

**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2023**



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## Reference and Administrative Details

### Senior Management Personnel

Senior management personnel are defined as members of the College Senior Management Team and were represented by the following in 2022/23.

Sara Russell	Principal and CEO; Accounting Officer
Dave Cartwright	Vice Principal
Lucy Edevane	Deputy Principal (Welfare and Progression)
Nick Allen	Deputy Principal (Quality)
Irfan Khan	Director of Finance

### Board of Governors

A full list of Governors is given on page 21 of these financial statements.  
Mrs V Owen acted as Clerk to the Corporation throughout the period.

### Professional advisers

Financial Statement & Regularity Auditors	RSM UK Audit LLP Highfield Court Tollgate Chandlers Ford Eastleigh Hampshire SO53 3TY
Internal Auditors	TIAA Ltd. Artillery House Fort Fareham Fareham Hampshire PO14 1AH
Bankers	Lloyds TSB 49 High Street Winchester Hampshire SO23 9BU
Solicitors	Paris Smith LLP Number 1 London Road Southampton SO15 2AE

## **Strategic Report**

### **Nature, Objectives and Strategies:**

The members present their report and the audited financial statements for the year ended 31 July 2023.

### **Legal status**

The legal status of the Corporation is both a statutory corporation established under the Further and Higher Education Act 1992 and is an exempt charity for the purposes of Part 3 of the Charities Act 2011. The Corporation's Board (Governing Body) has overall responsibility for the conduct of the Peter Symonds College.

### **Mission, Vision, Strategy and Objectives**

#### **Vision: 'Counting in Ones'**

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The ethos of Peter Symonds College centres on the individual. 'Counting in Ones' is our motto and is the principle which guides everything we do. Each student at the College deserves the very best and our primary purpose is to enable students to progress.

Peter Symonds College is a diverse, inclusive and ambitious community in which each person is valued and encouraged to achieve. Students and staff are united in their enthusiasm for learning and the College is committed to providing a stimulating educational experience of the highest quality.

Whatever their future aspirations, we nurture our students' potential and challenge them to develop personally, academically and creatively, and develop a sense of responsibility towards the communities of which they are a part.

The aim of this strategic plan is to cultivate the conditions to ensure that each student is able to reach their potential and progress to the next stage of their lives prepared for the challenges ahead.

### **The Strategic Aims and Objectives**

The College has decided on the objectives set out in this plan following consultation with staff, governors and students; consideration of detailed needs analysis; and self-assessment. The plan, where appropriate, takes account of and responds to national and local priorities.

#### **1 INTENT**

##### **Strategic Aim:**

We will provide a clear, coherent, well-planned and responsive curriculum, and provide opportunities, through and outside the curriculum, for our students to develop the personal and transferable skills to succeed in a global workplace.

##### **Strategic Objectives:**

- 1.1 To plan effective curriculum pathways that meet the needs of our students
- 1.2 To ensure that subject delivery fosters exceptional outcomes



- 1.3 To develop confident independent learners, who can reflect upon, use and apply their learning
- 1.4 To identify and respond to the learning needs of individuals
- 1.5 To maintain an exceptional programme of enrichment activities, enabling all students to broaden and deepen subject understanding, build their cultural, social and environmental awareness, and enhance wellbeing.
- 1.6 To maintain an effective, responsive curriculum for adult learners, including higher education
- 1.7 To deliver outstanding boarding provision
- 1.8 To embed sustainable learning and engagement opportunities in our educational and enrichment activities.

## **2 IMPLEMENTATION: TEACHING AND LEARNING**

### **Strategic Aim:**

We will ensure that teaching and assessment provides an equal opportunity for all students to achieve and demonstrate their full academic potential and deliver an exceptional learning experience for all students through inspirational, innovative, and highly effective teaching.

### **Strategic Objectives:**

- 2.1 Deliver an intelligently structured, exceptional learning experience for all students
- 2.2 To develop highly effective learners, equipped for future learning and employment
- 2.3 To ensure that assessment is meaningful, manageable and motivational, informing teaching and checking understanding
- 2.4 To be innovative and creative in our teaching, learning and assessment
- 2.5 To develop the digital capabilities of staff and students, to empower teachers to innovate, use IT systems effectively, and enable students to improve their digital literacy
- 2.6 To create a College wide Digital Learning Strategy which is embedded throughout all curriculum areas.

## **3 IMPLEMENTATION: SUPPORT**

### **Strategic Aim:**

Through a commitment to the personal development of each student, we will provide a quality of education and experience which equips students with the values, resilience, and independence that will enable them to make a positive contribution to society.

### **Strategic Objectives:**

- 3.1 To deliver an outstanding tutorial programme
- 3.2 To deliver high quality information and advice for individual students, including careers education and guidance
- 3.3 To provide exceptional specialist support for students with learning difficulties and disabilities
- 3.4 To monitor progress and report regularly to learners, parents and, where appropriate, employers
- 3.5 To provide a safe environment for students, safeguarding our learners, and promoting and supporting good health and wellbeing
- 3.6 To maintain high expectations for learners' conduct, applying these expectations consistently and fairly, embedding a culture of inclusivity and respect
- 3.7 To promote the good physical and mental health of our students and provide high quality specialist support.

#### **4 IMPLEMENTATION: PEOPLE**

##### **Strategic Aim:**

People are the foundation of the College's success and the quality of our academic, and support staff is critical to our future. In order for Peter Symonds College to remain an outstanding College and inspirational place to learn we must continue to attract, recruit and support talented individuals and provide a diverse, inclusive, fair and open environment that allows staff to grow and flourish.

##### **Strategic Objectives:**

- 4.1 To attract, recruit and retain the highest calibre staff
- 4.2 To invest in continuous high quality staff development enabling individuals to reach their full potential and maximise their contribution to the College
- 4.3 To work towards an increasingly diverse staffing profile
- 4.4 To focus on the financial, physical and psychological wellbeing of staff to help them thrive at work.

#### **5 IMPLEMENTATION: RESOURCES**

##### **Strategic Aim:**

Ensuring that Symonds remains financially and environmentally sustainable into the future is critical and effective control of the College's resources underpins all our aspirations.

##### **Strategic Objectives:**

- 5.1 To manage our financial resources through effective planning, monitoring and achievement of the College's Financial Plan, to ensure the College's long-term sustainability
- 5.2 To make best use of accommodation and plan effectively for the future development of the College, ensuring business continuity and value for money
- 5.3 To monitor and improve access for students and staff with disabilities, including those that are hidden
- 5.4 To procure, deploy and dispose of resources with due regard to value for money, sustainability and environmental issues
- 5.5 To ensure that our estate provides an environment which promotes outstanding teaching learning and support whilst minimising our environmental impact
- 5.6 To ensure new buildings will be designed flexibly and to the highest standards of accessibility and environmental sustainability
- 5.7 To continue to invest in our digital capability to enhance the quality of our teaching and learning and to enhance our administrative processes
- 5.8 To deploy and evaluate innovative approaches to sustainability and energy conservation, embedding technology and reducing our carbon footprint
- 5.9 To make improvements to our own sustainability performance and by educating, supporting and inspiring our community to achieve collective impactful change.

#### **6 IMPACT**

##### **Strategic Aim:**

To ensure that all learners do their very best in relation to their learning goals, prior attainment and potential.

##### **Strategic Objectives:**

- 6.1 To maintain high expectations, aspirations and outstanding outcomes
- 6.2 To ensure that all learners complete their programmes of study
- 6.3 To prepare confident, resilient students well-equipped for higher education, the workplace and life in wider society.



- 6.4 To address the individual needs of students to remove or minimise achievement gaps
- 6.5 To engage students in an ongoing dialogue about their potential and their progress
- 6.6 To have staff and students who are digitally competent and confident.

## **7 LEADERSHIP AND MANAGEMENT**

### **Strategic Aim:**

To provide ambitious leadership, sound governance and responsive, effective management.

### **Strategic Objectives:**

- 7.1 To lead and motivate staff to fulfil the strategic objectives of the College
- 7.2 To promote a College-wide culture of reflective practice and continuous improvement building on strengths and responding to weaknesses
- 7.3 To foster innovation and creativity across the College
- 7.4 To effectively plan and manage student numbers
- 7.5 To ensure that communication and consultation with staff is clear and open
- 7.6 To ensure equality of opportunity for staff and students, challenging discrimination and engendering inclusivity
- 7.7 To optimise College income from a variety of sources whilst ensuring that the College conducts its affairs with probity and with due regard to public accountability and the financial health of the College
- 7.8 To ensure that the College conducts its affairs with due regard to its statutory duties, including Health and Safety and financial regulations, and promotes a culture of safeguarding
- 7.9 To provide effective, balanced, expert governance
- 7.10 To anticipate, influence and respond to relevant local, regional and national policy, to sustain and enhance student and College success
- 7.11 To manage risk effectively
- 7.12 To collaborate with external agencies to the benefit of the College and its community
- 7.13 To market the College effectively, making the most of opportunities to celebrate and publicise successes and achievements
- 7.14 To build and maintain constructive relationships with our local and regional communities
- 7.15 To achieve our aim of becoming an anti-racist College
- 7.16 To work towards halving the College's net carbon footprint by 2030, and achieving Net Zero by 2050.

## **RESOURCES**

The average number of staff employed by the College during the year was 376 of whom 217 were teaching staff. The College currently has 4,541 16-18 year-old students who are almost exclusively full time. The vast majority of provision is A level, with around 67% of students following a 'pure' A level programme, 27% following a mixed programme involving A levels and vocational courses, and 8% following 'pure' vocational programmes at level 2 or 3. The vocational offer includes T levels (currently Education and Childcare, but Hair and Beauty is in development for a 2024 start), level 2 (OCR, Cambridge Technical Qualifications and GCSEs), level 3 courses from the BTEC and Cambridge Technical families, criminology (WJEC), and courses in beauty therapy and childcare.

While the College is best known as a centre of excellence for A level provision for young people, it also has substantial provision for adult learners ranging from ESOL courses at E1 and E3, GCSE and level 2 vocational courses through to Access to HE and higher education

courses. In the year 2022-23, 444 enrolments were recorded in the College's Adult and Higher Education Division. In 2023-24, there are 97 students on higher education courses in counselling and education, delivered in conjunction with the University of Middlesex. The College also runs a substantial programme of leisure courses.

The primary purpose of the College is to produce university-ready students who have an excellent grounding in their subjects and are skilled at navigating the independent learning strategies used at university. Alongside this, the College offers a range of 'second-chance' courses aimed at providing opportunities for both 16-18 and 19+ learners who have struggled to achieve high grades at GCSE, and wish to enhance their employability in later life.

Just a quarter of the College's intake comes from Winchester, and in all the College engages with over 150 feeder schools. The College is also home to around 70 boarding students. While the College is known best as one that attracts highly qualified learners, the College has an inclusive entry policy and a significant group of learners (around 15%) are averaging around the pass grade (grade four). The vast majority of students are at level 3, though there is a stable of level 2 courses with clear progression routes. The majority of students starting level 2 programmes at the College progress to level 3 programmes at the College, and a significant proportion pursue level 3 courses elsewhere. Around 50 students pursue level 2 courses on the sixth form site in a typical year, but the 2022-23 cohort is significantly larger with 83 students currently on course. The three largest curriculum areas are SSA 2 (Science and Mathematics), SSA 9 (Arts Media and Publishing), SSA 11 (Social Sciences) and SSA 12 (Languages, Literature and Culture).

The College places a significant emphasis on the development of the student beyond the curriculum and offers a diverse range of sporting and non-sporting activities. In September 2023, close to 800 new lower sixth students took part in trials for team sports. Across 32 different teams, 632 students are involved in team games. The College has 40 recreational sports, with 1,349 students participating. In total, 1,975 students are currently taking part in sport at the College.

In 2023 the College was crowned the top College for sport in England, by the Association of Colleges.

In total over 150 enrichment activities are offered at the College, in addition to a wide range of subject specific enrichment opportunities for students to broaden and deepen their learning.

### **Ofsted Validation**

Almost two decades have passed since the College was first graded by Ofsted as outstanding. In that first report Ofsted noted that the College was characterised by an 'unremitting commitment to continuous improvement', a commitment even sharper now than it was then. Ofsted have visited the College on no fewer than seventeen occasions since the original outstanding judgement.

