NHS. We are currently researching how to widen access in a financially sustainable manner based on need rather than the individual's ability to pay.

In 2023 the Charity will continue to operate two public engagement programmes to capitalise on the significant investment in new and refurbished facilities such as the Woodland Adventure Zone and Newstart Theatre. These facilities will often be let, free of rent, to education and community groups whose core purpose aligns with the Charity's own objects. There will be other programmes of public benefit, open to all, operated by the College.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Report of the Directors, Strategic 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 Directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Directors are aware:

- there is no relevant audit information of which the charitable company's Auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors Report and Strategic Report approved on 16th May 2023



T S Richmond
(Director)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PORTLAND COLLEGE

Opinion

We have audited the financial statements of Portland College ("the company") and its subsidiaries ("the group") for the year ended 31 August 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Company Balance Sheets, 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 (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 'The financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities SORP 2019.

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 August 2022 and of the incoming resources and application of resources, including its income and expenditure, for the year ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the directors' report, other than the financial statements and

our audit report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' 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 group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities set out on page 3, the directors 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 directors 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 directors are responsible for assessing the groups' and 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 directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Our assessment focused on key laws and regulations the College has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, Charities Act 2011, taxation legislation, data protection, anti-bribery and employment legislation.

We are not responsible for preventing irregularities, including fraud. Our approach to detecting irregularities, including fraud, included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the College and how the College is complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;
- obtaining an understanding of the College's control environment and how the College has applied relevant control procedures, through discussions with Trustees and other management and by performing walkthrough testing over key areas;
- obtaining an understanding of the College's risk assessment process, including the risk of fraud;
- reviewing meeting minutes of those charged with governance throughout the year; and
- performing audit testing to address the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection of fraud based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

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 Auditor's 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 Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Simon Atkins FCA
Senior Statutory
Auditor

Cooper Parry Group Ltd.

For and on behalf of

Date: **30 May 2023**

COOPER PARRY GROUP LIMITED
Statutory Auditors

Sky View, Argosy Road, East Midlands Airport, Castle Donington, Derby, DE74 2SA

PORTLAND COLLEGE

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

		Unrestricted Funds £'000	Restricted Funds £'000	Total 2022 £'000	Total 2021 £'000
Income from:	Note				
	1(d)				
Charitable Activities	2	11,213	-	11,213	10,321
Other Trading Activities	3	2,129	-	2,129	1,239
Donations, Legacies and Grants	4	64	443	507	814
Investment Income	5	13	-	13	36
Total Income		13,419	443	13,862	12,410
Expenditure on:	1(e)				
Raising Funds		95	-	95	124
Charitable Activities	6	10,821	26	10,847	10,870
Other Activities	8	2,174	135	2,309	763
Total Expenditure		13,090	161	13,251	11,757
Net Income for the year		329	282	611	653
Transfers Between Funds	22(a)/(b)	225	(225)	-	-
Net Income/(Expenditure) before Other Recognised Gains and Losses		554	57	611	653
Other Recognised Gains and Losses		-	-	-	-
Defined Benefit Pension Scheme Actuarial (loss)/gain	30	139	-	139	523
Net Movement in Funds		693	57	750	1,176
Reconciliation of Funds					
Fund Balances Brought Forward	24(a)/(b)	12,542	140	12,682	11,506
Fund Balances Carried Forward at End of Year		13,235	197	13,432	12,682

None of the Group's activities was acquired or discontinued during the past two financial periods.

The notes on pages 25 to 45 form part of these Financial Statements.

PORTLAND COLLEGE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2022 (CONTINUED))

MEMORANDUM NOTE (this does not form part of the Audited Financial Statements)

Re-Statement of Revenue Performance in EBITDA Format:

	2022 £'000	2021 £'000
Operating Surplus before Exceptional Items and Depreciation	1,697	1,588
Less: Extraordinary Expenditure		
Deficit Recovery for Defined Benefit Pension Scheme	(219)	(215)
	<u>(219)</u>	<u>(215)</u>
Surplus before Non-Cash Items	1,478	1,373
Depreciation	(951)	(806)
Amortisation	(61)	(48)
FRS102 - Pension Charge Against Operating Surplus	145	134
	<u>(867)</u>	<u>(720)</u>
Net (Expenditure) / Income		
Before Other Recognised Gains and Losses	611	653

PORTLAND COLLEGE**CONSOLIDATED BALANCE SHEET AS AT 31 AUGUST 2022**

Company Registration Number 00408340

		31 AUGUST 2022	31 AUGUST 2021
	Note	£'000	£'000
Fixed Assets			
Intangible Assets	12(a)	438	434
Tangible Assets	12(b)	9,543	9,929
Total Fixed Assets		9,981	10,363
Current Assets			
Stocks	14	25	18
Debtors	15	2,795	549
Investments	16	1,500	2,200
Cash at Bank on Deposit		1,287	1,952
Cash at Bank and in Hand		209	290
		5,816	5,009
Creditors:- Amounts Falling Due Within One Year	17	(2,365)	(2,406)
Net Current Assets		3,451	2,603
Net Assets Excluding Pension Liability		13,432	12,966
Defined Benefit Pension Scheme Liability	30	-	(284)
Net Assets Including Pension Liability	20	13,432	12,682
The Funds of the Group			
Restricted Income Funds	22(b)	197	140
Unrestricted Income Funds			
General Group Funds	22(a)	11,655	11,726
Designated Funds	22(a)	1,580	1,100
Unrestricted Income Funds Excluding Pension Liability		13,235	12,826
Pension Reserve	30	-	(284)
Total Unrestricted Funds		13,235	12,542
Total Group Funds	20	13,432	12,682

The notes on pages 25 to 45 form part of these Financial Statements.

