



ANNUAL REPORT & ACCOUNTS

Year Ended 31 August 2021



PORTLAND COLLEGE

Nottingham Road, Mansfield, Nottinghamshire
NG18 4TJ

(Registered Office and Principal Address)

Telephone: 01623 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 OBE TD DL

Vice Chairman: Dr D Green

Mr N E Aspley

Mrs H K Atwal

Mr M Briggs

Mrs J Butler (Appointed 26 January 21)

Councillor S Deakin (Appointed 20 July 2021)

Mrs S Egle

Mr P Emerson DL

Mrs A Farr DL

Professor D Fathers DL

Councillor J W Handley (Resigned 20 July 21)

Mr Stephen Jackson

Mr David Sneath DL

Mr T Vasishta

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:

Mrs L Kenwright

Assistant Principal Quality & Curriculum:

Mrs A Anstey

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:

PKF 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 2021, 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 and one 75% part owned subsidiary Polly Teach Limited, held in Portland College Enterprise Limited. All income, expenditure and Balance Sheets have been consolidated into the Portland College accounts, with explanatory notes.

Reference and administrative details

Portland College is a company limited by guarantee and a registered charity. The Registered Office is as shown on page 2. The present Directors and any other Directors who served during the year are listed on page 2, together with the Patron, President, Vice-Presidents, key management personnel and the College's external advisers.

Structure, governance and management

Governing Document

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

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

Details of governors, senior management personnel and professional advisors are shown on page 2 of this report.

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

Organisation

The College benefits from a governing body possessing a comprehensive range of skills and experience which allows detailed oversight of all facets of the business of the College. The Directors discharge their duties via Governing Body meetings, held at least four times per year and through a range of Committees which include: Audit Committee, Remuneration Committee, Oversight of Standards Group, Oversight of Finance Group, Enterprise Board, Estates Planning Group and Development Working Group. These committees, together with any other working parties that may at times be necessary, meet as and when required. The Principal and Chief Executive Officer is responsible to the Directors for the day-to-day running of the College and the execution of strategy and policies as decided by the Board of Governors. In 2020-21 the breadth of Board expertise available to the College is described below:

Timothy S Richmond OBE TD DL FCA CCMi (Hon) DBA - Chair of Governors

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

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

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

Stephen Jackson - Chair of Audit Committee

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

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

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

Thalej Vasishta LLB(Hons) - Chair of Staff Council & Non-Executive Director of Steps to Employment Limited

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

Shaun Walsh BA(Hons) FCA - Chair of Oversight of Finance Group

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

Peter Emerson - Chair of Estates Planning Group

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

Nick Aspley LLB(Hons) - Lead Governor for the Prevent Duty

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

Harvinder Atwal - Chair of Portland College Enterprises Limited

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

Amanda Farr DL MSc Oxon

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

Sarah Egley RGN BA(Hons) MA

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

Councillor John William Handley (resigned 20th July 2021)

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 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.

Joanne Butler (Appointed 26 January 2021)

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 neurodiverse world. She was previously the Head teacher of an autism specialist school, and now offers specialist teaching advice for Nottinghamshire County Council.

Councillor Samantha Deakin (Appointed 20 July 2021)

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 any conflict of interests. This is then followed by a rigorous induction programme with the Senior Management team and ongoing training including safeguarding.

Liability Insurance

During the year the College purchased Executive, Professional and Fidelity Liability Insurance, which covered the Directors and Officers of the College, at a cost of £1,150 (2020 - £1,150). In all cases the insurance indemnifies the College against losses incurred from wrongful acts that result in claims by third parties. In addition, the individual Directors or Officers are covered under the Executive Liability insurance policy against personal loss, as a result of claims made upon them for actions taken whilst acting in their capacity as Directors or Officers of the College.

Employment Policies

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

The College employed an average of 343 full-time equivalent people during the year, compared with 324 in 2019-20.

Senior team remuneration statement

This statement is published by the Board of Governors of Portland College for the financial year 2020-21, informed by the Association of Colleges' Senior Postholder Remuneration Code.

Senior post holders within the remit of Remuneration Committee

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

Policy on the remuneration of senior post holders

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

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

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

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

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

Remuneration Committee approved a cost of living rise of 1% for senior post-holders from 1st April 2021.

Cost of living rises for other staff varied between 2.18% and 1% depending on their pay grade.

In 2020-21 no exceptional performance bonuses were paid to senior post holders.

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 2020-21 there were no instances of retained external earnings

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 2021	5.60	£17,374

Any other relevant matters

None

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

Polly Teach 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 are a 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 Stage 3 and 4.

Volunteers

Portland values the significant contributions from approximately 25 volunteers who support in a variety of roles, including learning and care support, catering, estates maintenance, administration and minibuss driving.

In 2021, we appointed a new Volunteer and CSR Coordinator who has successfully reinstated existing volunteers, and recruited new ones following a period of inactivity due to Government Covid restrictions. The Volunteer and CSR Coordinator also supports local businesses to meet their Corporate Social Responsibility objectives by promoting and facilitating charitable activities.

This new role supports our three core themes of Health & Well-being, Independence, and Employability, for example, through sourcing work placement opportunities, financial and equipment donations and a pilot transport project enabling greater access for beneficiaries to enrichment activities.