### **Ofsted inspection activity: 2004-2023**

2004 – Full inspection

2004 – Social care inspection report (Boarding)

2005 - History good practice survey

2006 - Modern Foreign Languages good practice survey



2006 – Science and Mathematics good practice survey  
2006 - Annual monitoring visit  
2007 - Social care inspection report (Boarding)  
2008 - Full inspection  
2009 - Science good practice survey  
2010 – Social care inspection report (Boarding)  
2011 - Inspection of the quality and impact of partnership provision in schools for children in service families  
2012 - Inspection of initial teacher training  
2013 – Social care inspection report (Boarding)  
2015 – Review of quality assurance and monitoring student progress  
2015 – Social care inspection report (Boarding)  
2018 – Social care inspection report (Boarding)  
2020 – Full inspection  
2023 – Social care inspection report (Boarding)  
The reports for all of these visits are available on the Ofsted website ([www.ofsted.gov.uk](http://www.ofsted.gov.uk)).

## **STAKEHOLDER RELATIONSHIPS**

In line with other colleges and with universities, Peter Symonds College has many stakeholders. These include:

- Students and their parents/carers;
- Funding Councils;
- Staff;
- Local employers (with specific links);
- Local Authorities;
- Government Offices;
- The local community;
- Other FE and HE institutions;
- Trade unions;
- Professional bodies;
- Trustees of Christes Hospital.

The College recognises the importance of these relationships and engages in regular communication with them through the College Internet site and by meetings.

### **Public Benefit**

Peter Symonds College is an exempt charity under Part 3 of the Charities Act 2011 and following the Machinery of Government changes in July 2016 is regulated by the Secretary of State for Education. The members of the Governing body, who are trustees of the charity, are disclosed on page 21.

In setting and reviewing the College's strategic objectives, the Governing body has had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education. The guidance sets out the requirement that all organisations wishing to be recognised as charities must demonstrate, explicitly, that their aims are for the public benefit.

In delivering its mission, the College provides the following identifiable public benefits through the advancement of education:

- High-quality teaching
- Widening participation
- Excellent employment record for students
- Strong student support systems
- Links with employers, industry and commerce
- Links with Local Enterprise Partnerships (LEPs).

### **Performance Indicators**

Targets in the annual operational plan serve as performance indicators. These cover:

- Learner Numbers
- Set Sizes
- Success Rates
- Value Added
- Attendance

The progress against performance indicators is detailed in following sections of the report.

## **FINANCIAL POSITION**

### **Financial Results**

The financial health score for the College, as measured by the ESFA continues to be “good” or “outstanding”.

The College generated an operating surplus of £656,943 (2021-22 £854,348) which, after FRS102 pension and interest adjustments of £356,895 has resulted in a surplus, before other gains and losses, in the year of £300,048 (2021-22 deficit £366,310), with total comprehensive income, after a net positive pension movement in the year of £3,281,000, of £3,581,048 (2021-22 £9,134,690). The College has accumulated Income and expenditure reserves of £17,156,092 and cash and cash equivalents of £7,392,615.

The College has significant reliance on the education sector funding bodies for its principal funding source, largely from recurrent grants. In 2022-23 FE funding bodies provided 85% (2021-22: 86%) of the College’s total income.

The operating surplus and cash reserves are intended to mitigate the impact of future funding cuts and provide a contingency fund.

The College secured £3.5m grant from Post 16 Capacity Fund and has built a new 12 classroom block. The total cost of the project was £4.3m with £3.5m being funded from the grant with the remaining £0.8m out of the Colleges own reserves.

### **Treasury Policies and Objectives**

The College operates an Investment policy reviewed annually to ensure that surplus funds are invested to obtain a competitive rate of interest, but at the minimum risk to capital.



### **Cash Flows and Liquidity**

Cash inflow from operating activities was £5,275,260 (2021-22 £2,061,655) and this resulted in net cash inflow of £122,467 (2021-22: £79,247).

### **Reserves**

The College recognises the importance of reserves in the financial stability of an organisation, whilst ensuring that adequate resources are provided for the College's core business.

As part of its regular monitoring of finances and in order to ensure the ongoing financial stability of the College, the Senior Management Team and Policy and Resources Committee of the Corporation, regularly review the management accounts.

The College currently holds restricted reserves of £301,960 (2021-22 £308,611) including an expendable endowment reserve of £239,919. It is the Corporation's intention to increase reserves over the life of the Strategic Plan, by the generation of annual operating surpluses.

### **Payment Performance**

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. The target set by the Treasury for payment to suppliers within 30 days is 95 per cent. During the accounting period 1 August 2022 to 31 July 2023, the College paid 95 per cent of its invoices within 30 days of the invoice date. The College incurred no interest charges in respect of late payment for this period.

## CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE

### Students' Achievements 2022-23

Highlights of the analysis of 2022-23 outcomes include:

High retention of students on 16-19 study programmes	According to the retention measure published as part of the achievement and attainment tables (March 2020), far more students (92.3%) reach the end of their courses than is typical. Our analysis suggests that even when prior attainment is taken into account, over the last decade approaching 1,000 extra students have reached the end of their courses than would be expected. In 2022-23, retention over two years stood at 89%.
High qualification achievement rates	QAR rates have been above 88% and well above national rates (84%) in each of the last five years.
Strong student progress across A level and applied general provision	According to the L3VA model used by the government in the performance tables, the College is the only one in Hampshire with statistically significant value added for both A level and vocational courses in every year since the inception of the model (with the exception of vocational courses in 2018, when no score was calculated). The 2015 Ofsted inspection report noted that "learners achieve even higher grades than would be expected based on their GCSE grades". In 2023, the College scored a positive value added score.
Strong progression to university	The interim UCAS report for the 2022-23 application cycle suggests that 1,597 students progressed to university this year. If the level of 'gap year' application continues at previous levels, over 87% of the 2022-23 cohort will progress to higher education. It is not uncommon for significant numbers of students to apply to university two, three or four years after finishing at the College.
Very high rates of progression to highly selective universities	In 2023, 656 students secured places at Russell Group universities. The College is the largest single contributor of students to the Russell Group. The six dimensions analysis suggests that this is well above what would be expected of similarly qualified students nationally. The Sutton Trust report "Degrees of Success" found that 41% of students who complete level 3 courses at the College progress to the thirty most selective universities in the country. Nationally, just 23% of students progress to these thirty universities. (Source: 'Degrees of Success', the Sutton Trust).

	In value added terms the College is in the top ten colleges for competitive destinations. This represents an additional 160 students attaining places at top universities than would be expected upon entry.
Outstanding progression to Oxbridge and medical degrees	An average of 47 students have taken up places at Oxbridge in each of the last twenty years. In 2023, 42 students received Oxbridge offers, and 39 took up places. Analysis by the Sutton Trust places the College as one of the top five providers of students to Oxbridge, alongside Eton, St Paul's and Westminster independent schools, and Hills Road College, Cambridge. In 2023, 50 students took up places to study medicine.
Exceptional outcomes for students that have progressed to higher education	Data provided by the Higher Education Statistical Agency (HESA) suggests that significantly more ex-Symonds students leave university with first or upper second class degrees than would be expected of students from the state or independent sectors. In 2022, 44% of ex-Symonds students who had progressed to the Russell Group secured first class degrees, compared to 40% from independent schools, and 38% from the state sector.

### Curriculum Developments

Our second cohort of students on the T Level in Education and Childcare have now completed the course achieving very pleasing outcomes and progression. Unfortunately, recruitment to the course has been a little below our target. We were planning to offer a new T Level in Hair and Beauty from September 2023, but the government has delayed the roll-out of that qualification. There are no significant curriculum changes planned for the 2024 intake, but the position for 2025 will be shaped by the outcomes of the general election, and the extent to which proposed reforms are implemented.

We continue to offer a very broad range of curriculum choices at level 3 with 40 A level courses and 12 applied general qualifications plus the T Level in Education and Child Care.

### Higher Education Programmes

The College has a number of HE programmes validated through Middlesex University, centred on the fields of counselling, and early years teaching & learning. The academic standards of the awards the College offers, the quality and enhancement of its student learning opportunities and the quality of the information about learning opportunities continue to meet UK expectations.



## **PRINCIPAL RISKS AND UNCERTAINTIES:**

The risk register and associated action plans are reviewed and updated at each meeting of the risk management group. This register incorporates an action plan and risks are aligned with the College's strategic objectives. Risks are also mapped to governing body committees and following recommendations from our external auditors we have adopted a 'three lines of defence' approach to assessing key risks. There is also a separate IT Risk Register and an Academic Risk Register for our higher education provision, both of which are reviewed annually at risk management meetings.

### **Introduction and context**

The College's Risk Management Policy was approved by the Board in 2002. It is reviewed regularly and was reviewed, amended and approved by the Board in November 2022 in line with some internal audit recommendations. The policy documents include the risk management structure, roles and responsibilities and the Risk registers.

Additional separate risk assessments have been put in place for IT/Cyber security and Prevent, as well as an Academic Risk Register for Higher Education provision.

The chair of the Audit Committee attends the Risk Management Group meetings. In addition, all members of the Board receive all paperwork relating to Risk Management Group meetings, including the updated Risk Register and Action Plan.

### **Process**

The Risk Management Group meets regularly. Its key tasks are:

- Reviewing the risk register, identifying and scoring actual and potential risks to the College;
- Updating the action plan for those risks which score highly;
- Reviewing the implementation of the action plan;
- Reporting on progress to the Audit Committee and updating the full board and other committees.
- Updating the risk register in line with strategic objectives;
- Carrying out an annual assurance mapping exercise at the highest level of risk.
- Reviewing the Prevent risk register
- Reviewing the IT/Cyber Security register

### **Summary of Key Risks**

The full detail and assessment of risks faced by the College are in the College's Risk Register. This is a confidential document. Outlined below is a description of the main areas where the College has identified principal risks that may affect the College. Not all factors are within the College's control. Other factors besides those listed below may also adversely affect the College.

- Changes in funding, and increases in costs associated with employer costs;
- Changes in national government policy; its impact on the curriculum and competition;
- Lack of capital funding.
- Threats to Boarding operation due to illness

These risks are mitigated in a number of ways:

- By regular review and updating of the Risk Action Plan;
- Management planning to review measures to improve efficiency;
- The development of an accommodation/property strategy that ensures facilities are fit for purpose

### **Equality, Diversity & Inclusion**

Peter Symonds College is committed to creating an inclusive environment, where people are treated with dignity and respect and where we anticipate and respond positively to different needs and circumstances so that everyone can achieve their potential. The College has an EDI Team, led by the EDI Coordinator and overseen by the Deputy Principal (W&P).

EDI is crucial to overall quality improvement and we place it at the very heart of everything we do. The College promotes and advances equality of opportunity by raising awareness of equality and human rights and working to combat all forms of inequality, disadvantage, prejudice, discrimination, harassment and mistreatment. We believe that all forms of prejudice and discrimination are unacceptable and we are committed to creating a safe environment for all.

The College motto is “Counting in Ones” and illustrates our commitment to promoting and ensuring equality and diversity and providing an inclusive environment for all staff and students.

The 2010 Equality Act consolidates and brings together previous anti-discrimination law into one piece of legislation and establishes nine ‘protected characteristics’: race, disability, age, sex, sexual orientation, religion or belief, pregnancy and maternity, and gender-reassignment.

The College is fully committed to:

- Preventing unlawful discrimination, harassment and victimisation
- Advancing equality of opportunity
- Fostering good relations between people

Furthermore, as a public body the College recognises its further specific duties to:

- publish information to demonstrate compliance with the Equality Duty, at least annually
- set equality objectives, at least every four years.