These accounts were approved and authorised for issue by The Board of Directors and signed on its behalf by:



T S Richmond
Director

Date: 16 May 2023

PORTLAND COLLEGE**PARENT CHARITABLE COMPANY BALANCE SHEET AS AT 31 AUGUST 2022**

Company Registration Number 00408340

	Note	31 AUGUST 2022 £'000	31 AUGUST 2021 £'000
Fixed Assets			
Tangible Assets	12(c)	9,511	9,910
Investments - Subsidiary and Associated Undertaking	12(d)	450	450
Total Fixed Assets		9,961	10,360
Current Assets			
Stocks	14	16	10
Debtors	15	2,422	563
Investments	16	1,500	2,200
Cash at Bank on Deposit		1,288	1,952
Cash at Bank and in Hand		18	4
		5,244	4,729
Creditors:- Amounts Falling Due Within One Year	17	(1,942)	(2,024)
Net Current Assets		3,302	2,705
Net Assets Excluding Pension Liability		13,263	13,065
Defined Benefit Pension Scheme Liability	30	-	(284)
Net Assets Including Pension Liability	21	13,263	12,781
The Funds of the Charity			
Restricted Income Funds	23(b)	197	140
General College Fund	23(a)	11,486	11,825
Designated Funds	23(a)	1,580	1,100
Unrestricted Income Funds Excluding Pension Liability		13,066	12,925
Pension Reserve	30	-	(284)
Total Unrestricted Funds		13,066	12,641
Total Charity Funds	21	13,263	12,781

The notes on pages 25 to 45 form part of these Financial Statements.

These accounts were approved and authorised for issue by The Board of Directors and signed on its behalf by:



T S Richmond
Director

Date: 16 May 2023

PORTLAND COLLEGE CONSOLIDATED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £'000	2021 £'000
Net Cash Provided By Operating Activities	28	(839)	2,336
Cash Flow From Investing Activities			
Purchase of Property, Plant and Equipment	12(b)	(577)	(1,962)
Purchase of Investments	12(d)	-	-
Purchase of Subsidiary net of cash acquired	12(a)	(65)	(164)
Proceeds From the Sale of Property, Plant and Equipment	12(b)	22	-
Proceeds From the Sale of Investments	12(b)	-	274
Investment and Other Income	5	13	36
Net Cash Used in Investing Activities		(607)	(1,816)
Change in Cash and Cash Equivalents in the Reporting Period		(1,446)	520
Cash and Cash Equivalents at 1 September 2021		4,442	3,922
Cash and Cash Equivalents at 31 August 2022		2,996	4,442
Cash and Cash Equivalents Consists of:			
Cash in Hand, at Bank		1,496	2,242
Current Asset Investments	16	1,500	2,200
Cash and Cash Equivalents at 31 August 2022		2,996	4,442

The notes on pages 25 to 45 form part of these financial statements.

PORTLAND COLLEGE

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

1. ACCOUNTING POLICIES

(a) General information and basis of preparation

The group financial statements have been prepared on a going concern basis under the historical cost convention, modified to incorporate the inclusion of Fixed Asset Investments at fair value. They are prepared in Sterling which is the functional currency of the College and rounded to the nearest £000. They comply with the requirements of the Companies Act 2006 and the provisions of the 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) issued in 2019. The statement of financial activities (SOFA) and balance sheet consolidate the financial statements of the College and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis. The results of the associated undertaking are excluded from the consolidation on the basis that it is immaterial.

Advantage has been taken of exemptions given under section 408 of the Companies Act 2006 not to present a separate SOFA for Portland College.

Portland College meets the definition of a public benefit entity under FRS 102; assets and liabilities are initially stated at historical cost or transition value unless otherwise stated in the relevant accounting policy note(s).

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

Results of Portland College - Total incoming resources for the year ended 31 August 2022 for Portland College (the charity) amounted to £12,243k (2021 - £11,754k). Net incoming resources for the year produced a surplus of £751k (2021 - £1,176).

(b) Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

(c) Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost 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.

(d) Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

PORTLAND COLLEGE

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

1. ACCOUNTING POLICIES

(d) Income recognition (Continued)

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

Where practicable, gifts in kind donated for distribution to the beneficiaries of the charity are included in stock and donations in the financial statements upon receipt. If it is impracticable to assess the fair value at receipt or if the costs to undertake such a valuation outweigh any benefits, then the fair value is recognised as a component of donations when it is distributed and an equivalent amount recognised as charitable expenditure.

Gifts in kind donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. Where estimating the fair value is practicable upon receipt it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impracticable to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Fixed asset gifts in kind are recognised when receivable and are included at fair value. They are not deferred over the life of the asset.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

The charity receives government grants in respect of Education and Skills Funding Agency (ESFA). Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as shares. It includes dividends & interest. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend income is recognised as the charity's right to receive payment is established.

(e) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes the costs of commercial trading;
- Expenditure on charitable activities includes the cost of educational activities undertaken to further the purposes of the charity and their associated support costs; and
- Other expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

(f) Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

PORTLAND COLLEGE

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

1. ACCOUNTING POLICIES

(f) Support costs allocation (continued)

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

The analysis of these costs is included in note 6(b), along with the bases on which support costs have been allocated.

(g) Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Cost is calculated using the first-in, first-out formula. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

Donated stocks are fair valued as described in (d) above.

(h) Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

Defined Contribution Pension Scheme - The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable in accordance with the rules of the scheme.

Defined Benefit Pension Scheme - The charity operates a defined benefit plan for the benefit of its employees. A liability for the charity's obligations under the plan is recognised net of plan assets. The net change in the net defined benefit liability is recognised as the cost of the defined benefit plan during the period as is charged to cost headings on a pro rata basis based on full time equivalent employees. The total cost is recognised in unrestricted funds. Pension plan assets are measured at fair value and the defined benefit obligation is measured on an actuarial basis using the projected unit method. Actuarial valuations are obtained at least triennially and are updated at each balance sheet date. Details of the College's defined benefit scheme are shown in notes 26 and 28.