STRATEGIC REPORT

Achievements and performance

Charitable Activities

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

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

Funding

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

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 TEAMS, Virtual Meetings and online and distance teaching for many of the students. Learner numbers dropped a little as students 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 was closed to the public until spring 2021. 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 for a time - Short Breaks, Therapy, Portland Print, Portland Enterprises (who deal with weddings and external events) and all those dealing directly with the general public, this impacted negatively on the activities and turnover. Furlough income and Emergency Covid Grants from Councils have helped us to weather the storm financially.

Since the summer of 2021, the majority of services at Portland have reopened fully, however the College continues to demonstrate Covid safe procedures across the campus.

Learning and teaching

During 2020-21 funded learner numbers stabilised at around 195 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 proactively develop digital engagement and blended learning to limit the impact of Covid in order to be able to continue to provide a good educational experience for learners. Data collection and analysis has improved significantly, along with a revised quality assurance framework, which is positively impacting on the quality of teaching and learning. Learner assessment, review and transitions continue to be a strength and we work closely with funders to ensure that our provision is meeting their objectives in a cost-efficient manner. Further development work with the Local Authority is planned to enable both parties to support each other in the timeliness of transitions in.

Portland has further 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, although some businesses have been challenged due to Covid. 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. Our Supported Internship programme provided employment outcomes and our Progress adult education offer is developing to give further support for young people to achieve positive destinations.

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. We are confident that the curriculum review and offer has further developed, including the new construction trades area and the introduction of health and social care. Our Be Healthy Active and Courageous project underpins all aspects of the FE offer and we continue to see the positive impact of this on our learners' mental and physical health. Our FE intent and implementation align well with the new Education Inspection Framework.

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).

The pandemic continued to have a major impact on all care services. The lessons from the first national lockdown helped us to react very quickly and responsively, enabling us to welcome back successfully all staff and learners when shielding ended. We maintained self-isolating households with different clusters for citizens with dedicated staff teams in order to limit possible cross-infection between groups. We also maintained excellent infection, prevention and control practices across the College with no recorded outbreak of the virus in the College. This was validated in a visit from the Nottinghamshire County Quality Audit Team in March 2021. Furthermore, in partnership with our local GP network, we successfully organised and hosted the vaccination of over 98% of our citizens and staff which has positioned us well to safely meet the regulatory vaccination requirement for all care staff by November 2021.

Our focus was also to continue the care quality consolidation, which has seen a massive improvement in care practice and a sustained shift in staff culture towards best practice as the norm rather than the exception. We now have clearly evident elements of outstanding practice within our day-to-day operations. For instance, through our digital initiative – the Care App, the daily recording of support provided has become timelier and more efficient; allowing staff to dedicate more time to focus on care needs. We recorded examples of staff going above and beyond at personal cost and sacrifice to maintain person-centred care for our beneficiaries. We also recorded examples of our beneficiaries achieving their goals and aspirations, enabled by the support from our staff.

Despite the ongoing limitations of the pandemic, we made laudable strides towards achieving set objectives. As the College believes that community engagement is vital to the development of our beneficiaries, we widened the scope of our Day Service operation, with provision started in two community locations. This is in line with our 2025 College vision. We believe that it is essential that residents on our independence programme learn a wide range of skills to enable the transition off site. To this end, we started a step-down service at Willow House (within the College campus). This step-down service is staffed along supported living lines but remains under our residential care registration. This arrangement is strongly supported by our local commissioners at Nottinghamshire County Council and will operate alongside our supported living registration, if approved by the CQC.

Following the revised operating model from September 2020, the demand for our short break services did not abate, but rather increased. We have had to manage the expectations of clients and their families through a booking system. A further review by the leadership team and governors led to an increase in the capacity of the service with a planned move into the Beeches business unit in January 2022 after it is refurbished. The service will remain under review.

We also have seen more increase in the number of referrals into the Day Service and Independent Living Service with both services exceeding their quota targets for the year. Most of these referrals were direct referrals which is a consequence of the positive impact of our work as seen in feedback received from commissioners. Altogether, over 200 citizens access all of these services. We therefore plan to sustain and further improve the high-quality learning and support across all our care provision, ensuring demonstrable outcomes for all our beneficiaries.

Polly Teach Limited

During the year student numbers were below expectation as a number of schools withdrew pupils from sub-contract arrangement as a result of Covid, and referrals reduced due to the practical difficulties of arranging assessment and placement whilst a large proportion of Commissioners and pupils were working from home.

During the first wave of Covid lock down, many students were working at home, and Polly Teach kept daily contact with students via online platform and phone calls with at least 1 weekly home visit. Polly Teach managed to keep communication with all families and provide a detailed curriculum even if students were at home. Allowing students to develop skills to and evidence to be collected for exams results with year 11 students achieving their expected GCSE grades.

During the summer term, some year 11 students completed work placements with contractors to develop skills for their post 16 options. All work experience was monitored with high quality daily contact with companies and students.

Fundraising and Other Matters

The fundraising team continues to raise funds via applications to trusts, individuals, organisations, and by organising a number of fund-raising events throughout the year. Although events were limited due to the impact of Covid-19, charitable income including grants totalled £734k during 2020-21 (£575k in 2019-20). This increase in income stemmed primarily from the capital appeals for the 'Newstart Hall' refurbishment.