Further information on equality and diversity can be found on the College website <https://www.psc.ac.uk/content/eo>

### **Gender pay gap reporting**

Our published figures for the year ended 31 March 2022 (last year’s figures in brackets)

1. The mean difference in hourly rate of pay 9.16% (3.7%)
2. The median difference in hourly rate of pay 39.5% (13.5%)
3. The mean difference in bonus pay 21.22% (22.8%)
4. The median difference in bonus pay 39.18% (39.9%)



5. The percentage of employees who received bonus pay Male: 21.86% (22%) Female: 34.45% (33.3%)

6. Proportion of employees by pay quartile: upper, upper middle, lower middle and lower

	Men %	Women %
Quartile 1 (lowest)	26.78 (25.3)	73.22 (74.7)
Quartile 2	24.59 (31.5)	75.41 (68.5)
Quartile 3	32.79 (27.5)	67.21 (72.5)
Quartile 4 (highest)	30.6 (32.6)	69.4 (67.4)

Notes: The 'bonus' is the Support Staff Standards Payment which is paid annually to such staff. It was £370 for a full-time member of staff and is paid pro-rata to part timers. The mean difference in bonus pay is relatively large (21.22%) because a larger proportion of men work full time than women.

The College publishes its annual gender pay gap report on its website where you can read a commentary on the figures, a summary and next steps.

### **Facility Time Report 2023**

In accordance with the Trade Union (Facility Time Publication Requirements) Regulations 2017, we are required to publish certain information on trade union officials and facility time.

Facility time covers duties carried out for the trade union or as a union learning representative, for example, accompanying an employee to disciplinary or grievance hearing. It also covers training received and duties carried out under the Health and Safety at Work Act 1974.

The regulations require the following information to be published on the employer's website:

- Table 1: the number of employees who were relevant union officials during the relevant period, and the number of full-time equivalent employees
- Table 2: the percentage of time spent on facility time for each relevant union official
- Table 3: the percentage of pay bill spent on facility time
- Table 4: the number of hours spent by relevant union officials on paid trade union activities as a percentage of total paid facility time hours.

This report covers the period 1 April 2022 to 31 March 2023.

#### **Table 1: Relevant union officials**

Total number of employees who were relevant union officials during the relevant period.



<i>Number of employees who were relevant union officials during the relevant period</i>	<i>Full-time equivalent employee number</i>
4	3.95

**Table 2: Percentage of time spent on facility time**

How many of our employees who were relevant union officials employed during the relevant period spent a) 0%, b) 1%-50%, c) 51%-99% or d) 100% of their working hours on facility time.

<i>Percentage of time</i>	<i>Number of employees</i>
0%	0
1-50%	4
51%-99%	0
100%	0

**Table 3 Percentage of pay bill spent on facility time**

Percentage of the total pay bill spent on paying employees who were relevant union officials for facility time during the relevant period.

<i>First Column</i>	<i>Figures</i>
Total cost of facility time	£13,469
Total pay bill	£19.1 m
Percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.07%

**Table 4 Paid trade union activities**

Hours spent by employees who were relevant union officials during the relevant period on paid trade union activities as a percentage of total paid facility time hours.

<p><i>Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as:</i></p> <p><i>(total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100</i></p>	<p>10.87%</p>
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### **Going Concern**

After making appropriate enquiries, the Corporation considers that the College has adequate resources to continue in operational existence for the foreseeable future. The College has a strong cash position and no bank loans. It continues to maintain a three-year rolling plan and during that period its Financial health scoring is maintained as good or outstanding.

The College's financial internal targets have been met for 2022-23. They continue to be met for 2023-24 and 2024-25 per the College's financial budgets and forecasts. Current and forecast cash balances also remain strong over this period. For this reason, the Corporation continues to adopt the going concern basis in preparing the financial statements.

### **Events After the Reporting Period**

There were no significant post balance sheet events.

### **Disclosure of information to auditors**

The members who held office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the College's auditors are unaware; and each member has taken all the steps that he or she ought to have taken to be aware of any relevant audit information and to establish that the College's auditors are aware of that information.

**Approved by order of the members of the Corporation and signed on its behalf by:**



**A J Storey [Chair]**

**Date 11<sup>th</sup> December 2023**

## Statement of Corporate Governance and Internal Control

The following statement is provided to enable readers of the annual report and accounts of the College to obtain a better understanding of its governance and legal structure. This statement covers the period from 1st August 2022 to 31st July 2023 and up to the date of approval of the annual report and financial statements.

The Corporation is the legal entity that operates Peter Symonds College (the College). The legal status of the Corporation is both a statutory corporation established under the FHEA 1992 and an exempt charity. Peter Symonds College (the College) is an activity through which the Corporation achieves its charitable purpose. The Corporation's Board (Governing Body) has overall responsibility for the conduct of the College.

The Governing Body endeavours to conduct its business:

- 1) in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership);
- 2) in full compliance with the guidance to colleges from the Association of Colleges in The Code of Good Governance for English Colleges ("the Code"), which it formally adopted in 2019.

The Governing Body recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times. In the opinion of the Governors, the College has fully complied with all areas of the Code throughout the year ended 31 July 2023. This opinion is based on an internal governance self-evaluation and published guidance on best corporate practice.

As the College is an exempt charity within the meaning of Part 3 of the Charities Act 2011, the Governors who are also trustees for the purposes of the Charities Act 2011, confirm that they have had due regard for the Charity Commission's guidance on public benefit and that the required statements appear elsewhere in these financial statements.

### The Corporation

The composition of the Corporation is set out on page 21. The Corporation's main objective for the operation of the Governing Body is that it delivers effective governance by providing strategic direction, creating robust accountability, oversight and assurance for the College's educational and financial performance and being ambitious for all students to achieve the very best outcomes.

It is the Governing Body's responsibility to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct.

The Governing Body is provided with regular and timely information on the overall financial performance of the College together with other information such as performance against funding targets, proposed capital expenditure, quality matters including work in furtherance of the skills agenda, and personnel related matters such as health and safety and environmental issues. The Governing Body meets at least five times each year.

The Governing Body conducts its business through a number of Committees. Each Committee has terms of reference, which have been approved by the Governing Body. These Committees are: Policy & Resources; Curriculum & Quality Assurance; Remuneration (incorporating Personnel as a sub committee); Search & Governance; and Audit.

Full minutes of all meetings, except those deemed confidential by the Governing Body, are available from: The Clerk to the Governors, Peter Symonds College, Owens Road, Winchester SO22 6RX and copies of the Board minutes are available on the College's website at [www.psc.ac.uk](http://www.psc.ac.uk).

All governors are able to take independent professional advice in furtherance of their duties at the College's expense and have access to the Clerk to the Governing Body, who is responsible to the Board for ensuring that all applicable procedures and regulations are complied with. The appointment, evaluation and removal of the Clerk are matters for the Governing Body as a whole.

Formal agendas, papers and reports are supplied to governors in a timely manner in advance of all meetings. Briefings are also provided on an ad-hoc basis.

The Governing Body has a strong and independent non-executive element and no individual or group dominates its decision-making process. The Governing Body considers that each of its non-executive members is independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement.

The Clerk to the Governing Body maintains a register of financial and personal interests of the governors. The register is available for inspection at the College.

There is a clear division of responsibility in that the roles of the Chair of the Governing Body and Principal of the College are separate.

Governors are also involved in the appointment of senior staff, in the Self-Assessment Review of all teaching departments, in discussion with representatives of the student body periodically, and in review of statutory responsibilities such as Health and Safety, Safeguarding, Prevent and Equality, Diversity & Inclusion.

The members of the Governing Body in the period from 1 August 2022 until the date of approval of this report are:



	Date of Appointment	Term of office (years)	Date of resignation/retirement	Status of appointment	Committees served	Board meeting attendance 2022/23
B Bahamonde Wastavino	July 2022	1	December 2022	Student	N/A	50%
S Bhattacharya	October 2021	3		Independent	Curriculum & QA	83%
O Chiroma	December 2021	3		Independent	Audit	100%
S Elliott	December 2021	3	December 2022	Independent	Curriculum & QA	0%
L Evans	February 2023*	1		Independent	P&R, Remuneration, Search & Governance	100%
Z Hussain	December 2022	1		Student	N/A	100%**
N Levy	February 2021	3		Staff	Curriculum & QA, Personnel	80%
B Neaves	December 2022*	2		Independent	Search & Governance (to December 2022), Curriculum & QA, P&R	50%
A Palmer	October 2018*	4	October 2022	Independent	P&R, Personnel & Curriculum & QA	100%
M Palmer	December 2021	1	December 2022	Student	N/A	0%
C Rand	December 2022	3		Staff	Curriculum & QA	100%**
S Russell	August 2018	Sine die		Principal	P&R, Search & Governance, Personnel, Curriculum & QA	83%
J Singh	July 2023	1		Student	N/A	N/A
S Stemp	October 2021	3		Foundation	Search & Governance (from March 2023)	33%
D Stickland	December 2022	3		Parent	Audit	75%**
A Storey	July 2023*	1		Independent	P&R, Search & Governance, Remuneration	83%
A Sydney	October 2021*	3		Foundation	P&R, Remuneration and Personnel	83%
R Sykes	May 2021*	3		Independent	Curriculum & QA	83%
T Thorne	May 2022*	2		Independent	P&R, Audit	83%
J Townsend	July 2022*	3		Independent from July 2022	Audit, Search	100%
L Walsh Waring	July 2023	3		Independent	None	N/A
M Wesley	May 2022*	3		Independent	Audit, Remuneration	100%
J White	December 2021	3		Independent	Curriculum & QA	83%
Rt Rev D Williams	March 2021*	3		Foundation	Remuneration	33%

\*indicates that the Governor has served a previous term of office. The date shown is the beginning of the current term. All terms of office are usually for three years (as part of the review of Instruments and Articles of Government during 2018/19, the standard term of office was changed from four to three years) other than for a Student Governor whose term is for one year. Some governors are working through transition arrangements.

\*\* refers to governors appointed during the year. The figure shown is their attendance out of the maximum during their tenure.

Hilary Walsh acted as Clerk in the period 1 to 31 August 2022 and Vicky Owen acted as Clerk thereafter.

### **Appointments to the Corporation**

Any new appointments to the Governing Body are a matter for the consideration of the Governing Body as a whole. The Governing Body has a Search & Governance committee, which meets at least termly and is responsible for the selection and nomination of any new member for the Governing Body's consideration save for the student governors who are elected by the groups from which they are drawn.

The Search & Governance committee is also responsible for ensuring that the Board comprises individuals with the most appropriate balance of experience, skills and knowledge to help develop and support College strategy. In order to ensure selection and succession of the most capable governors the committee undertakes a skills audit every other year, which helps identify any skills gaps needed to deliver effective governance, when planning to fill vacancies due to any upcoming end of term of office of governors.

The committee is also responsible for undertaking a governance self-assessment process that can then inform plans, actions and improvement in College Governance and core business performance.

The Governing Body is committed to ensuring that governors are appointed on merit after an open and transparent selection process, which complies with the requirements as set out in the Instrument and Articles of Government, the Governing Body's Standing Orders and the Policy on the Selection and Recruitment of Governors.

Members of the Governing Body, other than for the Student Governors, whose term is for one year, are appointed for a term of three years, twice renewable. Governors can therefore serve no more than nine years in line with The Higher Education Code of Governance, unless there is exceptional justification.

During 2022-2023, the Governing Body ratified the appointment of two student governors and appointed a parent governor, a staff (teaching) governor and an independent governor on the recommendation of the Search & Governance Committee. They also co-opted one person to a committee on account of her particular area of expertise. Three existing independent governors were reappointed.

### **Corporation Performance**

The Governing Body carries out a self-assessment of its performance annually and the outcomes are assessed by the Search and Governance Committee, with actions arising then being included in the annual Cross-College Self-assessment report (SAR). For the year 2022-2023 the Governing Body undertook this process with a focus on two distinct areas: the six governance principles in the new draft AoC Code of Practice; and individual's personal perceptions of their role as governor.

The Cross-College SAR is considered and monitored by the Search & Governance and the Curriculum and Quality Assurance committees and reported to the Board. Details are set out in the relevant committee and Board papers. In addition, on a three year rolling programme the committees self-assess their own operation, duties and compliance with its terms of reference.

The Governing Body's performance for 2022/23 forms part of the overall grade in the College SAR for Leadership and Management, assessed as outstanding, reflecting the Ofsted award for this area in its inspection report in February 2020.

