



ANNUAL REPORT & ACCOUNTS

Year Ended 31 August 2020



PORTLAND COLLEGE

Nottingham Road, Mansfield, Nottinghamshire NG18 4TJ
 (Registered Office and Principal Address)
 Telephone: 01 623 499111
 A Company Limited by Guarantee
 No. 408340 (England & Wales)
 Registered Charity Number 214339

Patron: Her Majesty The Queen

President: Mrs A Swan Parente MBE DL

Vice-Presidents:

Mr K McDonald

Mrs D McDonald

Mr H P Matheson DL

Professor C O'Brien OBE

BOARD OF GOVERNORS & COMPANY DIRECTORS

Chairman: Mr T S Richmond OBETD DL

Vice Chairman: Dr D Green

Mr J Aleander (resigned 27th April 2020)

Mr N E Aspley

Mrs H K Atwal

Mr M Briggs

Mr A P Earnshaw (resigned 27th April 2020)

Mrs S Egley

Mr P Emerson DL

Mrs A Farr DL

Mr D Fathers DL

Councillor J W Handley

Mr Stephen Jackson

Mr David Sneath DL

Mr T Vasishtha

Mr S Walsh

KEY MANAGEMENT PERSONNEL:**SENIOR MANAGEMENT TEAM**

Principal & Chief Executive Officer: Dr M Dale

Assistant Principal Development: Mr E Johnstone

Assistant Principal Corporate Services: Mr I Cowin

Assistant Principal Quality & Curriculum:

Ms A Newton- Soanes

Head of Care: Mr I Onwukwe

HR Manager: Ms N Thompson-Windley

BANKERS:

HSBC Bank plc

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

SOLICITORS:

Freeths LLP

Cardinal Square, 2nd Floor, West Point, 10 Nottingham Road,
 Derby DE1 3QT

AUDITORS:

Cooper Parry Group Limited

Sky View, Argosy Road, Castle Donington, Derby DE74 2SA

INSURANCE BROKERS:

Hettle Andrews & Associates Limited

9th Floor, Eleven Brindleyplace, 2 Brunswick Square,
 Brindleyplace, Birmingham B1 2LP

PORTLAND COLLEGE

REPORT OF THE DIRECTORS ON THE FINANCIAL STATEMENTS

The Directors (members of the Board of Governors) present their annual report and financial statements for the year ended 31 August 2020, which comply with the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity. The strategic report required under company law is included in the report and covers the sections of achievement and performance, financial review and plans for future periods.

Portland College has one wholly owned subsidiary: Portland College Enterprises Limited; its income, expenditure and Balance Sheet have been consolidated into the Portland College accounts, with explanatory notes.

Reference and administrative details

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

Structure, governance and management

Governing Document

Portland College was founded as a company limited by guarantee (Company number 408340) on 12th 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 a company 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 and an information pack familiarising them with the work of the College and their roles and responsibilities.

Details of governors, senior management personnel and professional advisors are shown on the front cover of this report. The salaries of senior personnel are set by the remuneration committee based on the Association of Colleges benchmarking reports.

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

Organisation

The College benefits from a governing body possessing a comprehensive range of skills and experience which allows detailed oversight of all facets of the business of the College. The Directors discharge their duties via Governing Body meetings, held at least four times per year and through a range of Committees which include: Audit Committee, Oversight of Standards Group, Oversight of Finance Group, Enterprise Board, Estates Planning Group, Development Working Group and Remuneration Committee. These committees, together with any other working parties that may at times be necessary, meet as and when required. The Principal & 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 2019-20 the breadth of Board expertise available to the College is described below:

- **Timothy S Richmond** OBETD DL FCA CCMi (Hon) DBA - Chair of Governors
Tim joined the Board of Governors in 2014. He is a Chartered Accountant, a consultant in strategic business direction and management and holds several non-executive chair and director appointments in the private, public and voluntary sectors. A past High Sheriff of Nottinghamshire (2002), he was appointed Vice Lord Lieutenant in 2008.
- **Jim Aleander** BA(Hons) - Vice Chair of Governors (resigned 27/4/20)
Jim joined the Board in 1996. He is a former principal of colleges in the Further Education sector, including West Nottinghamshire College. He now runs his own education consultancy business, focused mainly on vocational education and training.
- **Alan Earnshaw** - Chair of Audit Committee (resigned 27/4/20)
Alan joined the Board in 1993. He has worked as a Director of several companies in England and overseas. He Chairs the Audit Committee and is Non Executive Chair of the Enterprises Board. He is a member of the Finance Working Group and Development Working Group. He is Honorary President of the Old Students Association.

