

PORTLAND COLLEGE
(A Company Limited by Guarantee)
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

PORTLAND COLLEGE
(A Company Limited by Guarantee)

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PORTLAND COLLEGE
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2023**

Trustees	Mr T Richmond, Chairman (resigned 26 April 2023) Dr D Green, Chairman/Vice Chairman Mr M Briggs, Vice Chairman Mr P Emerson, Vice Chairman Mr D Dowbenko (appointed 18 July 2023) Mrs S Egley Mrs J Butler Mrs A Farr Professor D Fathers Mrs D Jackson (appointed 25 January 2023) Mr S Jackson Mrs J Murray (appointed 2 November 2022) Mr D Sneath (resigned 26 April 2023) Councillor S Deakin, Co-opted member Ms H M Cooper (appointed 24 January 2024)
Patron:	Her Majesty The Queen (1974-2022)
President:	Mrs A Swan Parente MBE DL
Vice Presidents:	Mr K McDonald Mrs D McDonald Mrs H P Matheson DL Professor C O'Brien OBE
Company registered number	00408340
Charity registered number	214339
Registered office	Nottingham Road Mansfield Nottinghamshire NG18 4TJ
Company secretary	Mrs L Kenwright (until 14 August 2023) Mr I Cowin (from 14 August 2023)
Chief executive officer	Dr M Dale
Independent auditor	Cooper Parry Group Limited Statutory Auditor Argosy Road East Midlands Airport Castle Donington Derby DE74 2SA
Bankers	HSBC Bank plc 1 St. Peter's Street Derby DE1 2AE

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Solicitors

Freeth's LLP
Cardinal Square
2nd Floor, West Point
10 Nottingham Road
Derby
DE1 3QT

Insurance brokers

Hettle Andrews & Associates Limited
9th Floor, Eleven Brindley Place
2 Brunswick Square
Brindley Place
Birmingham
B1 2LP

PORTLAND COLLEGE
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees present their annual report together with the audited financial statements of the Company for the year 1 September 2022 to 31 August 2023. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019). The strategic report required under company law is included in this 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 Enterprises Limited. All income, expenditure and balance sheets have been consolidated into the Portland College accounts, with explanatory notes.

Objectives and activities

a. Policies and objectives

Portland College 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, Portland Pathways and the fully inclusive Woodland Adventure Zone. In 2022-23, there were a number of commercial activities including lettings and hospitality functions.

Polly Teach Limited 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.

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TRUSTEES' REPORT (CONTINUED)
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Objectives and activities (continued)

b. Volunteers

Portland values the significant contributions from approximately 37 volunteers who support in a variety of roles, including learning and care support, catering, estates maintenance, administration and minibuss 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

a. Review of activities

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.

Learning and teaching

During 2022-23, funded learner numbers stabilised at around 221 and success rates for these learners on accredited qualifications continued to show that good progress has been made in line with goals and aspirations.

The College was inspected by Ofsted in January 2023 and received an overall Outstanding assessment with an outstanding verdict in each category. This is the culmination of years of hard work by the learning and teaching team and it is gratifying that every aspect of the learners' journey has been recognised in this way.

We have invested resources in new teaching facilities and will continue to invest in a new trades centre in 2024. The Be Healthy Active and Courageous project supports our aim to improve health and wellbeing. We recognise that mental ill health is a growing challenge for our learners and this initiative will embed support for learners in this area.

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.

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 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

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FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report (continued)

Achievements and performance (continued)

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 hubs 5 days a week from 3 venues in Mansfield and Ravenshead.

We have expanded residential learner numbers and have consequently required additional care staff. We have relied on agency more than we would like to cover vacancies and have had a concerted effort to accelerate staff recruitment through more flexible staffing rotas and competitive pay. We have sourced new rota management software and are recruiting a dedicated operations manager. We have applied to the Home Office for the Health Care Sponsor Visa Licence and are implementing a career development pathway for care staff.

We have clearly evident elements of outstanding practice within our day-to-day operations and recorded examples of staff going above and beyond at personal cost and sacrifice to maintain person-centred care for our beneficiaries. We are using an education framework to record progress by our Independent Living citizens but are hampered by the lack of suitable move on opportunities for these citizens.

Polly Teach Limited

The school was inspected by Ofsted in the summer of 2023 and achieved a 'Good' with areas of outstanding practice, including outstanding in personal development.

Leaders have provided a bespoke curriculum for each individual and have designed a well-planned and structured curriculum; it sets out what pupils are expected to achieve across all subjects, including vocational subjects, and the curriculum is implemented well.

The establishment of the KS2 programme and the increase in referrals of pupils with high SEND needs have occurred this year. With this in mind, the school has prioritised reading as a focus, including guided reading sessions at every centre each week.

b. Fundraising activities and other matters

The fundraising team continues to raise funds via applications to trusts, individuals, organisations, and by organising a number of countywide fundraising events throughout the year.

Fundraising targets are project-based and change each year to align with the strategic plan. The team achieved target again this year, with charitable income grants totalling £631k during 2022-23 (£506k in 2021/22). There were also large-scale financial pledges to support the new manufacturing centre which will be completed in 23/24. Key fundraising projects in 22/23 were for Donkey Therapy, Woodland Adventure Zone, the Manufacturing Centre and Portland Pathways.

As Portland Pathways continues to expand, so does its impact. The service received 355 referrals (304 in 2022), supported 67 people into work (53 in 2022) and enrolled 198 participants onto the Rebuild Mental Health course (133 in 2022). Total revenue received in 22/23 was £178k.

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Strategic report (continued)

Financial review

a. Group operating results

The net income before other recognised gains and losses for the year ended 31 August 2023 was a surplus of £213k (£613k in 2022).

