PLUMPTON COLLEGE

Report and Financial Statements
for the year ended 31 July 2023

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INTRODUCTION BY THE CHAIR

I am pleased to present to you our Annual Report as Chair, for 2022/23. As I look back on the past year I do so with a sense of true pride. This report not only presents key highlights of our successes and developments of the past twelve months, but it sets an agenda at Plumpton College that is both dynamic and responsive to the needs of our learners and local community.

Despite the many challenging external factors that the sector continues to face the college has continued to demonstrate their responsiveness and ability to deliver excellence through our teaching and learning, support for our students and parents, research, and stakeholder engagement. We remain proud of all our student achievement and retention rates and their involvement in extracurricular activities alongside strong student satisfaction, which was endorsed externally with our Ofsted Social Care Common Inspection in June 2023 where the college retained its Outstanding grade.

At a time when the recruitment and retention of staff is particularly challenging nationally our staff satisfaction rates remain strong and out staff turnover below national benchmarks for the sector. This is testament to our whole college approach to investing in, supporting, and developing our staff body as well as creating a culture within the college in which people feel valued, trusted, and able to make a real contribution.

Our new and ambitious five-year strategic plan was successfully launched across the college and has been favourably received by all our stakeholders and allows the college to meet the challenges ahead with positive energy. We have been an active partner in the development of the Sussex Local Skills Plan (LSIP) and have adapted out skills offer to meet both local and national skills priorities as outlined in our Accountability Agreement. Working in partnership with existing and new stakeholders remains a priority for the college and has continued to flourish. Such new partnerships have included the delivery of apprenticeships for the Royal Horticultural Society, the National Trust and Tesco Booker and with the Royal Society for Veterinary Science and the University of Greenwich as our Higher Education partners.

Being adaptable, agile, and most importantly financially prudent over recent years, has meant that we have continued to invest in our facilities across the college for our students and the local and regional land-based economy. This year we saw the completion of the £11m Agri-food capital project. Over the last five years we have opened state of the art buildings including a new pig unit, a biosecurity centre and introduced robotic milkers and opened new butchery and baking training facilities with the project culminating with the opening of the AgriFood Centre in April 2023. This facility is already providing inspirational learning spaces for our students, staff and for the wider land-based sector across the South East who are using it as a knowledge exchange and training hub for their respective industries. We continue to be the lead land-based college in an Institute of Technology initiative across the South East funded by the DFE. As a key driver regionally on this project, it allows us to share our trailblazing work across the sector in leading the development of skills and the entrepreneurship required by the wider land-based economy.

As a Corporation, we are an ambitious board offering pace, challenge and stretch. The Board remains strong in the quality and breadth of its membership and we continue to focus on ensuring that our membership is representative of the community we serve. We remain resolute that the college will provide the opportunity for our students, stakeholders, and partners to come together to share ideas and knowledge, to learn from our innovative curriculum and practices to help shape the future of a sustainable land-based sector and the leaders within it.

As always, it is our people who make all the difference in what we do. On behalf of the Corporation, I would like to take this opportunity to express our deepest gratitude to our students, staff and parents/carers for their versatility and positive response to the challenges over the last year.

Whatever the future has in store, we have no doubt that the wider community of Plumpton College can continue to apply its collective ingenuity and determination to inspire students, sustain and grow. In the following annual report, we share just a few examples of the ways in which we are already doing just that. Plumpton College has never been stronger, nor more important for the local and national land-based economy. I look forward to working and continuing this exciting journey with them over 2023/24.

STRATEGIC REPORT

The Governors of Plumpton College are pleased to present their report and the audited financial statements for the Year Ended 31 July 2023.

Our Vision

To be the leader of land and environmental education and training in the South East, renowned for our cutting-edge practice.

Our Purpose

To inspire and equip our students with the skills, knowledge and attributes which meet the future needs of industry.

Our People - Our Culture

To be a diverse and vibrant community in which staff and students embody our values, have a strong sense of belonging and flourish.

Our People - Our Partners

To have a nurturing and collaborative relationship with our local community and employers which enhances both the experience of our students and the professional development of the workplace.

Our People - Our Staff

To attract, develop and retain a highly skilled, ambitious team of staff empowered to deliver our core purpose.

Our Place

To play a transformational role in the environmental sustainability of land-based industries, showcasing best practice and integrating the highest standards of sustainability into our curriculum.

Values

- Ambitious and progressive
- Enterprising
- Professional
- Supportive
- Passionate about everything we do

Key Achievements

1. Excellent support for students from across the college, resulting in sustained, sector leading retention levels.
2. Excellent achievement rates for adult learners and apprentices, significantly above national benchmarks.
3. Strong engagement with employers and stakeholders resulting in increased training for industry.
4. Excellent progress in the provision of inspirational and professional learning environments across the wider college estate.
5. A highly engaged staff body and culture that reflects our values.

Chief Executives Report

As a College, having very successfully navigated the challenges and disruption caused by events in recent years, it's fair to say that global factors continued to play a predominant role in shaping our context throughout 2022/23. The cost of living crisis undoubtedly impacted staff and students, whilst also contributing to some of the most extreme and unexpected cost pressures we have faced in recent years, particularly in relation to utilities.

An unprecedented period in UK politics further compounded the challenges faced within our context, with the FE sector continuing to struggle in the light of funding rates remaining largely unchanged for several years and further uncertainty caused by the ONS decision to reclassify providers into the public sector, with immediate effect from December 2022.

Disappointingly, for the first time in the past six years, the college did see a slight reduction (4%) in our funded 16-18 learner numbers, despite very high applicant levels. This demonstrates that through our marketing, brand and school engagement activity, we are successfully reaching more prospective students than ever, but with transport to Plumpton being one of our greatest barriers to accessing provision, the associated costs had a far greater impact than previous years due to the economic climate. This is despite the award of financial bursaries to over 540 students, and does reflect a national picture, with more young people staying in schools post-16.

Despite the pandemic presenting far less of a disruption in the year in terms of staff and student attendance and therefore our day to day operating activities, its earlier impact on our 16-18 cohort remained evident in terms of their social and emotional development and academic progress.

As always, governors, leaders and managers across the college worked tirelessly to mitigate the impact of all of this on our students. Significant efforts continued to be made to enhance the transition and induction experience for new students, alongside revised pastoral, enrichment and tutorial support mechanisms to provide enhanced personal development opportunities for all.

As a result, the college did see improvements in student attendance across most study types with many subject areas rising by up to 5% compared to the previous year. Overall FE student attendance (82%) did though still remain below our expectations and those pre-pandemic levels, reflected very much by the national and local picture. This will continue to be a priority for us in the year ahead.

The whole staff body at the college continued to demonstrate incredible resilience and adaptability to sustain the exceptional levels of support which Plumpton is renowned for. This undoubtedly resulted in the college sustaining its very high retention rates of above 90% for all 16-19 and adult provision. The impact of initiatives across the college to ever better monitor and track students' academic progress, as well as prepare them for their technical exams, also resulted in significant improvements in our college pass rates, compared to the previous year.

This was most apparent/pleasing amongst our level 3 students, with those students completing the equivalent of three A Levels representing the greatest proportion of our FE cohort. Pass rates here were an impressive 96% compared to the national average of 92% and with a number of subject areas (Agriculture, Blacksmithing, Equine and Forestry) achieving 100%. Alongside their main qualifications, a high proportion of our 16-18 cohort also re-sat their GCSE English and/or maths during the year.

Despite the economic climate, we did continue to achieve growth in the numbers of adult students enrolling on full and part time courses. The success of One Garden Brighton as a Centre for Excellence in education and training for Horticulture and Floristry continued to contribute to this, as did the very impressive growth in the number of courses run by LandPro, which delivers all of our employer training, running more courses than ever and growing its reach across the region.