- **Thalej Vasishtha** LLB(Hons) - Chair of Staff Council and Non-Executive Director of Steps to Employment Ltd
Thalej joined the Board in 2014. As a solicitor and CEO of Paragon Law Thalej works primarily with UK companies wishing to employ skilled foreign nationals and overseas companies and individuals seeking to invest in or trade with the UK. He has previously been a board member of The Racial Equality Council (as it was known then), The Galleries of Justice Museum, and Young Enterprise (East Midlands). He is currently a founding and board member of the British Indian Business Forum.
- **Dawn Green** BSc(Hons) PhD CertEd PGDip FSET - Chair of the Oversight of Standards Group and Lead Governor for Safeguarding
Dawn joined the Board in 2015. She was previously Principal & CEO at Landmarks College and Vice Principal at Portland College. She is now the Karten Network Development Co-ordinator and also provides consultancy services for Specialist Colleges. Dawn is a non-executive Director for Natspec with responsibility for Technology.
- **Shaun Walsh** BA(Hons) BFP FCA - Chair of Oversight of Finance Group
Shaun joined the Board in 2015. He is a former Price Waterhouse Coopers Chartered Accountant and Finance Director. As Managing Partner of Business Growth Services Ltd he leads a team which helps business owners' turnaround, raise finance and grow their business.
- **Nick Aspley** LLB(Hons) - Chair of Remuneration Committee and Lead Governor for the Prevent Duty
Nick joined the Board of Governors in January 2015. He is a solicitor and partner in a leading local multi office law firm. He has worked in the local area for nearly 30 years and specialises in Family Law. He is a past member of the Law Society's Family Law Committee.
- **Harvinder Atwal** - Chair of Portland College Enterprises Ltd
Harvinder joined the Board in 2015. She is the Managing Director of bksb Limited, a West Nottinghamshire College owned business which has become the most successful online skills assessment and development company for functional skills/GCSEs in the UK.
- **Professor Dean Fathers** DL - Lead Governor for Corporate Governance
Dean joined the Board in 2017 when he was Chair of both ULHT and Nottinghamshire Healthcare NHS Foundation Trust, and also on the Board of NHS Providers. He is currently Chair of Green Kite Associates Ltd and a Non-Executive Director of the Greater Lincolnshire Local Enterprise Partnership, the Parliamentary and Health Services Ombudsman, Diagnostic Healthcare Ltd and Needle Smart Ltd. He is also Chair of both the Centre for Organisational Resilience and the Lincoln International Institute for Rural Healthcare at the University of Lincoln where he is a Visiting Professor in Organisational Resilience. He is further a Visiting Professor of Healthcare Leadership at the University of Nottingham, a Lay Member of the Regulatory Board of the Academy of Health and Care Science and a Deputy Lieutenant for the County of Nottinghamshire.
- **Peter Emerson** DL
Peter joined the Board in 2017. Peter retired as Commercial Director of Severfield PLC and Chief Operating Officer of Watson Steel in 2013. He now works as a consultant in the construction industry and for Laing O'Rourke Ltd.
- **Amanda Farr** MSc(Oxon) DL
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 has extensive experience in the voluntary sector in the city and county of Nottinghamshire and is a former High Sheriff and current Deputy Lieutenant of the county.
- **Sarah Egley** RGN BA(Hons) MA
Sarah joined the Board in 2018. She is Assistant Director Quality Governance and Assurance for Derbyshire Community Health Services NHS Trust.
- **David Sneath** MA(Camb) TD DL
David joined the Board in 2018. He was a Regional Employment Judge. He has extensive Reserve Army experience at the rank of Colonel. A past High Sheriff of Nottinghamshire (2017) and a current Deputy Lieutenant.
- **Councillor John William Handley**
John joined the Board in 2019 as Nottinghamshire County Council's representative. He is a retired teacher.
- **Mark Briggs**
Mark joined the Board in 2019 and has extensive experience in the public and cultural sectors, has director level experience in business and transformation. Along with this, Mark is a former Paralympian with insight into sport, health and well-being.
- **Stephen Jackson** (appointed 14/10/2019)
Stephen joined the Board in 2019. He is a commercially focused Executive with global experience. He has 30 years board level experience in Finance, IT and Commercial Development and more recently Nottingham Trent University. He is the Vice Chair of Nottinghamshire Healthcare Trust and a member of other education and sport charities.

Liability Insurance

During the year the College purchased Executive, Professional and Fidelity Liability Insurance, which covered the Directors and Officers of the College, at a cost of £1,150 (2019 - £1,050). In all cases the insurance indemnifies the College against losses incurred from wrongful acts that result in claims by third parties. In addition, the individual Directors or Officers are covered under the Executive Liability insurance policy against personal loss, as a result of claims made upon them for actions taken whilst acting in their capacity as Directors or Officers of the College.

Employment Policies

It is the College's policy to have effective communication and consultation with its staff. We have a voluntary recognition agreement with the Trade Union Unison for all non-teaching staff up to, but not including, senior managers. 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 appraisals and supervisions, team briefings, staff training days, a weekly news bulletin 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 and effectively monitors an annual Single Equality Scheme Action Plan. Portland College is an equal opportunities employer and is accredited as a Disability Confident Employer and Mindful Employer.

The College employed an average of 324 full-time equivalent people during the year, compared with 335 in 2018-19.

Objectives and activities

Portland College is 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 300 learners 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 College is that all people with disabilities will have a lifetime of opportunities. The College will achieve this ambition by concentrating on its three strategic goals:

- An increased number of people benefitting from employability programmes, achieving and sustaining work (both waged and voluntary) or being enabled to access other provision.
- 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.

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 college-wide philosophy that is right at the core of its strategic planning. 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 that was carried out in the Further Education team supported by the therapy department and residential care including day services and short breaks. The other activities in line with our Articles of Association objectives include an employment support programme and commercial activities including Portland Print and functions.

Volunteers

Portland College values the contributions it receives from approximately 50 volunteers who are involved in the whole range of its activities including supporting learners in the classroom, community access trips and sporting clubs and tournaments. Some volunteers assist directly with fundraising.

STRATEGIC REPORT

Achievements and performance

Charitable Activities

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

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

Funding

The primary source 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.

Covid 19 Pandemic

As with many other organisations, the pandemic has had a large impact for Portland since March 2020.

Overall, the College has remained open throughout, although we have seen new ways of working with Zoom, Virtual Meetings and online and distance teaching for many of the pupils. Learner numbers dropped a little as pupils stayed at, and learned from home. Class sizes were reduced, bubble groups were introduced, and social distancing and PPE became the order of the day, and remain so. The site has been closed to the public. Care services for residential learners and Independent living remained open and citizens and learners were kept safe and all Government guidelines were strictly followed.

Some divisions within the College closed – Short Breaks, Therapy, Portland Print, Portland Enterprises who deal with weddings and external events – all those dealing directly with the outside general public over whom we had no control, impacting on the activities and turnover. Furlough income and Emergency Covid Grants from Councils have helped us to weather the storm financially.

Learning and teaching

During 2019-20 funded learner numbers stabilised at around 190 and success rates for these learners on accredited qualifications continued to show that good progress is made in line with goals and aspirations.

The focus for the year has been to continue to provide a good educational experience for learners and to improve data collection and analysis and the quality of teaching to meet that objective. Learner assessment, review and transitions into the community have always been a strength and we continue to work with funders to ensure that our provision is meeting their objectives in a cost efficient manner.

Portland has maintained and developed good links with local employers and has continued to provide good quality work experiences for all our learners for whom work experience is appropriate. In common with many other providers we continue to be challenged to transition our learners into employment after the programme and we have seen a small increase in our employment outcomes. We have worked closely with funders and employers to develop a supported internship programme to improve employment outcomes.

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.

The College was rated as 'good' by Ofsted in all aspects of regulated educational provision in November 2017 and we are confident that our work since then has resulted in improvements in many aspects of the inspection framework.

Care

Citizens access our care provision in a range of ways through the Day Service, Residential Learning, Short Breaks or an Independent Living programme. The services provided in the Day Service are classed as non-regulated, whilst the others are classed as regulated.

All care services are widely considered to be caring and person centred. Our focus was to continue the care quality consolidation, which had seen a massive improvement in care practice and a shift in staff culture towards best practice as the norm rather than the exception. The pandemic had a major impact on all care services. As a College, we prioritised the safety and well-being of our learners and staff, which became the primary focus whilst as well as directing efforts towards achieving set objectives.

Despite the pandemic pressures, there have been examples of great quality care demonstrated by staff. Keeping citizens onsite engaged and active was the priority for care staff. Staff had to adapt to new ways of working. For example, instead of community trips and activities, there were themed evening activities onsite. Living areas were split into 'bubbles' for staff and citizens and all worked well together to make the new circumstances as safe and as enjoyable as possible.