The Governing Body is committed to development and held a training session in April 2023 which covered the following: Policy & Developments; Safeguarding - the role of the Governors; the Anti-Racist College. In addition, it receives update briefings from the Principal at each Board meeting. Three new governors/the co-opted governor attended induction sessions from the Wessex Group of Sixth Form Colleges. The Chair attended the AoSEC's Chairs' Network and AoC training on the draft new Code of Practice. The Vice Chair attended the Mercers' Conference and she, along with many other governors, also attended webinars in the SFCA governance webinar programme 2022/23. In undertaking this training, members of the Governing Body are able to maintain a good level of expertise in matters of governance, national sector developments and emergent themes within the College. This, and training particular to individuals' roles e.g. for committee chairs, helps to ensure that all governors are able to make a positive contribution to the strategic leadership of the College.



A new Clerk was appointed with effect from 1 September 2022. In the period January to March 2023, she attended the Education & Training Foundation's Governance Professionals' Development Programme – Induction & Mentoring which involved a number of delivered sessions and mentoring by an experienced Governance Professional (GP). She also attended the FE Commissioner's training for new Chairs, GPs and Principals – 'The Class of 2022/23. Just one thing' – and the SFCA's Clerks' conference. She continues to build her knowledge by attendance at SFCA, AoC and Wessex training and meetings, ensuring that the Governing Body is supported to do its work within the regulations and in accordance with good practice.

During the year, the Governing Body approved the use of an online storage system for Board and committee papers, to improve the security of confidential documents and assist those working on common papers. This also provides a platform for the sharing of useful resources such as SFCA updates to enhance governor expertise.

The Governing Body has considered DfE guidance on board reviews and listened to feedback from those in other colleges who have undertaken external governance review. An external reviewer has been booked to undertake a review in the spring/summer of 2024, with the focus to be agreed shortly beforehand.

### **Remuneration Committee**

Throughout the year ended 31 July 2023, the College's Remuneration Committee comprised five members of the Governing Body. They had two ordinary meetings and an additional one to make a recommendation to the Board regarding a Senior Postholder appointment following the resignation of the Vice Principal. Members of the Committee were among those on the panel for the recruitment to that post and, following the appointment of an existing Deputy Principal to that post, in approving the paperwork for a resulting second vacancy.

The Remuneration Committee's responsibilities include recommendations to the Board on the remuneration and benefits of the Principal, other senior post-holders and the Clerk. When considering pay awards, the Committee considers inter alia the following:

- the performance of the individual concerned against personal and institutional objectives;
- how the salary compares with similar organisations;
- local and national sensitivities and constraints;
- national guidance and frameworks.

Following the ONS reclassification of the College into the public sector which occurred during the year, the Committee has considered the implications for senior staff recruitment and reward. They will be awaiting more detailed guidance on some points of detail.

Details of senior postholders' remuneration for the year ended 31 July 2023 are set out in Note 7 to the financial statements.

In December 2019, the Governing Body formally adopted the AoC's Senior Staff Remuneration Code as the Governing Body was satisfied with the supporting principles of the Code, namely: a fair, appropriate and justifiable level of remuneration; procedural fairness; and transparency and accountability.

In accordance with the AoC's Remuneration Code, the Remuneration Committee has produced an annual remuneration report to the Governing Body (for period 1 August 2022 – 31 July 2023) which is also published on the College's website and can be accessed via link <https://www.psc.ac.uk/docs/content/data/Remuneration.pdf>.

This will provide additional assurance to all stakeholders that the Remuneration Committee continues to discharge its responsibilities effectively.

From October 2021 the Personnel Committee's business has been combined with that of the Remuneration Committee by way of a sub-set/committee. This sub-set/committee is responsible for overseeing the Governing Body's business in relation to the framework for the pay and conditions of staff other than Senior Postholders and the Clerk.

### **Policy & Resources Committee**

The Policy & Resources Committee comprises Chairman of Governors, Vice Chairman, Principal and four other members. The Committee operates in accordance with written terms of reference approved by the Governing Body.

The remit of the Policy & Resources Committee is to monitor the College's financial position in accordance with the budget and financial assumptions set by the Governing Body. The Committee, also determines the arrangements, policies and procedures for maintaining solvency, safeguarding assets and the effective and efficient use of resources and make recommendations relating thereto and advise the Governing Body accordingly.

The Committee receives regular updates on the Estate (including sustainability initiatives, and health and safety matters) and oversees, on behalf of the Governing Body, all new estates projects of the College where the value is at or above the limit requiring the Governing Body's approval as per the College Financial Regulations.

### **Curriculum and Quality Assurance**

The Curriculum and Quality Assurance Committee, meets three times a year and comprises eight members. It advises the Governing Body on the Quality and Standards achieved in the College and monitors, reviews and challenges key performance indicators. It provides challenge and support in reviewing student achievement and experience through the analysis of various reports.

The committee reviews and advises the Governing Body on the College's compliance with its conditions of registration with the Office for Students (OfS). It also reviews arrangements for promoting equality, diversity and inclusion within the student body and the College's arrangements for safeguarding and Prevent to ensure that the Board fulfils its responsibilities in that regard, which includes receiving an annual report. Additional responsibilities include advising the Governing Body on the educational needs of the community the College serves, to ensure the curriculum development and other activities of the College reflect these needs taking account of the national agenda.

### **Audit Committee**

As of 31st July 2023, the Audit Committee comprised five members of the Governing Body (excluding the Chairman of Governors and Principal). The Committee operates in accordance with the written terms of reference approved by the Governing Body. Its purpose is to advise the Governing Body on the adequacy and effectiveness of the College's system of internal control and its arrangements for risk management, control and governance processes.

The Audit Committee normally meets four times a year and provides a forum for reporting by the College's internal, regularity and financial statements auditors, who have access to the Committee for independent discussion without the presence of College management. The Committee also receives and considers reports from the main FE funding bodies, as they affect the College's business. All Board members are asked to join the November meeting of the Committee to hear the findings of the external auditors.

The College's internal auditors monitor the systems of internal control, risk management controls and governance processes in accordance with an agreed plan of input and report their findings to management and the Audit Committee. Management is responsible for the implementation of agreed audit recommendations, which are monitored at each Audit Committee meeting. Internal audit undertakes periodic follow up reviews to ensure such recommendations have been implemented.

The Audit Committee also advises the Governing Body on the appointment of internal and financial statements auditors and their remuneration for both audit and non-audit work, as well as reporting annually to the Governing Body.

The Audit Committee advises the Governing Body on the adequacy and effectiveness of the College's assurance framework via its annual report.



The Committee also tracks the College's compliance with statutory requirements in health & safety and GDPR and in particular the risks associated with these areas and the policies and processes in place to reduce the risks. The committee receives relevant reports including emerging issues and steps to address the issues at each meeting on both areas, with GDPR being a standing item on the Committee's agenda.

By way of additional standing item, the Committee receives a report on any disclosure regarding allegations of fraud and/or whistleblowing. In 2022/23 there was one allegation of suspected fraud which was fully investigated. There was no loss to the College and no suggestion that the individual intended to profit from their actions. However, appropriate action was taken, including detailed steps to reduce potential future risk. More detail has been provided to the College auditors. The policy on Whistleblowing is compliant with relevant legislation for how the College is to manage and respond to any concerns raised. The policy is available to all stakeholders via the College website.

The audit committee met five times in the year to 31 July 2023. The members of the committee and their attendance records are shown below:

<b>Committee Member</b>	<b>Meetings Attended</b>
Mr M Wesley	4
Mrs T Thorne	2
Mrs J Townsend	4
Mr O Chiroma	4
Mr D Stickland*	2

\* Joined the Committee part way through the year.

## **Internal Control**

### ***Scope of Responsibility***

The Governing Body is ultimately responsible for the College's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Governing Body has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for maintaining a sound system of internal financial control that supports the achievement of the College's policies, aims and objectives, whilst safeguarding the public funds and assets for which she is personally responsible, in accordance with the responsibilities assigned to her in the Funding Agreement between the College and the funding bodies. She is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

### ***The purpose of the system of Internal Control***

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of college policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the College for the year ended 31 July 2023 and up to the date of approval of the annual report and accounts.

### ***Capacity to Handle Risk***

The Governing Body has reviewed the key risks to which the College is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the College's significant risks that has been in place for the year ended 31 July 2023 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Governing Body.

### ***The Risk and Control Framework***

The system of internal control is based on a framework of regular management information, administrative procedures including the segregation of duties, and a system of delegation and accountability.

In particular, it includes:

- comprehensive budgeting systems with an annual budget, which is reviewed and agreed by the governing body;
- regular reviews by the governing body of periodic and annual financial reports which indicate financial performance against forecasts;
- setting targets to measure financial and other performance;
- clearly defined capital investment control guidelines;
- the adoption of formal project management disciplines, where appropriate.

The College has an internal audit service, which operates in accordance with the requirements of the ESFA's Post 16 Audit Code of Practice. The work of the internal audit service is informed by an analysis of the risks to which the College is exposed, and annual internal audit plans are based on this analysis. The analysis of risk and the internal audit plans are endorsed by the Governing Body on the recommendation of the Audit Committee. As a minimum annually, Internal Audit provides the Governing Body with a report on internal audit activity in the College.

The Audit Committee's annual report for the year 2022-23 concludes that the College has an adequate and effective system of risk management, controls and governance processes underpinned by the Board Assurance Framework which comprises:

- Governance processes
- A defined Risk Policy
- Identification, evaluation and management of significant risks
- Assurance and audit processes
- The underlying policy and control environment

The Internal Auditor's opinion for the year 2022-23 also confirms that the Governing Body can take reasonable or substantial assurance that the controls upon which the organisation relies to manage areas of risks audited are suitably designed, consistently applied and effective.

### ***Risks Faced by the Corporation***

Key strategic risks are identified by senior managers. These are added to the Risk Register which is then discussed at half termly meetings of the Risk Management Team. This team consists of all senior managers as well as the Chair of the governors' Audit Committee. At each meeting each risk is assessed according to probability and impact of the risk materialising using the following scoring system: 1= Very Low, 2= Low 3= Moderate, 4=High, 5= Very High.

The scores for probability and impact are multiplied together to arrive at a risk score for each risk. A comment is provided for each risk where there has been a significant change or where we are aware of trends which may impact the level of risk. Existing controls are reviewed and noted for each risk and risks are assessed according to 'three lines of defence' – management oversight, governance, and independent assurance. The adequacy of controls in mitigating each risk is assessed to arrive at a judgement on whether the controls provide sufficient assurance. Risks scoring 15 or above will be subject to more detailed scrutiny and any additional mitigating actions to address them will be agreed.

The key risks identified are summarised in the Strategic Report section of this Annual Report.

### ***Control Weaknesses Identified***

The Internal Auditor found no areas where it was assessed that the effectiveness of the internal control arrangements provided 'limited' or 'no assurance', that is there were no control weaknesses. Eleven recommendations were made, of which seven were classed as 'routine' and four 'important'. The Audit Committee is satisfied that there is an action plan in place to progress the recommendations.

### ***Responsibilities under Funding Agreements***

The Department for Education and Education and Skills Funding Agency introduced new controls for the College on 29 November 2022 on the day that the Office for National Statistics reclassified colleges as public sector organisations in the national accounts. The ESFA chief executive communicated these changes to all college accounting officers and explained plans to introduce a college financial handbook in 2024. Whilst the College already has systems and controls in place, which the Accounting Officer, governors and relevant staff are aware of, the key changes will also be incorporated into the College's set of Financial Regulations once the new financial handbook is published.

Any issues with financial implications are regularly reported to the Policy & Resources Committee before these are presented to the full Board for approval. In case of any unusual items, following governors' approval, these will be reported to the Department for Education South and South West Territorial Team for clarification before going through the DfE approval process. In the meantime, governors have been trained on DfE bitesize guidance for the FE sector to meet 'Managing Public Money' requirements, and other obligations resulting from reclassification.

The College is reviewing its policies, procedures and approval processes in line with the new requirements to ensure there are systems in place to identify and handle any transactions for which DfE approval is required. In some areas it is awaiting the publication of guidance.



### ***Statement from the Audit Committee***

The Audit Committee has advised the Board of Governors that the Corporation has an effective framework for governance and risk management in place. This advice is based on satisfactory internal and external audits of the year 2022/23.