Whilst Covid-19 restricted the ability to deliver a full range of on-site activities during 2020/21, the College is proud to have the National Citizen Services programmes for young people with learning and physical disabilities now back on-site accessing new and exciting challenges. This is the only such programme in the country, something the college is very proud to deliver.

FINANCIAL REVIEW

Group Operating Results

The net income for the year ended 31 August 2021 was a surplus of £653k (2020 surplus of £377k).

The Directors Memorandum Note on page 12 demonstrates that the College operated at a surplus of £1,588k (2020 £1,189k) 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 Unrestricted Free Reserves retained as at 31 August 2021 were £11,726k (2020: £10,884k).

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 £12,925k (note 17). The Designated Funds as at 31 August 2021 total £1,100k (£1,100k as at 31 August 2020) and are listed in Note 18a of the Financial Statements. They 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 3 months expenditure is £2,591k as at 31 August 2021 (2020 £2,174k). 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 (2020 £2,200k) and Cash at Bank on Deposit stood at £2,242k (2020 £1,722k). Total Cash and cash equivalents at bank increased by £520k during the year, mainly due to temporary working capital fluctuations. In year, the College liquidated its share portfolio which was valued at £274k on 31 August 2020.

The annual return on investments was £36k (2020 £37k).

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 beneficiaries. This assessment is formally reviewed at every main Board meeting, with detailed scrutiny via the Audit Committee. Each identified risk is RAG rated, allocated to an individual senior manager and actions identified to minimise the overall risks. The risk register is an interactive document that is continually reviewed and updated by the Senior team which not only identifies the risk, but helps manage the delivery of specific actions identified.

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

- Learner and citizens outcomes being below their potential due to lack of suitable opportunities and wellbeing on leaving college, particularly during Covid 19 pandemic,
- a risk that staff do not have the skills to effectively support our current cohort of learners and citizens,
- Ensuring Learners and Citizens are protected through safeguarding or Prevent incident
- 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 and

Ongoing recruitment and retaining staff in the care profession

Plans for future periods

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

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

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

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

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

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

In 2022 the Charity will be operating 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.

During the plan period the College will complete the acquisition of the remaining shares in Polly Teach Limited. The alternative provision school has been subject to some investment and is being managed to achieve growth and generate an investible surplus to the support the Charity.

Statement of Directors' Responsibilities

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

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

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

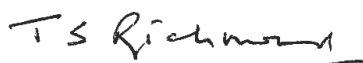
The Directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding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

In so far as the Directors are aware:

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

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

Directors Report and Strategic Report Approved on 26 April 2022:



T S Richmond
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PORTLAND COLLEGE

Opinion

We have audited the financial statements of Trent College Limited ('the company') and its subsidiaries ('the group') for the year ended 31 August 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Company Balance Sheets, the Consolidated Statement of Cash Flows and the related notes including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 'The financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities SORP 2019.

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 August 2021 and of the incoming resources and application of resources, including its income and expenditure, for the year ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for Opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities set out on page 13, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Our assessment focussed 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.

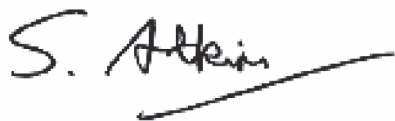
Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection of fraud based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

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 Auditors' report.

Use of our report

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

Date: 31 May 2022

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

PORTLAND COLLEGE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31st AUGUST 2021

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Total 2021 £'000	2020 £'000
Income from	1(d)				
Charitable Activities	2	10,321	-	10,321	9,569
Other Trading Activities	3	1,239	-	1,239	597
Donations, Legacies and Grants	4	4	810	814	575
Investment Income	5	36	-	36	37
Other Income		-	-	-	24
Total Income		11,600	810	12,411	10,802
Expenditure on:	1(e)				
Raising Funds		124	-	124	119
Charitable Activities	6(a)/(b)	9,928	942	10,870	9,607
Other Activities	6c	763	-	763	699
Total Expenditure		10,815	942	11,757	10,425
Net Gains on Investments	10(b)	-	-	-	-
Net Income for the year	8	785	(132)	653	377
Transfers Between Funds	18(a)/(b)	117	(117)	-	-
Net (Expenditure)/Income before Other Recognised Gains and Losses		902	(249)	653	377
Other Recognised Gains and Losses		-	-	-	-
Defined Benefit Pension Scheme Actuarial (Loss)/Gain	23	523	-	523	136
Net Movement in Funds		1,425	(249)	1,176	513
Reconciliation of Funds					
Fund Balances Brought Forward	18	11,117	389	11,506	10,993
Fund Balances Carried Forward at End of Year		12,542	140	12,682	11,506

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

The notes on page 16 to 33 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 2021 (CONTINUED)

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

Re-statement of Revenue Performance in EBITDA format:

	2020-21	2019-20
	£'000	£'000
Operating Surplus before Exceptional Items and Depreciation	1,588	1,189
Less: Extraordinary Expenditure		
Deficit recovery for Defined Benefit Pension Scheme	(215)	(215)
	(215)	(215)
Surplus/(Deficit) before Non-Cash Items	1,373	974
Depreciation	(806)	(719)
Amortisation	(48)	
FRS102 - Pension Charge Against Operating Surplus	134	122
	(720)	(597)
Net (Expenditure)/Income Before Other Recognised Gains and Losses	652	377