Our apprenticeship provision also continued to grow, reaching a high of 423 number of students in learning and meeting the needs of employers on a national, regional and local level. National partnerships continued to flourish with prestigious partners such as the Royal Horticultural Society, National Trust and Tesco Booker; reflecting not only the quality of education provided, but also the value of co-creating curricula with employers. This innovative approach to developing curriculum to meet employer needs was recognised on a national scale with the college winning an award at the National Apprenticeship Awards. Apprenticeship achievement rates were sustained above the national average and with several subject areas achieving rates some 20% or more higher than their sector averages, including in Veterinary Nursing, Horticulture and Agriculture. In other sector areas, retention of apprentices presented challenges and is an area of priority for us over the coming year.

In Higher Education, the College entered into a new partnership with the University of Greenwich, chosen because of a number of synergies with Plumpton, not least that focus on student experience and employability but also in organisational values and some shared expertise in the fields of science, nutrition and plant/animal health. That new partnership saw all existing degree programmes at Plumpton successfully accredited with Greenwich, whilst teams developed new degree programmes in Land Management and Sustainable Horticulture, which will run from September 2025.

Recruitment in Higher Education continued to be a challenge for us, with numbers slightly down again compared to the previous year. The transition to our new HEI partner will have affected this, albeit again reflecting a trend of reducing higher education numbers in FE nationally.

Despite some disruption to our central HE infrastructure, that continued whole college focus on the quality of education and the HE student experience saw the college sustain its student satisfaction scores in the National Students Survey for HE, now sitting just above the national average, but with further room for improvement in the year ahead. With a new HE team in place at Plumpton and the new partnership with Greenwich, growing and enhancing our HE provision is an important strategic priority for the coming years, particularly given the higher-level skills gaps which exist across land-based sectors.

Given that skills gap which exists across many of the sectors we support, but also our focus on developing the whole individual, it is perhaps no surprise to see our students in such demand when they leave college, regardless of level or subject. Our overall destination data tells us that 90% of students are in employment within a few months of leaving and for many programmes, this is 100%.

The whole college approach to investing in, supporting and developing its staff body, as well as creating an environment in which people feel valued, trusted and able to make a real contribution, continues to play out so positively and especially at a time when staff retention and recruitment has continued to present such challenges nationally and even more so for educational establishments.

At Plumpton, we have seen the highest levels of staff satisfaction again, alongside ever declining staff sickness and turnover rates, both below national sector averages. We have also bucked a national trend in terms of recruitment, with low vacancy levels compared to the rest of the sector, and importantly very few gaps in teaching posts, providing greater consistency for students.

One of the greatest challenges that remains however, certainly for teaching roles, is that most new appointments are of industry professionals with limited or no teaching experience. Our in-house teaching and learning team continue to respond to those needs with creation of new development pathways for all teaching staff up to PGCE level. Teaching and learning coaches also provide mentoring and support, as well as an extensive CPD programme. Pedagogical practice remains our greatest priority for the year ahead, given the relative inexperience still of a high number of teachers, and its impact in terms of student experience and how that manifests in terms of attendance and achievement rates.

The sense of community across the College is as strong as ever and our college wide events, run by staff or our student-elected Student Union are integral to this. An incredibly diverse range of activities were hosted throughout the year, ranging from RAG (Raising and Giving) Day, Pride and Remembrance. 2023 also saw the return of the College's Open Day and Spring Fair, which was attended by over 12,000 members of the public and provided an incredible showcase of the college and our student body.

Those relationships with the local community provide numerous opportunities for students to engage in real life project work and we continued to deliver curriculum to those hardest to reach groups across Sussex. This was further enabled in the year by a new partnership with The Education Futures Trust, based in Hastings. Whilst many young people travel from Hastings to access full time courses at Plumpton on a daily basis, this partnership was borne out of a recognition of the needs of that community. In its first year, the College ran successful qualifications for over 30 adult learners from the Hastings, many of whom were ex-service users and is an area we look to steadily expand upon for the year ahead.

The strength of partnership across all FE providers in Sussex continues to be a real asset to us and the work conducted between us all on sustainability over the past year was recognised by our collectively winning a National Beacon Award. This also resulted in us hosting our first ever Sustainability Conference at Plumpton for all educators and post 16 students from across the county.

Sussex FE providers continued to worked very closely with Sussex Chamber of Commerce in informing the most recent and now government approved Local Skills Improvement Plan. The Land based sector remains one of the strategic priority areas highlighted within the pan-Sussex LSIP and therefore provides a clear insight into the future skills needs of employers. The Local Skills Improvement Fund will provide an opportunity for us to access resources to further meet those needs, over and above all that we do in response to the excellent relationships we have with employers across the college.

All curriculum areas continue to run regular advisory boards to enable employers to inform curriculum design, content and delivery and the College this year produced our first Accountability Agreement, which demonstrates how extensive our work is in meeting the skills needs on a local and particularly regional basis.

Despite those external pressures, the College's financial prudence and effective control and financial management saw us achieve a small surplus for the fifth year in a row.

One of the College's most important unique selling points is our estate and facilities and the fact that we operate as a professional, real-life working environment for all. Our students' experience in this environment plays a huge role in their personal development and acquisition of knowledge and skills and is a major contributory factor in those unrivalled employability rates. Many of those facilities are run on a commercial basis and their financial performance is important, both in setting an example to students, but also in generating revenue. The farm faced one of its most challenging financial years, driven by global commodity pressures and the weather, resulting in a disappointing outturn. Its commercial performance and that of our college wine sales and One Garden Brighton, are all priority areas for the year ahead.

One of the highlights of the year was the completion of the £11m AgriFood capital project. Some five years or more in the making and comprising investments in our farm through the new pig unit, robotic milkers and biosecurity centre, it had a hugely beneficial impact on student experience throughout the year. The opening of new butchery and bakery training facilities also for our growing apprenticeship provision. The AgriFood Centre itself opened in April and in just a few months demonstrated its potential in providing inspirational learning spaces for students, staff and the wider land-based sector. Its first industry event the South East Future of Farming, run in partnership with the CLA and Virgin Money was a real success and set the platform for its future as a knowledge exchange and training hub for all the industries we represent for many years to come.

Another highlight of the year saw the College retain its Outstanding grade in Ofsted Social Care Common Inspection in June. With a scope covering our residential provision alongside a number of cross college services such as safeguarding, catering, IT and safety, we received outstanding grades in al judgement areas. With just a couple of hours' notice of inspection, there is no doubt that the findings were a true measure of the experience our students face on a daily basis and our supportive, professional and ambitious culture shone through.

We look back therefore on a year of so many successes, and I'm delighted to receive the recognition our staff and students deserve through the national awards and the Ofsted outcome but also in the feedback provided by our community and employers throughout the year. Most importantly, improvements in key student perf areas and mostly, at that L3, really bodes well for us

It's an important and exciting year ahead for the College as we seek to really leverage the strength of our current position in the market place on a reginal level. Entering the second year of our Strategic Plan - ambitious in terms of big focus on HE, the four strategic priority areas, next capital build, new curriculum and that learner experience in the classroom. This will enable Plumpton to invest in its next centre of excellence, being the only Institute of Technology in Animal and Veterinary Science in the country.

Stakeholder relationships
The College attaches much importance to maintaining and developing close and positive relationships with the College's stakeholders, both internal (students and staff) and the wide range of external stakeholders it serves or partners (employers and Local Enterprise Partnerships, local authorities and communities, voluntary bodies, schools, universities, and other Colleges). The College recognises the importance of these relationships and engages in regular communication with them through the College Internet site and by meetings.

Equal opportunities
Plumpton College is committed to ensuring equality of opportunity for all who learn and work here. The College respects and values positively differences in race, gender, sexual orientation, ability, class and age. The College strives vigorously to remove conditions which place people at a disadvantage and we will actively combat bigotry. This policy will be resourced, implemented and monitored on a planned basis. The College's Equal Opportunities Policy, including its Race Relations and Transgender Policies, is published on the College's Internet site. The College considers all applications from disabled persons, bearing in mind the aptitudes of the individuals concerned. Where an existing employee becomes disabled, every effort is made to ensure that employment with the College continues. The College's policy is to provide training, career development and opportunities for promotion, which are, as far as possible, identical to those for other employees. The College seeks to achieve the objectives set down in the Disability Discrimination Act 1995 as amended by the Special Education Needs and Disability Acts 2001 and 2005. Further details are available on the College website.