Internal audits were conducted of Student Wellbeing (Non EHCP), Cyber Security (Mobile Devices), Learner Records (16-18), Key Financial Controls (Budgetary Control & Cash). All of these audits resulted in findings of 'reasonable' or 'substantial' assurance, with recommendations being scrutinised and tracked to ensure appropriate action.

The external auditors' findings focussed on the following: income recognition, management override of controls, pension scheme asset and going concern. They reassured the Committee that, in the course of their work, nothing has come to their attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 August 2022 to 31 July 2023 have not been applied to the purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them. They expect to issue an unqualified opinion on the financial statements for the year ended 31 July 2023. Their opinion is that the financial statements give a true and fair view of the state of affairs of the College as at 31 July 2023 and of the College's surplus of income over expenditure for the year then ended.

The Audit Committee is therefore able to report to the governing body an unqualified audit opinion on the College's Financial Statements and systems. They conclude that there is evidence of effective and efficient use of resources, the solvency of the College and the safeguarding of the College's assets. Furthermore, the Committee has noted the continuing adoption of and improvement in financial procedures and management practices designed to support the achievement of value for money and institutional effectiveness.

### ***Review of Effectiveness***

As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. The Principal's review of the effectiveness of the system of internal control is informed by:

- the work of the internal auditors;
- the work of executive managers within the College who have responsibility for the development and maintenance of the internal control framework; and
- comments made by the College's financial statements auditors and the regularity auditors in their management letters and other reports.

The Audit Committee, which oversees the work of the internal auditor and other sources of assurance, has advised the Principal on the implications of the result of her review of the effectiveness of the system of internal control and a plan to address any weaknesses and ensure continuous improvement of the system is in place. They are informed by a Risk Management Group which comprises members of SMT and the Chair of the Audit Committee which meets six times a year. In the last year, on the recommendation of auditors, the Group reviewed the Risk Register, proposing its replacement with a Strategic Risk Register. This change has been approved by the Governing Body.

The Senior Management Team receives reports setting out key performance and risk indicators and considers possible control issues brought to its attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The Senior Management Team and the Audit Committee also received regular reports from internal audit and other sources of assurance, which include recommendations for improvement.



The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Governing Body's agenda includes a regular item for consideration of risk and control and the Governing Body receives reports thereon from the Senior Management Team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. On 11 December 2023, the Governing Body reviewed the effectiveness of the system of internal control for the year ended 31 July 2023 by considering documentation from the senior management team and the internal auditors, and taking account of events since 31 July 2023.

Based on the advice of the Audit Committee and the Principal, the Governing Body is of the opinion that the College has an adequate and effective framework for governance, risk management and control, and has fulfilled its statutory responsibility for value for money and for "the effective and efficient use of resources, the solvency of the institution and the body and safeguarding of their assets".

Approved by order of the members of the Corporation on 11th December 2023 and signed on its behalf by:



A J Storey (Chair of Governors)



S Russell (Accounting Officer)

### Statement on the College's Regularity, Propriety and Compliance

As accounting officer, I confirm that the corporation has had due regard to the framework of authorities governing regularity, propriety and compliance, and the requirements of grant funding agreements and contracts with ESFA and has considered its responsibility to notify ESFA of material irregularity, impropriety and non-compliance with terms and conditions of funding.

I confirm on behalf of the corporation that after due enquiry, and to the best of my knowledge, I am able to identify any material irregular or improper use of funds by the corporation, or material non-compliance with the framework of authorities and the terms and conditions of funding under the corporation's grant funding agreements and contracts with ESFA, or any other public funder. This includes the elements outlined in the "Dear accounting officer" letter of 29 November 2022 and ESFA's bite size guides.

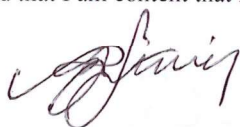
I confirm that no instances of material irregularity, impropriety or funding non-compliance or non-compliance with the framework of authorities have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the ESFA.



S Russell (Accounting Officer)

11th December 2023

On behalf of the corporation, I confirm that the accounting officer has discussed their statement of regularity, propriety and compliance with the board and that I am content that it is materially accurate.



A J Storey (Chair of Governors)

11th December 2023

## STATEMENT OF THE RESPONSIBILITIES OF THE MEMBERS OF THE CORPORATION

The members of the Corporation (who act as trustees for the charitable activities of the College) are required to present audited financial statements for each financial year.

Under the law applicable to charities in England and the terms and conditions of the Corporation's grant funding agreement and contracts with Education and Skills Funding Agency (ESFA), the corporation is required to prepare financial statements which give a true and fair view of the financial performance and position of the College for that period. Corporations must also prepare a strategic report which includes an operating and financial review for the year. The bases for the preparation of the financial statements and strategic report are the Statement of Recommended Practice – Accounting for Further and Higher Education, ESFA's College Accounts Direction, Accounts Direction issued by the Office for Students, United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

In preparing the financial statements, the corporation is required to:

- \* select suitable accounting policies and apply them consistently
- \* 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
- \* assess whether the corporation is a going concern, noting the key supporting assumptions qualifications or mitigating actions as appropriate
- \* prepare financial statements on the going concern basis, unless it is inappropriate to assume that the College will continue in operation.

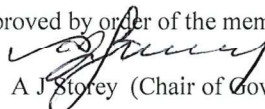
The Corporation is also required to prepare a strategic report, in accordance with paragraphs 3.23 to 3.27 of the FE and HE SORP, that describes what it is trying to do and how it is going about it, including information about the legal and administrative status of the corporation.

The Corporation is responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the Corporation, and enable it to ensure that the financial statements are prepared in accordance with the Further and Higher Education Act 1992, the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and relevant accounting standards. It is responsible for taking steps that are reasonably open to it in order to safeguard its assets and to prevent and detect fraud and other irregularities.

The maintenance and integrity of the College website is the responsibility of the Corporation of the College; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the Corporation are responsible for ensuring that expenditure and income are applied for the purposes intended and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from ESFA, and any other public funds, are used only in accordance with ESFA's grant funding agreements and contracts and any other conditions, that may be prescribed from time to time by ESFA, or any other public funder, including that any transactions entered into by the corporation are within the delegated authorities following the reclassification of college corporations on 29 November 2022. Members of the corporation must ensure that there are appropriate financial and management controls in place to safeguard public and other funds and ensure they are used properly. In addition, members of the corporation are responsible for securing economic, efficient and effective management of the corporation's resources and expenditure so that the benefits that should be derived from the application of public funds from ESFA and other public bodies are not put at risk. They are also responsible for ensuring funds from Office for Students or other sources are properly applied for the purposes for which they have been given and in accordance with relevant legislation or terms and conditions attached to them.

Approved by order of the members of the Corporation and signed on its behalf by:

  
A J Storey (Chair of Governors)

11th December 2023



## **INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF PETER SYMONDS COLLEGE**

### **Opinion**

We have audited the financial statements of Peter Symonds College (the "College") for the year ended 31 July 2023 which comprise the statement of comprehensive income and expenditure, the balance sheet, the statement of changes in reserves, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the College's affairs as at 31 July 2023 and of the College's surplus of income over expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Accounts Direction issued by the Education and Skills Funding Agency.

### **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 college 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 governors' 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 governors with respect to going concern are described in the relevant sections of this report.

### **Other information**

The other information comprises the information included in the Report and Financial Statements other than the financial statements and our auditor's report thereon. The governors are responsible for the other information contained within the Report and Financial Statements. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

### **Opinion on other matters prescribed by the Office for Students' Accounts Direction**

In our opinion, in all material respects:

- funds from whatever source administered by the college for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the Office for Students, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and Department for Education have been applied in accordance with the relevant terms and conditions; and
- the requirements of the Office for Students' accounts direction for the relevant year's financial statements have been met.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Post-16 Audit Code of Practice issued by the Education and Skills Funding Agency requires us to report to you if, in our opinion:

- adequate accounting records have not been kept;
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations required for our audit.

We have nothing to report in respect of the following matters where the Office for Students' accounts direction requires us to report to you if:

- the College's grant and fee income, as disclosed in the note 2 to the accounts, has been materially misstated.

### **Responsibilities of the Corporation of Peter Symonds College**

As explained more fully in the Statement of the Corporation's Responsibilities set out on page 31, the Corporation is responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Corporation 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 Corporation is responsible for assessing the College'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 Corporation either intend to liquidate the College 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.

### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.



However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the College operates in and how the college are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Further and Higher Education SORP, the College Accounts Direction published by the Education and Skills Funding Agency and Regulatory Advice 9: Accounts Direction published by the Office for Students. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures.

The most significant laws and regulations that have an indirect impact on the financial statements are those which are in relation to the Education Inspection Framework under the Education and Inspections Act 2006, Keeping Children Safe in Education under the Education Act 2002 and the UK General Data Protection Regulation (UK GDPR) and the Data Protection Act 2018. We performed audit procedures to inquire of management and those charged with governance whether the college is in compliance with these law and regulations and inspected correspondence and inspected correspondence with licensing or regulatory authorities.

The audit engagement team identified the risk of management override of controls, accuracy of ILR data and existence of tuition fee income as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates, involving funding specialist team to review ILR data and tracing tuition fee income to supporting enrolment documents and learner existence.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### Use of our report

This report is made solely to the Corporation, as a body, in accordance with the Funding Agreement published by the Education and Skills Funding Agency and our engagement letter dated 22 October 2021. Our audit work has been undertaken so that we might state to the Corporation, as a body, those matters we are engaged 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 Corporation, as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP  
RSM UK AUDIT LLP  
Chartered Accountants  
Highfield Court  
Tollgate  
Chandlers Ford  
Eastleigh  
Hampshire  
SO53 3TY

12 December 2023



# STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE

FOR THE YEAR ENDED 31 JULY 2023

	Notes	2023	2022
		£	£
<b>Income</b>			
Funding body grants	2	23,512,672	21,509,241
Tuition fees and education contracts	3	1,114,109	1,250,768
Other income	4	2,871,085	2,300,690
Investment income	5	34,729	6,006
<b>Total Income</b>		<b>27,532,595</b>	<b>25,066,705</b>
<b>Expenditure</b>			
Staff costs	7	20,191,550	19,514,376
Other operating expenses	8	6,041,216	5,016,376
Depreciation	12	895,585	720,152
Interest and other finance costs	10	104,196	182,111
<b>Total Expenditure</b>		<b>27,232,547</b>	<b>25,433,015</b>
<b>Surplus / (Deficit) before other gains and losses</b>		<b>300,048</b>	<b>(366,310)</b>
Profit on disposal of assets		-	-
<b>Surplus / (Deficit) for the year</b>		<b>300,048</b>	<b>(366,310)</b>
Remeasurement of net defined benefit pension liability	20	3,281,000	9,501,000
<b>Total Comprehensive Income for the year</b>		<b>3,581,048</b>	<b>9,134,690</b>
<b>Represented by:</b>			
Restricted comprehensive income		(650)	(3,862)
Unrestricted comprehensive income		3,581,698	9,138,552
		<b>3,581,048</b>	<b>9,134,690</b>

## STATEMENT OF CHANGES IN RESERVES

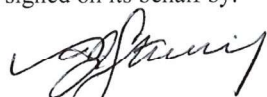
## FOR THE YEAR ENDED 31 JULY 2023

	Restricted reserve £	Income and expenditure account £	Revaluation reserve £	Total £
<b>Balance at 1 August 2021</b>	323,128	4,191,468	1,352,982	5,867,578
(Deficit) from the Income and expenditure account		(366,310)		(366,310)
Other comprehensive income		9,501,000		9,501,000
Transfer between revaluation and Income and expenditure and restricted reserves	(14,517)	125,413	(110,896)	-
<b>Balance at 31 July 2022</b>	<b>308,611</b>	<b>13,451,571</b>	<b>1,242,086</b>	<b>15,002,268</b>
Surplus from the Income and expenditure account	-	300,048	-	300,048
Other Comprehensive Income	-	3,286,926	-	3,286,926
Transfer between revaluation and Income and expenditure reserves and restricted reserves	(650)	111,546	(110,896)	-
Transfer between expendable endowment and Income and expenditure reserve.	(6,001)	6,001	-	-
<b>Balance at 31 July 2023</b>	<b>301,960</b>	<b>17,156,092</b>	<b>1,131,190</b>	<b>18,589,242</b>