PORTLAND COLLEGE

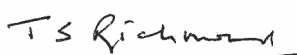
CONSOLIDATED BALANCE SHEET AS AT 31st AUGUST 2021

Company Registration Number 408340

	Note	31st August 2021 £'000	31st August 2020 £'000
Fixed Assets			
Intangible Assets	10(a)	434	-
Tangible Assets	10(ai)	9,929	8,764
Investments - Quoted	10(b)	-	274
Other Investments - Other than Loans	10(c)	-	-
Investments - Related Parties	10(d)	-	-
Total Fixed Assets		10,363	9,038
Current Assets			
Stocks	12	18	29
Debtors	13	549	1,173
Investments	14	2,200	2,200
Cash at Bank on Deposit		1,952	1,540
Cash at Bank and in Hand		290	182
		5,009	5,124
Creditors: Amounts falling due within one year	15	(2,406)	(1,715))
Net Current Assets		2,603	3,409
Net Assets Excluding Pension Liability		12,966	12,447
Defined Benefit Pension Scheme Liability	23	(284)	(941)
Net Assets Including Pension Liability	16	12,682	11,506
The Funds of the Group			
Restricted Income Funds	18(b)	140	389
Unrestricted Income Funds			
General Group Funds	18(a)	11,726	10,884
Designated Funds	18(a)	1,100	1,100
Unrealised Investment Revaluation Reserve	18(c)	-	74
Unrestricted Income Funds Excluding Pension Liability		12,826	12,058
Pension Reserve	23	(284)	(941)
Total Unrestricted Funds		12,542	11,117
Total Group Funds	17	12,682	11,506

The notes on pages 16 to 33 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

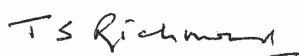
PARENT CHARITABLE COMPANY BALANCE SHEET AS AT 31st AUGUST 2021

Company Registration Number 408340

	Note	31st August 2021 £'000	31st August 2020 £'000
Fixed Assets			
Tangible Assets	10(a)	9,910	8,763
Investments - Quoted	10(b)	-	274
Investments - Subsidiary and Associate Undertaking	10(c)	450	-
Total Fixed Assets		10,360	9,037
Current Assets			
Stocks	12	10	21
Debtors	13	563	1,163
Investments	14	2,200	2,200
Cash at Bank on Deposit		1,952	1,5403
Cash at Bank and in Hand		4	14
		4,729	4,938
Creditors: Amounts falling due within one year	15	(2,024)	(1,528)
Net Current Assets		2,705	3,410
Net Assets Excluding Pension Liability		13,065	12,447
Defined Benefit Pension Scheme Liability	23	(284)	(941)
Net Assets Including Pension Liability	16b	12,781	11,506
The Funds of the Charity			
Restricted Income Funds	18(bc)	140	389
Unrestricted Income Funds			
General College Fund	18(ai)	11,825	10,884
Designated Funds	18(ai)	1,100	1,100
Unrealised Investment Revaluation Reserve	18(ai)	-	74
Unrestricted Income Funds Excluding Pension Liability		12,925	12,058
Pension Reserve	23	(284)	(941)
Total Unrestricted Funds		12,641	11,117
Total Charity Funds	17b	12,781	11,506

The notes on pages 16 to 33 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 2021

	Note	2021 £'000	2020 £'000
Net Cash Provided By Operating Activities	21	2,336	863
Cash Flow From Investing Activities			
Purchase of Property, Plant and Equipment	10(a)	91,962)	(1,292)
Proceeds From the Sale of Property, Plant and Equipment		-	-
Purchase of Investments	10(b)	-	(55)
Proceeds from Sale of Investments	10(b)	274	69
Purchase of Subsidiary net of cash acquired	27	(164)	-
Investment and Other Income	5	36	37
Net Cash Used in Investing Activities		(1,816)	(1,241)
Change in Cash and Cash Equivalents in the Reporting Period		520	(378)
Cash and Cash Equivalents at 1 September 2019		3,922	4,297
Cash and Cash Equivalents at 31 August 2020		4,442	3,922
Cash and Cash Equivalents Consists of:			
Cash in Hand, at Bank		2,242	1,722
Current Asset Investments	14	2,200	2,200
Cash and Cash Equivalents at 31 August 2020		4,442	3,922

PORTLAND COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st AUGUST 2021

1. ACCOUNTING POLICIES

(a) General information and basis of preparation

The group financial statements have been prepared on a going concern basis under the historical cost convention, modified to incorporate the inclusion of Fixed Asset Investments at fair value. They are prepared in Sterling which is the functional currency of the College and rounded to the nearest £000. They comply with the requirements of the Companies Act 2006 and the provisions of the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in 2019. The statement of financial activities (SoFA) and balance sheet consolidate the financial statements of the College and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis. The results of the associated undertaking are excluded from the consolidation on the basis that it is immaterial.

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

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

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

Results of Portland College - Total incoming resources for the year ended 31 August 2021 for Portland College (the charity) amounted to £11,754k (2020 - £10,656k). Net incoming resources for the year produced a surplus of £1,275k (2020 - surplus £513k).

(b) Going Concern

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

(c) Funds

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

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

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

(d) Income recognition

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

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

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

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.