The College operated at a surplus of £1,266k (£1,697k in 2022) before the non-cash items of depreciation and amortisation. This, therefore, represents the College's EBITDA (Earnings before Interest, Taxes, Depreciation and Amortisation) result for the year.

b. 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 2023 were £12,042k (2022: £11,654k).

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, or fixed assets. General College funds of £12,042k (note 22) less fixed assets of £9,613k (notes 15 and 16) equates to Free Reserves of £2,429k. The Designated Funds as at 31 August 2023 total £1,000k (£1,580k as at 31 August 2022) and are for future projects. They are listed in Note 22 of the Financial Statements. 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 £3,751k as at 31 August 2023 (2022: £3,060k). The current level of Free Reserves is lower than 3 months expenditure, however the Directors undertake regular reviews of the level of Reserves and they are satisfied that the current level meets College requirements.

c. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

d. Material investments 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 £761k as at the Balance Sheet date 31st August 2023 (2022: £1,500k) and Cash at Bank on Deposit stood at £2,915k (2022: £1,498k). Total cash and cash equivalents at bank increased by £1,417k during the year, mainly due to temporary working capital fluctuations.

The annual return on investments and Cash at Bank was £68k (2022: £13k).

e. Principal risks and uncertainties

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

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

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

- 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 and consequent reliance on agency staff.
- Water leaks as a result of ageing infrastructure leading to significant operational disruption and increased costs.
- Price and wage inflation leading to financial instability.

f. Principal 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.

g. Fixed assets

Changes in Fixed Assets are shown in Note 16 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.

Structure, governance and management

a. Constitution

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.

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

b. Organisational structure and decision-making policies

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

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Structure, governance and management (continued)

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 2022-23, the breadth of Board expertise available to the College is described below:

Dawn Green BSc (Hons) PhD CertEd PGDip FSET – Chair of Governors

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 Development Co-ordinator, Natspec's Quality Improvement Lead and also provides quality improvement consultancy services for specialist further education colleges.

Timothy S Richmond OBE TD DL FCA CCMI (Hon) DBA – Chair of Governors Retired by rotation 26th April 2023

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.

Stephen Jackson – FCMA GCMA

First Chair of Oversight of Finance Group. Stephen joined the Board in 2019. He is a commercially focused Executive with global experience and Chairs the Audit Committee. He has over 30 years board level experience at both Executive and Non-Executive level.

David Sneath MA(Cantab) TD DL – Chair of Remuneration Committee Resigned 26th April 2023

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.

Peter Emerson DL – Vice Chair, Chair of Estates Planning Group

Peter joined the Board in 2017. Peter retired as Chief Operating Officer of Severfield PLC and Managing Director of Watson Steel in 2013. Retired November 2023 from being a consultant in the construction industry and from Laing O'Rourke Limited.

Professor Dean Fathers DL – Chair of Remuneration Committee

Dean joined the Board in 2017 when he was Chair of NHS ULHT and Nottinghamshire Healthcare NHS Foundation Trust. He currently holds Non-Executive Board appointments with the Parliamentary and Health Services Ombudsman (where he is Chair of the Quality Committee) and the Academy for Health Care Science (where he is Chair of the Life Sciences Steering Group). He is also a Trustee of the Charity Care After Combat, Chair of the Midlands Engine's Health Care and Life Science Board and Independent Chair of Quality Safety and Risk at Voyage Care. In addition, Dean holds Honorary Visiting Professor roles with the Universities of Nottingham and Lincoln.

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) Health Care Practice & MAML, Management and Leadership; Lead Governor for Safeguarding

Sarah joined the Board in 2018. She is Assistant Director Quality Improvement, Innovation and Assurance for Derbyshire Community Health Services NHS Trust. Sarah also has held the position of interim Deputy Chief Nurse in 2023. Sarah brings a wide breadth of experience from operational nursing and leadership roles, within

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Structure, governance and management (continued)

a variety of clinical services. Sarah, has taught in academic setting as an Associate Lecture. She has worked in acute and community settings as well as supporting integration workstreams bringing services from health and social care together. Sarah leads on quality improvement, innovation and assurance as well as creating system resilience in local and organisational-wide development.

Mark Briggs - Vice Chair

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

June Murray Chair of Oversight of Standards Committee Appointed 2nd November 2022

June joined the Board in November 2022 and has extensive experience working in specialist further education at RNIB College Loughborough (now known as Sense College Loughborough) for the past twenty-nine years as both Assistant Principal and College Principal.

Dianne Jackson Chair of Audit Committee Appointed 25th January 2023

Dianne joined the Board in January 2023 and has been an external advisor to the OFG since 2019. Dianne is an experienced Finance Director with extensive knowledge and experience from working in the Education Sector for over 25 years. Dianne is a non-executive director of a housing association and also Chair of Notts County Foundation who are the independent charitable arm of Notts County Football Club.

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.

David Dowbenko BSc(Hons) MSc Appointed 18 July 2023

David joined the Board in July 2023. He has over 30 years' experience of local government, across a number of functions. Much of this has been in management roles associated with change and modernisation, including the provision of school transport for pupils with special educational needs and disabilities. David is involved with the Ukrainian Cultural Centre in Nottingham, where he is Head of the Audit Committee. He is also Chair Elect of the North Staffordshire Community Rail Partnership.

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.

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TRUSTEES' REPORT (CONTINUED)
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Structure, governance and management (continued)

c. Senior team remuneration statement and Senior post holders within the remit of Remuneration Committee

This statement is published by the Board of Governors of Portland College for the financial year 2022-23, informed by the Association of Colleges' Senior Postholder Remuneration Code.