(i) Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

Investments in subsidiaries / joint ventures / associates are measured at cost less impairment.

Current asset investments are short term highly liquid investments and are held at fair value. These include cash on deposit and cash equivalents with a maturity of less than one year.

(i) Intangible fixed assets

Goodwill represents the difference between the amounts paid on acquisition of a business combination and the acquirer's interest in the fair value of the share of its identifiable assets and liabilities of the acquire at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis over its useful economic life which is considered to be 10 years.

(k) Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

PORTLAND COLLEGE

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

1. ACCOUNTING POLICIES

(k) Tangible fixed assets (continued)

Freehold Buildings	10 to 40 years (note (i))
Furniture and Equipment - Computers	5 years
- IT Network	7 years
- Production/Technical Equipment	5 years
- Other	10 years
Transport	5 years

Notes

- (i) Freehold Buildings - Note that freehold buildings also includes the cost of building improvements and refurbishment projects. The life expectancy of each building is assessed individually.
- (ii) Items costing less than £500 are written off as expenditure in the year of purchase unless part of a larger project spend.

(l) Operating Leases

Rentals payable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

(m) Tax

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Portland College Enterprises Limited is liable for Corporation Tax and the liability is based on the result for the year as adjusted for disallowable items. However an agreement is in place whereby all profits are donated to the College.

Polly Teach Limited is liable for Corporation Tax and liability is based on the result for the year as adjusted for disallowable items.

PORTLAND COLLEGE

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

	2022 £'000	2021 £'000
2. INCOME FROM CHARITABLE ACTIVITIES		
Educational fees	6,803	6,265
Residential fees	4,106	3,967
Other fees	304	89
	11,213	10,321

All of the above income was distributable to unrestricted funds in both years.

3. INCOME FROM OTHER TRADING ACTIVITIES

Portland Print	120	105
Furlough	-	123
Polly Teach Limited	1,407	758
Other Trading Income	602	253
	2,129	1,239

All of the above income was distributable to unrestricted funds in both years.

4. INCOME FROM DONATIONS, LEGACIES AND GRANTS

Legacies	6	-
Grants	269	129
Donations	232	685
	507	814

Donations in excess of £2k were received from Active Partnership Trust, Ella Kirk Charitable Foundation, Mr Penny (Legacy), Sir John Eastwood Foundation, National Lottery Reaching Communities, The Thomas Farr Charity, The Lady Hind Trust and BBC Children in Need.

Of the above income of £507k (2021: £814k), £64k (2021: £4k) was attributable to unrestricted funds and £443k (2021: £810k) was attributable to restricted funds.

	2022 £'000	2021 £'000
5. INVESTMENT INCOME		
Bank Interest	7	12
UK Listed Investments	6	24
	13	36

All of the above income was distributable to unrestricted funds in both years.

PORTLAND COLLEGE

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

6. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Activities undertaken directly £'000	Support Costs £'000	Total £'000	2021 Total £'000
Education	3,646	2,134	5,780	5,792
Care & Support	3,308	1,760	5,068	5,078
	6,953	3,894	10,847	10,870

£251k (2021 - £942k) of the above costs were attributable to restricted funds. £10,611k (2021 - £8,655k) of the above costs were attributable to unrestricted funds.

7. ALLOCATION OF SUPPORT COSTS

Support cost	Basis of allocation	Education £'000	Care & Support £'000	Activities & Raising funds £'000	Total £'000	2021 Total £'000
Learner Support Costs	Area/ usage	981	741	35	1,757	1,646
Corporate Services	FTEs	721	581	23	1,325	1,690
Depreciation	Asset location	432	438	81	951	854
		2,134	1,760	139	4,033	4,190

8. EXPENDITURE ON OTHER ACTIVITIES

	2022 £'000	2021 £'000
Other trading	2,170	530
Administrative Expenses	139	233
	2,309	763

9. GOVERNANCE COSTS-INCLUDED WITHIN SUPPORT COSTS

	2022 £'000	2021 £'000
Auditors remuneration - Current Year	40	32
Other Professional Costs	74	95
	114	127

10. NET INCOME / (EXPENDITURE) is stated after charging :-

	2022 £'000	2021 £'000
Auditor's Remuneration		
Auditors Remuneration - Audit	26	32
Less: Allowance included within Donations & Gifts	-	(9)
	26	23

Auditor's Remuneration - Other Services

Audit of the Charity's Subsidiary Pursuant to Legislation	10	7
Other Services Relating to Taxation	4	3
All Other Services	-	-
	40	33

Operating Leases

Operating Leases - all with less than 1 Year remaining	22	6
Operating Leases - 2 - 5 Years remaining	-	-
	22	6

Rental Agreements

	-	6
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The above operating leases and rental agreements all relate to equipment.

PORTLAND COLLEGE

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

11. EMPLOYEE INFORMATION

The average number of people employed and full time equivalents (FTE) during the year was as follows :-

	2022 Number	2022 FTE	2021 Number	2021 FTE
Education	170	128	189	153
Care & Support	160	129	144	127
General Learner Support	49	44	39	34
Corporate Services	26	21	23	21
Trading Activities	11	2	30	6
Fundraising	2	2	2	2
	418	326	427	343

In addition a total of 45 Volunteers (2021: 45) made a contribution to the College in a variety of ways.

Employment Costs for the year were:

	2022 £'000	2021 £'000
Wages and Salaries	8,200	7,724
Supply Costs	517	279
Employer's National Insurance Contributions	585	543
Employer's Pension Contributions	364	379
Life Assurance Contributions	63	35
	9,729	8,960

The College consider its key management personnel to comprise the Senior Management Team (as detailed on page 2).

The total employment benefits including employer pension contributions and employer national insurance of the key management personnel were £440k (2021: £460k). For highest paid staff, one employee had employee benefits in the range of £60k to £70k, no employees had employee benefits in the range of £70k to £80k (2021: one) and one employee had benefits in the range of £100k-£110k (2021: one).