PORTLAND COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st AUGUST 2021

1. ACCOUNTING POLICIES (continued)

(d) Income recognition (continued)

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

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

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

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

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

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

(e) Expenditure recognition

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

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

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

(f) Support costs allocation

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

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.

PORTLAND COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st AUGUST 2021

1. ACCOUNTING POLICIES (continued)

(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.

(i)b Intangible fixed assets

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

(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:

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

Notes:

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

(ii) Items costing less than £500 are written off as expenditure in the year of purchase unless part of a larger project spend.

(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.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st AUGUST 2021

	2021 £'000	2020 £'000
2. INCOME FROM CHARITABLE ACTIVITIES		
Educational fees	6,265	6,269
Residential fees	3,967	3,210
Other fees	89	90
	10,321	9,569

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

3. INCOME FROM OTHER TRADING ACTIVITIES

Portland Print	105	110
Furlough	123	175
Polly Teach Ltd	758	-
Other Trading Income	253	312
	1,239	597

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

4. INCOME FROM DONATIONS, LEGACIES AND GRANTS

Legacies	-	-
Grants	129	55
Donations	685	520
	814	575

Donations in excess of £2k were received from the Ralph King Legacy, Kirkby Laing Foundation, Betty Williamson, Government Town Funds, Peter Harrison, Duke of Portland, Thomas Farr, Jessie Spencer, Jones 1986, Garfield Western, Provincial Grand Lodge Nottingham, National Lottery, Ashfield Council, Reaching Communities, Mansfield Building Society, Children in Need, Nineveh Trust.

Of the above income of £814k (2020: £575k); £4k (2020 £128k) was attributable to unrestricted funds and £810k (2020: £447k) was attributable to restricted funds.

	2021 £'000	2020 £'000
5. INVESTMENT INCOME		
Bank Interest	12	44
UK Listed Investments	24	(7)
	36	37

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 2021

6a. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Activities undertaken directly £'000	Support Costs £'000	Total £'000	2020 Total £'000
Education	3,630	2,162	5,792	5,129
Care and Support	3,245	1,833	5,078	4,478
	6,875	3,995	10,870	9,607

£942k (2020 - £206k) of the above costs were attributable to restricted funds. £8,655k (2020 - £9401k) 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	2020 Total £'000
Learner Support Costs	Area/Usage	896	705	45	1,646	1,471
Corporate Services	FTEs	874	746	70	1,690	1,329
Depreciation	Asset location	392	382	80	854	719
		2,162	1,833	195	4,190	3,519

6c. EXPENDITURE ON OTHER ACTIVITIES

	2021 £'000	2020 £'000
Pathways to Employment & Catering	530	580
Administrative Expenses	233	119
	763	699

7. GOVERNANCE COSTS-INCLUDED WITHIN SUPPORT COSTS

	2021 £'000	2020 £'000
Auditors Remuneration - Current Year	32	32
Other Professional Costs	95	125
	127	157

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

	2021 £'000	2020 £'000
Auditors Remuneration		
Auditors Remuneration - Audit	32	32
Less: Allowance included within Donations & Gifts	(9)	(9)
	23	23
 Auditors Remuneration - Other Services		
Audit of the Charity's Subsidiary pursuant to legislation	7	4
Other services relating to taxation	3	1
All other services	-	-
	33	28

Operating Leases

Operating Leases - all with less than 1 Year remaining	6	6
Rental Agreements	6	6

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

PORTLAND COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st AUGUST 2021

9. EMPLOYEE INFORMATION

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

	2021 Number	2021 FTE	2020 Number	2020 FTE
Education	189	153	165	126
Care & Support	144	127	164	141
General Learner Support	39	34	32	26
Corporate Services	23	21	25	21
Trading Activities	30	6	9	8
Fundraising	2	2	3	2
	427	343	398	324

In addition a total of 45 Volunteers (2020: 50) made a contribution to the College in a variety of ways.

Employment Costs for the year were:

	2021 £'000	2020 £'000
Wages and Salaries	8,003	7,100
Employer's National Insurance Contributions	543	453
Employer's Pension Contributions	379	333
Life Assurance Contributions	35	35
	8,960	7,921

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 £460k (2020: £372k). One employee had employee benefits in the range of £110k-£120k (2020: One in £90k-£100k). One employee had employee benefits in the range of £60k - £70k (2020 nil).

Redundancy payments made during the year were nil (2020: £20k) due to departmental reorganisations.

No Trustees received any remuneration in either 2021 or 2020.

The Board of Governors

The Governors and committee members are entitled to reclaim travel expenses incurred in the course of their duties. During the year no (2020 - one) Governors received reimbursement of expenses totalling £nil (2020 - £nil), of which £nil (2020 - £nil) was Gift Aided back to the College.