Portland had an NCC audit of the Day Services provision in January 2020 and were rated 'Good' or 'Excellent' in all areas. The impact of Covid-19 restricted the completion of any other external audits.

The Short Breaks service was reviewed with the objective of achieving business efficiency through increased fees and reduction in staff costs. We have achieved an increase in fees following discussions with the local authority and the implementation of a revised operating model which began from September 2020. We continue to see demand for this service and have had to manage the expectations of clients and their families. The service will continue to remain under review. We also have seen an increase in the number of referrals into the residential learning service and the Day Service. Referrals into the Independent Living Service also meant that we exceeded the target for the year. Over 200 citizens access all of these services.

Fundraising and Other Matters

The Fundraising department raises funds via applications to Trusts, individuals, organisations and by organising a number of fund-raising events throughout the year. Charitable income including grants totalled £575k during 2019-20 (£322k in 2018-19). This increase in income stemmed primarily from the capital appeals for the 'Newstart Hall' Refurbishment and the Woodlands Adventure Zone Appeal.

Whilst Covid restricted the ability to deliver in 2019/20, the College is proud to have the National Citizenship Services programmes for young people with learning and physical disabilities. This is the only such programme in the country.

Financial review

Group Operating Results

The net income for the year ended 31 August 2020 was a surplus of £377k (2019 surplus of £5k).

The Directors Memorandum Note on page 12 demonstrates that the College operated at a surplus of £1,189k (2019 £878k) before the extraordinary expenditure of reorganisation and pension deficit repayment and the non-cash item of Depreciation. This, therefore, represents the College's EBITDA (Earnings before Interest, Taxes, Depreciation and Amortisation) result for the year.

The improved results are the result of increased numbers of learners and hence higher education income coupled with continued cost control measures in place.

Reserves Policy

Reserves are those funds available to the College once it has met its commitments and covered planned expenditure. The Free Reserves retained as at 31 August 2020 were £2,191k (2019: £2,098k).

The Group/College retain 'Free' Reserves at a level that would meet unforeseen shortfalls in short-term income streams. The basis of calculation of Free Reserves agreed by the Directors is three months expenditure. Free Reserves do not include Restricted or Designated Funds and are included within General College funds of £10,884k (note 17). The Designated Funds as at 31 August 2020 total £1,100k (£1,600k as at 31 August 2019) and are listed in Note 18a of the Financial Statements. The provision is for on-going future liabilities (Defined Benefit Pension Scheme Liability - £600k) and provision for future projects (£500k). The Directors have approved a campus master plan which sets out a 10 year capital programme 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 is 3 months expenditure is £2,174k as at 31 August 2020 (2019 £2,122k). The Directors undertake a formal review of the Reserves Policy every year and they are satisfied that the current level meets College requirements.

Investment Powers and Policy

The Directors regularly review the investment policy, which primarily aims to achieve growth in capital value from the College share portfolio via balanced levels of risk through both equity and fixed interest stocks. In addition, 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 £2,200k as at the Balance Sheet date (2019 £2,800k) and Cash at Bank on Deposit stood at £1,722k (2019 £1,497k). Total Cash and cash equivalents at bank decreased by £225k during the year, mainly due to temporary working capital fluctuations. The value of the College's share portfolio was £274k on 31 August 2020 slightly down from £287k as at 31 August 2019.

The annual return on investments was £37k (2019 £40k).

Fixed Assets

Changes in Fixed Assets are shown in Note 10 to the Financial Statements. In the opinion of the Directors the market value of the freehold property may differ from the book value, but as there is no intention of disposing of any premises it is therefore not considered appropriate to quantify the difference.

Risk management

A regular assessment of risk is carried out, covering financial and non-financial risks to which the College is exposed, with a particular emphasis on those risks which involve students. This assessment is formally reviewed on a bi-annual basis and action taken to mitigate the identified risks. High risk areas are reviewed at each meeting of the Board. The process of review is overseen by the Audit Committee.

The main area of risk for the organisation is considered to be the achievement of outcomes for learners particularly during the Covid 19 pandemic, staff skills and residual safeguarding and prevent risks despite strong measures in place.

Plans for future periods

Having completed the Woodland Adventure Zone, this year has seen the Firs building undergo a full refurbishment, to attract more full time residential students and citizens.

Work on the Newstart redevelopment has commenced and should be finished around March 2021 providing the College with a state-of-the-art theatre and sports facilities. This is the current focus on fundraising.

In September 2020, Portland College purchased a 75% stake in Polly Teach Limited. This is a small company based in Sutton-in-Ashfield and is an educational social enterprise formed to meet the needs of local schools and children in care in Nottinghamshire and Derbyshire. They are a local authority approved provision and a registered independent school working with pupils who don't always fit within the normal educational framework.

The College will continue to promote independent travel training for learners and citizens in support of their independence and also to support more work opportunities. We will deliver a supported internship programme with funders and learners to improve education outcomes for students. We are also researching the impact of Portland on former beneficiaries and we have already started a new programme to support some former learner's independence and work opportunities.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Report of the Directors, Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

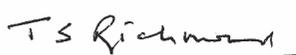
The Directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Directors are aware:

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

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

Directors Report and Strategic Report Approved on:



T S Richmond
(Director)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PORTLAND COLLEGE

Opinion

We have audited the financial statements of Portland College (the 'charitable company') and its subsidiaries ("the group") for the year ended 31 August 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Company Balance Sheets, the Consolidated Statement of Cashflows and the notes to the financial statements, 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 parent charitable company's affairs as at 31 August 2019, 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the directors' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Governors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Governors has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the Governors' responsibilities statement within these accounts, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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 directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes our opinion.

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

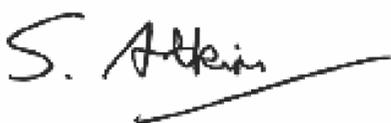
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Councils website at www.frc.org.uk/auditorsresponsibilities

This description forms part of our auditors report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.