Disability statement
The College seeks to achieve the objectives set down in the Equality Act 2010:

a) As part of its accommodation strategy the College updated its access audit. Experts in this field conducted a full access audit during 2008/09, and the results of this formed the basis of funding capital projects aimed at improving access.
b) The College has appointed a Student Support Co-ordinator, who works with staff from across the organisation to ensure that appropriate and timely support is provided where necessary. The College also now has a specialist Learning Support team, overseen by a Learning Support Manager who liaises with students, parents, Local Authorities and external organisations to ensure that specialist learning needs of students are met.
c) There is a list of specialist equipment, such as radio aids, which the College can make available for use by students and a range of assistive technology is available in the learning centre.
d) The College has a policy in place regarding the admission of students. Appeals against a decision not to offer a place are dealt with under the complaints policy.
e) The College has made a significant investment in the appointment of specialist lecturers to support students with learning difficulties and/or disabilities. There are a number of student support assistants who can provide a variety of support for learning. There is a continuing programme of staff development to ensure the provision of a high level of appropriate support for students who have learning difficulties and/or disabilities.
f) Specialist programmes are described in College prospectuses, and achievements and destinations are recorded and published in the standard College format.
g) Counselling and welfare services are described in the College Student Handbook, which provides details of a number of services accessible to students, as well as the College's expectations regarding behaviour and conduct, and the Complaints and Disciplinary Procedure.

Principal Risks and Uncertainties

Risk management is integral to planning and control across the College, and is firmly embedded into the planning/control and decision-making process. Responsibility for identifying, assessing and managing risks is devolved to those responsible for delivering the relevant aims and objectives. Specific mitigating actions initiated or intensified in response to a new or growing risk are planned and controlled in the same way as any other action designed to deliver the business objective, not as part of a standalone Risk Management Action Plan. Corporation reviews the strategic risk register every 2 months and the risk policy every 2 years. In addition, papers including the Principal's report, Management accounts and project updates include dedicated sections reporting risk.

Income: The College has reliance on continued government funding through the further and higher education sector funding body grants. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms. The College is aware of several issues which may impact on future funding, notably the forthcoming white paper. The development of diversified income streams keeps the Colleges reliance on government funding low by sector standards with a ratio in 2023 of 53.7% (2022 51.5%).

Financial health: The Colleges financial health is classified as Good. The main challenges to the financial position has been the continued under funding of the further education sectors. This risk is mitigated through an annual budget setting process that covers a multi-year period with sensitivity analysis, quarterly detailed review of financial performance, monthly reporting of financial performance and strong financial controls,

Maintain adequate funding of pension liabilities: The financial statements report the share of the Local Government Pension Scheme is in surplus in the actuarial report but is reported as nil on the balance sheet in line with the requirements of FRS 102. This follows several years of a deficit on the College's balance sheet with the possibility of a swing back to deficit in the years ahead. This risk is mitigated by an agreed deficit recovery plan with the East Sussex Pension Scheme.

Capital strategy: The College continues to work towards its site master plan, with more than £20m investment in the College estate in recent years. Following the ONS reclassification there is increased uncertainty of future grant and loan funding for the capital strategy that is key to meeting the needs of students and industry in addressing the regional skills gaps.

Student transport: Given the Colleges rural location, the limited availability of transport operators and the rising cost of travel is a significant challenge when two thirds of Further Education students rely on the College bus network.

Financial results

The College has an adjusted operating surplus of £77k before FRS102 pension charges to staff costs (2022: surplus £654k). The College Financial Statements show a surplus £1,861k total comprehensive income (2022: surplus £11,747k), primarily due to the impact of the pension actuarial gain. For purposes of providing greater clarity a notation is provided to the Statement of Comprehensive Income reporting unadjusted and adjusted operating surplus/deficit.

Total income for 2023 rose by 7.8% to £23,429k (2022: £21,743k). The College continued to develop its diversified income streams with growth in student numbers, demand from businesses and commercial income from Student Services, Plumpton Estate and One Garden Brighton. Funding body grants (including Local Authority high needs funding and release of deferred capital grants) are the largest source of income at £12,570k (2022: £11,207k) and as a proportion of total income at 53.7% (2022: 51.5%).

Total expenditure for 2023 rose by 5.3% to £23,818k (2022: £22,609k) inclusive of FRS102 pension liability. The growth in expenditure is lower than the growth in income, despite a high inflationary environment.

The College continued to invest to improve its educational infrastructure. Capital additions were £6,062k (2022: £7,516k). This included the Agrifood project with investments in the College farm and campus. Total borrowing rose in response to this investment to £6,600k (2022: £2,926k). This represents a very low level of borrowing as a proportion of income at 28.2% (2022: 13.5%) and comfortably below the Association of Colleges guidance of 40% of income.

The College inherited assets from the Local Authority following the 1992 Further and Higher Education Act and subsequently revalued some assts on adoption of FRS102. All non-land assets have been fully depreciated in the accounts. Land revaluation of £2,516k is non-depreciable and held in the revaluation reserve. All fixed assets are owned by the College and are accessed as required by the Group under a facilities agreement.

The College is a member of the East Sussex Local Government Pension scheme and its share of the assets of the fund is approximately 0.43%. The balance sheet includes a provision for defined benefit obligations that relate to this local government pension scheme. The triannual valuation at 31 March 2022 was updated to 31 July 2023 and has seen the fund move to surplus but is recognised at nil value in the balance sheet (2022: £1,760k deficit). As the pension provision is excluded from the EFA assessment of financial health and from the bank covenants, this movement has no material impact on the College financial health in the short or medium term.

Reserves policy

The Corporation has reviewed its reserves policy in the light of Charity Commission guidance (CC19), the business risks and opportunities that it sees over the next 5 years. On an annual basis the College will set out the specific actions required to meet its reserves target. In the short-term the College needs cash, or access to cash, to meet; normal fluctuations in our working capital during the year, these arise principally due to the timing of our main FE Grant-In-Aid income, and varies by £800k between months; uncertainty about the level and timing of other grant streams and non-grant income; risk of additional unbudgeted costs e.g. to meet unforeseen regulatory requirements or restructuring; sector wide difficulties in securing, or retaining, access to loan and working capital facilities.

The Corporation has accordingly set a Liquidity Target to be achieved by the end of 2020/21 financial year, of holding at all times cash plus access to overdraft facilities totalling £0.8m, broadly equivalent to one month's salary bill. In the longer-term the College needs greater cash reserves to; repay existing long-term loans as they fall due; contribute to the fixed and working capital costs of developing new business and major projects; cover any restructuring costs associated with changes in demand; meet any long-term costs of crystallising liabilities, e.g. pensions.

The Corporation has reviewed and retained the reserves targets set out in last year's Financial Statements but has tightened the range based upon the strong College financial performance.

- cash holding of between £2.0m and £2.5m at 31 July 2023,
- cash holding of between £3.0m and £3.5m at 31 July 2025.

The Corporation regards these Reserves Targets as the College primary Financial Objectives. They are supported by other financial targets, including the bank covenants and ESFA financial health KPIs.

Following the ONS reclassification the Corporation considered the options for amending its reserves policy. As the new College Financial Handbook isn't expected until Spring 2024, Corporation has decided to retain the current policy and comment on the reasons for divergence from it.

The Chief Executives report references the £11m AgriFood capital project as one of the highlights of the year. During the year this provided inspirational learning spaces for students, staff and the wider land-based sector and included the first industry event, the South East Future of Farming. After the development phase, this project was to be funded by a £6m commercial loan in April 2023 but instead is being funded by a £5.05m DfE loan in December 2023.

Cash flows and liquidity

The College held cash and cash equivalents at the end of year of £561k (2022: £1,570k). This reduction is directly related to the Colleges capital investments outlines above. The College continues to generate strong operating cashflows with modelling showing the cash balance rapidly rising in the years ahead to achieve the reserves target.

Treasury policies and objectives

Treasury management is the management of the College cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks. Short term borrowing for temporary revenue purposes is authorised by the Accounting Officer. All other borrowing requires the authorisation of the Corporation and shall comply with the requirements of the Financial Memorandum.