Principal & Chief Executive Officer	Mark Dale
Deputy Principal Quality & Further Education	Angela Newton-Soanes
Assistant Principal Corporate Services	Lisa Kenwright (to August 23)
Assistant Principal Care & Designated Safeguarding Lead	Ike Onwukwe
Assistant Principal Development	Edward Johnstone
Assistant Principal Schools	Shaun Pollard

d. 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 the 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 9.68% for senior post-holders from 1st April 2023. Cost of living rise for other staff was also 9.68%. In 2022-23, no exceptional performance bonuses were paid to senior post-holders.

e. 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
31st August 2023	5.41 (5.41 in 2022)	£20,319

f. 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 2022-23, the Deputy Principal retained external earnings from 10 days work as an Ofsted Inspector.

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Structure, governance and management (continued)

g. 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 381 full-time equivalent people during the year, compared with 326 in 2021-22.

h. Trustees' indemnities

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 £9,114 (2022: £9,202). 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.

Plans for future periods

The Board of Governors has 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 a communal residential block to 15 modern en suite rooms with bespoke communal areas for additional residential students to meet higher demand.
- Purchase of a community building in Nottingham as a site for expansion of activities for further education and Polly Teach.
- Redesign of the small animal farm and horticulture areas. The current facilities range between 10 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.

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Plans for future periods (continued)

- Investment in energy generation and lower carbon heating technologies to support a drive toward Net Zero in Scope 1 emissions by 2035.

We will continue to seek opportunities to open additional hubs across the local area closer to the homes and work opportunities for citizens. We will also look to collaborate with good quality organisations supporting disabled people.

In 2024 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 Trustees' responsibilities

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' Report including the 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 Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the 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 Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

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

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


Auditor

The auditor, Cooper Parry Group Limited, has indicated his willingness to continue in office. The designated Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

PORTLAND COLLEGE
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Approved by order of the members of the board of Trustees on 24 April 2024 and signed on their behalf by:

DocuSigned by:

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Dr D Green
Director

PORTLAND COLLEGE
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PORTLAND COLLEGE

Opinion

We have audited the financial statements of Portland College (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

PORTLAND COLLEGE
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PORTLAND COLLEGE (CONTINUED)

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

PORTLAND COLLEGE
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PORTLAND COLLEGE (CONTINUED)

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.

PORTLAND COLLEGE
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PORTLAND COLLEGE (CONTINUED)

Use of our report

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

Simon Atkins FCA (Senior Statutory Auditor)

for and on behalf of

Cooper Parry Group Limited

Statutory Auditor

Argosy Road

East Midlands Airport

Castle Donington

Derby

DE74 2SA

Date:

PORTLAND COLLEGE
(A Company Limited by Guarantee)

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

		Restricted funds 2023 £000	Unrestricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
	Note				
Income from:					
Donations and legacies	4	618	13	631	506
Charitable activities	5	-	13,341	13,341	11,213
Other trading activities	6	-	2,193	2,193	2,130
Investments	7	-	106	106	13
Total income		618	15,653	16,271	13,862
Expenditure on:					
Raising funds		-	97	97	95
Charitable activities	8	70	13,465	13,535	10,986
Other expenditure	9	161	2,265	2,426	2,168
Total expenditure		231	15,827	16,058	13,249
Net income/(expenditure)		387	(174)	213	613
Transfers between funds	22	(157)	157	-	-
Net movement in funds before other recognised gains/(losses)		230	(17)	213	613
Other recognised gains/(losses):					
Actuarial (losses)/gains on defined benefit pension schemes	29	-	(175)	(175)	139
Net movement in funds		230	(192)	38	752
Reconciliation of funds:					
Total funds brought forward		197	13,234	13,431	12,679
Net movement in funds		230	(192)	38	752
Total funds carried forward		427	13,042	13,469	13,431

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

The notes on pages 22 to 51 form part of these financial statements.

PORTLAND COLLEGE
(A Company Limited by Guarantee)
REGISTERED NUMBER: 00408340

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023 £000	2022 £000
Fixed assets			
Intangible assets	15	383	438
Tangible assets	16	9,230	9,542
		9,613	9,980
Current assets			
Stocks	18	19	25
Debtors	19	2,348	2,793
Investments	20	761	1,500
Cash at bank and in hand		2,915	1,498
		6,043	5,816
Creditors: amounts falling due within one year	21	(2,187)	(2,365)
Net current assets		3,856	3,451
Total assets less current liabilities		13,469	13,431
Defined benefit pension scheme asset	29	-	-
Total net assets		13,469	13,431
Charity funds			
Restricted funds	22	427	197
Unrestricted funds			
Designated funds	22	1,000	1,580
General funds	22	12,042	11,654
Total unrestricted funds	22	13,042	13,234
Total funds		13,469	13,431

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

DocuSigned by:

Dawn Green

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Dr D Green

Director

Date: 24 April 2024

The notes on pages 22 to 51 form part of these financial statements.

PORTLAND COLLEGE
(A Company Limited by Guarantee)
REGISTERED NUMBER: 00408340

COMPANY BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023 £000	2022 £000
Fixed assets			
Tangible assets	16	9,138	9,510
Investments	17	450	450
		<u>9,588</u>	<u>9,960</u>
Current assets			
Stocks	18	12	16
Debtors	19	2,252	2,421
Investments	20	761	1,500
Cash at bank and in hand		2,571	1,306
		<u>5,596</u>	<u>5,243</u>
Creditors: amounts falling due within one year	21	(1,953)	(1,943)
Net current assets		3,643	3,300
Defined benefit pension scheme asset	29	-	-
Total net assets		<u><u>13,231</u></u>	<u><u>13,260</u></u>
Charity funds			
Restricted funds	22	427	197
Unrestricted funds:			
Designated funds	22	1,000	1,580
General funds	22	11,804	11,483
Unrestricted funds excluding pension asset	22	12,804	13,063
Total unrestricted funds	22	<u>12,804</u>	<u>13,063</u>
Total funds		<u><u>13,231</u></u>	<u><u>13,260</u></u>

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

DocuSigned by:

Dawn Green

EA2C6DBE3D14455...