Simon Atkins FCA

Senior Statutory Auditor for and on behalf of **Cooper Parry Group Limited**

Chartered Accountants

Statutory Auditor

Sky View, Argosy Road, Castle Donington, Derby DE74 2SA

Date: 24 February 2021

PORTLAND COLLEGE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31st AUGUST 2020

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000	2019 £'000
Income from	1(d)				
Charitable Activities	2	9,569	-	9,569	9,205
Other Trading Activities	3	597	-	597	505
Donations, Legacies and Grants	4	128	447	575	322
Investment Income	5	37	-	37	40
Other Income		24	-	24	52
Total Income		10,355	447	10,802	10,124
Expenditure on:	1(e)				
Raising Funds		119	-	119	113
Charitable Activities	6(a)/(b)	9,401	206	9,607	9,363
Other Activities		699	-	699	643
Total Expenditure		10,219	206	10,425	10,119
Net Gains on Investments	10(b)	-	-	-	-
Net Income for the year	8	136	241	377	5
Transfers Between Funds	18(a)/(b)	228	(228)	-	-
Net (Expenditure)/Income before Other Recognised Gains and Losses		364	13	377	5
Other Recognised Gains and Losses		-	-	-	-
Defined Benefit Pension Scheme Actuarial (Loss)/Gain	23	136	-	136	(58)
Net Movement in Funds		500	13	513	(53)
Reconciliation of Funds					
Fund Balances Brought Forward		10,617	376	10,993	11,046
Fund Balances Carried Forward at End of Year		11,117	389	11,506	10,993

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

The notes on page 16 to 31 form part of these Financial Statements.

PORTLAND COLLEGE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31st AUGUST 2020 (CONTINUED)

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

Re-statement of Revenue Performance in EBITDA format:

	2019-20	2018-19
	£'000	£'000
Operating Surplus before Exceptional Items and Depreciation	1,189	878
<hr/>		
Less: Extraordinary Expenditure		
Deficit recovery for Defined Benefit Pension Scheme	(215)	(215)
	<u>(215)</u>	<u>(215)</u>
Surplus/(Deficit) before Non-Cash Items	974	663
<hr/>		
Depreciation	(719)	(744)
FRS102 - Pension Charge Against Operating Surplus	122	86
	<u>(597)</u>	<u>(658)</u>
Net (Expenditure)/Income Before Other Recognised Gains and Losses	377	5

PORTLAND COLLEGE

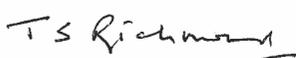
CONSOLIDATED BALANCE SHEET AS AT 31st AUGUST 2020

Company Registration Number 408340

	Note	31st August 2020 £'000	31st August 2019 £'000
Fixed Assets			
Tangible Assets	10(a)	8,764	8,199
Investments - Quoted	10(b)	274	287
Other Investments - Other than Loans	10(c)	-	-
Investments - Related Parties	10(d)	-	-
Total Fixed Assets		9,038	8,486
Current Assets			
Stocks	12	29	23
Debtors	13	1,173	724
Investments	14	2,200	2,800
Cash at Bank on Deposit		1,540	1,392
Cash at Bank and in Hand		182	105
		5,124	5,044
Creditors: Amounts falling due within one year	15	(1,715)	(1,338)
Net Current Assets		3,409	3,706
Net Assets Excluding Pension Liability		12,447	12,192
Defined Benefit Pension Scheme Liability	23	(941)	(1,199)
Net Assets Including Pension Liability	16	11,506	10,993
The Funds of the Group			
Restricted Income Funds	18(b)	389	376
Unrestricted Income Funds			
General Group Funds	18(a)	10,884	10,139
Designated Funds	18(a)	1,100	1,600
Unrealised Investment Revaluation Reserve	18(c)	74	77
Unrestricted Income Funds Excluding Pension Liability		12,058	11,816
Pension Reserve	23	(941)	(1,199)
Total Unrestricted Funds		11,117	10,617
Total Group Funds	17	11,506	10,993

The notes on pages 16 to 31 form part of these Financial Statements.

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



T S Richmond
Director



S Jackson
Director

Date:

PORTLAND COLLEGE

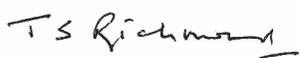
PARENT CHARITABLE COMPANY BALANCE SHEET AS AT 31st AUGUST 2020

Company Registration Number 408340

	Note	31st August 2020 £'000	31st August 2019 £'000
Fixed Assets			
Tangible Assets	10(a)	8,764	8,199
Investments - Quoted	10(b)	274	287
Other Investments - Other than Loans	10(c)	-	-
Investments - Subsidiary and Associate Undertaking	10(d)	-	-
Total Fixed Assets		9,037	8,486
Current Assets			
Stocks	12	21	17
Debtors	13	1,163	772
Investments	14	2,200	2,800
Cash at Bank on Deposit		1,540	1,393
Cash at Bank and in Hand	8	14	8
		4,938	4,990
Creditors: Amounts falling due within one year	15	(1,528)	(1,284)
Net Current Assets		3,410	3,706
Net Assets Excluding Pension Liability		12,447	12,192
Defined Benefit Pension Scheme Liability	23	(941)	(1,199)
Net Assets Including Pension Liability	16	11,506	10,993
The Funds of the Charity			
Restricted Income Funds	18(b)	389	376
Unrestricted Income Funds			
General College Fund	18(a)	10,884	10,139
Designated Funds	18(a)	1,100	1,600
Unrealised Investment Revaluation Reserve	18(c)	74	77
Unrestricted Income Funds Excluding Pension Liability		12,058	11,816
Pension Reserve	23	(941)	(1,199)
Total Unrestricted Funds		11,117	10,617
Total Charity Funds	17	11,506	10,993

The notes on pages 16 to 31 form part of these Financial Statements.

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



T S Richmond
Director



S Jackson
Director

Date:

PORTLAND COLLEGE

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st AUGUST 2020

	Note	2020 £'000	2019 £'000
Net Cash Provided By Operating Activities	21	863	724
Cash Flow From Investing Activities			
Purchase of Property, Plant and Equipment	10(a)	(1,292)	(674)
Proceeds From the Sale of Property, Plant and Equipment		-	(12)
Purchase of Investments	10(b)	(55)	45
Proceeds from Sale of Investments	10(b)	69	(45)
Investment and Other Income	5	37	40
Net Cash Used in Investing Activities		(1,241)	(646)
Change in Cash and Cash Equivalents in the Reporting Period		(378)	78
Cash and Cash Equivalents at 1 September 2019		4,297	4,219
Cash and Cash Equivalents at 31 August 2020		3,922	4,297
Cash and Cash Equivalents Consists of:			
Cash in Hand, at Bank		1,722	1,497
Current Asset Investments	14	2,200	2,800
Cash and Cash Equivalents at 31 August 2020		3,922	4,297

PORTLAND COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st AUGUST 2020

I. ACCOUNTING POLICIES

(a) General information and basis of preparation

The group financial statements have been prepared on a going concern basis under the historical cost convention, modified to incorporate the inclusion of Fixed Asset Investments at fair value. They are prepared in Sterling which is the functional currency of the College and rounded to the nearest £000. They comply with the requirements of the Companies Act 2006 and the provisions of the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014. The statement of financial activities (SoFA) and balance sheet consolidate the financial statements of the College and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis. The results of the associated undertaking are excluded from the consolidation on the basis that it is immaterial.