PORTLAND COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st AUGUST 2021

10. FIXED ASSETS

(a) Intangible Assets

	Goodwill £'000	Total £'000
At 1st September 2020	-	-
Additions	482	482
Amortisation for period	(48)	(48)
Net Book Value as at 31st August 2021	434	434

(ai) Tangible Assets

Group

	Freehold Land & Buildings £'000	Furniture & Equipment £'000	Transport £'000	Assets Under Construction £'000	Total £'000
Cost					
At 1st September 2020	18,249	3,181	258	790	22,478
Additions	1,795	147	20	-	1,962
Assets upon acquisition	-	21	-	-	21
Transfer Assets under construction	756	34	-	(790)	-
Disposals	-	(7)	(16)	-	(23)
At 31st August 2021	20,800	3,376	262	-	24,438

Depreciation

At 1st September 2020	11,148	2,385	181	-	13,714
Charge for Year	627	154	25	-	806
Eliminated on Disposal	-	(5)	(6)	-	(11)
At 31st August 2021	11,775	2,534	200	-	14,509

Net Book Value

At 1st September 2020	7,101	796	77	790	8,764
At 31st August 2021	9,025	842	62	-	9,929

(aii) Tangible Assets

Charity

	Freehold Land & Buildings £'000	Furniture & Equipment £'000	Transport £'000	Assets Under Construction £'000	Total £'000
Cost					
At 1st September 2020	18,249	3,181	258	790	22,478
Additions	1,795	141	20	-	1,956
Transfer Assets under construction	756	34	-	(790)	-
Disposals	-	(6)	(16)	-	(22)
At 31st August 2021	20,800	3,350	262	-	24,412

Depreciation

At 1st September 2020	11,148	2,385	181	-	13,714
Charge for Year	627	148	25	-	800
Eliminated on Disposal	-	(6)	(6)	-	(12)
At 31st August 2021	11,775	2,527	200	-	14,502

Net Book Value

At 1st September 2020	7,101	796	77	790	8,764
At 31st August 2021	9,025	823	62	-	9,910

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 2021

10. FIXED ASSETS (Continued)

(b) Investments

Group & Charity

	Quoted Investments £'000	Cash £'000	Totals £'000
Market Value at 1st September 2020	270	4	274
Additions	-	-	-
Disposals	(270)	(4)	(274)
Revaluation	-	-	-
At 31st August 2020 (see notes below)	-	-	-
Cost at 1st September 2020	195	1	196
Cost at 31st August 2021	-	-	-

(b) Investments

Charity

	Shares in Group Undertakings £
Cost or valuation at 1st September 2020	100
Holding in subsidiary: 100 Ordinary shares of £1 each [note 11]	100
Additions in the period: 900 Ordinary shares at £500 each	450,000
Cost or valuation at 31st August 2021	450,100

Cost or valuation at 1st September 2020 and 31st August 2021	Shares in Associated Undertakings £
Holding in associated undertaking: 2 Ordinary shares of £1 each [note 26]	
Cost or valuation at 1st September 2020 and 31st August 2021	2

PORTLAND COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st AUGUST 2021

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 £52,148. A summary of the results of the subsidiary is shown below:

	2021 £'000	2020 £'000
Turnover	29	146
Cost of Sales	(56)	(118)
Gross Profit	(27)	28
Administrative Expenses	(15)	(25)
Operating Profit	(42)	3
Income from Fixed Asset Investment	95	-
Profit after Tax	53	3
The aggregate of the assets, liabilities and funds was:		
Assets	881	568
Liabilities	(379)	(568)
Total Capital and Reserves	502	-

11b. SUBSIDIARY UNDERTAKING

From 16th September 2020 the charity indirectly controls the whole of Polly Teach Ltd. A company registered in England and Wales. The subsidiary is used for provision of non mainstream education for young people. All activities have been consolidated on a line by line basis in the SOFA. The subsidiary achieved a total net loss of £8,411. A summary of the results of the subsidiary is shown below:

	2021 £'000
Turnover	758
Cost of Sales	(537)
Gross Profit	221
Administrative Expenses	(229)
Operating Profit	(8)
Income from Fixed Asset Investment	-
Profit after Tax	(8)
The aggregate of the assets, liabilities and funds was:	
Assets	211
Liabilities	(177)
Total Capital and Reserves	34

12. STOCKS

	Group		Charity	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Raw Materials and Consumables	18	27	10	19
Work-in-Progress	-	2	-	2
	18	29	10	21

13. DEBTORS

Trade Debtors	486	663	448	656
Other Debtors	31	67	15	67
Prepayments	32	443	29	440
Due from Group Companies	-	-	71	-
	549	1,173	563	1,164

Other Debtors includes £nil (2020 - £22k) for Student Fees not yet invoiced.

14. INVESTMENTS - CURRENT ASSETS

Unquoted - Fixed Term UK Bank Deposits	2,200	2,200	2,200	2,200
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Of the above deposits, £1,700k (2020 - £1,350k) 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 2021

15. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Trade Creditors	244	173	235	144
Other Taxation and Social Security	141	107	115	107
Other Creditors	1,239	916	948	757
Accruals	782	520	726	520
	2,406	1,716	2,024	1,528

Other Creditors include £260k (2020 - £279k) for Student Fees paid in advance.