Redundancy payments made during the year were £45k (2021: nil) due to departmental reorganisations.

No Trustees received any remuneration in either 2022 or 2021.

The Board of Governors

The Governors and committee members are entitled to reclaim travel expenses incurred in the course of their duties. During the year no (2021 - nil) Governors received reimbursement of expenses totalling £Nil (2021 - £Nil), of which £nil (2021 - £nil) was Gift Aided back to the College.

PORTLAND COLLEGE

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

12. FIXED ASSETS

(a) Intangible Assets

Group	Goodwill	Total
Cost or valuation		
At 1 September 2021	482	482
Additions	65	65
Disposals	-	-
At 31 August 2022	547	547
Amortisation		
At 1 September 2021	48	48
Charge for the year on owned assets	61	61
Disposals	-	-
At 31 August 2022	109	109
Net Book Value		
At 1 September 2021	434	434
At 31 August 2022	438	438

(b) Tangible Assets	Freehold Land & Buildings	Furniture & Equipment	Transport	Assets Under Construction	Total
Group	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 September 2021	20,800	3,376	262	-	24,438
Additions	418	141	-	18	577
Disposals	-	(210)	-	-	(210)
Asset Category Adjustment	36	(4)	-	-	32
At 31 August 2022	21,254	3,303	262	18	24,837
Depreciation					
At 1 September 2021	11,775	2,534	200	-	14,509
Charge for Year	756	163	27	-	946
Eliminated on Disposal	-	(150)	-	-	(150)
Asset Category Adjustment	(1)	(10)	-	-	(11)
At 31 August 2022	12,530	2,537	227	-	15,294
Net Book Value					
At 1 September 2021	9,025	842	62	-	9,929
At 31 August 2022	8,724	766	35	18	9,543

(c) Tangible Assets	Freehold Land & Buildings	Furniture & Equipment	Transport	Assets Under Construction	Total
Charity	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 September 2021	20,800	3,350	262	-	24,412
Additions	394	141	-	18	554
Disposals	-	(182)	-	-	(182)
Asset Category Adjustment	36	(33)	-	-	3
At 31 August 2022	21,230	3,276	262	18	24,787
Depreciation					
At 1 September 2021	11,775	2,527	200	-	14,502
Charge for Year	756	164	26	-	946
Eliminated on Disposal	-	(182)	-	-	(182)
Asset Category Adjustment	(1)	11	-	-	10
At 31 August 2022	12,530	2,520	226	-	15,276
Net Book Value					
At 1 September 2021	9,025	823	62	-	9,910
At 31 August 2022	8,700	756	36	18	9,511

PORTLAND COLLEGE

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

12. FIXED ASSETS

(c) Tangible Assets (Continued)

Charity

The National Lottery Charities Board was granted a legal charge over the 'Birches' building (previously known as the Information and Communication Technology Learning Centre) in relation to the £500k grant that it provided to the College. The legal charge is granted for a period of 80 years from the receipt of payment on 26 May 2006.

(d) Investments

Charity

Shares in Group Undertakings

	£
Holding in subsidiary (Portland College Enterprises Limited):	
1,000 Ordinary shares of £1 each [note 13]	1,000
Share Premium - 900 Ordinary shares at £499 each [note 13]	449,100
Cost or valuation at 1 September 2021 and 31 August 2022	450,100

Shares in Associated Undertakings

	£
Holding in associated undertaking (Steps to Employment Limited):	
100 Ordinary shares of £1 each [note 33]	2
Cost or valuation at 1 September 2021 and 31 August 2022	2

PORTLAND COLLEGE

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

13. SUBSIDIARY UNDERTAKING

- (a) The charity owns the whole of the issued ordinary share capital of Portland College Enterprises Limited, a company registered in England and Wales. The subsidiary is used for non-primary purpose trading activities and commenced trading on 1st September 2009. All activities have been consolidated on a line by line basis in the SOFA. A summary of the results of the subsidiary is shown below:

	2022 £'000	2021 £'000
Turnover	227	29
Cost of Sales	(182)	(56)
Gross Profit	45	(27)
Administrative Expenses	(12)	(15)
Operating Profit	33	(42)
Income from Fixed Asset Investment	-	95
Profit before and after Tax	33	53
The aggregate of the assets, liabilities and funds was:		
Assets	950	881
Liabilities	(414)	(379)
Total Capital and Reserves	536	502

- (b) From the 16th September 2020 the charity indirectly controls the whole of Polly Teach Limited, a company registered in England and Wales. As of the 1st July 2022, the charity purchased 100% of the issued share capital of Polly Teach Limited. The subsidiary is used for provision of non mainstream education for young people. All activities have been consolidated on a line by line basis in the SOFA. A summary of the results of the subsidiary is shown below:

	2022 £'000	2021 £'000
Turnover	1,406	758
Cost of Sales	(1,062)	(537)
Gross Profit	344	221
Administrative Expenses	(46)	(229)
Operating Profit	298	(8)
Interest payable	(1)	-
Profit before Tax	297	(8)
Tax on (loss) / profit	(57)	-
Profit after Tax	240	(8)
The aggregate of the assets, liabilities and funds was:		
Assets	871	211
Liabilities	(596)	(177)
Total Capital and Reserves	275	34

14. STOCKS

	Group		Charity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Raw Materials and Consumables	25	18	16	10
Work-in-Progress	-	-	-	-
	25	18	16	10

15. DEBTORS

Trade Debtors	2,664	486	1,861	448
Other Debtors	34	31	7	15
Prepayments and accrued income	97	32	89	29
Due from Group Companies	-	-	465	71
	2,795	549	2,422	563

16. INVESTMENTS - CURRENT ASSETS

Unquoted - Fixed Term UK Bank Deposits	1,500	2,200	1,500	2,200
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Of the above deposits, £1,500k (2021 - £2,200k) is due to mature within 6 months of the Balance Sheet date.