## BALANCE SHEET AS AT 31 JULY 2023

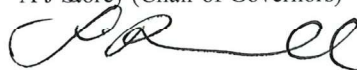
	Notes	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	12	19,982,003	17,788,322
Investments	13	-	56,532
		<u>19,982,003</u>	<u>17,844,854</u>
<b>Current assets</b>			
Stocks		30,852	51,704
Debtors	14	623,183	1,273,004
Investments		3,179,383	1,025,245
Cash and cash equivalents	18	7,392,615	7,270,148
		<u>11,226,033</u>	<u>9,620,101</u>
<b>Creditors: amounts falling due within one year</b>	15	4,363,331	3,450,917
<b>Net current assets</b>		<u>6,862,702</u>	<u>6,169,184</u>
<b>Total assets less current liabilities</b>		<b>26,844,705</b>	<b>24,014,038</b>
<b>Creditors: amounts falling due after more than one year</b>	16	8,256,228	6,081,845
<b>Provisions</b>	17	(765)	2,929,925
<b>Total net assets</b>		<u><b>18,589,242</b></u>	<u><b>15,002,268</b></u>
<b>Restricted Reserves</b>			
Restricted reserve	21	301,960	308,611
<b>Unrestricted Reserves</b>			
Income and expenditure account		17,156,092	13,451,571
Revaluation reserve		1,131,190	1,242,086
Total unrestricted reserves		<u>18,287,282</u>	<u>14,693,657</u>
<b>Total reserves</b>		<u><b>18,589,242</b></u>	<u><b>15,002,268</b></u>

The financial statements on pages 35 to 59 were approved and authorised for issue by the Corporation on 11th December 2023 and were signed on its behalf by:



A J Storey (Chair of Governors)

11th December 2023



S Russell (Principal)

11th December 2023



## STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 31 JULY 2023

	2023 £	2022 £
<b>Cash flow from operating activities</b>		
Surplus / (Deficit) for the year	300,048	(366,310)
<b>Adjustment for non-cash items</b>		
Depreciation	895,585	720,152
Decrease in stocks	20,852	20,669
Decrease / (Increase) in debtors	649,821	(829,841)
Increase in creditors due within one year	912,414	282,324
(Decrease) / Increase in creditors due after one year	(1,736,073)	676,832
(Decrease) in Enhanced Pension provisions	(660)	(642)
Pension costs less contributions payable	356,895	1,220,658
<b>Adjustment for investing or financing activities</b>		
Investment income	(34,729)	(6,006)
Post 16 Capacity Fund	3,910,457	339,957
Gain in Investments Value	650	3,862
<b>Net cash flow from operating activities</b>	<u>5,275,260</u>	<u>2,061,655</u>
<b>Cash flow from investing activities</b>		
Investment income	34,079	6,006
New Deposits	(2,097,606)	(512)
Payments made for the New Build	(2,802,411)	(1,426,862)
Payments made to acquire other fixed assets	(286,855)	(561,040)
	<u>(5,152,793)</u>	<u>(1,982,408)</u>
<b>Increase in cash and cash equivalents in the year</b>	<u><u>122,467</u></u>	<u><u>79,247</u></u>
Cash and cash equivalents at beginning of year	7,270,148	7,190,901
Cash and cash equivalents at end of year	7,392,615	7,270,148

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 JULY 2023

#### 1 STATEMENT OF ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

##### **Basis of Preparation**

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (the 2019 FE HE SORP), the College Accounts Direction for 2022 to 2023 and Regulatory Advice 9: Accounts Direction issued by the Office for Students and in accordance with the Financial Reporting Standard 102- "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (FRS 102). The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the College's accounting policies.

The financial statements are presented in sterling, which is also the functional currency at the College. Monetary amounts in these financial statements are rounded to the nearest £1.

##### **Basis of Accounting**

The financial statements are prepared in accordance with the historical cost convention.

##### **Going concern**

After making appropriate enquiries, the Corporation considers that the College has adequate resources to continue in operational existence for the foreseeable future. The College has a strong cash position and no bank loans. It continues to maintain a three year rolling plan and during that period its Financial health scoring is maintained as good or outstanding.

The College's financial internal targets have been met for 2022/23. They continue to be met for 2023/24 and 2024/25 per the College's financial budgets and forecasts. Current and forecast cash balances also remain strong over this period. For this reason, the Corporation continues to adopt the going concern basis in preparing the financial statements.

### **Recognition of Income**

Government revenue grants, which include funding body recurrent grants and other grants are accounted for under the accrual model as permitted by FRS 102.

The recurrent grants from the Funding body ESFA represent the funding allocations attributable to the current financial year and are credited direct to the Statement of Comprehensive Income.

Any under or over achievement for the adult education budget is adjusted for and reflected in the level of recurrent grant recognised in the Statement of Comprehensive Income.

The final AEB grant income is normally determined with the conclusion of the year end reconciliation process with the ESFA at the end of November following the year end. Employer responsive grant income is recognised based on a year end reconciliation of income claimed and actual delivery with the ESFA. 16-18 learner-responsive funding is not normally subject to a reconciliation and is therefore not subject to contract adjustments, the income recognised is the allocation for the year.

Government capital grants are capitalised, held as deferred income, allocated between creditors due within one year and those due after more than one year and recognised in income over the expected useful life of the asset, under the accrual method as permitted by FRS102. Other capital grants are recognised in income when the College is entitled to the funds subject to any performance related conditions being met.

The recurrent grant from OFS represents the funding allocations attributable to the current financial year and is credited direct to the Statement of Comprehensive Income.

Income from tuition fees is stated gross of any expenditure which is not a discount and is recognised in the period for which it relates as it can be received in advance.

All income from short-term deposits is credited to the Statement of Comprehensive Income in the period in which it is earned.

### **Policy for grants from non-government sources**

Grants (including research grants) from non-government sources are recognised in income when the College is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

### **Agency Arrangements**

The College acts as an agent in the collection and payment of certain discretionary support funds. Related payments received from the funding bodies and subsequent disbursements to students are excluded from the income and expenditure of the College where the College is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.



### **Accounting for Post-employment Benefits**

Post-employment benefits to employees of the College are principally provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). These are defined benefit plans, which are externally funded and contracted out of the State Second Pension.

**Teachers' Pension Scheme (TPS)** - The TPS is an unfunded scheme. Contributions to the TPS are calculated so as to spread the cost of pensions over employees' working lives with the College in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of valuations using a prospective benefit method. The TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting.

The TPS is therefore treated as a defined contribution plan and the contributions recognised as an expense in the income statement in the periods during which services are rendered by employees. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

**Local Government Pension Scheme (LGPS)** - The LGPS is a funded scheme. The assets of the LGPS are measured using closing fair values. LGPS liabilities are measured using the projected unit credit method and discounted at the current rate of return on a high quality corporate bond of the equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred.

Net interest on the net defined benefit liability/asset is also recognised in the Statement of Comprehensive Income and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in interest and other finance costs. Actuarial gains and losses are recognised immediately in actuarial gains and losses.

The LGPS is a funded scheme, and the assets of the scheme are held separately. Pension schemes are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs. The net interest cost on the net defined benefit liability/asset is charged to comprehensive income and included within finance costs. Re-measurement comprising actuarial gains and losses, the effect of the asset ceiling and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in other comprehensive income.

The LGPS assets are managed by the scheme trustees at scheme level, and the determination / allocation of assets to each individual employer in the scheme is managed by the scheme actuary. The assets are allocated to each employer for accounting purposes based on the valuation of the assets at the latest triennial valuation as adjusted for subsequent contributions received from

The retirement benefit obligation recognised represents the deficit or surplus in the defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

### **Short Term Employment Benefits**

Short term employment benefits such as salaries and compensated absences (holiday pay) are recognised as an expense in the year in which the employees render service to the College. Any unused benefits are accrued and measured as the additional amount the College expects to pay as a result of the unused entitlement.

### **Enhanced Pensions**

The actual cost of any enhanced ongoing pension to a former member of staff is paid by the College annually. An estimate of the expected future cost of any enhancement to the ongoing pension of a former member of staff is charged in full to the College's Income Statement in the year that the member of staff retires. In subsequent years a charge is made to provisions in the Balance Sheet using the enhanced pension spreadsheets provided by the funding bodies.

### **Taxation**

The College 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. Accordingly, the College is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The College receives no similar exemption in respect of value added tax. For this reason the College is generally unable to recover input VAT it suffers on goods and services purchased. Non-pay expenditure is therefore shown inclusive of VAT.

### **Tangible Fixed Assets**

#### **Land and Buildings**

Tangible fixed assets are stated at cost/deemed cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to the date of transition to the 2019 FE HE SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

Land is not depreciated.

Buildings are depreciated on a straight line basis over the expected useful economic life of the individual buildings, being between 15 and 50 years.

Where land and buildings are acquired with the aid of specific grants they are capitalised and depreciated in accordance with the above policy, with the related grant being credited to a deferred income account within creditors, and are released to the Statement of Comprehensive Income over the expected useful economic life of the relevant asset on a basis consistent with the depreciation policy. The deferred income amount is allocated between creditors due within one year and those due after more than one year.

Finance costs, which are directly attributable to the construction of land and buildings, are not capitalised as part of the cost of those assets.

A review for impairment of a fixed asset is carried out if events or changes in circumstance indicate that the carrying amount of any fixed asset may not be recoverable.

On adoption of FRS 102, the College followed the transitional provision to retain the book value of land and buildings, which were revalued in 1997, as deemed cost but not to adopt a policy of revaluations of these properties in the future.

#### **Assets under construction**

Assets under construction are accounted for at cost, based on the value of architect's certificates and other direct costs, incurred to 31 July. They are not depreciated until they are brought into use.

#### **Subsequent expenditure on existing fixed assets**

Where significant expenditure is incurred on tangible fixed assets it is charged to the Statement of Comprehensive Income in the period it is incurred, unless it meets one of the following criteria, in which case it is capitalised and depreciated on the relevant basis:

- \* Market value of the fixed asset has subsequently improved;
- \* Asset capacity increased;
- \* Substantial improvement in the quality of output or reduction in operating costs;
- \* Significant extension of the asset's life beyond that conferred by repairs and maintenance.

#### **Buildings owned by third parties**

Where land and buildings are used, but the legal rights are held by a third party, for example a charitable trust, they are only capitalised if the College has rights or access to ongoing future economic benefit. These assets are then depreciated over their expected useful economic life.



### **Equipment**

Equipment costing less than £5,000 per individual item is written off to the Statement of Comprehensive Income in the period of acquisition.

All other equipment is capitalised and recognised at cost less accumulated depreciation and accumulated impairment losses.

Equipment and vehicles are depreciated on a straight line basis over 4 years with the exception of PV panels which are depreciated over a 20 year life.

Where equipment is acquired with the aid of specific grants it is capitalised and depreciated in accordance with the above policy, with the related grant being credited to a deferred income account and released to the Statement of Comprehensive Income over the expected useful economic life of the relevant asset.

### **Leased Assets**

Costs in respect of operating leases are charged on a straight line basis over the lease term, to the Statement of Comprehensive Income. Any lease premiums or incentives relating to leases signed after 1 August 2014 are spread over the minimum lease term.

Leasing agreements which transfer to the College substantially all the benefits and risks of ownership of an asset are treated as finance leases.

Assets held under finance leases are recognised initially at the fair value of the leased asset (or, if lower the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Assets held under finance leases are included in tangible fixed assets and depreciated and assessed for impairment losses in the same way as owned assets.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charges are allocated over the period of the lease in proportion to the capital element outstanding.

### **Investments**

Listed investments held as non-current assets and current asset investments, which may include listed investments, are stated at fair value, with movements recognised in Comprehensive Income. Investments comprising unquoted equity instruments are measured at fair value, estimated using a valuation technique.

### **Inventories**

Inventories are stated at the lower of their cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective items.

### **Current Investments**

Current investments represents bank deposits with an initial term in excess of 3 months but less than one year.

### **Cash and Cash Equivalents**

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty.



Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. An investment qualifies as a cash equivalent when it has a maturity of 3 months or less from the date of acquisition.

### **Financial Instruments**

The College has chosen to adopt Sections 11 and 12 of FRS 102 in full in respect of financial instruments.