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

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

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

Results of Portland College - Total incoming resources for the year ended 31st August 2020 for Portland College (the charity) amounted to £10,656k (2019 - £10,124k). Net incoming resources for the year produced a surplus of £513k (2019 - £5k deficit).

(b) Going Concern

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

The Covid 19 pandemic has had an impact on the years results. Short Breaks, Portland Print, Physiotherapy, Enterprises have all been closed during Lockdown. Furlough funds and Covid Grants have helped us to weather the storm. With effect from September, Short Breaks and Physiotherapy have re-opened and continue to work in accordance with Covid requirements.

(c) Funds

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

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

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

PORTLAND COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st AUGUST 2020

I. ACCOUNTING POLICIES (Continued)

(d) Income recognition

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

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

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

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

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

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

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

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

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

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

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

(e) Expenditure recognition

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

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

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

PORTLAND COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st AUGUST 2019

I. ACCOUNTING POLICIES (Continued)

(f) Support costs allocation

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

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

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

(g) Stocks

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

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

(h) Employee benefits

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

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

Defined Benefit Pension Scheme - The charity operates a defined benefit plan for the benefit of its employees. A liability for the charity's obligations under the plan is recognised net of plan assets. The net change in the net defined benefit liability is recognised as the cost of the defined benefit plan during the period as is charged to cost headings on a pro rata basis based on full time equivalent employees. The total cost is recognised in unrestricted funds. Pension plan assets are measured at fair value and the defined benefit obligation is measured on an actuarial basis using the projected unit method. Actuarial valuations are obtained at least triennially and are updated at each balance sheet date. Details of the College's defined benefit scheme are shown in notes 22 and 23.

(i) Investments

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

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

(j) Tangible fixed assets

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

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

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

Notes:

(i) Freehold Buildings - Note that freehold buildings also includes the cost of building improvements and refurbishment projects. The life expectancy of each building is assessed individually.

(ii) Items costing less than £500 are written off as expenditure in the year of purchase.

(k) Operating Leases

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

(l) Tax

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

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

PORTLAND COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st AUGUST 2020

	2020 £'000	2019 £'000
2. INCOME FROM CHARITABLE ACTIVITIES		
Educational fees	6,269	5,662
Residential fees	3,210	3,406
Other fees	90	137
	9,569	9,205

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

3. INCOME FROM OTHER TRADING ACTIVITIES

Portland Print	110	173
Furlough	175	0
Other Trading Income	312	332
		505

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

4. INCOME FROM DONATIONS, LEGACIES AND GRANTS

Legacies	-	0
Grants	55	50
Donations	520	272
	575	322

Donations in excess of £2k were received from Charles Littlewood Hill Trust, Lady Hind Trust, Jessie Spencer Trust, Garfield Western, Sport England Lottery, Arts Council, Lottery, National Lottery, Percy Bilton Trust, Fifty Fifty Fund, Sobell Foundation, Leader Project Rural Payments Agency, St James Place, Lord Taverners, Bruce Wake Charitable Trust, Provincial Lodge, Masons, Rathbone Investment Management, D O'Doyle Charitable Foundation, RDPE Leader Project and Gordon Trust, John Lederick Harrison Foundation,

Of the above income £128k (2019: £8k) was attributable to unrestricted funds and £447k (2019: £314k) was attributable to restricted funds.

	2020 £'000	2019 £'000
5. INVESTMENT INCOME		
Bank Interest	44	34
UK Listed Investments	(7)	6
	37	40

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

PORTLAND COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st AUGUST 2020

6a. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Activities undertaken directly £'000	Support Costs £'000	Total £'000
Education	3,320	1,809	5,129
Care and Support	3,020	1,458	4,478
	6,340	3,267	9,607

£206k (2019 - £202k) of the above costs were attributable to restricted funds. £9,401k (2019 - £9,161k) of the above costs were attributable to unrestricted funds.

6b. ALLOCATION OF SUPPORT COSTS

Support Cost	Basis of allocation	Education £'000	Care & Support £'000	Activities & Raising Funds £'000	Total £'000
Learner Support Costs	Area/Usage	799	623	49	1,471
Corporate Services	FTEs	659	493	177	1,329
Depreciation	Asset location	351	342	26	719
		1,809	1,458	252	3,519

7. GOVERNANCE COSTS-INCLUDED WITHIN SUPPORT COSTS

	2020 £'000	2019 £'000
Auditors Remuneration - Current Year	32	31
Other Professional Costs	125	95
	157	126

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

	2020 £'000	2019 £'000
Auditors Remuneration		
Auditors Remuneration - Audit	32	24
Less: Allowance included within Donations & Gifts	(9)	(7)
	23	17
 Auditors Remuneration - Other Services		
Audit of the Charity's Subsidiary pursuant to legislation	4	3
Other services relating to taxation	1	1
All other services	-	-
	28	21

Operating Leases

Operating Leases - all with less than 1 Year remaining	-	-
Operating Leases - 2 - 5 Years remaining	12	30
	12	30
Rental Agreements	6	7

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

PORTLAND COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st AUGUST 2020

9. EMPLOYEE INFORMATION

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

	2020 Number	2020 FTE	2019 Number	2019 FTE
Education	165	126	162	125
Care & Support	164	141	172	142
General Learner Support	32	26	41	37
Corporate Services	25	21	16	15
Trading Activities	9	8	5	5
Fundraising	3	2	2	2
	398	324	398	326

In addition a total of 50 (2019: 45) Volunteers made a contribution to the College in a variety of ways.

Employment Costs for the year were:

	2020 £'000	2019 £'000
Wages and Salaries	7,100	6,830
Employer's National Insurance Contributions	453	425
Employer's Pension Contributions	333	279
Life Assurance Contributions	35	35
	7,921	7,569

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

The total employment benefits including employer pension contributions of the key management personnel were £372k (2019: £360k). One employee had employee benefits in the range of £60k-£70k (2019: One) and one employee had employee benefits in the range of £90k-£100k (2019: One).

Redundancy payments made during the year were £20k (2019: £20k) due to departmental reorganisations.

The Board of Governors

The Governors and committee members are entitled to reclaim travel expenses incurred in the course of their duties. During the year one (2019 - nil) Governor received reimbursement of expenses totalling £71 (2019 - £nil), of which £nil (2019 - £nil) was Gift Aided back to the College.