PORTLAND COLLEGE

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

17. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trade Creditors	390	244	281	235
Other Taxation and Social Security	361	141	177	115
Other Creditors	1,041	1,239	965	948
Due from Group Companies Creditors	-	-	32	-
Accruals and deferred income	573	782	487	726
	2,365	2,406	1,942	2,024

Other Creditors include £299k (2021 - £260k) for Student Fees paid in advance.

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
Fund Balances at 31 August 2022 are represented by:			
Intangible Fixed Assets	438	-	438
Tangible Fixed Assets	9,543	-	9,543
Current Assets	5,619	197	5,816
Creditors: Current Liabilities	(2,365)	-	(2,365)
Pension Reserve	-	-	-
	13,235	197	13,432

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Charity	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
Fund Balances at 31 August 2022 are represented by:			
Investments	450	-	450
Tangible Fixed Assets	9,511	-	9,511
Current Assets	5,047	197	5,244
Creditors: Current Liabilities	(1,942)	-	(1,942)
Pension Reserve	-	-	-
	13,066	197	13,263

20. COLLEGE FUND AND RESERVES

Group	2022 £'000	2021 £'000
Unrestricted Funds [note 22]		
General College Funds - excluding Designated Funds and Pension Liability	11,655	11,726
Designated Funds [note 22]	1,580	1,100
General College Funds - excluding Pension Liability	13,235	12,826
Pension Reserve [note 28]	-	(284)
General College Funds - including Pension Liability	13,235	12,542
Restricted Funds [note 22]	197	140
Total Funds and Reserves	13,432	12,682

PORTLAND COLLEGE

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

21. COLLEGE FUND AND RESERVES

Charity	2022 £'000	2021 £'000
Unrestricted Funds [note 22]		
General College Funds - excluding Designated Funds and Pension	11,486	11,825
Designated Funds [note 22]	1,580	1,100
General College Funds - excluding Pension Liability	13,066	12,925
Pension Reserve [note 28]	-	(284)
General College Funds - including Pension Liability	13,066	12,641
Restricted Funds [note 22]	197	140
Total Funds and Reserves	13,263	12,781

PORTLAND COLLEGE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

22. FUND RECONCILIATION
Group

		Balance 1st September 2021 £'000	Incoming Resources £'000	Resources Expended £'000	Transfers £'000	Gains / (Losses) £'000	Balance 31st August 2022 £'000
	Note						
(a) Unrestricted Funds							
Unrestricted		11,726	13,419	(13,235)	(255)	-	11,655
Designated:							
Capital Commitments (other than from restricted funds)							
Defined Benefit Pension Scheme Liability		600	-	-	(20)	-	580
Campus Development Plan		500	-	-	500	-	1,000
Total Unrestricted Funds		12,826	13,419	(13,235)	225	-	13,235
(b) Restricted Funds							
Specific Grants and Donations:							
ESFA School Condition Allocation	i.	-	152	-	(152)	-	-
Ian Karten Trust	ii.	14	-	-	-	-	14
Minibus	iii.	2	39	-	-	-	41
Newstart Hall Project	iv.	29	44	-	(73)	-	-
Recovery College	v.	-	135	(135)	-	-	-
Woodlands Project	vi.	-	17	-	-	-	17
Ian Karten Trust	vii.	-	19	(19)	-	-	-
Trade Centre	viii.	-	14	-	-	-	14
Farm	ix.	-	1	-	-	-	1
Sensory Gardens	x.	-	15	-	-	-	15
Other Donations:							
Equipment - Various	xi.	-	7	(7)	-	-	-
Other Donations		-	-	-	-	-	-
Scholarship Fund	xii.	95	-	-	-	-	95
Total Restricted Funds		140	443	(161)	(225)	-	197

Designated funds have been held in relation to defined benefit pension liability of £580k recognising the liability of the scheme based on alternative valuation method and campus development plan of £1,000k based on significant programme of infrastructure modernisation.

Restricted Fund balances are only shown where there are either a) specific clauses within the basis of agreement on which the donation or grant was received; or b) where a building project is under construction, in this case specific grants/donations will not be transferred to unrestricted funds until the building is completed. In all other cases it is taken that the purchase of the specified item meets any restriction placed on the funds by the donor.

- i. ESFA School Condition Allocation - the grant was received to support upkeep of College buildings and equipment.
- ii. Ian Karten Trust - the grant was provided to cover the implementation of mobile learning projects. There is a 5 year reducing balance restriction on this grant.
- iii. Minibus - Purchase of new College minibus for use by citizens and learners.
- iv. Newstart Hall Project - multi-purpose area for a café; sports activities; theatre and creative arts.
- v. Recovery College - Ongoing resources to assist people getting back into employment.
- vi. Woodlands Project - Fully accessible forest adventure zone for learners and the larger community.
- vii. Ian Karten Trust - Smart home building for use by citizens and learners.
- viii. Trade Centre - Educational area providing practical vocational skills.
- ix. Farm - Redevelopment of Farm area accessible by staff, learners and citizens.
- x. Sensory Gardens - External area in Education facility providing calm area and general horticulture skills.
- xii. Scholarship Fund - cash funds are held for the specific purpose of supporting students.