Payment performance

The College is committed to the terms of the Prompt Payment Code, with a target of paying all invoices within 30 days of receipt and 95% within 60 days of the invoice date, excluding disputes. The College met its target.

Going Concern and Future prospects

The College has continued to adopt the going concern basis in preparing the financial statement and believes it will continue in operation and meet its obligations for at least a period of 12 months. The College continues to generate operating cashflows, developing well-diversified income streams whilst investing in developments at the Plumpton and Stanmer sites. In 2022 the Corporation reviewed and re-approved the Agrifood development, part funded by the South East Local Enterprise Partnership. In 2023 the Corporation reviewed and re-approved the Institute of Technology development, part funded by the Department for Education.

Events after the end of the reporting period

The Corporation have approved the Heads of Terms for the DfE loan that will replace £5.05m current liability with a term loan to be drawn down in December 2023 after the signing of the annual report and accounts.

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 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 auditors are aware of that information.

Approved by order of the members of Corporation on 5th December 2023 and signed on its behalf by:

Julie. K Dougill

J Dougill, Chair of Governors

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 College endeavours to conduct its business in full accordance 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 July 2016, on a comply or explain basis. In the opinion of the Governors, the College complies with all the provisions of the Code, and it has complied throughout the year ended 31 July 2023, with the exception of the maximum term of office for Governors. An explanation of the reasons for the maximum term of office being exceeded by one governor can be found on page 15. The Governing Board recognises that, as a board entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times. The college complied with the Office for Students ongoing conditions of registration and terms and conditions of funding.

Legal Status and Public Benefit Statement

The corporation was established under the Further and Higher Education Act 1992 for the purpose of conducting Plumpton College. The college has one wholly owned subsidiary 'One Garden Brighton Ltd'.

Plumpton College is an exempt charity under the Part 3 of the Charities Act 2011 and is regulated by the Secretary of State for Education. The members of the Governing Board, who are trustees of the charity, are disclosed on pages 12-13. In setting and reviewing the college's strategic objectives, the Governing Board has had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education.

In delivering its mission, the College provides identifiable public benefits through the advancement of education including students with high needs. The college adjusts its courses to meet the needs of local employers and provides training to apprentices. The college is committed to providing information, advice and guidance to the students it enrols and to finding suitable courses for as many students as possible regardless of their educational background. The public benefits delivered are described in the Strategic Report on pages 4-11.

The Corporation

The members who served on the Corporation during the year and up to the date of signature of this report were as listed in the table below. Chair and Vice Chair are appointed annually.

Name	Background	Date of appointment	Appointment expires	Committee Membership	Committee meetings attended in 22/23	Corporation meetings attended in 22/23
Julie Dougill (Chair of Governors)	Local Authority	16 Dec 2014 re-appointed 6 Dec 2018 & 16 Dec 2022	15 Dec 2026	Search and Governance Finance Remuneration TAFG subsidiaries TAFG academic	3/3 5/6 1/1 1/1 4/4	9/9
Jeremy Kerswell (Principal)	Plumpton College Principal	5 Oct 2015	N/A	Search and Governance Finance TAFG subsidiaries TAFG academic	3/3 6/6 1/1 4/4	9/9
Helen Atkinson	Finance Education	17 Sept 19 reappointed 17 Sept 23	16 Sept 27	Finance TAFG subsidiaries TAFG academic	6/6 1/1 3/4	9/9
Mike Atkinson	Industry / civil service / accountancy	18 Dec 2002 Re-appointed July 10, Dec 12, Dec 14, Dec 15, Dec 16, Oct 17, Oct 18 & Oct 19, Oct 20, Dec 21	5 Dec 2022	Audit Remuneration TAFG subsidiaries	2/2 1/1 1/1	3/4
Louie Benn	Student Governor	8th November 2022	31st July 2023	n/a	n/a	5/7

Name	Background	Date of appointment	Appointment expires	Committee Membership	Committee meetings attended in 22/23	Corporation meetings attended in 22/23
Sarah George	Academic Staff Governor	28 Apr 20	27 Apr 24	Finance Committee	3/5	5/9
Doug Jackson	Business / Agriculture	26 June 19 reappointed 26 June 2023	25 June 2027	Search & Governance Audit Finance Remuneration	1/3 2/3 1/2 1/1	6/9
Hilary Knight	Food and Drink Business	1 Jan 2021	31 Dec 2025	Search & Governance	3/3	8/9
Timothy Laker	Education and Construction projects	4 Jul 2017 reappointed Oct 20	24 Jan 2023	Audit	2/2	0/4
Paul Layzell (Vice Chair from 1st Aug 23)	HE	1st September 2022	31st Aug 2026	Finance Committee	2/5	5/9
John Moore-Bick	Armed Forces	15 Dec 2015 reappointed 22 Oct 2019	14 Dec 2023	Audit	5/5	7/9
Scott O'Brien	Finance	8th November 2022	7 Nov 26	Audit	3/3	7/8
Gillian Payne	Support Staff Governor	28 Sept 2021	27 Sep 2025	TAFG Academic	2/4	9/9
Tamara Roberts	Wine	1st September 2022	31st Aug 2026	Audit Academic	2/2 1/2	8/9
Peter Taylor	HE	1st August 2021	31 July 2025	Search and Governance TAFG Academic	2/3 1/4	7/9
Stephen Waite (Vice Chair from 1st Aug 22 to 31 July 23)	HE	5 Jun 18 reappointed Jun 22	31 July 2023	Search and Governance Remuneration TAFG Academic	3/3 1/1 3/4	7/9
Steve Webb	Finance / Horticulture	8th November 2022	7 Nov 26	Finance	4/4	8/8

In addition, the Corporation has co-opted the following non-members to sit on its Committees/Corporation. The Corporation is grateful for the expertise and insights these co-optees brought to the work of its Committees during the year.

Name	Background	Date of appointment	Appointment expires	Committee Membership	Committee meetings attended	Corporation meetings attended
Yvonne Hopkins	*Co-opted Member of Audit Committee*	*22 Jan 2019*	*21 Jan 2023*	*Audit Committee*	1/2	n/a
Mark Filsell	*Co-opted Member of Audit Committee*	*25 May 2021*	*24th May 2025*	*Audit Committee*	3/5	n/a
Timothy Laker	*Co-opted Member of Audit Committee*	*24th Jan 2023*	*23rd January 2025*	*Audit Committee*	1/3	n/a

Mike Atkinson left the Corporation during the year. Corporation would like to thank him for his outstanding contribution to the college. Corporation would also like to thank Yvonne Hopkins (who retired at the end of her term of office as well) for her valued contribution as Co-opted Member of Audit Committee. Tim Laker resigned from his role as Governor in January and was appointed as a Co-opted Member of Audit Committee. Corporation would like to thank Tim for his contribution as governor and are pleased to retain his expertise on the Audit Committee.

It is the Corporation's responsibility to set and regularly review the College's mission and strategic objectives, to agree the framework for managing risk, and to articulate the Corporation's risk appetite. Governors bring independent judgement to bear on performance, resources and standards of conduct. The Corporation 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 and personnel-related matters such as health and safety and environmental issues. The Corporation meets eight times per year and may reach decisions between meetings by correspondence.

The Corporation also conducts business through a small number of committees. Each committee has terms of reference, which have been approved by the Corporation; these are available on the College's website. These committees are Audit, Finance, TAFG (Task and Finish Group) Academic, Remuneration and Search and Governance. Full minutes of all meetings, except those deemed to be confidential by the Corporation, are available from the Clerk to the Corporation at the College's registered address.

In addition to its formal committees, the Corporation has linked each external governor to one or more business or business support areas, involving regular meetings with both the senior and middle management in each area. This helps Governors to take the pulse of the College and improves the depth of Corporation discussion; it also makes the specialist expertise and insights of governors more accessible to managers.

The Clerk to the Corporation maintains a register of financial and personal interests of the governors. The register is available for inspection at the above address.

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 Corporation, 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 Corporation as a whole.