PORTLAND COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st AUGUST 2020

10. FIXED ASSETS

(a) Tangible Assets

Group & Charity

	Freehold Land & Buildings £'000	Furniture & Equipment £'000	Transport £'000	Assets Under Construction £'000	Total £'000
Cost					
At 1st September 2019	17,728	3,105	230	630	21,693
Additions	795	302	36	159	1,292
Disposals	(2743)	(226)	(7)	-	(507)
At 31st August 2020	18,249	3,181	258	789	22,478
Depreciation					
At 1st September 2019	10,861	2,471	165	-	13,497
Charge for Year	561	134	24	-	719
Eliminated on Disposal	(273)	(221)	(7)	-	(501)
At 31st August 2020	11,148	2,385	181	-	13,714
Net Book Value					
At 1st September 2019	6,870	634	65	630	8,199
At 31st August 2020	7,101	797	77	789	8,764

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st AUGUST 2020

10. FIXED ASSETS (Continued)

(b) Investments

Group & Charity

	Quoted Investments £'000	Cash £'000	Totals £'000
Market Value at 1st September 2019	286	1	287
Additions	55	-	55
Disposals	(69)	-	(69)
Revaluation	(3)	3	0
At 31st August 2020 (see notes below)	270	4	274
Cost at 1st September 2018	208	1	209
Cost at 31st August 2020	195	1	196

Notes

i. Quoted Investments Comprise:	£'000	%
UK Unit Trusts	49	18.1
Property Funds	11	4.1
Corporate Bonds	26	9.6
Cash Benchmarked	19	7.0
Mixed Asset Funds	58	21.5
International Equity	108	39.7
	270	100.00
ii. Individual Investments exceeding 5% of Portfolio:		
MM International Equity Fund Q Net Inc	74	27.4
Asset Allocator Q Inc	54	20.0
MM UK Equity Inc Fund Q Net Inc	32	11.9
I Shares Developed World Index Fd D Inc	16	5.8
PIMCO GIS Global - Investment Grade Credit Instl	15	5.6

No restrictions are placed upon the realisation of the above investments.

iii. 46% of the Portfolio is covered by Investments which are held in the UK. Cash held as part of the investment portfolio will be reinvested in further UK quoted investments.

iv. During the period ended 31 August 2020, Lloyds TSB Private Banking Limited held title to the above investments and this company acted as a nominee of the College.

PORTLAND COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st AUGUST 2020

10. FIXED ASSETS (Continued)

(c) Investments

Charity	Shares in Group Undertakings £
Holding in subsidiary: 100 Ordinary shares of £1 each [note 11] Cost or valuation at 1st September 2019 and 31st August 2020	100
	Shares in Associated Undertaking £
Holding in associated undertaking: 2 Ordinary shares of £1 each [note 26] Cost or valuation at 1st September 2019 and 31st August 2020	2

11. SUBSIDIARY UNDERTAKING

The charity owns the whole of the issued ordinary share capital of Portland College Enterprises Limited, a company registered in England and Wales. The subsidiary is used for non-primary purpose trading activities and commenced trading on 1st September 2009. All activities have been consolidated on a line by line basis in the SOFA. The subsidiary achieved a total net profit of £2,946. A summary of the results of the subsidiary is shown below:

	2020 £'000	2019 £'000
Turnover	146	185
Cost of Sales	(118)	(146)
Gross Profit	28	39
Administrative Expenses	(25)	(0)
Net Profit	3	39
The aggregate of the assets, liabilities and funds was:		
Assets	568	40
Liabilities	(568)	(40)
Total Capital and Reserves	0	0

	Group		Charity	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
12. STOCKS				
Work-in-Progress	27	14	19	14
Finished goods and goods for re-sale	2	9	2	3
	29	23	21	17
13. DEBTORS				
Trade Debtors	663	615	656	605
Other Debtors	67	46	67	45
Prepayments	443	63	441	62
Due from Group Companies	-	-	0	60
	1,173	724	1,165	772

Other Debtors includes £22k (2019 - £nil) for Student Fees not yet invoiced.

14. INVESTMENTS - CURRENT ASSETS

Unquoted - Fixed Term UK Bank Deposits	2,200	2,800	2,200	2,800
--	-------	-------	-------	-------

Of the above deposits, £1,350k (2017 - £650k) is due to mature within 6 months of the Balance Sheet date.

PORTLAND COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st AUGUST 2020

15. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Trade Creditors	173	256	144	229
Other Taxation and Social Security	107	103	107	103
Other Creditors	916	789	757	767
Accruals	520	190	520	185
Due to Group Companies	-	-	-	-
	1,716	1,338	1,528	1,284

Other Creditors include £279k (2019 - £260k) for Student Fees paid in advance.

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group & Charity

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
Fund Balances at 31st August 2020 are represented by:			
Tangible Fixed Asset	8,764	-	8,764
Investments	274	-	274
Current Assets	4,737	389	5,126
Creditors: Current Liabilities	(1,716)	-	(1,716)
Pension Reserve	(941)	-	(941)
	11,117	389	11,506

Unrealised profit included above on Investment Assets [note 18c]	74	-	74
--	----	---	----

17. COLLEGE FUND AND RESERVES

Group & Charity

	2020 £'000	2019 £'000
Unrestricted Funds [note 18a]		
General College Funds - excluding Designated Funds and Pension Liability	10,884	10,139
Designated Funds [note 18a]	1,100	1,600
General College Funds - excluding Pension Liability	11,984	11,739
Pension Reserve [note 23]	(941)	(1,199)
General College Funds - including Pension Liability	11,043	10,540
Unrealised Investment Revaluation Reserve [note 18c]	74	77
Unrestricted income fund	11,117	10,617
Restricted Funds [note 18b]	389	376
Total Funds and Reserves	11,506	10,993

PORTLAND COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st AUGUST 2020

18. FUND RECONCILIATION

Group & Charity

	Note	Balance 1st September 2019 £'000	Incoming Resources £'000	Resources Expended £'000	Transfers £'000	Gains/ (Losses) £'000	Balance 31st August 2020 £'000
a) Unrestricted Funds							
Unrestricted		10,139	10,355	(10,341)	728	3	10,884
Designated:							
Capital Commitments (other than from restricted funds)		-	-	-	-	-	-
Future Projects:							
Defined Benefit Pension Scheme Liability		600	-	-	-	-	600
Campus Development Plan		1,000	-	-	(500)	-	500
Total Unrestricted Funds		11,739	10,355	(10,341)	228	3	11,984
b) Restricted Funds							
Specific Grants and Donations:							
ESFA School Condition Allocation	i.	-	55	(55)	-	-	-
Ian Karten Trust	ii.	14	-	-	-	-	14
Minibus		10	4	(14)	-	-	-
Outram Street Project	iii.	137	45	(105)	-	-	77
Disability Employment		0	-	-	-	-	-
Newstart Hall Project	iv.	48	278	-	(200)	-	126
Recovery College	v.	8	52	(9)	-	-	51
Woodlands Project	vi.	28	-	-	(28)	-	-
Other Donations:							
Legacy - Communications		15	-	-	-	-	15
Equipment - Various		21	-	(10)	-	-	11
Other Donations		-	13	(13)	-	-	-
Scholarship Fund	vii.	95	-	-	-	-	95
Total Restricted Funds		376	447	(206)	(228)	-	389