PORTLAND COLLEGE

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

23. FUND RECONCILIATION

Charity		Balance 1st September 2021 £'000	Incoming Resources £'000	Resources Expended £'000	Transfers £'000	Gains / (Losses) £'000	Balance 31st August 2022 £'000
	Note						
(a) Unrestricted Funds							
Unrestricted		11,825	11,784	(11,868)	(255)	-	11,486
Designated:							
Capital Commitments (other than from restricted funds)							
Defined Benefit Pension Scheme Liability		600	-	-	(20)	-	580
Campus Development Plan		500	-	-	500	-	1,000
Total Unrestricted Funds		12,925	11,784	(11,868)	225	-	13,066
(b) Restricted Funds							
Specific Grants and Donations:							
ESFA School Condition Allocation	i.	-	152	-	(152)	-	-
Ian Karten Trust	ii.	14	-	-	-	-	14
Minibus	iii.	2	39	-	-	-	41
Newstart Hall Project	iv.	29	44	-	(73)	-	-
Recovery College	v.	-	135	(135)	-	-	-
Woodlands Project	vi.	-	17	-	-	-	17
Ian Karten Trust	vii.	-	19	(19)	-	-	-
Trade Centre	viii.	-	14	-	-	-	14
Farm	ix.	-	1	-	-	-	1
Sensory Gardens	x.	-	15	-	-	-	15
Other Donations:							
Equipment - Various	xi.	-	7	(7)	-	-	-
Other Donations		-	-	-	-	-	-
Scholarship Fund	xii.	95	-	-	-	-	95
Total Restricted Funds		140	443	(161)	(225)	-	197

Designated funds have been held in relation to defined benefit pension liability of £580k recognising the liability of the scheme based on alternative valuation method and campus development plan of £1,000k based on significant programme of infrastructure modernisation.

Restricted Fund balances are only shown where there are either a) specific clauses within the basis of agreement on which the donation or grant was received; or b) where a building project is under construction, in this case specific grants/donations will not be transferred to unrestricted funds until the building is completed. In all other cases it is taken that the purchase of the specified item meets any restriction placed on the funds by the donor.

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- iii. Minibus - Purchase of new College minibus for use by citizens and learners.
- iv. Newstart Hall Project - multi-purpose area for a café; sports activities; theatre and creative arts.
- v. Recovery College - Ongoing resources to assist people getting back into employment.
- vi. Woodlands Project - Fully accessible forest adventure zone for learners and the larger community.
- vii. Ian Karten Trust - Smart home building for use by citizens and learners.
- viii. Trade Centre - Educational area providing practical vocational skills.
- ix. Farm - Redevelopment of Farm area accessible by staff, learners and citizens.
- x. Sensory Gardens - External area in Education facility providing calm area and general horticulture skills.
- xii. Scholarship Fund - cash funds are held for the specific purpose of supporting students.

PORTLAND COLLEGE

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

24. FUND RECONCILIATION

FUND RECONCILIATION		Balance					Balance
Group (Prior Year)		1st September	Incoming	Resources		Gains /	31st August
	Note	2020	Resources	Expended	Transfers	(Losses)	2021
		£'000	£'000	£'000	£'000	£'000	£'000
(a)	Unrestricted Funds						
	Unrestricted	10,884	11,600	(10,815)	117	(60)	11,726
	Designated:						
	Capital commitments						
	(other than from restricted funds)						
	Future Projects:						
	Defined Benefit Pension Scheme						
	Liability	600	-	-	-	-	600
	Campus Development Plan	500	-	-	-	-	500
	Total Unrestricted Funds	11,984	11,600	(10,815)	117	(60)	12,826
(b)	Restricted Funds						
	Specific Grants and Donations:						
	ESFA School Condition Allocatic	i.	-	129	(129)	-	-
	Ian Karten Trust	ii.	14	-	-	-	14
	Minibus	iii.	-	2	-	-	2
	Outram Street	iv.	77	-	(105)	28	-
	Disability Employment	v.	-	-	(15)	15	-
	Newstart Hall Project	vi.	126	638	(670)	(65)	29
	Recovery College	vii.	51	-	(8)	(43)	-
	Woodlands Project	viii.	-	18	-	(18)	-
	Other Donations:						
	Legacy - Communications		15	23	(15)	(23)	-
	Equipment - Various		11	-	-	(11)	-
	Scholarship Fund	ix.	95	-	-	-	95
	Total Restricted Funds		389	810	(942)	(117)	140

Restricted Fund balances are only shown where there are either a) specific clauses within the basis of agreement on which the donation or grant was received; or b) where a building project is under construction, in this case specific grants/donations will not be transferred to unrestricted funds until the building is completed. In all other cases it is taken that the purchase of the specified item meets any restriction placed on the funds by the donor.

- ESFA School Condition Allocation - the grant was received to support upkeep of College buildings and equipment
- Ian Karten Trust - the grant was provided to cover the implementation of mobile learning projects. There is a 5 year reducing balance restriction on this grant.
- Outram Street project relates to a legacy of cash and a building to provide employment support and advice in Sutton in Ashfield, this opened October 2018.
- Disability Employment - income for citizens and learners to assist in work and work placements.
- Newstart Hall Project - has replaced the original Sports complex, whose aim is to convert our existing Newstart Hall in order to provide a multi-purpose area for a café, sports activities, theatre and creative arts.
- Recovery College is part of the Outram Street project providing the resources and training to assist people getting back into employment.
- Woodlands Project to build an activity centre on the land for use of citizens, learners, local schools and business. This will include a climbing wall, zip wire and outdoor activities.
- Scholarship Fund - cash funds are held for the specific purpose of supporting students.