Formal agendas, papers and reports are supplied to governors in a timely manner, prior to Board meetings. Briefings are provided on an ad hoc basis. The Corporation has a strong and independent non-executive element and no individual or group dominates its decision-making process. The Corporation 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. There is a clear division of responsibility in that the roles of the Chair and Accounting Officer are separate; the Chair's role has been defined in writing.

Appointments to the Corporation

Any new appointments to the Corporation are a matter for the consideration of the Corporation as a whole. The Corporation has a Search and Governance committee, consisting of six members of the Corporation, which is responsible for the selection and nomination of any new member for the Corporation's consideration. The Search and Governance Committee is guided by an analysis of the skills the Corporation requires and by the aim of ensuring an appropriate diversity of experience, age, and gender on the Governing Board. The Corporation is responsible for ensuring that appropriate training is provided as required. All new Governors receive induction training. As regards subsequent governor development, most monthly Corporation meetings are preceded by an in-depth briefing on new College initiatives or external developments such as new regulations or Government policies. Governor training in 2022/23 included Safeguarding, Ofsted, Monitoring Student Progress, Stakeholder Engagement, Careers Guidance and Local Skills in a National Context. Governors are also encouraged to attend external courses. Governors attended AoC and ETF webinars regarding the re-classification of colleges, AoC Conference, AoC Regional Governance Conference, AoC Staff Conference and Unloc Student Governor Training. The Clerk to the Corporation attended the AoC Governance Professional Conference and AoC Regional Governance Conference. The Clerk also attended a number of webinars hosted by AoC, Eversheads and RSM topics covered included ONS reclassification, EDI, employee investigations and company law.

Members of the Corporation are appointed for a term of office not exceeding four years. Under the Code of Good Governance for English Colleges, governors should not normally serve more than two terms. One external governor in 2022/23 had served more than two terms. Corporation believes that reappointment beyond two terms calls for explicit justification, and should normally be limited to further terms of only one- or two-years duration. The performance of individual governors is taken into account in considering re-appointments, and is particularly searching on a second or subsequent re-appointment. During the year, on the recommendation of the Search and

Governance Committee, we re-appointed Julie Dougill for a third 4-year term of office. Julie has 100% attendance record for meetings and has made a significant governor contribution. In reaching a decision to re-appoint, consideration was given to the skills required by the board, continuity of leadership at the launch of a new strategy (Julie has served as Chair for only two years (much of which has been atypical due to Covid)) and succession planning for a new Chair including a hand over period.

Corporation performance

The Corporation and each of its Committees formally appraises its performance each year. The appraisal covers its effectiveness and efficiency in discharging its terms of reference. This annual appraisal is also an opportunity to review the terms of reference for committees.

The performance of individual governors is formally reviewed by the Search and Governance Committee in the context of a proposed re-appointment, and is particularly searching on a second or subsequent re-appointment. This formal appraisal is supplemented by an annual self-assessment by each governor comprising a one-to-one meeting between the governor and the Corporation Chair or Vice Chair at which the governor's past performance and potential future contribution or development needs are discussed, together with the governor's views on how the Corporation is organised and run.

Remuneration Committee

Throughout the year ending 31 July 2023 the College's Remuneration Committee comprised four members of the Corporation. The Committee's responsibilities are to make recommendations to the Board on the remuneration and benefits of the Principal and Clerk. The Committee evaluate the specific remuneration packages of the Principal against:

- Recent performance (summary to be provided by the Chair as line manager, who is responsible for completing appraisals and setting targets for the Principal)
- Benchmarking data, including the AoC Senior Post Holders pay survey
- The college's approach to rewarding all of its staff, and in particular, consideration is given annually to the rate of increase of the average remuneration of all other staff.

Remuneration of other managers and staff is the responsibility of the Principal. In determining pay of Senior Staff, the Principal will consider recent performance (using the college appraisal system), market rate and the rate of increase of the average remuneration of all other staff. All staff must request permission from the Principal if they intend to take on external work. The Clerk maintains a Register of Senior Staff's Interests and Senior Staff are requested to disclose annually all business interests. Corporation formally adopted the AoC Senior Staff Remuneration Code on 26th February 2019 and has due regard to" the "Higher Education Senior Staff Remuneration Code" published by the Committee of University Chairs. Details of remuneration for the Year Ended 31 July 2023 are set out in note 7 to the financial statements.

Audit Committee

The Audit Committee comprises four members of the Corporation (excluding the Accounting Officer and Chair) and two Co-opted members. The Committee operates in accordance with written terms of reference approved by the Corporation.

The Audit Committee's core task is to oversee the work of the external auditors (the 'financial statements auditors') in accordance with the Post 16 Audit Code of Practice prescribed by the ESFA, but also to oversee the College's other audit and assurance work and to monitor implementation of the recommendations for improved controls that flow from this.

The Audit Committee advises the Corporation on the appointment of internal and external auditors, and their remuneration. It prioritises the internal audit programme and oversees implementation of agreed recommendations. It shapes the scope of the external audit and the management letter that flows from it. The Committee focuses not only on finance but also looks for wider assurance on internal controls, quality monitoring and management information systems. The Committee prepares an annual report to the Corporation on the robustness of the internal control system and on possible areas for improvement. Following a tender process, Mazars were appointed in May 2023 on a one-year plus one-year contract. ICCA (Internal Auditors) completed two internal audits' in the year; Work placement Audit and Payroll Audit. A third audit was deferred to 23/24. Further audit and assurance work were completed by other specialists e.g. Landex and Mazars.

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:

Committee member	Meetings attended
Mike Atkinson	2/2
Tim Laker	2/2
Doug Jackson	2/3
John Moore-Bick	5/5
Scott O'Brien	3/3
Tamara Roberts	2/2
Yvonne Hopkins (Co-opted Member)	1/2
Mark Filsell (Co-opted Member)	3/5
Tim Laker (Co-opted Member)	1/3

Internal control

Scope of responsibility

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

The purpose of the system of internal control

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 Plumpton 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 Corporation 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 Corporation 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 period ending 31 July 2023 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Corporation.

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, a system of delegation and accountability, and a risk-based approach (including an evaluation of the likelihood and impact of risks becoming reality). In particular, it includes:

- long-term strategic objectives through to 2027 agreed by the Corporation and supported by a suite of key performance measures

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

The College's internal and external auditors operate in accordance with the ESFA's Post 16 Audit Code of Practice. Their work is informed by an analysis of the risks to which the college is exposed.

Control weaknesses identified
No significant concerns on internal controls were raised during the course of the 2023 external audit by Mazars.

Risks faced by the Corporation
Key risks are covered within the strategic report. Risk assessment and internal control are embedded on ongoing operations. Corporation regularly reviews the risk register, which covers business, operational and compliance risk as well as financial risk and the risk policy every two years. In addition, papers including the Principal's report, Management Accounts and project updates include dedicated sections reporting risk.

Responsibilities under funding agreements
Corporation is responsible for ensuring that the College's funds are used only in accordance with the Corporation's powers as set out in the Further and Higher Education Act 1992 and the College's own statutory duties and other obligations. Policies and procedures are in place that set powers of authorisation and situations where corporation approval is required. An independent clerk supports the governance function, and the corporation's decision-making.

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. The audit committee believes the Corporation has effective internal controls in place.
The specific areas of work undertaken by the audit committee in 2022/23 and up to the date of the approval of the financial statements are:

- monitored, and tracked the follow-up of external assurance work conducted by regulatory/funding bodies and by the internal auditors, together with internal assurance reviews conducted by management; this assurance work covered not only financial controls but also controls over academic quality, safeguarding and the residential provision.
- agreed a prioritised internal audit work programme based on the 3-year outline programme agreed last year, but updated for evolving judgements on key areas of risk.
- carried out ad hoc reviews of financial aspects of the college, including policies and issues referred to it by the Corporation for detailed consideration.

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

- The work of internal auditors
- the work of the Finance Director and other executive managers at the College with responsibility for development and maintenance of the internal control framework;
- upward reports from departments setting out current performance against key performance indicators and prospective risks;
- comments made by the College's financial statements auditors, the reporting accountant for regularity assurance, in their management letters and other reports
- the programme of external assurance and audit agreed with the Audit Committee.