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
Fund Balances at 31st August 2021 are represented by:			
InTangible Fixed Asset	434	-	434
Tangible Fixed Asset	9,929	-	9,929
Current Assets	4,869	140	5,009
Creditors: Current Liabilities	(2,406)	-	(2,406)
Pension Reserve	(284)	-	(284)
	12,542	140	12,682

16.b ANALYSIS OF NET ASSETS BETWEEN FUNDS

Charity	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
Fund Balances at 31st August 2021 are represented by:			
Investments	450	-	450
Tangible Fixed Asset	9,910	-	9,910
Current Assets	4,589	140	4,729
Creditors: Current Liabilities	(2,024)	-	(2,024)
Pension Reserve	(284)	-	(284)
	12,641	140	12,781

17. COLLEGE FUND AND RESERVES

Group	2021 £'000	2020 £'000
Unrestricted Funds [note 18]		
General College Funds - excluding Designated Funds and Pension Liability	11,726	10,884
Designated Funds [note 18a]	1,100	1,100
General College Funds - excluding Pension Liability	12,826	11,984
Pension Reserve [note 23]	(284)	(941)
General College Funds - including Pension Liability	12,542	11,043
Unrealised Investment Revaluation Reserve [note 18c]	-	74
Unrestricted income fund	12,542	11,117
Restricted Funds [note 18b]	140	389
Total Funds and Reserves	12,682	11,506

17. COLLEGE FUND AND RESERVES

Group	2021 £'000	2020 £'000
Unrestricted Funds [note 18]		
General College Funds - excluding Designated Funds and Pension Liability	11,825	10,884
Designated Funds [note 18a]	1,100	1,100
General College Funds - excluding Pension Liability	12,925	11,984
Pension Reserve [note 23]	(284)	(941)
General College Funds - including Pension Liability	12,641	11,043
Unrealised Investment Revaluation Reserve [note 18c]	-	74
Unrestricted income fund	12,641	11,117
Restricted Funds [note 18b]	140	389
Total Funds and Reserves	12,781	11,506

PORTLAND COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st AUGUST 2021

18. FUND RECONCILIATION

Charity

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

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

- 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 opened October 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 are aiming to create a fully accessible forest adventure zone for learners and the larger community.
- viii. Disability Employment - income for citizens and learners to assist in work and work placements.

ci) Unrealised Investment Revaluation Reserve	£'000	£'000
Balance at 1st September 2020		74
Revaluation During Period		
Revaluation on Disposal of Investments	(74)	
		(74)
Balance at 31st August 2021		-

PORTLAND COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st AUGUST 2021

18. FUND RECONCILIATION (continued)

Group & Charity (prior year)

	Note	Balance 1st September 2019 £'000	Incoming Resources Resources £'000	Resources Expended £'000	Transfers £'000	Gains/ (Losses) £'000	Balance 31st August 2020 £'000
d) Unrestricted Funds							
Unrestricted		10,139	10,355	(10,341)	728	3	10,
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
e) Restricted Funds							
Specific Grants and Donations:							
ESFA School Condition Allocation i.		-	55	(55)	-	-	-
Sports Complex ii.		-	-	-	-	-	-
Multi Use Games Area (MUGA) iii.		-	-	-	-	-	-
Ian Karten Trust iv.		14	-	-	-	-	14
Minibus		10	4	(14)	-	-	-
Disability Employment		-	-	-	-	-	-
Outram Street Project vi.		137	45	(105)	-	-	77
Newstart Hall Project vii.		48	278	-	(200)	-	126
Recovery College viii.		8	52	(9)	-	-	51
Woodlands Project ix.		28	-	-	(28)	-	-
Other Donations:		-	13	(13)	-	-	-
Legacy - Communications		15	-	-	-	-	15
Equipment - Various		21	-	(10)	-	-	11
Scholarship Fund v.		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. The Sports Complex is a proposed capital project, which remains under consideration by the College Governors.
- iv. 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.
- v. Scholarship Fund - cash funds are held for the specific purpose of supporting students.
- vi. Outram Street project.
- vii. Newstart Hall Project - refurbishment of the existing venue.
- viii. Recovery College - helping people back into work and education and assisting independent living.
- ix. Woodlands Project to build an activity centre on the land for use of citizens, learners, local schools and business. This will include a climbing wall, zip wire and outdoor activities.

f) 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 2021

19. CAPITAL COMMITMENTS

Group & Charity

	2021 £'000	2020 £'000
Capital Expenditure committed to but not provided for in these financial statements:		
Woodlands Adventure Zone	-	-
Outram Street	-	-
	-	-

20. FINANCIAL COMMITMENTS

Group & Charity

At 31st August 2021 the Group had total commitments under operating leases expiring as follows:

	2021 £'000	Equipment 2020 £'000
Copier Leases		
Expiring: Within One Year	6	6
Within Two to Five years	6	12
	12	18

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

	2021 £'000	2020 £'000
Net Income/(Expenditure) before Actuarial Gains	653	377
Amortisation	48	-
Depreciation	806	719
Interest Received	(36)	(37)
Unrealised Investment Gains and Losses	-	-
Loss / (Gains) on Disposal of Fixed Assets	12	5
Post Employment Benefits Less Payments	(134)	(122)
(Increase) / Decrease in Stock	11	(6)
(Increase) / Decrease in Debtors	721	(449)
Increase in creditors	253	376
Net Cash provided by Operating Activities	2,334	863

PORTLAND COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st AUGUST 2021

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 £1,241k and funding level of 88%. 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 £215k per annum. This arrangement will be reviewed by the College and Trustees in the light of the next triennial valuation in 2021/22

- 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 £290k were made to this Scheme during the year ended 31 August 2021 (2020 - £246k). 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 £89k (2020 - £87k). Liabilities owed to these schemes at year end were £12k. (2020: £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 (2020 - £35k).