PORTLAND COLLEGE

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

25. FUND RECONCILIATION

Charity (Prior Year)

	Balance 1st September 2020 £'000	Incoming Resources £'000	Resources Expended £'000	Transfers £'000	Gains / (Losses) £'000	Balance 31st August 2021 £'000
Note						
(a) Unrestricted Funds						
Unrestricted	10,884	10,944	(10,060)	117	(60)	11,825
Designated:						
Capital commitments (other than from restricted funds)						
Future Projects:						
Defined Benefit Pension Scheme Liability	600	-	-	-	-	600
Campus Development Plan	500	-	-	-	-	500
Total Unrestricted Funds	11,984	10,944	(10,060)	117	(60)	12,925
(b) Restricted Funds						
Specific Grants and Donations:						
ESFA School Condition Allocatic i.	-	129	(129)	-	-	-
Ian Karten Trust ii.	14	-	-	-	-	14
Minibus iii.	-	2	-	-	-	2
Outram Street iv.	77	-	(105)	28	-	-
Disability Employment v.	-	-	(15)	15	-	-
Newstart Hall Project vi.	126	638	(670)	(65)	-	29
Recovery College vii.	51	-	(8)	(43)	-	-
Woodlands Project viii.	-	18	-	(18)	-	-
Other Donations:						
Legacy - Communications	15	23	(15)	(23)	-	-
Equipment - Various	11	-	-	(11)	-	-
Scholarship Fund ix.	95	-	-	-	-	95
Total Restricted Funds	389	810	(942)	(117)	-	140

Restricted Fund balances are only shown where there are either a) specific clauses within the basis of agreement on which the donation or grant was received; or b) where a building project is under construction, in this case specific grants/donations will not be transferred to unrestricted funds until the building is completed. In all other cases it is taken that the purchase of the specified item meets any restriction placed on the funds by the donor.

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- Outram Street project relates to a legacy of cash and a building to provide employment support and advice in Sutton in Ashfield, this opened October 2018.
- Disability Employment - income for citizens and learners to asset in work and work placements.
- Newstart Hall Project - has replaced the original Sports complex, who's aim is to convert our existing Newstart Hall in order to provide a multi-purpose area for a café, sports activities, theatre and creative arts.
- Recovery College is part of the Outram Street project providing the resources and training to asset people getting back into employment.
- Woodlands Project to build an activity centre on the land for use of citizens, learners, local schools and business. This will include a climbing wall, zip wire and outdoor activities.
- Scholarship Fund - cash funds are held for the specific purpose of supporting students.

PORTLAND COLLEGE

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

26. CAPITAL COMMITMENTS **Group & Charity**

Capital Expenditure committed to but not provided for in these financial statements:

	2022	2021
	£'000	£'000
Goodwin Building Works	37	-
Network Switch Upgrade	10	-
Fortimail Upgrade	20	-
Minibus	78	-
	145	-

27. FINANCIAL COMMITMENTS **Group & Charity**

At 31 August 2022 the Group had total commitments under operating leases expiring as follows:

	<u>Equipment</u>	
	2022	2021
	£'000	£'000
Copier Leases		
Expiring : Within One Year	22	6
Within Two to Five Years	-	6
Over Five Years	-	-
	22	12

28. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

GROUP	2022	2021
	£'000	£'000
Net Income/(Expenditure) before Actuarial Gains	611	653
Amortisation	61	48
Depreciation	951	806
Interest Received	(13)	(36)
Loss / (Gains) on Disposal of Fixed Assets	(10)	12
Post Employment Benefits Less Payments	(145)	(134)
(Increase) / Decrease in Stock	(7)	11
(Increase) / Decrease in Debtors	(2,246)	721
(Decrease)/ Increase in Creditors	(41)	255
Net Cash provided by Operating Activities	(839)	2,336

PORTLAND COLLEGE

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

29. PENSION & OTHER POST-RETIREMENT BENEFITS

Group & Charity

All pension commitments for the Group are held within the charity.

- (a) The College closed its Defined Benefit Scheme to new Members with effect from 1st January 1997 and so the use of the projected unit valuation method required by FRS102 means that the current service cost (as a proportion of Defined Benefit Member's earnings) is likely to increase as Members approach retirement. The assets of the Scheme are held separately from those of the College, being invested with Prudential Assurance.

In accordance with FRS102, the regular service cost of providing retirement benefits to employees during the period is charged to the statement of financial activities, along with a credit representing the expected return on the assets of the scheme during the period, and a charge representing the expected increase in the liabilities of the scheme during the period. The difference between the market value of assets and the present value of accrued pension liabilities is shown as an asset or liability in the balance sheet. Differences between actual and expected returns on assets during the period are recognised in the Statement of Financial Activities, together with the differences arising from changes in assumptions.

The most recent actuarial report which was produced with the effective date of 31 December 2021, showed a deficit valuation of £245k and funding level of 97%. It was agreed between the College and the Trustees of the Scheme to aim to remove the funding shortfall, as it existed at 31 December 2015. Consequently the College is contributing £218k per annum.

- (b) The College provides auto-enrolment membership of its defined contribution pension scheme to all new and existing employees. This Scheme is currently operated by Aviva (formerly Friends Life). The College will contribute an equal percentage of salary, in accordance with the employee's chosen option, up to a maximum of 6%. Contributions of £245k were made to this Scheme during the year ended 31 August 2022 (2021 - £290k). As an alternative to its own pension schemes the College contributes to other specific defined benefit schemes for certain tutors and those employed by outside agencies. The cost of those contributions during the year was £81k (2021 - £89k). Liabilities owed to these schemes at year end were £90k.

Death-in-Service Benefits are provided for all staff. The cost of the Life Assurance contributions to the College for the year was £63k (2021 - £35k).

30. FRS102 VALUATION OF DEFINED BENEFIT PENSION SCHEME

Group & Charity

An Actuarial report has been produced as at 31 August 2022 in accordance with FRS102, the details of which are set out below.

The Company sponsors the Portland College Pension Scheme, a funded defined benefit pension scheme in the UK. The scheme is set up on a tax relieved basis as a separate trust independent of the Company and is supervised by independent trustees. The trustees are responsible for ensuring that the correct benefits are paid, that the scheme is appropriately funded and that scheme assets are appropriately invested. Active members of the scheme pay contributions at the rate of 8% of salary and the Company pays the balance of the cost as determined by regular actuarial valuations. The Trustees are required to use prudent assumptions to value the liabilities and costs of the scheme whereas the accounting assumptions must be best estimates.