Dr D Green

Director

Date: 24 April 2024

The notes on pages 22 to 51 form part of these financial statements.

PORTLAND COLLEGE
(A Company Limited by Guarantee)

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

	2023 £000	2022 £000
Cash flows from operating activities		
Net cash used in operating activities	1,295	(838)
Cash flows from investing activities		
Interest received	68	13
Proceeds from the sale of tangible fixed assets	-	22
Purchase of subsidiary net of cash acquired	-	(65)
Purchase of tangible fixed assets	(685)	(577)
Net cash used in investing activities	(617)	(607)
Cash flows from financing activities		
Net cash provided by financing activities	-	-
Change in cash and cash equivalents in the year	678	(1,445)
Cash and cash equivalents at the beginning of the year	2,998	4,443
Cash and cash equivalents at the end of the year	<u>3,676</u>	<u>2,998</u>

The notes on pages 22 to 51 form part of these financial statements

PORTLAND COLLEGE
(A Company Limited by Guarantee)

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

1. General information

The College is a Company Limited by Guarantee and without share capital incorporated in the United Kingdom. The College's registered address is Nottingham Road, Mansfield, Nottinghamshire, NG18 4TJ.

The financial statements are prepared in Sterling which is the functional currency of the College and are rounded to the nearest £000.

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:

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

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

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

2.2 Going concern

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. 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 Group to be able to continue as a going concern.

2.3 Income

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

For donations to be recognised the Group 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 Group and it is probable that they will be fulfilled.

PORTLAND COLLEGE
(A Company Limited by Guarantee)

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

2. Accounting policies (continued)

2.3 Income (continued)

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 Group has control over the item. Fair value is determined on the basis of the value of the gift to the Group. For example, the amount the Group would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

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 Group are included in stock and donations in the financial statements upon receipt. If it is impractical 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 is 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 impractical 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 Group 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 Group 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 Group. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

The Group receives government grants from the Education and Skills Funding Agency (ESFA). Income from government and other grants is recognised at fair value when the Group 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.

PORTLAND COLLEGE
(A Company Limited by Guarantee)

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

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised on an accruals basis once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources or other basis as detailed in Note 10.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

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

Other expenditure represents those items not falling into the categories above.

All expenditure is inclusive of irrecoverable VAT.

2.5 Interest receivable

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

2.6 Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

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 the liability is based on the result for the year as adjusted for disallowable items.

PORTLAND COLLEGE
(A Company Limited by Guarantee)

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

2. Accounting policies (continued)

2.7 Intangible assets and amortisation

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 company acquired on the date of acquisition. Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Amortisation is provided on the following basis:

Goodwill	- 10 %
----------	--------

2.8 Tangible fixed assets and depreciation

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Items below this threshold are capitalised and recognised when part of a larger project spend.

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

Assets in the course of construction are included at costs incurred to date. Depreciation on these assets is not charged until they are brought into use.

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

The estimated useful lives range as follows:

Freehold property	- 10 - 40 years (see Note 1)
IT network	- 7 years
Motor vehicles	- 5 years
Production/Technical Equipment-	5 years
Computer equipment	- 5 years
Other furniture and equipment	- 5 years

Note 1 - Note that freehold property also includes the cost of building improvements and refurbishment projects. The life expectancy of each building is assessed individually.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Financial Activities.

PORTLAND COLLEGE
(A Company Limited by Guarantee)

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

2. Accounting policies (continued)

2.9 Investments

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

Investments in subsidiaries are valued at cost less provision for impairment.

Current asset investments are medium-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.

2.10 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and is calculated using the first-in, first-out method. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

Donated stocks are fair valued as described in 2.2 above.

2.11 Debtors

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

2.12 Cash at bank and in hand

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

2.13 Liabilities

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

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

2.14 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2.15 Operating leases

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

PORTLAND COLLEGE
(A Company Limited by Guarantee)

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

2. Accounting policies (continued)

2.16 Employee benefits including pensions

When employees have rendered service to the Group, 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.

Redundancy and termination payments are recognised within the year the redundancy or termination is announced or agreed.

The Group operates a defined contribution pension scheme for the benefit of its employees. The pension charge represents the amounts payable by the Group to the scheme in respect of the year.

The Group also provides retirement benefits to certain employees through the Teachers' Pension Scheme ("TPS"), which is a defined benefit schemes. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the charitable Company in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The Group also operates a defined benefit scheme for the benefit of certain of its employees. This scheme was closed to new members with effect from 1 January 1997. Where Group obligations exceed scheme assets, a liability for the Group's obligations under the scheme is recognised net of scheme assets. Where scheme assets exceed the Group's obligations, the asset value is restricted and the surplus is not recognised. The net change in the net defined benefit asset/liability is recognised as the cost of the defined benefit scheme during the period as is charged to cost headings, on a pro rata basis based on full time equivalent employees, and actuarial gains/losses. The total cost is recognised in unrestricted funds. Pension scheme 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 Group's defined benefit scheme are shown in note 29.

2.17 Fund accounting

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

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 Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

PORTLAND COLLEGE
(A Company Limited by Guarantee)

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

3. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the defined benefit pension scheme depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 29, will impact the carrying amount of the pension scheme. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 December 2021 has been used by the actuary in valuing the pension scheme at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension scheme.