The Senior Management Team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. SMT and Audit Committee have a programme of audit and assurance work, both internal and external, and framed by reference to risk, which they regularly review and roll forward. The reports include recommendations for improvement, and SMT and Audit Committee monitor their implementation. The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Corporation's agenda includes a regular item for consideration of risk and control and 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.

Based on the advice of the Audit Committee and the Accounting Officer, the Corporation 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 *"the effective and efficient use of resources, the solvency of the institution and the board and the safeguarding of their assets"*.

Key management personnel

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

J Kerswell	Principal; Accounting officer
C Knell	Finance Director
J Hibbert	Deputy Principal
P Tanghe	Vice Principal
J Buckley	Vice Principal
S Jeffers	HR Director

Professional advisers

Financial statements auditors and reporting accountants

Mazars LLP
2nd Floor, 6 Sutton Plaza, Sutton Court Road, Sutton, Surrey, SM1 4FS

Internal Auditors

ICCA Education, Training and Skills Limited
Registered Office: 11th floor, McClaren House, 46 Priory Queensway, Birmingham, B4 7LR

Bankers

Clydesdale Bank plc (Virgin Money)
170 North Street, Brighton, BN1 1EA

Solicitors

Brachers
Head Office, Somerfield House, 59 London Road, Maidstone, Kent, ME16 8JH

Approved by order of the members of the Corporation on 5th December 2023 and signed on its behalf by:

J Kerswell	**J Dougill**
Accounting Officer	**Chair of Governors**

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer I confirm that the corporation has had due regard to the framework of authorities governing regularity, priority 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 those authorities and 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, funding noncompliance, 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 ESFA.

J Kerswell
Accounting officer
5th December 2023

Statement of the chair of governors

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.

Julie. K Dougill

J Dougill
Chair of governors
5th December 2023

REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY

To: The corporation of Plumpton College and Secretary of State for Education acting through Education and Skills Funding Agency ("ESFA")

In accordance with the terms of our engagement letter dated 11 October 2023 and further to the requirements and conditions of funding in ESFA's grant funding agreements and contracts, or those of any other public funder, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by Plumpton College 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.

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

This report is made solely to the corporation of Plumpton College and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the corporation of Plumpton College and 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 Plumpton College and ESFA for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Plumpton College and the reporting accountant

The corporation of Plumpton College is responsible, under 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 that govern them.

Our responsibilities for this engagement are established in the United Kingdom by the Code 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. 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.

Approach

We conducted our engagement in accordance with the Code issued by ESFA. We performed a limited assurance engagement as defined in that framework.

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 and propriety.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently 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.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the corporation's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Reviewed the statement on the College's regularity, propriety and compliance with Funding body terms and conditions of funding.
- Reviewed the College's completed self-assessment questionnaire on regularity.
- Read the financial memorandum with the ESFA/funding agreement with the ESFA.
- Tested a sample of expenditure disbursed and income received to consider whether they have been applied to purposes intended by Parliament and in accordance with funding agreements where relevant.
- Tested a sample of individual learner records.

- Reviewed approved policies and procedures operating during the year for each funding stream that has specific terms attached.
- Obtained the policy for personal gifts and/or hospitality.
- Obtained the register of personal interests.
- Obtained the financial regulations/financial procedures.
- Obtained the College's whistleblowing policy.
- Reviewed the College's compliance with the requirements of HM Treasury's "Managing Public Money" document.

Conclusion

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 period 1 August 2022 to 31 July 2023 has not been applied to purposes intended by Parliament, and that the financial transactions do not conform to the authorities that govern them.

Mazars LLP
Mazars LLP (Mar 19, 2024 12:44 GMT)

Mazars LLP
Chartered Accountants and Statutory Auditor
2nd Floor, 6 Sutton Plaza, Sutton Court Road, Sutton, Surrey SM1 4FS

Date: 19 March 2024

STATEMENT OF RESPONSIBILITIES OF THE MEMBERS OF THE CORPORATION

The members of the corporation, as charity trustees, are required to present audited financial statements for each financial year. Within the terms and conditions of the corporation's grant funding agreements and contracts with ESFA, the corporation – through its Accounting Officer – is required to prepare financial statements and an operating and financial review for each financial year in accordance with the Statement of Recommended Practice – Accounting for Further and Higher Education, ESFA's college accounts direction and the UK's Generally Accepted Accounting Practice, and which give a true and fair view of the state of affairs of the corporation and its surplus / deficit of income over expenditure for that period. 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 Members' Report which 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 college and which enable it to ensure that the financial statements are prepared in accordance with relevant legislation including the Further and Higher Education Act 1992 and Charities Act 2011, and relevant accounting standards. It is responsible for taking steps that are reasonably open to it to safeguard its assets and to prevent and detect fraud and other irregularities. The corporation is responsible for the maintenance and integrity of its website; the work carried out by 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 set out in the "Dear accounting officer" letter of 29 November 2022 and ESFA's bite size guides. 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. Approved by order of the members of the corporation on 5th December 2023 and signed on its behalf by:

Julie. K. Dougill

J Dougill
Chair of Governors

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF PLUMPTON COLLEGE

Opinion

We have audited the financial statements of Plumpton College (the 'College') and its subsidiary (the 'Group') for the year ended 31 July 2023 which comprise the Group and College Statement of Comprehensive Income and Expenditure, the Group and College Statement of Changes in Reserves, the Group and College Balance Sheet, the Group Statement of Cashflows and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice) and the 2019 Statement of Recommended Practice: Accounting for Further and Higher Education.

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and College's affairs as at 31 July 2023 and of the Group's and College's deficit of income over expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and 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 Members of the Corporation's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and 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 Members of the Corporation 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 annual report, other than the financial statements and our auditor's report thereon. The Corporation is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- the information given in the report of the Members of the Corporation, including the operating and financial review and statement of corporate governance, is inconsistent with the financial statements; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Corporation

As explained more fully in the Statement of Responsibilities of the Members of the Corporation set out on page 23, the Corporation is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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 Group's and 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 Group or 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 the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the Group and the College and their industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: compliance with the ESFA funding agreements, the OfS regulatory framework, the OFSTED regulatory framework, safeguarding, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering and HM Treasury's "Managing public money ".

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the Group and the College is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Group and the College which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation.

In addition, we evaluated the Members of the Corporation and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to defined benefit pension valuation assumptions, income recognition (which we pinpointed to the cut-off assertion), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the Members of the Corporation and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

Other required reporting

Opinion on other matters prescribed in the OfS Audit Code of Practice issued under the Further and Higher Education Act 1992

In our opinion, in all material respects:

- funds provided by the OfS and UK Research and Innovation (including Research England) have been applied in accordance with the relevant terms and conditions attached to them; and
- the requirements of OfS's accounts direction have been met.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the OfS Audit Code of Practice requires us to report to you if, in our opinion:

- the provider's grant and fee income, as disclosed in the notes to the financial statements, has been materially misstated; or
- the provider's expenditure on access and participation activities, as disclosed in the financial statements, has been materially misstated.

Use of the audit report

This report is made solely to the Corporation as a body in accordance with Article 22 of the College's Articles of Government. Our audit work has been undertaken so that we might state to the Corporation those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group and the College and the Corporation as a body for our audit work, for this report, or for the opinions we have formed.