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

- i. ESFA School Condition Allocation - the grant was received to support upkeep of College buildings and equipment.
- ii. Ian Karten Trust - the grant was provided to cover the implementation of mobile learning projects. There is a 5 year reducing balance restriction on this grant and has now been fully utilised.
- iii. Outram Street project relates to a legacy of cash and a building to provide employment support and advice in Sutton in Ashfield, this opened October 2018.
- iv. Newstart Hall Project - has replaced the original Sports complex who's aim is to convert our existing Newstart Hall in order to provide a multi-purpose area for a café; sports activities; theatre and creative arts.
- v. Recovery College is part of the Outram Street project providing the resources and training to assist people getting back into employment.
- vi. Woodlands Project - We aim to create a fully accessible forest adventure zone for learners and the larger community.
- vii. Scholarship Fund - cash funds are held for the specific purpose of supporting students.

c) Unrealised Investment Revaluation Reserve	£'000	£'000
Balance at 1st September 2019		77
Revaluation During Period	21	
Revaluation on Disposal of Investments	(24)	
		(3)
Balance at 31st August 2020		74

PORTLAND COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st AUGUST 2020

18. FUND RECONCILIATION (continued)

Group & Charity (prior year)

	Note	Balance 1st September 2018 £'000	Incoming Resources £'000	Resources Expended £'000	Transfers £'000	Gains/ (Losses) £'000	Balance 31st August 2019 £'000
d) Unrestricted Funds							
Unrestricted		9,880	10,233	(10,243)	268	1	10,139
Designated:							
Capital Commitments (other than from restricted funds)		90	-	-	(90)	-	-
Future Projects:							
Defined Benefit Pension Scheme Liability		600	-	-	-	-	600
Campus Development Plan		1,000	-	-	0	-	1,000
Total Unrestricted Funds		11,570	10,233	(10,243)	178	1	11,739
e) Restricted Funds							
Specific Grants and Donations:							
ESFA School Condition Allocation	i.	-	50	(50)	-	-	-
Ian Karten Trust	ii.	14	-	(9)	-	-	5
Minibus		10	-	0	-	-	10
Outram Street Project	iii.	386	-	(105)	(99)	-	182
Disability Employment		-	15	(15)	-	-	-
Newstart Hall Project	v.	48	-	-	-	-	48
Recovery College	vi.	8	-	(8)	-	-	-
Woodlands Project	vii.	28	224	-	(252)	-	-
Other Donations:							
Legacy - Communications		15	-	(15)	-	-	0
Equipment - Various		21	25	-	(10)	-	36
Scholarship Fund	iv.	95	-	-	-	-	95
Total Restricted Funds		625	314	(202)	(361)	-	376

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

- i. ESFA School Condition Allocation - the grant was received to support upkeep of College buildings and equipment
- ii. Ian Karten Trust - the grant was provided to cover the implementation of mobile learning projects. There is a 5 year reducing balance restriction on this grant.
- iii. Outram Street project relates to a legacy of cash and a building to provide employment support and advice in Sutton in Ashfield, this will commence 2018.
- iv. Scholarship Fund - cash funds are held for the specific purpose of supporting students.
- v. Newstart Hall Project - has replaced the original Sports complex who's aim is to convert our existing Newstart Hall in order to provide a multi-purpose area for a café; sports activities; theatre and creative arts.
- vi. Recovery College is part of the Outram Street project providing the resources and training to assist people getting back into employment.
- vii. Woodlands Project - We aim to create a fully accessible forest adventure zone for learners and the larger community.

f) Unrealised Investment Revaluation Reserve	£'000	£'000
Balance at 1st September 2018		78
Revaluation during period	3	
Revaluation on disposal of investments	(4)	
		(1)
Balance at 31st August 2019		77

PORTLAND COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st AUGUST 2020

19. CAPITAL COMMITMENTS

Group & Charity

	2020	2019
	£'000	£'000
Capital Expenditure committed to but not provided for in these financial statements:		
Woodlands Adventure Zone	-	180
Firs	-	-
Outram Street	-	-
	0	180

20. FINANCIAL COMMITMENTS

Group & Charity

At 31 August 2020 the Group had total commitments under operating leases expiring as follows:

	Equipment	
	2020	2019
	£'000	£'000
New Copier Leases - Check		
Expiring: Within One Year	6	-
Within Two to Five years	12	30
Over Five Years	-	-

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

	2020	2019
	£'000	£'000
Net Income/(Expenditure) before Actuarial Gains	377	5
Depreciation	719	749
Interest Received	(37)	(40)
Unrealised Investment Gains and Losses	0	0
(Gains) on Disposal of Fixed Assets	5	12
Post Employment Benefits Less Payments	(122)	(86)
(Increase) in Stock	(6)	1
Decrease/(Increase) in Debtors	(449)	349
Increase in creditors	377	(266)
Net Cash provided by Operating Activities	863	724

PORTLAND COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st AUGUST 2020

22. PENSION & OTHER POST-RETIREMENT BENEFITS

Group & Charity

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

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

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

The most recent actuarial report which was produced with the effective date of 31 December 2018, showed a deficit valuation of £116k and funding level of 99%. The College is contributing £214k per annum. This arrangement will be reviewed by the College and Trustees in the light of the next triennial valuation in 2021

- b. The College provides auto-enrolment membership of its defined contribution pension scheme to all new and existing employees. This Scheme is currently operated by Aviva (formerly Friends Life). The College will contribute an equal percentage of salary, in accordance with the employee's chosen option, up to a maximum of 6%. Contributions of £246k were made to this Scheme during the year ended 31 August 2020 (2019 - £212k). As an alternative to its own pension schemes the College contributes to other specific defined benefit schemes for certain tutors and those employed by outside agencies. The cost of those contributions during the year was £87k (2019 - £60k). Liabilities owed to these schemes at year end were £5k.

Death-in-Service Benefits are provided for all staff. The cost of the Life Assurance contributions to the College for the year was £35k (2019 - £35k).