To the extent there is a surplus in the Defined Benefit Pension Scheme at the Balance Sheet date, there is significant judgment needed in assessing whether the surplus should be recognised as a pension asset or whether the surplus should be restricted to some level or in total. This assessment will need to consider whether the Group, as the employer, has an unconditional right to a refund of the surplus in the scheme and whether there is an economic accounting benefit available to the Group as a contribution reduction. The impact of these assessments on the extent to which the scheme surplus has been recognised as a pension asset at the Balance Sheet date is set out in note 29.

Tangible fixed assets are depreciated over their economic useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

Critical areas of judgment:

The Group obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Group to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

PORTLAND COLLEGE
(A Company Limited by Guarantee)

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

4. Income from donations and legacies

	Restricted funds 2023 £000	Unrestricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Donations	156	13	169	232
Legacies	-	-	-	6
Grants	462	-	462	268
	<u>618</u>	<u>13</u>	<u>631</u>	<u>506</u>
Total 2022	<u>443</u>	<u>63</u>	<u>506</u>	

5. Income from charitable activities

	Unrestricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Educational fees	7,733	7,733	6,803
Residential fees	5,401	5,401	4,106
Other fees	207	207	304
Total 2023	<u>13,341</u>	<u>13,341</u>	<u>11,213</u>
Total 2022	<u>11,213</u>	<u>11,213</u>	

PORTLAND COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

6. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Other trading income	579	579	602
Portland Print	1	1	120
Polly Teach Limited	1,613	1,613	1,408
	<hr/> 2,193 <hr/>	<hr/> 2,193 <hr/>	<hr/> 2,130 <hr/>

All of the above income in 2022 was distributable to unrestricted funds.

7. Investment income

	Unrestricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Interest on cash deposits	68	68	13
Pension income	38	38	-
	<hr/> 106 <hr/>	<hr/> 106 <hr/>	<hr/> 13 <hr/>

All of the above income in 2022 was distributable to unrestricted funds.

PORTLAND COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

8. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2023 £000	Unrestricted funds 2023 £000	Total 2023 £000	Total 2022 £000
Education	70	6,299	6,369	5,780
Care & Support	-	7,001	7,001	5,068
Administrative expenses	-	165	165	138
Total 2023	<u>70</u>	<u>13,465</u>	<u>13,535</u>	<u>10,986</u>
Total 2022	<u>400</u>	<u>10,586</u>	<u>10,986</u>	

9. Other expenditure

	Restricted funds 2023 £000	Unrestricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Other trading	161	2,210	2,371	2,107
Amortisation	-	55	55	61
	<u>161</u>	<u>2,265</u>	<u>2,426</u>	<u>2,168</u>
Total 2022	<u>-</u>	<u>2,168</u>	<u>2,168</u>	

PORTLAND COLLEGE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

10. Analysis of expenditure by activities

	Activities undertaken directly 2023 £000	Support costs 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Education	4,004	2,365	6,369	5,780
Care & Support	4,608	2,393	7,001	5,068
Administrative expenses	-	165	165	138
Total 2023	<u>8,612</u>	<u>4,923</u>	<u>13,535</u>	<u>10,986</u>
Total 2022	<u>6,953</u>	<u>4,033</u>	<u>10,986</u>	

Analysis of support costs

	Education 2023 £000	Care & Support 2023 £000	Administrative expenses 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Depreciation	446	452	84	982	951
Corporate services	880	893	38	1,811	1,325
Learner support	1,039	1,048	43	2,130	1,757
	<u>2,365</u>	<u>2,393</u>	<u>165</u>	<u>4,923</u>	<u>4,033</u>
Total 2022	<u>2,134</u>	<u>1,760</u>	<u>139</u>	<u>4,033</u>	

Depreciation has been allocated based on the asset location, corporate services costs have been allocated based on FTEs and learner support costs have been allocated based on area/usage.

11. Governance costs

	Group 2023 £000	Group 2022 £000
Auditor's remuneration	43	40
Other professional costs	57	74
	<u>100</u>	<u>114</u>

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

12. Auditor's remuneration

	2023 £000	2022 £000
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts and Subsidiaries annual accounts	32	31
Fees payable to the Charity's auditor in respect of:		
All taxation advisory services not included above	5	5
Review and certification of the Teachers' Pension Scheme EOYC return	1	1
All other non-audit services not included above	5	-
	<u>5</u>	<u>-</u>

13. Staff costs

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Wages and salaries	10,745	8,780	9,723	7,915
Social security costs	733	585	649	529
Pension costs	201	145	184	133
	<u>11,679</u>	<u>9,510</u>	<u>10,556</u>	<u>8,577</u>

During the year, redundancy and termination costs totalled £87k (2022: £45k). These costs were in respect of seven former employees (2022: four).

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

	Group 2023 No.	Group 2022 No.
Education	203	170
Care & Support	152	160
General Learner Support	54	49
Corporate Services	21	26
Trading Activities	5	11
Fundraising	2	2
	<u>437</u>	<u>418</u>

In addition a total of 37 (2022: 45) volunteers made a contribution to the College in a variety of different ways.

PORTLAND COLLEGE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

13. Staff costs (continued)

The average Group headcount expressed as full-time equivalents was:

	Group 2023 No.	Group 2022 No.
Education	170	128
Care & Support	137	129
General Learner Support	47	44
Corporate Services	21	21
Trading Activities	4	2
Fundraising	2	2
	<u>381</u>	<u>326</u>

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

	Group 2023 No.	Group 2022 No.
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	1	-
In the band £100,001 - £110,000	1	1

The College considers its key management personnel to comprise the Senior Management Team as detailed in the Trustees' report. The total employment benefits including employer pension contributions and employer national insurance of the key management personnel were £552k (2022: £440k).