Mazars LLP
Mazars LLP (Mar 19, 2024 12:44 GMT)

Mazars LLP

Chartered Accountants and Statutory Auditor

2nd Floor, 6 Sutton Plaza, Sutton Court Road, Sutton, Surrey SM1 4FS

Date: 19 March 2024

PLUMPTON COLLEGE
Statement of Comprehensive Income
For the year ended 31 July (£'000)

	Note	2023 Group	2023 College	2022 Group	2022 College
Income					
Funding body grants	2	12,570	12,570	11,207	11,207
Tuition fees and education contracts	3	4,261	4,261	4,351	4,351
Other grants and other contracts	4	-	-	5	5
Other income	5	6,598	5,321	6,180	5,090
Total income		**23,429**	**22,152**	**21,743**	**20,653**
Expenditure					
Staff costs including FRS102 pension adjustment	6	13,262	12,475	13,246	12,475
Other operating expenses	8	8,454	7,676	7,910	7,269
Depreciation	10	1,760	1,760	1,278	1,278
Interest and other finance costs	9	342	325	175	171
Total expenditure		**23,818**	**22,236**	**22,609**	**21,193**
Operating deficit		(389)	(84)	(866)	(540)
Pension finance costs	9	48	48	200	200
Deficit before other gains and losses		(437)	(132)	(1,066)	(740)
Profit on disposal of assets		25	25	44	44
Deficit before tax		(412)	(107)	(1,022)	(696)
Taxation	18	-	-	-	-
Deficit for the year		(412)	(107)	(1,022)	(696)
Actuarial gain in respect of pension schemes	23	3,126	3126	12,444	12,444
Return on assets	23	(853)	(853)	325	325
Total Comprehensive Income for the year		**1,861**	**2,166**	**11,747**	**12,073**

All items of income and expenditure relate to continuing activities.

Excluding FRS102 defined benefit pension obligations	2023	2022
Operating surplus/(deficit)	(389)	(866)
FRS102 pension adjustment to staff costs	466	1,520
Adjusted operating surplus	**77**	**654**

PLUMPTON COLLEGE

Statement of Changes in Reserves

For the year ended 31 July (£'000)

	Income and expenditure account	Revaluation reserve	Total
Group			
Balance at 31 July 2022	**10,670**	**2,516**	**13,186**
Surplus/(deficit) from income and expenditure	(412)	-	(412)
Other comprehensive income	2,273	-	2,273
Transfers between revaluation and reserves	-	-	-
Total comprehensive income for the year	1,861	-	1,861
Balance at 31 July 2023	**12,531**	**2,516**	**15,047**
College			
Balance at 31 July 2022	**11,215**	**2,516**	**13,731**
Surplus/(deficit) from income and expenditure	(107)	-	(107)
Other comprehensive income	2,273	-	2,273
Transfers between revaluation and reserves	-	-	-
Total comprehensive income for the year	2,166	-	2,166
Balance at 31 July 2023	**13,381**	**2,516**	**15,897**

PLUMPTON COLLEGE
Balance Sheet
At 31 July (£'000)

	Note	2023 Group	2023 College	2022 Group	2022 College
Non current assets					
Tangible fixed assets	10	35,306	35,306	31,016	31,016
Current assets					
Stock		1,196	1,164	1,168	1,117
Trade and other receivables	11	2,082	2,898	2,353	2,857
Cash at bank and in hand	16	561	530	1,570	1,523
		3,839	4,592	5,091	5,497
Creditors: Amounts falling due within one year	12	(9,040)	(8,943)	(6,439)	(6,300)
Net current liabilities		(5,201)	(4,351)	(1,348)	(803)
Total assets less current liabilities		**30,105**	**30,955**	**29,668**	**30,213**
Deferred capital grants	13	(13,847)	(13,847)	(13,171)	(13,171)
Creditors: Amounts falling due after one year	13	(1,211)	(1,211)	(1,551)	(1,551)
		15,047	15,897	14,946	15,491
Provisions					
Defined benefit obligations	17	-	-	(1,760)	(1,760)
Total net assets including pension liability		**15,047**	**15,897**	**13,186**	**13,731**
Unrestricted reserves					
Income and expenditure account		12,531	13,381	10,670	11,215
Revaluation reserve		2,516	2,516	2,516	2,516
Total unrestricted reserves		**15,047**	**15,897**	**13,186**	**13,731**
		-	-	-	-

The financial statements were approved by the Corporation and authorised for issue on 5th December 2023 and were signed on its behalf on that date by:

Julie K. Dougill

J Kerswell

Accounting Officer

J Dougill
Chair of Governors

PLUMPTON COLLEGE
Statement of Cash Flows
For the year ended 31 July (£'000)

	2023		2022	
	Group	**College**	**Group**	**College**
Cash flows from operating activities				
Deficit for the year	(412)	(107)	(1,022)	(696)
Adjustment for non cash items				
Depreciation	1,760	1,760	1,278	1,278
(Increase)/decrease in stocks	(28)	(47)	36	73
(Decrease)/increase in debtors	271	(41)	(213)	(726)
Increase in creditors due within one year	2,603	2,642	891	1,199
Decrease in creditors due after one year	(825)	(822)	(855)	(855)
(Decrease) in provisions	-	-	(18)	(18)
(Decrease) in pension provision	(1,760)	(1,760)	(11,048)	(11,048)
Actuarial gain on assets of pension scheme	2,273	2,273	12,769	12,769
Adjustment for investing or financing activities				
Interest payable	342	325	175	171
Pension finance cost	48	48	200	200
(Profit) on sale of fixed assets	(25)	(25)	(44)	(44)
Net cash flow from operating activities	4,247	4,246	2,149	2,303
Cash flows from investing activities				
Proceeds from sale of fixed assets	38	38	92	92
Capital grant receipts	1,487	1,487	3,957	3,957
Payments made to acquire fixed assets	(6,062)	(6,062)	(7,516)	(7,516)
Net cash flow from investing activities	(4,537)	(4,537)	(3,467)	(3,467)
Cash flows from financing activities				
Interest paid	(342)	(325)	(175)	(171)
Pension finance cost	(48)	(48)	(200)	(200)
New unsecured loans	-	-	2,843	2,843
Finance lease additions less repayments	(81)	(81)	97	97
Repayments of amounts borrowed	(248)	(248)	(1,974)	(1,974)
Net cash flow from financing activities	(719)	(702)	591	595
Decrease in cash equivalents in the year	(1,009)	(993)	(727)	(569)
Cash and cash equivalents at the beginning of the year	1,570	1,523	2,297	2,092
Cash and cash equivalents at the end of the year	561	530	1,570	1,523

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July (£'000)

1 ACCOUNTING POLICIES

The Corporation aims to apply accounting policies which are towards the conservative end of the FE accounting spectrum.

Statement of accounting policies

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 (SORP): Accounting for Further and Higher Education 2019 (the 2019 FE HE SORP) the College Accounts Direction for 2022-23 and in accordance with Financial Reporting Standard 102 – "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland". (FRS102). 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.

Basis of accounting

The financial statements are prepared under the historical cost convention.

Basis of consolidation

The consolidated financial statements include the college and its subsidiary, One Garden Brighton Limited, controlled by the group. Control is achieved where the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Under the purchase method of accounting, the results of subsidiary and associated undertakings acquired or disposed of during the year are included in the consolidated income and expenditure account from or up to the date on which control of the undertaking passes. Intra-group sales and profits are eliminated fully on consolidation.
In accordance with FRS 102, the activities of the student union have not been consolidated because the college does not control those activities.

Going concern

These financial statements have been prepared on the Going Concern basis. The activities of the College, together with the factors likely to affect its future development and performance are set out in the Strategic Report. The financial position of the College, its cashflow, liquidity and borrowings are presented in the Financial Statements and accompanying Notes.
The College has a SALIX loan repayable in 2025 and a commercial loan repayable in 2028. In addition, the College has a commercial development facility which is a current liability as at 31 July 2023, but following ONS reclassification PWLB loan has been agreed and will be in place from December 2023, repayable in 2045.
The College forecasts and financial projections indicate that it will be able to operate within this facilities and covenants for the foreseeable future. Accordingly, the College has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future, and for this reason will continue to adopt the going concern basis in the preparation of its financial statements.

1 ACCOUNTING POLICIES (continued)

Recognition of income

Revenue Grant Funding: Government revenue grants include funding body recurrent grants and other grants are accounted for under the accrual model as permitted by FRS 102. Funding body recurrent grants are measured in line with best estimates for the period of what is receivable and depend on the particular income stream involved. 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.

Capital Grant Funding: Government capital grants are capitalised, held as deferred income and recognised in income over the expected useful life of the asset, under the accrual model as permitted by FRS 102. Other, non-governmental, capital grants are recognised in income when the College is entitled to the funds subject to any performance related conditions being met.

Deferred Grants: Where part of a grant is deferred, the deferred element is recognised as deferred income within creditors and allocated between creditors due within one year and creditors due after more than one year as appropriate.