23. FRS102 VALUATION OF DEFINED BENEFIT PENSION SCHEME

Group & Charity

An Actuarial report has been produced as at 31 August 2020 in accordance with FRS102, the details of which are set out below.

The Company sponsors the Portland College Pension Scheme, a funded defined benefit pension scheme in the UK. The scheme is set up on a tax relieved basis as a separate trust independent of the Company and is supervised by independent trustees. The trustees are responsible for ensuring that the correct benefits are paid, that the scheme is appropriately funded and that scheme assets are appropriately invested.

Active members of the scheme pay contributions at the rate of 8% of salary and the Company pays the balance of the cost as determined by regular actuarial valuations. The Trustees are required to use prudent assumptions to value the liabilities and costs of the scheme whereas the accounting assumptions must be best estimates

The actuarial valuation of the Scheme as at 31 December 2015 revealed a funding shortfall of £1,067,000. Subsequently, an annual update, as at 31 December 2016, revealed a funding shortfall of £1,758,000. To eliminate the funding shortfall revealed at the 31 December 2016 annual update, the Trustees and the Employer agreed to pay additional contributions in the Scheme at the rate of £175,000 per annum, for a period of 7 years and 7 months.

A revaluation as at 31 August 2018 showed a projected shortfall of £116K, contributions increased to £214,000 per annum.

The results of the actuarial valuation as at 31 December 2015 have been projected to 31 August 2018 using the assumptions set out below. The figures in the following disclosures were measured using the Projected Unit Method.

	2020	2019
	%	%
Liability Discount Rate	1.6	1.8
Inflation	3	3.1
Salary Increases	n/a	1.3
Increases to Deferred Pensions before Retirement	2.4	2.1
Increases to Pensions in Payment (5% or RPI if less)	3	3.1
Increases to Pensions in Payment (3.5% or RPI if less)	2.7	2.7

The mortality assumptions for the scheme liabilities at 31 August 2020 were based on the SAPS SIPXA, CMI_2011 projections with long term improvements of 1.25% pre retirement and 1% post retirement, and have continued to be used as at 31 August 2020.

PORTLAND COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st AUGUST 2020

23. FRS102 VALUATION OF DEFINED BENEFIT PENSION SCHEME (continued)

The assets in the scheme and the expected return were:

	Value of assets at 31 August 2020 £'000	Value of assets at 31 August 2019 £'000
Cash Accumulation Policy	7,261	6,955
Secured Pensions in Payment	1,340	1,382
Total Market Value of Assets	8,601	8,337
Present Value of Scheme Liabilities	(9,542)	(9,536)
Deficit in the Scheme	(941)	(1,199)
	2020	2019
	£'000	£'000
Actual Return on Scheme Assets		
Gain/(Loss) on Scheme Assets	122	37
Actual Return on Scheme Assets	122	37
Analysis of the Amount Debited to operating Net Income/Expenditure		
Current Service Cost	-	6
Expected Return on Scheme Assets	73	31
Past Service Costs	-	63
Interest Cost	20	35
Net Charge to Statement of Financial Activities (SoFA)	93	135
Analysis of Amounts Recognised in Other Recognised Gains and Losses (ORGL)		
Actual Return Less Expected Return on Assets	392	37
Experience (Losses)/Gains Arising on the Scheme Liabilities	(256)	(95)
Actuarial (Loss)/Gain Recognised in ORGL	136	(58)
Cumulative Actuarial Loss Recognised in ORGL	(2,472)	(2,608)
Movement in Liabilities During the Year		
Scheme Liabilities at Beginning of Year	9,536	9,803
Movement in year:		
Current Service Cost	-	6
Past Service Cost	-	63
Interest Cost	168	284
Employee's Contributions	0	2
Benefits Paid	(418)	(717)
Actuarial Loss/(Gain)	256	95
Scheme Liabilities at End of Year	9,542	9,536

PORTLAND COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st AUGUST 2020

23. FRS102 VALUATION OF DEFINED BENEFIT PENSION SCHEME (continued)

Movement in Assets During the Year:	2020	2019
	£'000	£'000
Scheme Assets at Beginning of Year	8,337	8,576
Movement in year:		
Expected Return on Scheme Assets	392	37
Employer Contributions	215	221
Employee Contributions	-	2
Benefits Paid	(418)	(717)
Administration expenses	(73)	(31)
Interest income	148	249
Actuarial Gain/(Loss)	-	-
Scheme Assets at End of Year	8,601	8,337
History of Amounts for Current and Previous Accounting Period:	2020	2019
	£'000	£'000
Scheme Liabilities Amount	(9,542)	(9,536)
Scheme Assets Amount	8,601	8,337
Deficit Amount	(941)	(1,199)
Experience Adjustments on Scheme Liabilities		
Amount	136	(58)
% of Scheme Assets	1.6%	-0.7%
Experience Adjustments on Scheme Assets		
Amount	-	-
% of Scheme Assets	0.0%	0.0%
Total Amount Recognised in Other Recognised Gains and Losses		
Amount	136	(58)
% of Scheme Liabilities	1.4%	-0.6%

24. 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'.

25. ULTIMATE CONTROLLING PARTY

The Directors consider that there is no ultimate controlling party.

26. RELATED PARTY TRANSACTIONS

The Charity has an 33.3% interest in an associated undertaking, Steps to Employment Limited, a company providing specialist training and rehabilitation for disabled people helping them return to sustainable employment. The company ceased trading during 2016/17 and is expected to be wound up in 2019/20. There has been no income or costs in 2019/20 neither is there expected to be any further liability on winding up.

During the year recharges from Portland College to Portland College Enterprises were £139k (2019 - £140k), and sales from Portland College Enterprises to Portland College were £2k (2019- £4k)

27. POST BALANCE SHEET EVENTS

On the 16th September 2020 Portland College purchased 75% of the share capital of Polly Teach Limited a private limited company based in Kirkby in Ashfield, Nottinghamshire providing alternative education to local authorities and schools across Nottinghamshire and Derbyshire. There is a put and call option to purchase the remaining 25% of shares in August 2023. The initial purchase price was £450,000 of which £350,000 was payable on completion with two further instalments of £50,000 each in August 2021 and August 2022. The unaudited results for Polly Teach for the 10 months to 31st August 2020 were:

	£'000
Turnover	814
Profit after tax	221
Net Assets	143



Portland College
Nottingham Road, Mansfield,
Nottinghamshire, NG18 4TJ

T: Main College Reception **01623 499111**
T: Student Recruitment **01623 499186**
F: **01623 499134**
E: marketing@portland.ac.uk
www.portland.ac.uk

A Company Limited by Guarantee No.408340.
Registered Charity No.214339.
Patron: Her Majesty the Queen