14. Trustees' remuneration and expenses

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

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

PORTLAND COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

15. Intangible assets

Group

	Goodwill £000
Cost	
At 1 September 2022	547
At 31 August 2023	547
Amortisation	
At 1 September 2022	109
Charge for the year	55
At 31 August 2023	164
Net book value	
At 31 August 2023	383
At 31 August 2022	438

PORTLAND COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

16. Tangible fixed assets

Group

	Freehold property £000	Motor vehicles £000	Fixtures and fittings £000	Assets under construction £000	Total £000
Cost or valuation					
At 1 September 2022	21,254	262	3,303	18	24,837
Additions	289	47	183	166	685
Disposals	(1,134)	-	(725)	-	(1,859)
At 31 August 2023	20,409	309	2,761	184	23,663
Depreciation					
At 1 September 2022	12,530	227	2,537	-	15,294
Charge for the year	796	19	183	-	998
On disposals	(1,134)	-	(725)	-	(1,859)
At 31 August 2023	12,192	246	1,995	-	14,433
Net book value					
At 31 August 2023	8,217	63	766	184	9,230
At 31 August 2022	8,724	35	765	18	9,542

PORTLAND COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

16. Tangible fixed assets (continued)

Company

	Freehold property £000	Motor vehicles £000	Fixtures and fittings £000	Assets under construction £000	Total £000
Cost or valuation					
At 1 September 2022	21,230	262	3,276	18	24,786
Additions	249	25	170	166	610
Disposals	(1,134)	-	(725)	-	(1,859)
At 31 August 2023	20,345	287	2,721	184	23,537
Depreciation					
At 1 September 2022	12,530	226	2,520	-	15,276
Charge for the year	787	15	180	-	982
On disposals	(1,134)	-	(725)	-	(1,859)
At 31 August 2023	12,183	241	1,975	-	14,399
Net book value					
At 31 August 2023	8,162	46	746	184	9,138
At 31 August 2022	8,700	36	756	18	9,510

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.

PORTLAND COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

17. Fixed asset investments

Company	Investments in subsidiary companies £000
Cost or valuation	
At 1 September 2022	450
	<hr/>
At 31 August 2023	450
	<hr/> <hr/>
Net book value	
At 31 August 2023	450
	<hr/>
At 31 August 2022	450
	<hr/> <hr/>

The above investments in subsidiary companies consist of 1,000 £1 ordinary shares and £449k of share premium held in Portland College Enterprises Limited.

Principal subsidiaries

The following were subsidiary undertakings of the Company:

Names	Company number	Principal activity	Holding	Included in consolidation
Portland College Enterprises Limited	06766855	Catering, functions and lettings	100%	Yes
Polly Teach Limited	09287766	Education	100%	Yes

The financial results of the subsidiaries for the year were:

Names	Income £000	Expenditure £000	Profit for the year £000
Portland College Enterprises Limited	240	211	29
Polly Teach Limited	1,613	1,456	157

**Net assets
£000**

565
431

PORTLAND COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

17. Fixed asset investments (continued)

18. Stocks

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Finished goods and goods for resale	19	25	12	16

19. Debtors

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Due within one year				
Trade debtors	1,947	2,664	1,666	1,861
Amounts owed by group undertakings	-	-	211	465
Other debtors	25	34	4	7
Prepayments and accrued income	376	95	371	88
	<u>2,348</u>	<u>2,793</u>	<u>2,252</u>	<u>2,421</u>

20. Current asset investments

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Unquoted - fixed term UK bank deposits	761	1,500	761	1,500

PORTLAND COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

21. Creditors: Amounts falling due within one year

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Trade creditors	172	390	139	281
Amounts owed to group undertakings	-	-	-	32
Corporation tax	-	56	-	-
Other taxation and social security	289	361	255	177
Other creditors	753	985	744	965
Accruals and deferred income	973	573	815	488
	<u>2,187</u>	<u>2,365</u>	<u>1,953</u>	<u>1,943</u>
			Group 2023 £000	Group 2022 £000
Deferred income at start of year			175	260
Resources deferred during the year			211	175
Amounts released from previous periods			(175)	(260)
			<u>211</u>	<u>175</u>

Deferred income consists of student fees and functions income for the following financial year.

PORTLAND COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

22. Statement of funds - Group

Statement of funds - current year

	Balance at 1 September 2022 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2023 £000
Unrestricted funds						
Designated funds						
Defined Benefit Pension Scheme Liability	580	-	137	(717)	-	-
Campus Development Plan	1,000	-	-	-	-	1,000
	<u>1,580</u>	<u>-</u>	<u>137</u>	<u>(717)</u>	<u>-</u>	<u>1,000</u>
General funds						
Unrestricted	<u>11,654</u>	<u>15,653</u>	<u>(15,964)</u>	<u>874</u>	<u>(175)</u>	<u>12,042</u>
Total Unrestricted funds	<u>13,234</u>	<u>15,653</u>	<u>(15,827)</u>	<u>157</u>	<u>(175)</u>	<u>13,042</u>