The results of the actuarial valuation as at 31 December 2021 have been projected to 31 August 2022 using the assumptions set out below. The figures in the following disclosures were measured using the Projected Unit Method.

	2022 %	2021 %
Liability Discount Rate	4.3	1.7
Inflation	3.5	3.1
Salary Increases	N/A	N/A
Increases to Deferred Pensions before Retirement	3.0	2.6
Increases to Pensions in Payment (5% or RPI if less)	3.4	3.1
Increases to Pensions in Payment (3.5% or RPI if less)	3.0	2.7

PORTLAND COLLEGE

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

30. FRS102 VALUATION OF DEFINED BENEFIT PENSION SCHEME (Continued)

The mortality assumptions for the scheme liabilities at 31 August 2021 were based on the S3PMA / S3PFA CMI 2020 projections with long term improvements of 1.25% pre retirement and 1% post retirement, and have continued to be used as at 31 August 2022.

Life Expectancies (in years)

	31 August 2022		31 August 2021	
	Males	Females	Males	Females
For an individual aged 65 in 2021	21.9	24.3	21.9	24.3
At age 65 for an individual aged 5 in 2021	23.2	25.7	23.2	25.7

The assets in the scheme and the expected return were:

	Assets and Liabilities at 31 August 2022	Assets and Liabilities at 31 August 2021
	£'000	£'000
Cash Accumulation Policy	6,195	7,444
Secured Pensions in Payment	1,051	1,271
Total Market Value of Assets	7,246	8,715
Present Value of Scheme Liabilities	(6,436)	(8,999)
Scheme surplus not recognised (note a)	(810)	-
Surplus/(deficit) in the Scheme	-	(284)

	2022 £'000	2021 £'000
Actual Return on Scheme Assets	(1,281)	516
Analysis of the Amount Debited to operating Net Income/Expenditure	2022 £'000	2021 £'000
Administration Expenses	70	67
Interest Cost	4	14
Actuarial (Losses)/Gains Arising on the Scheme Liabilities	2,230	7
Actual return on assets less interest	(1,281)	516
Scheme surplus not recognised (note a)	(810)	-
Actuarial (Loss)/Gain Recognised in ORGL	139	523
Cumulative Actuarial Loss Recognised in ORGL	(1,810)	(1,949)

Note a

In line with the specific criteria set out in FRS102 regarding the recognition of a surplus in the scheme, as there is no certainty that the College will be able to recover the surplus in the Scheme either through reduced contributions in the future or through refunds from the Scheme, the surplus in the Scheme at 31 August 2022 has been reduced to £Nil.

	2022 £'000	2021 £'000
Movement in Liabilities During the Year		
Scheme liabilities at beginning of year	(8,999)	(9,542)
Movement in Year:		
Interest Cost	(150)	(145)
Benefits Paid	483	681
Actuarial (Loss)/Gain	2,230	7
Scheme Liabilities at End of Year	(6,436)	(8,999)

PORTLAND COLLEGE

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

30. FRS102 VALUATION OF DEFINED BENEFIT PENSION SCHEME (Continued)

	2022 £'000	2021 £'000
Movement in Assets During the Year:		
Scheme Assets at Beginning of Year	8,715	8,601
Movement in Year:		
Actuarial (Loss)/Gain	(1,281)	516
Employer Contributions	219	215
Employee Contributions	-	-
Benefits Paid	(483)	(681)
Administration expenses	(70)	(67)
Interest income	146	131
Scheme Assets at End of Year	7,246	8,715
History of Amounts for Current and Previous Accounting Period:		
	2022 £'000	2021 £'000
Scheme Liabilities Amount	(6,436)	(8,999)
Scheme Assets Amount	7,246	8,715
Scheme surplus not recognised	(810)	-
Surplus / (Deficit) Amount	-	(284)

31. LEGAL STATUS OF THE CHARITY

The College is a Company Limited by Guarantee and without share capital incorporated in the United Kingdom. The liability of Members is limited to £10 each in the unlikely event of the Company being 'wound-up'.

32. ULTIMATE CONTROLLING PARTY

The Directors consider that there is no ultimate controlling party.

33. RELATED PARTY TRANSACTIONS

The Charity has an 33.3% interest in an associated undertaking, Steps to Employment Limited, a company providing specialist training and rehabilitation for disabled people helping them return to sustainable employment. The company ceased trading during 2016/17 and was dissolved on the 25th October 2022.

During the year recharges from Portland College to Portland College Enterprises Limited were £208k (2021: £59k), and sales from Portland College Enterprises Limited to Portland College were £28k (2021: £nil).

During the year recharges from Portland College to Polly Teach Limited were £129k (2021 - £71k), and sales from Polly Teach Limited to Portland College were £nil (2021 - £1k).

During the year recharges from Portland College Enterprise Limited to Polly Teach Limited were £Nil (2021 - £Nil), and sales from Polly Teach Limited to Portland College Enterprises Limited were £Nil (2021 - £Nil).

As at 31 August 2022 Polly Teach Limited owed Portland College £227k and Portland College owed Polly Teach Limited £nil. Portland College Enterprises Limited owed Portland College £336k and Portland College owed Portland College Enterprises Limited £31k.

PORTLAND COLLEGE

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

34. ACQUISITION OF POLLY TEACH LIMITED

On the 16 September 2020 Portland Enterprises acquired 75% of the share holding in Polly Teach Limited, a private Limited company based in Kirkby in Ashfield, Nottinghamshire providing alternative education to local authorities and schools across Nottinghamshire and Derbyshire. There was a put and call option in place to purchase the remaining 25% of shares in August 2022. The put and call option was exercised at 1st July 2022, and Portland now owns 100% of the shareholding. The initial purchase price was £450,000 of which £350,000 was payable on completion with two further instalments of £50,000 each in September 2021 and August 2022. The College agreed a further £240k in relation to the final 25% share.