PORTLAND COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st AUGUST 2021

23. FRS102 VALUATION OF DEFINED BENEFIT PENSION SCHEME

Group & Charity

An Actuarial report has been produced as at 31 August 2021 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 £1,0067,000. 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	1.7	1.6
Inflation	3.1	3
Salary Increases	n/a	n/a
Increases to Deferred Pensions before Retirement	2.6	2.4
Increases to Pensions in Payment (5% or RPI if less)	3.1	3
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 2021 were based on the S3PMA/S3PFA, CMI2020 projections with long term improvements of 1.25% pre retirement and 1% post retirement, and have continued to be used as at 31 August 2021.

PORTLAND COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st AUGUST 2021

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 2021 £'000	Value of assets at 31 August 2020 £'000
Cash Accumulation Policy	7,444	7,261
Secured Pensions in Payment	1,271	1,340
Total Market Value of Assets	8,715	8,601
Present Value of Scheme Liabilities	(8,999)	(9,542)
Deficit in the Scheme	(284)	(941)

	2021 £'000	2020 £'000
Actual Return on Scheme Assets	516	392

	2021 £'000	2020 £'000
Analysis of the Amount Debited to operating Net Income/Expenditure		
Current Service Cost	-	-
Administration Expenses	67	73
Past Service Costs	-	-3
Interest Cost	14	20
Net Charge to Statement of Financial Activities (SoFA)	81	93

Analysis of Amounts Recognised in Other Recognised Gains and Losses (ORGL)

Actual Return Less Expected Return on Assets	516	392
Experience (Losses)/Gains Arising on the Scheme Liabilities	7	(256)
Actuarial (Loss)/Gain Recognised in ORGL	523	136
Cumulative Actuarial Loss Recognised in ORGL	(1,949)	(2,472)

Movement in Liabilities During the Year

Scheme Liabilities at Beginning of Year	(9,542)	(9,536)
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Movement in year:

Current Service Cost	-	-
Past Service Cost	-	(12)
Interest Cost	(145)	168
Employee's Contributions	-	-
Benefits Paid	681	(418)
Actuarial Loss/(Gain)	7	256
Scheme Liabilities at End of Year	(8,999)	(9,542)

PORTLAND COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st AUGUST 2021

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

Movement in Assets During the Year:	2021 £'000	2020 £'000
Scheme Assets at Beginning of Year	8,601	8,337
Movement in year:		
Expected Return on Scheme Assets	516	392
Employer Contributions	215	215
Employee Contributions	-	-
Benefits Paid	(681)	(418)
Administration expenses	(67)	(73)
Interest income	131	148
Actuarial Gain/(Loss)	-	-
Scheme Assets at End of Year	8,715	8,601
History of Amounts for Current and Previous Accounting Period:	2021 £'000	2020 £'000
Scheme Liabilities Amount	(8,999)	(9,542)
Scheme Assets Amount	8,715	8,601
Deficit Amount	(284)	(941)
Experience Adjustments on Scheme Liabilities		
Amount	523	136
% of Scheme Assets	6.0%	1.6%
Experience Adjustments on Scheme Assets		
Amount	-	-
% of Scheme Assets	0.0%	0.0%
Total Amount Recognised in Other Recognised Gains and Losses		
Amount	523	136
% of Scheme Liabilities	5.8%	1.4%

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 2021/22. There has been no income or costs in 2020 or 2021 neither is there expected to be any further liability on winding up.

During the year recharges from Portland College to Portland College Enterprises were £59k (2020 - £139k), and sales from Portland College Enterprises to Portland College were £nil (2020 - £2k).

During the year recharges from Portland College to Polly Teach Ltd were £71k (2020 - £nil), and sales from Polly Teach Ltd to Portland College were £1k (2020 - £nil).

As at 31 August 2021 Polly Teach Limited owed Portland College £11k. Portland Enterprises Limited owed Portland College £39k.

PORTLAND COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st AUGUST 2021

27. ACQUISITION OF POLLY TEACH LIMITED

On 16 September 2020 Portland Enterprises Ltd acquired 75% of the share holding in Polly Teach Ltd, 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 in place to purchase the remaining 25% of shares in August 2022, and hence, for accounting purposes, the acquisition has been treated as a 100% acquisition. The minority interest retain the right to 25% of any dividends declared to the date the put and call option is exercised. The initial purchase price was £450,000 of which £350,000 was payable on completion with two further instalments of £50,000 each in September 2021 and August 2022. The net assets at acquisition were:

	Book Value £'000	Fair Value Adjustment £'000	Fair Value £'000
Fixed Assets			
Tangible Assets	20,839	-	20,839
	20,839	-	20,839
Current Assets			
Debtors	97,067	-	97,067
Cash at Bank in Hand	185,731	-	185,731
	282,798	-	282,798
Total Assets	303,637	-	303,637
Creditors	(145,219)	-	(145,219)
Deferred Tax	(15,327)	-	(15,327)
	(160,546)	-	(160,546)
Total Identifiable Net Assets	143,091	-	143,091
Goodwill on acquisition (note 10)			481,909
Total purchase consideration			625,000
Cash flow from Investing activities			£
Cash consideration paid			350,000
Less cash and cash equivalents acquired			350,000
			(185,731)
Net Cash Flow			164,269

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A Company Limited by Guarantee No.408340.
Registered Charity No.214339.