### **Financial Assets and Liabilities**

Financial assets and financial liabilities are recognised when the College becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are offset only when there is a current legally enforceable right to set off the recognised amounts and the intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

### **Derecognition of Financial Assets and Liabilities**

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

### **Financial Liabilities and Equity**

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

All loans, investments and short term deposits held by the College are classified as basic financial instruments in accordance with FRS102. These instruments are initially recorded at the transaction price less any transaction costs (historical cost). FRS 102 requires that basic financial instruments are subsequently measured at amortised cost, however the College has calculated that the difference between the historical cost and amortised cost basis is not material and so these financial instruments are stated on the balance sheet at historical cost. Loans and investments that are payable or receivable within one year are not discounted.

### **Provisions and Contingent Liabilities**

Provisions are recognised when the College has a present legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in the statement of comprehensive income in the period it arises.

A contingent liability arises from a past event that gives the College a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the College. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably. Contingent liabilities are not recognised in the balance sheet but are disclosed in the notes to the financial statements.

## Judgements in applying accounting policies and key source of estimation uncertainty

Judgements in applying accounting policies

In preparing these financial statements, management have made the following judgements:

- Determine whether there are indicators of impairment of the College tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other Key sources of estimation uncertainty

**Tangible fixed assets** are depreciated over their estimated useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the assets and projected disposal values.

The present value of the **Local Government Pension Scheme** defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions.

The assumptions used in determining the net cost for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 July 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation, would impact on the carrying amount of the pension liability.

	2023 £	2022 £
<b>2 FUNDING BODY GRANTS</b>		
Recurrent Grant		
ESFA - 16 - 19	22,920,060	20,939,613
ESFA - Adult Education Budget	283,886	243,834
ESFA - Apprenticeships (funded)	10,992	30,579
ESFA - Coronavirus Funding	-	39,776
Office for Students - HE	74,569	72,755
<b>Recurrent Grant</b>	<b>23,289,507</b>	<b>21,326,557</b>
Release of Deferred Capital Grants	223,165	182,684
<b>Total</b>	<b>23,512,672</b>	<b>21,509,241</b>

	2023 £	2022 £
<b>3 TUITION FEES AND EDUCATION CONTRACTS</b>		
Fee income for taught awards	1,107,621	1,236,170
Fee income from non-qualifying courses	6,488	14,598
<b>Total</b>	<b>1,114,109</b>	<b>1,250,768</b>

	2023 £	2022 £
<b>4 OTHER INCOME</b>		
Catering and boarding operations	2,322,646	1,999,060
Income designated for specific outings and projects	381,355	167,772
Other income generating activities	5,526	6,034
Other income	161,558	121,824
HCC - Covid Contain Outbreak Management Grant	-	6,000
<b>Total</b>	<b>2,871,085</b>	<b>2,300,690</b>

	2023 £	2022 £
<b>5 INVESTMENT INCOME</b>		
Other investment income	1,874	1,478
Other interest receivable	32,855	4,528
<b>Total</b>	<b>34,729</b>	<b>6,006</b>

## 6 DONATIONS AND ENDOWMENTS

There were no new Endowments received during the year. £6,000 of the expendable endowment was distributed via grants during the year.



## 7 STAFF COSTS

The average number of persons (including key management personnel) employed by the College during the year, expressed as both average headcount and full-time equivalent, was:

	2023		2022	
	Headcount	FTE	Headcount	FTE
Teaching staff	355	217	362	217
Non teaching staff	388	159	379	154
<b>Total</b>	<b>743</b>	<b>376</b>	<b>741</b>	<b>371</b>

Staff costs for the above persons	2023	2022
	£	£
Wages and salaries	15,222,202	14,024,701
Social security costs	1,353,020	1,273,970
Other pension costs including FRS102 adjustments of £252,699 (2021/22 £1,038,547)	3,616,328	4,215,705
<b>Total Staff Costs</b>	<b>20,191,550</b>	<b>19,514,376</b>

### Key management personnel

Key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the College and are represented by the College Senior Management Team which comprises the Accounting Officer, the Vice Principal, the Deputy Principal (Welfare & Progression), the Deputy Principal (Quality) and the Director of Finance.

### Emoluments of Key management personnel, Accounting Officer and other higher paid staff

	2023	2022
	No.	No.
The number of key management personnel, including the Accounting Officer, was:	5	5

### Key Management Personnel

The number of key management personnel and other staff who received annual emoluments, excluding pensions contributions and employer's national insurance but including benefits in kind, in the following ranges was:

	2023	2022
	No.	No.
£70,000 to £75,000	1	3
£75,000 to £80,000	1	-
£80,000 to £85,000	1	-
£90,000 to £95,000	-	1
£95,000 to £100,000	1	-
£145,000 - £150,000	-	1
£150,000 - £155,000	1	-
<b>Total</b>	<b>5</b>	<b>5</b>

	2023	2022
Key management personnel compensation is made up as follows:	£	£
Salaries	478,800	456,000
Employers National Insurance	65,212	61,780
Benefits in kind	4,232	4,728
	<u>548,244</u>	<u>522,508</u>
Pension contributions	114,491	109,885
<b>Total Key management personnel compensation</b>	<u><u>662,735</u></u>	<u><u>632,393</u></u>

There were no amounts due to key management personnel that were waived in the year, nor any salary sacrifice arrangements in place.

The above compensation includes amounts payable to the Accounting Officer (who is also the highest paid key management personnel) of:

	2023	2022
	£	£
Salary	152,250	145,000
Employers National Insurance	21,544	20,453
Benefits in kind	1,411	1,182
	<u>175,205</u>	<u>166,635</u>
Pension contributions	<u>36,053</u>	<u>34,336</u>

The pension contributions in respect of the Accounting Officer and key management personnel are in respect of employer's contributions to the Teachers' Pension Scheme or the Hampshire County Council Superannuation Scheme and are paid at the same rate as for other employees. There were no salary sacrifice arrangements in place in the year.

The Remuneration of the Principal and Chief executive is subject to annual review by the Remuneration committee of the governing body who use benchmarking information to provide objective guidance. The Principal and Chief Executive reports to the Chair, who undertakes an annual review of her performance against the College's overall objectives.

Relationship of Principal/Chief Executive pay and remuneration expressed as a multiple.

	2023	2022
Principal and CEO's basic salary as a multiple of the median of all staff	4.56	5.12
Principal and CEO's total remuneration as a multiple of the median of all staff	4.81	5.31

The members of the Corporation, other than the Accounting Officer and the staff members, did not receive any payment from the College other than the reimbursement of travel expenses incurred in the course of their duties.

There were no overseas trips by members of Corporation or senior post-holders during 2022/23.

	2023 £	2022 £
<b>8 OTHER OPERATING EXPENSES</b>		
Teaching departments	626,037	619,907
Teaching support services	976,544	883,276
Other support services	44,409	(19,177)
Administration and central services	527,788	542,760
General education expenditure	1,022,065	863,182
Outings and projects financed by designated receipts	381,355	167,772
Premises costs: Running costs	1,281,248	880,267
Premises costs: Maintenance	185,552	230,581
Premises costs: Rents and Leases	30,102	18,555
Catering and boarding operations	966,116	829,253
<b>Total</b>	<b>6,041,216</b>	<b>5,016,376</b>
Other operating expenses include:		
Auditors' remuneration		
Internal audit	12,480	5,298
Financial statements audit	35,100	27,948
Regularity audit	3,900	3,000
Other assurance services provided by the financial statements auditors	1,968	1,920
Hire of other assets - operating leases	67,314	60,760

## 9 WRITE OFFS, LOSSES, GUARANTEES, LETTERS OF COMFORT, COMPENSATION PAYMENTS

The College incurred no costs and has not committed any spend from the list outlined in the ESFA 29 November letter and explained in bite sized guidance, during 2022/23.

	2023 £	2022 £
<b>10 INTEREST AND OTHER FINANCE COSTS</b>		
Net interest on defined pension liability (note 20)	104,196	182,111
<b>Total</b>	<b>104,196</b>	<b>182,111</b>

## 11 TAXATION

The College was not liable for any Corporation Tax arising out of its activities during the year, as it benefits from the general exemptions from Corporation Tax afforded by section 505 Taxes Act 1988.



**12 TANGIBLE FIXED ASSETS**

	Assets under Construction £	Land and Buildings £	Equipment £	Total £
<b>Cost or valuation</b>				
At 1 August 2022	1,513,861	24,924,020	3,425,864	29,863,745
Additions	3,089,266	-	-	3,089,266
Transfers	(4,603,127)	4,316,272	286,855	-
Disposals	-	-	-	-
<b>At 31 July 2023</b>	<b>-</b>	<b>29,240,292</b>	<b>3,712,719</b>	<b>32,953,011</b>
<b>Depreciation</b>				
At 1 August 2022	-	9,385,423	2,690,000	12,075,423
Charge for year	-	645,715	249,870	895,585
<b>At 31 July 2023</b>	<b>-</b>	<b>10,031,138</b>	<b>2,939,870</b>	<b>12,971,008</b>
<b>Net book value at 31 July 2023</b>	<b>-</b>	<b>19,209,154</b>	<b>772,849</b>	<b>19,982,003</b>
Net book value at 31 July 2022	1,513,861	15,538,597	735,864	17,788,322

If fixed assets had not been revalued before being deemed as cost on transition, they would have been included at cost and depreciation of £ nil.

**Land owned by third parties**

Where the College enjoys the use of any land which it does not own and for which no rental or a nominal rental is paid, if practicable, a value is attributed to this benefit and capitalised, with a corresponding credit to reserves. This applies to the land occupied by the College which is owned by Christes Hospital School Foundation Winchester. The land is held at the existing basis valuation as at the date of incorporation, with this being treated at deemed cost in line with FRS102 Section 35.

**13 INVESTMENTS**

	2023 £	2022 £
Investments in marketable securities		
At 1 August	56,532	60,394
Increase/(Reduction) in Fair Value	(56,532)	(3,862)
<b>At 31 July</b>	<b>-</b>	<b>56,532</b>

	2023 £	2022 £
<b>14 DEBTORS</b>		
Amounts falling due within one year		
Trade debtors	13,058	13,841
Prepayments and accrued income	610,125	1,259,163
<b>Total</b>	<b>623,183</b>	<b>1,273,004</b>

**15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2023 £	2022 £
Payments received in advance	1,425,171	518,838
Trade creditors	721,285	727,205
Other taxation and social security	343,258	328,037
Accruals	623,403	706,755
Amounts due to ESFA	120,000	140,000
Deferred Income-Government revenue grants	205,056	203,843
Deferred Income - Government capital grants	252,079	182,684
Short term employee benefit accrual	673,079	643,555
<b>Total</b>	<b>4,363,331</b>	<b>3,450,917</b>

**16 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2023 £	2022 £
Deferred Income - Government capital Grants	8,256,228	6,081,845
<b>Total</b>	<b>8,256,228</b>	<b>6,081,845</b>

**17 PROVISIONS**

	Enhanced pensions £	Defined benefit obligations £	Total £
<b>At 1 August 2022</b>	5,926	2,923,999	2,929,925
Expenditure in the period	(660)	(453,000)	(453,660)
Additional provision in year	(105)	(2,470,234)	(2,470,339)
<b>At 31 July 2023</b>	<b>5,161</b>	<b>765</b>	<b>5,926</b>

Defined benefit obligations relate to the liabilities under the College's membership of the local Government pension scheme. Further details are given in Note 20.

The enhanced pension provision relates to the cost of staff who have already left the College's employ and commitments for reorganisation costs from which the College cannot reasonably withdraw at the balance sheet date. This provision has been recalculated in accordance with guidance issued by the funding bodies.

The principal assumptions for this calculation are:	2023	2022
	%	%
Interest rate	2.8	2.0
Inflation rate	3.0	2.2



# 18 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 August 2022 £	Cash flows £	At 31 July 2023 £
Cash and Cash Equivalents	7,270,148	122,467	7,392,615
Current Investment	1,025,245	2,154,138	3,179,383
<b>Total</b>	<b>8,295,393</b>	<b>2,276,605</b>	<b>10,571,998</b>

# 19 FINANCIAL INSTRUMENTS

	2023 £	2022 £
<u>Financial Assets</u>		
Debt Instruments measured at fair value through the profit and loss	-	56,532

## 20 DEFINED BENEFIT OBLIGATIONS

The College employees belong to two principal pension schemes: the Teachers Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Hampshire County Council Superannuation Scheme. Both are multi-employer defined benefit schemes.