PORTLAND COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

22. Statement of funds (continued)

	Balance at 1 September 2022 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2023 £000
Restricted funds						
Ian Karten Trust - Mobile Learning	14	-	(14)	-	-	-
Minibus	41	2	-	-	-	43
Woodlands Project	17	35	(14)	-	-	38
Trade Centre	14	225	(11)	-	-	228
Farm	1	42	(43)	-	-	-
Sensory Gardens	15	-	(1)	-	-	14
Scholarship Fund	95	-	-	-	-	95
ESFA School Condition Allocation	-	157	-	(157)	-	-
Recovery College	-	146	(146)	-	-	-
Day Centre Sensory Room	-	6	-	-	-	6
Equipment - Various	-	3	-	-	-	3
Other Donations	-	2	(2)	-	-	-
	<u>197</u>	<u>618</u>	<u>(231)</u>	<u>(157)</u>	<u>-</u>	<u>427</u>
Total of funds	<u>13,431</u>	<u>16,271</u>	<u>(16,058)</u>	<u>-</u>	<u>(175)</u>	<u>13,469</u>

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NOTES TO THE FINANCIAL STATEMENTS
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22. Statement of funds (continued)

Designated Funds:

Designated funds have been held in relation to the defined benefit pension liability of £nil (2022: £580k) recognising the liability of the Scheme based on an alternative valuation method and the campus development plan of £1,000k based on a significant programme of infrastructure modernisation.

Restricted Funds:

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.

Significant Restricted Fund balances are broken down as follows:

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.

Minibus - Purchase of new College minibus for use by citizens and learners.

Woodlands Project - Fully accessible forest adventure zone for learners and the larger community.

Trade Centre - Educational area providing practical vocational skills.

Farm - Redevelopment of Farm area accessible by staff, learners and citizens.

Sensory Gardens - External area in Education facility providing calm area and general horticulture skills.

Scholarship Fund - cash funds are held for the specific purpose of supporting students.

ESFA SCA - awarded by the ESFA to help maintain and improve the condition of the College buildings and grounds.

Recovery College - part of the Outram Street project providing the resources and training to assist people getting back into employment.

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**NOTES TO THE FINANCIAL STATEMENTS
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22. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2021 £000	Income £000	Expenditure £000	Transfers in/out £000	Balance at 31 August 2022 £000
Unrestricted funds					
Designated funds					
Defined Benefit Pension Scheme Liability	600	-	-	(20)	580
Campus Development Plan	500	-	-	500	1,000
	<u>1,100</u>	<u>-</u>	<u>-</u>	<u>480</u>	<u>1,580</u>
General funds					
Unrestricted	<u>11,725</u>	<u>13,419</u>	<u>(13,235)</u>	<u>(255)</u>	<u>11,654</u>
Total Unrestricted funds	<u>12,825</u>	<u>13,419</u>	<u>(13,235)</u>	<u>225</u>	<u>13,234</u>
Restricted funds					
ESFA School Condition Allocation	-	152	-	(152)	-
Ian Karten Trust	14	-	-	-	14
Minibus	2	39	-	-	41
Newstart Hall Project	29	44	-	(73)	-
Recovery College	-	135	(135)	-	-
Woodlands Project	-	17	-	-	17
Ian Karten Trust	-	19	(19)	-	-
Trade Centre	-	14	-	-	14
Farm	-	1	-	-	1
Sensory Gardens	-	15	-	-	15
Equipment - Various	-	7	(7)	-	-
Scholarship Fund	95	-	-	-	95
	<u>140</u>	<u>443</u>	<u>(161)</u>	<u>(225)</u>	<u>197</u>
Total of funds	<u>12,965</u>	<u>13,862</u>	<u>(13,396)</u>	<u>-</u>	<u>13,431</u>

PORTLAND COLLEGE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

23. Summary of funds

Summary of funds - current year

	Balance at 1 September 2022 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2023 £000
Designated funds	1,580	-	137	(717)	-	1,000
General funds	11,654	15,653	(15,964)	874	(175)	12,042
Restricted funds	197	618	(231)	(157)	-	427
	<u>13,431</u>	<u>16,271</u>	<u>(16,058)</u>	<u>-</u>	<u>(175)</u>	<u>13,469</u>

Summary of funds - prior year

	Balance at 1 September 2021 £000	Income £000	Expenditure £000	Transfers in/out £000	Balance at 31 August 2022 £000
Designated funds	1,100	-	-	480	1,580
General funds	11,725	13,419	(13,235)	(255)	11,654
Restricted funds	140	443	(161)	(225)	197
	<u>12,965</u>	<u>13,862</u>	<u>(13,396)</u>	<u>-</u>	<u>13,431</u>

24. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2023 £000	Unrestricted funds 2023 £000	Total funds 2023 £000
Tangible fixed assets	-	9,228	9,228
Intangible fixed assets	-	383	383
Current assets	427	5,616	6,043
Creditors due within one year	-	(2,187)	(2,187)
Total	<u>427</u>	<u>13,040</u>	<u>13,467</u>

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

24. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Restricted funds 2022 £000	Unrestricted funds 2022 £000	Total funds 2022 £000
Tangible fixed assets	-	9,542	9,542
Intangible fixed assets	-	438	438
Current assets	197	5,619	5,816
Creditors due within one year	-	(2,365)	(2,365)
Total	<u>197</u>	<u>13,234</u>	<u>13,431</u>

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

	Group 2023 £000	Group 2022 £000
Net income for the year (as per Statement of Financial Activities)	213	613
Adjustments for:		
Depreciation charges	998	951
Amortisation charges	55	61
Net defined benefit pension scheme costs	(175)	(146)
Interest received	(68)	(13)
Loss/(profit) on the sale of fixed assets	-	(10)
Decrease/(increase) in stocks	6	(7)
Decrease/(increase) in debtors	444	(2,246)
Decrease in creditors	(178)	(41)
Net cash provided by/(used in) operating activities	<u>1,295</u>	<u>(838)</u>

26. Analysis of cash and cash equivalents

	Group 2023 £000	Group 2022 £000
Cash in hand	3,676	2,998
Total cash and cash equivalents	<u>3,676</u>	<u>2,998</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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27. Analysis of changes in net debt

	At 1 September 2022 £000	Cash flows £000	At 31 August 2023 £000
Cash at bank and in hand	1,498	1,417	2,915
Liquid investments	1,500	(739)	761
	<u>2,998</u>	<u>678</u>	<u>3,676</u>

28. Capital commitments

	Group 2023 £000	Group 2022 £000
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	625	145
	<u>625</u>	<u>145</u>

29. Pension commitments

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 £317k were made to this Scheme during the year ended 31 August 2023 (2022 Restated: £326k).