The College ran a Group personal pension scheme for catering staff through AEGON. This was a defined contribution scheme to which the College contributes 6% if the employee contributes at least 3%. All staff on this scheme have been moved to the LGPS.

<b>Total pension cost for the year</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Teachers Pension Scheme: contributions paid	2,334,446	2,203,119
Local Government Pension Scheme: contributions paid	1,029,183	974,039
FRS102 Excess Service Costs	253,000	1,039,000
Enhanced pension charge	(301)	(453)
<b>Total pension cost for the year</b>	<b>3,616,328</b>	<b>4,215,705</b>

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuations of the TPS was 31 March 2019 and of the LGPS 31 March 2022.

Contributions amounting to £369,890 (2022: £351,681) were payable to the schemes at 31st July and are included within creditors.

### Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2014.

These regulations apply to teachers in schools, colleges and other educational establishments in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for teachers and lecturers at eligible institutions. Teachers and lecturers are able to opt out of the TPS.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis-these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act. Retirement and other pension benefits are paid by public funds provided by Parliament.

Under the definitions set out in FRS102 (28.11), the TPS is a multi-employer pension plan. The College is unable to identify its share of the underlying assets and liabilities of the plan.

Accordingly, the College has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The College has set out above the information available on the plan and the implications for the College in terms of the anticipated contribution rates.

The valuation of the TPS is carried out in line with regulations made under the Public Service Pension Act 2013. Valuations credit the teachers' pension account with a real rate of return assuming funds are invested in notional investments that produce that real rate of return.

### **Valuation of the Teachers' Pension Scheme**

The latest valuation report was published on 26 October 2023. The key results of the valuation are:

- Total scheme liabilities for service (the capital sum needed at 31 March 2020 to meet the stream of future cash flows in respect of benefits earned) of £262 billion
- Value of notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) of £222 billion
- Notional past service deficit of £39.8 billion (2016: £22 billion)
- Discount rate is 1.7% in excess of CPI (2016: 2.4% in excess of CPI (this change has had the greatest financial significance))

As a result of the valuation, new employer contribution rates have been set at 28.6% of pensionable pay from 1 April 2024 until 31 March 2027 (compared to 23.68% under the previous valuation including a 0.08% administration levy). DfE agreed to pay a Teachers Pensions employer contribution grant to cover the additional costs during the 2022-23 academic year, and currently through to July 2024. The pension costs paid to TPS in the year amounted to £2,336,104 (2022: £2,204,605).

A full copy of the valuation report and supporting documents can be found on the Teachers' Pension Scheme website.

### **Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with the assets held in separate funds administered by Hampshire County Council. The total contribution made for the year ended 31 July 2023 was £1,281,455 of which employer's contributions totalled £1,032,729 and employees contributions totalled £248,726. The agreed contribution rates for next year is a 23.5% for employers and between 5.5% and 12.5% for employees, depending on salary.



### Principal Actuarial Assumptions

The following information is based upon a full triennial valuation of the fund at 31 March 2022 updated to 31 July 2023 by a qualified independent actuary.

	At 31 July 2023	At 31 July 2022
Rate of increase in salaries	4.0%	3.6%
Future pension increases	3.0%	2.6%
Discount rate for scheme liabilities	5.1%	3.4%
Inflation assumption (CPI)	3.0%	2.6%

The College has considered the assumptions above in light of conditions prevailing at the year end date, particularly in respect of the rate of CPI. Given that the rate of CPI impacts a number of factors, including interest rates, which would impact the value of assets as well as obligations, and the fact the above assumptions represent a long term obligation rather than a short term one, the College therefore considers that the assumptions applied in valuing the pension scheme liabilities at the year end remain appropriate.

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	At 31 July 2023	At 31 July 2022
<i>Retiring today</i>		
Males	22.1	22.9
Females	24.7	25.4
<i>Retiring in 20 years</i>		
Males	22.6	24.7
Females	25.7	27.1

The College's share of assets in the scheme were and comprise:

	Fair value July 2023	Fair value July 2022
	£ '000	£ '000
Equities	11,897	11,312
Property	1,210	1,593
Government bonds	6,452	2,911
Corporate bonds	-	-
Multi Asset Credit	-	1,751
Cash	605	157
Other	-	1,948
Total fair value of plan assets	20,164	19,672
Actual return on plan assets	(1,530)	(637)

**The amount included in the balance sheet in respect of the defined benefit pension plan and enhanced pensions benefits as follows:**

	July 2023 £ '000	July 2022 £ '000
Fair value of plan assets	19,773	19,672
Present value of plan liabilities	(19,773)	(22,596)
<b>Net pensions Liability</b>	<b>-</b>	<b>(2,924)</b>

**Amounts recognised in the statement of Comprehensive Income in respect of the plan are as follows:**

**Amounts included in staff costs**

Current service cost	1,290	2,014
Past service cost	-	-
<b>Pension costs</b>	<b>1,290</b>	<b>2,014</b>

**Amounts included in interest and other Finance costs**

Net interest cost	104	182
	<u>104</u>	<u>182</u>

**Amount recognised in Other Comprehensive Income**

Return on pension plan assets	(832)	(977)
Experience (Losses)/gains arising on defined benefit obligations	4,504	10,478
Asset ceiling adjustment	(391)	-
<b>Amount recognised in Other Comprehensive Income</b>	<b>3,281</b>	<b>9,501</b>

**Movement in net defined benefit Liability during year**

Net defined benefit (liability) in scheme at 1 August	(2,931)	(11,211)
Movement in year:		
Current service cost	(1,290)	(2,014)
Employer contributions	1,037	975
Past service cost	-	-
Net interest on the defined liability	(104)	(182)
Actuarial (loss)/gain	3,288	9,501
<b>Net defined benefit liability at 31 July</b>	<b>-</b>	<b>(2,931)</b>

**Asset and Liability Reconciliation**

<b>Defined benefit obligations at 1 August</b>	22,603	30,879
Service cost	1,290	2,014
Interest cost	783	522
Employee contributions	230	226
Actuarial (Gain)/ Loss	(4,504)	(10,478)
Benefits paid	(622)	(560)
Past Service Cost	-	-
<b>Liabilities at 31 July</b>	<b>19,780</b>	<b>22,603</b>

Changes in fair value of plan assets	July 2023 £ '000	July 2022 £ '000
<b>Fair value of plan assets at 1 August</b>	19,672	19,668
Interest on plan assets	679	340
Actuarial gain	(832)	(977)
Employer contributions	1,037	975
Employee contributions	230	226
Benefits paid	(622)	(560)
<b>Fair value of plan assets at 31 July</b>	<u>20,164</u>	<u>19,672</u>

The College does not have the asset as this reconciliation indicates. The asset ceiling for Peter Symonds College is nil because a minimum funding requirement is considered to exist as per Actuary's report. This has been reflected in the financial statements, with no pension asset or liability being recognised.

## 21 RESTRICTED RESERVE

	July 2023 £	July 2022 £
Robert Hirst Design expendable endowment	239,919	245,919
Paul Woodhouse Fund	55,883	56,533
Clement Edwards Fund	5,997	5,997
John Livy Fund	162	162
	<u>301,961</u>	<u>308,611</u>

The Robert Hirst expendable endowment is to support students going on to study three dimensional design. There were no donations or interest income this year, Scholarships were awarded to 6 students for a total of £6,000.

The other restricted reserves represent a bequest from Clement Edwards for the purposes of annual prizes to photography students (No new donations).

A bequest from Paul Woodhouse for the purpose of establishing a hardship fund for students, (No new donations or awards and a decrease in value of £650.32) and a bequest from John Livy to reward good communication in science (No new income and no new award).

	2023 £	2022 £
<b>22 CAPITAL COMMITMENTS</b>		
Capital expenditure that has been contracted for at the year-end but has not been provided for in the financial statements	<u>-</u>	<u>3,554,404</u>



**23 FINANCIAL COMMITMENTS**

At 31 July the College had minimum lease payments under non-cancellable operating leases as follows:

	2023	2022
	£	£
Other		
Payments due within one year	41,602	45,107
Payments due within two and five years inclusive	80,590	27,110
Total for remainder of leases	<u>122,192</u>	<u>72,217</u>

**24 RELATED PARTY TRANSACTIONS**

Owing to the nature of the College's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have an interest.

During the year, the College purchased legal services of £8,219 (2021/22:£2,144) from a partnership related due to a common directorship. No amounts were owed at the year end (2021/22:0).

The total expenses paid to or on behalf of the Governors during the year was £2,097 (2021/22: £1,794).

This represents travel and subsistence expenses and other out of pocket expenses incurred in attending Governor meetings and charity events in their official capacity.

No Governor has received any remuneration or waived payments from the College during this or last year.

Key management compensation disclosure is given in note 7.

	2023	2022
	£	£

**25 AMOUNTS DISBURSED AS AGENT**

Balance b/fwd from previous year	139,169	102,524
Funding Body Grants and bursaries	316,956	281,849
Less:		
Disbursed to Students	(328,656)	(231,787)
Administration	(14,800)	(13,417)
Balance unspent at 31 July included in creditors	<u>112,669</u>	<u>139,169</u>

The expenditure includes spend against carry forward.

Funding body grants are available solely for students; although the College administers the fund the Funding body deems that the College acts only as the paying agent.

The Funding body has decreed that the grants and related disbursements are therefore excluded from the Statement of Comprehensive Income, other than for the 5% of the grant received which is available to the College to cover administration costs relating to the grant.

## **INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON REGULARITY TO THE CORPORATION OF PETER SYMONDS COLLEGE AND THE SECRETARY OF STATE FOR EDUCATION ACTING THROUGH EDUCATION AND SKILLS FUNDING AGENCY**

### **Conclusion**

We have carried out an engagement, in accordance with the terms of our engagement letter dated 22 October 2021 and further to the requirements of the grant funding agreements and contracts with the Education and Skills Funding Agency (the "ESFA") or those of any other public funder, to obtain limited assurance about whether the expenditure disbursed and income received by Peter Symonds College during the period 1 August 2022 to 31 July 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the 1 August 2022 to 31 July 2023 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

### **Basis for conclusion**

The framework that has been applied is set out in the Post-16 Audit Code of Practice (the Code) issued by the ESFA and in any relevant conditions of funding concerning adult education notified by a relevant funder.

We have complied with the independence and other ethical requirements of the FRC's Ethical Standard and the ethical pronouncements of the ICAEW. We also apply International Standard on Quality Management (UK) 1 Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements and accordingly maintain comprehensive systems of continuing quality management.

### **Responsibilities of Corporation of Peter Symonds College for regularity**

The Corporation of Peter Symonds College is responsible, under the grant funding agreements and contracts with the ESFA and the requirements of the Further & Higher Education Act 1992, subsequent legislation and related regulations and guidance, for ensuring that expenditure disbursed and income received are applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. The Corporation of Peter Symonds College is also responsible for preparing the Governing Body's Statement of Regularity, Propriety and Compliance.

### **Reporting accountant's responsibilities for reporting on regularity**

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Code.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to



express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and the procedures performed vary in nature and timing from, and are less in extent than for a reasonable assurance engagement; consequently, a limited assurance engagement does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 August 2022 to 31 July 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including the specific requirements of the grant funding agreements and contracts with the ESFA and those of any other public funder and high level financial control areas where we identified a material irregularity is likely to arise. We undertook detailed testing, on a sample basis, on the identified areas where a material irregularity is likely to arise where such areas are in respect of controls, policies and procedures that apply to classes of transactions.

This work was integrated with our audit of the financial statements and evidence was also derived from the conduct of that audit to the extent it supports the regularity conclusion.

#### **Use of our report**

This report is made solely to the Corporation of Peter Symonds College and the Secretary of State for Education acting through the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Corporation of Peter Symonds College and the Secretary of State for Education acting through the ESFA those matters we are required to state in a 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 Corporation of Peter Symonds College and the Secretary of State for Education acting through the ESFA for our work, for this report, or for the conclusion we have formed.

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