As an alternative to its own pension scheme, the College also contributes to other specific defined benefit schemes including the Teachers' Pension Scheme (TPS) for certain tutors and those employed by outside agencies. The cost of those contributions during the year was £118k (2022: £81k).

Contributions owing to these schemes at 31 August 2023 were £11k (2022: £90k).

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2023 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The most recent actuarial valuation of the TPS was carried out as at 31

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

29. Pension commitments (continued)

March 2020. The valuation report was published by the Government Actuary's Department on 27 October 2023 and by the Department for Education on 30 October 2023.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 28.68% of pensionable pay (including a 0.08% administration levy) from 1 April 2024 (contribution rate to 31 March 2024 is 23.68% as set by the 31 March 2019 valuation)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million.
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 1.7% above the rate of CPI.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Group has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Group has set out above the information available on the scheme.

Group defined benefit pension scheme

The College closed its Defined Benefit Scheme to new Members with effect from 1 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.

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.

The results of the actuarial valuation as at 31 December 2021 have been projected to 31 August 2023 using the assumptions set out below. The figures in the following disclosures were measured using the Projected Unit Method.

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

	At 31	At 31
	August 2023	August 2022
	%	%
Discount rate	5.3	4.3
RPI inflation	3.2	3.5
CPI inflation	2.8	3
	<u> </u>	<u> </u>

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

29. Pension commitments (continued)

	At 31 August 2023 Years	At 31 August 2022 Years
Mortality rates (in years)		
- for a male aged 65 now	21.4	21.9
- at 65 for a male aged 45 now	22.6	23.2
- for a female aged 65 now	23.9	24.3
- at 65 for a female aged 45 now	25.3	25.7

The mortality assumptions for the scheme liabilities as at 31 August 2023 were based on the S3PMA / S3PFA base tables and the CMI 2022 model for mortality improvements with a long term rate of improvement of 1.25% pa (before and after retirement).

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

	At 31 August 2023 £000	At 31 August 2022 £000
Equities	1,155	1,355
With-Profits Fund	-	1,763
Diversified Growth Funds	684	1,110
Diversified Credit Funds	2,030	962
Cash and other liquid assets	106	37
Liability Driven Investments	1,318	968
Annuities	937	1,051
Total fair value of assets	6,230	7,246

The actual return on scheme assets was £(792k) (2022 - (£1,281k)). This excludes the asset ceiling restriction movement in the year of £240k as detailed further below.

The total value of the assets recorded under the 'share of the assets' as detailed above of £6,230k has not been decreased in respect of the asset ceiling restriction of £570k (2022: £810k) and represents the rolled forward fair value of the Scheme assets at 31 August 2023.

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

	2023 £000	2022 £000
Employer contributions	217	219
Interest income	307	146
Interest cost	(269)	(150)
Administrative expenses	(80)	(70)
Total amount recognised in the Consolidated Statement of Financial Activities	175	145

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

29. Pension commitments (continued)

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

	2023 £000	2022 £000
Opening defined benefit obligation	6,436	8,999
Interest cost	269	150
Actuarial gains	(684)	(2,230)
Benefits paid	(361)	(483)
Closing defined benefit obligation	<u>5,660</u>	<u>6,436</u>

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

	2023 £000	2022 £000
Opening fair value of scheme assets	6,436	8,715
Interest income on plan assets	307	146
Actuarial remeasurements	(859)	(2,091)
Contributions by employer	217	219
Administrative expenses	(80)	(70)
Benefits paid	(361)	(483)
Closing fair value of scheme assets	<u>5,660</u>	<u>6,436</u>

The Group has an unrecognised surplus of £570k at 31 August 2023 (2022: £810k) in respect of its defined benefit pension Scheme as it does not expect to recover the Scheme surplus either through reduced contributions in the future or through refunds from the Scheme. Included within actuarial remeasurements on the Scheme's assets of (£859k) is an amount of £240k in respect of the movement in the restriction on the surplus in the Scheme at 31 August 2023.

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

30. Operating lease commitments

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

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Not later than 1 year	35	22	8	22
Later than 1 year and not later than 5 years	41	-	12	-
	<u>76</u>	<u>22</u>	<u>20</u>	<u>22</u>

The following lease payments have been recognised as an expense in the Statement of Financial Activities:

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Operating lease rentals	<u>59</u>	<u>22</u>	<u>20</u>	<u>22</u>

31. Related party transactions

During the year, recharges from Portland College to Portland College Enterprises Limited were £40k (2022: £208k), sales from Portland College Enterprises Limited to Portland College were £nil (2022: £28k) and transfer of costs from Portland College to Portland College Enterprises Limited were £98k (2022: £nil).

During the year, recharges from Portland College to Polly Teach Limited were £117k (2022: £129k), and transfer of costs from Portland College to Polly Teach Limited were £22k (2022: £nil).

As at 31 August 2023, Polly Teach Limited owed Portland College £13k and Portland College Enterprises Limited owed Portland College £198k.

32. 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'.

33. Controlling party

The Directors consider that there is no ultimate controlling party.