Fee 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 is received.

Agency agreements: The College acts as an agent in the collection and payment of certain discretionary support funds and any other arrangements. 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.

Donations and legacies: Donations (except in relation to legacies) are accounted for when receivable. The level of income from legacies is not material but they are recognised where there is clear entitlement, the amount can be accurately measured and there is reasonable probability of receipt.

Investment income: All income from short term deposits is credited to the statement of comprehensive income in the period in which it is earned on a receivable basis.

Income from commercial activities: Income raised through the operation of commercial activities and related trading activities under the College's management, such as the farm and viticulture, is taken into account at the point at which ownership of the goods or services transfers to the customers.

Other income: All other income is recognised once the College has entitlement to the resources, it is probable (more likely than not) that the resources will be received and the monetary value of income can be measured with sufficient reliability.

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 (Note 23).

In accordance with FRS102 section 28, the Statement of Comprehensive Income includes:

- The cost of benefits accruing during the year in respect of current and past service (staff costs)
- Net interest on the net defined benefit liability/asset (pension finance costs)
- Actuarial gains and losses are recognised immediately (Actuarial gain/(loss) in respect of pension schemes)

Post-employment benefits to employees of the Group are principally provided by Nest, a defined contribution plan.

1 ACCOUNTING POLICIES (continued)

Short term employment benefits

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.

Fixed assets

Expenditure in respect of buildings, motor vehicles, plant and equipment, computer hardware and software and fixtures and fittings is treated as an asset and capitalised when:

- it is recognised as having been purchased for long-term use,
- has a useful life greater than one reporting period, and
- is not likely to be converted quickly into cash.

Expenditure in relation to the above items costing less than £2,500 is written off to the statement of comprehensive income in the period of acquisition. The exception to this is where items each costing less than £2,500 in relation to one item when aggregated would exceed this value.

Grant funded assets: Where assets are acquired with the aid of specific grants, the asset is capitalised and depreciated in accordance with the policy stated below. The related grant is credited to a deferred grant account and released to the income and expenditure account over the expected useful economic life of the related asset.

Inherited Assets: The College was incorporated on 1st April 1993. At 31st July 1994, the assets which were inherited from the Local Authority were independently valued and included in the Balance Sheet at the valuation provided at this time. Any difference in respect of buildings between the valuation and the historic cost was credited to a revaluation reserve and is being released to the statement of comprehensive income in equal sums over a 30-year period.

FRS 102 revaluations: On 1st August 2014, in accordance with the transitional provisions governing the introduction of FRS 102, the College revalued all its land (but not its buildings to the market value. This was a one-off revaluation and the College has opted not to carry out regular subsequent valuations.

Assets under construction: Accounted for at cost, based on the value of architects' certificates (or other form of professional valuation) and other direct costs, incurred to 31st July. They are not depreciated until they are brought into use, when a full year's depreciation is charged in the first year.

Subsequent expenditure: Where expenditure is incurred on modifying, refurbishing, updating, prolonging or otherwise improving tangible fixed assets it is charged to the statement of comprehensive income in the period it is incurred, unless it both exceeds £10,000 and:

- In respect of non-specialised buildings capable of independent disposal, the market value of the fixed asset is significantly improved as a result of the expenditure, or
- The earnings capacity of the asset is significantly increased, either in volume or price terms (or both), or
- There is a subsequent reduction in operating costs, or
- The expenditure is likely to extend the asset's life by a period equivalent to its original book life, in which case it is capitalised and depreciated on the relevant basis.

1 ACCOUNTING POLICIES (continued)

Acquired computer software licences: Initially capitalised at cost, which includes the purchase price (net of any discounts and rebates) and other directly attributable cost of preparing the asset for its intended use. Direct expenditure including employee costs, which enhances or extends the performance of computer software beyond its specifications and which can be reliably measured, is added to the original cost of the software. Costs associated with maintaining the computer software or recurring licencing fees are recognised as an expense when incurred.

Computer software licences are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to the statement of comprehensive income using the straight-line method over their estimated useful lives.

Disposals: An asset is derecognised upon disposal or when there is no future economic benefit to the College. On disposal of an item, the difference between the disposal proceeds and its carrying amount is recognised in the statement of comprehensive income within the profit or loss on disposal account. Any amount in revaluation reserve relating to that asset is transferred to retained profits directly.

Depreciation is calculated on a straight-line basis to write off the cost of each item of property (excluding land), plant and equipment, motor vehicles, fixtures and fittings and IT equipment over their expected useful lives.

A full year's depreciation is charged in the year of acquisition, no charge is made in the year of disposal.

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date. The effects of any revision are recognised in the statement of comprehensive income when the change of estimation arises.

Asset Type

Land - N/A
Buildings - up to 50 years
Vehicles - 8 years
Plant and Equipment - 8 years
Fixtures and Fittings - 4 years
Computers - 4 years

Leased assets

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Any lease premiums or incentive relating to leases signed after August 2014 are spread over the minimum lease term.

Leasing agreement 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 an obligation under finance leases. 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

1 ACCOUNTING POLICIES (continued)

Borrowing costs

Borrowing costs are recognised as expenditure in the period in which they are incurred.

Investments

Investment in subsidiaries are accounted for at cost less impairment in the individual financial statements. Plumpton College owns the whole of the issued share capital of One Garden Brighton Limited amounting to £1 (1 ordinary share of £1) which was incorporated on 17th July 2019 and began trading on 29th March 2021.

Inventories (Stock)

All material inventories are stated at the lower of cost on a first in first out basis; and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stocks. Livestock stock valuation is carried out by a firm of independent professional valuers.

Cash and cash equivalents

Cash at bank and in hand is held to meet the day to day running costs of the College as they fall due. Cash equivalents are short term, highly liquid measurements that are readily convertible to known amounts of cash with insignificant risk of change in value. They include cash in hand, deposits repayable on demand and overdrafts.

Foreign currency translation

Transactions denominated in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the end of the financial period with all resulting exchange differences being taken to the statement of comprehensive income in the period in which they arise.

Taxation

Corporation Tax: 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 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.

Value Added Tax: The College is partially exempt in respect of Value Added Tax, so that it can only recover a proportion of VAT charged on its inputs. In view of the level of complexity of the calculations involved in order to arrive in calculating the amount of input VAT which is Irrecoverable and the inability to subsequently separately identify which VAT is not recovered, it is not possible to reapportion this VAT between the costs of such inputs or the cost of tangible fixed assets as appropriate. As a result of this, the irrecoverable VAT is reflected as an aggregated cost line in the Financial Statements.

The College subsidiary is subject to corporation tax and VAT in the same way as any commercial organisation.

1 ACCOUNTING POLICIES (continued)

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 and obligation.

Were 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 are not recognised in the Balance Sheet.

Judgements in applying accounting policies and key sources of estimation uncertainty

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

- Determine whether leases entered into by the College either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the group's tangible assets, including goodwill. 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

- Local Government Pension Scheme

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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed (Note 23), will impact the carrying amount of the pension liability. The actuary has used a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 to value 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.

Whilst the pension scheme is currently in surplus, the College management deem it appropriate not to recognise a surplus as pension fund valuations fluctuate and the College has no immediate way to extract a surplus from the scheme.

- Tangible fixed assets

Tangible fixed assets, other than investment properties, are depreciated over their 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 asset and projected disposal values.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July (£'000)

	2023		2022	
	Group	College	Group	College
2 FUNDING BODY GRANTS				
Education and Skills Funding Agency (study programmes)	9,919	9,919	9,032	9,032
Education and Skills Funding Agency (adult education)	1,132	1,132	1,151	1,151
Office for Students	241	241	174	174
Local Authority high needs funding	468	468	261	261
Specific Grants				
Release of deferred capital grants	810	810	589	589
Total funding body grants	**12,570**	**12,570**	**11,207**	**11,207**

	2023 Group	2023 College	2022 Group	2022 College
3 TUITION FEES AND EDUCATION CONTRACTS				
Adult education fees	902	902	1,106	1,106
Apprenticeship fees and contracts	1,464	1,464	1,284	1,284
Fees for Further Education loan supported courses	470	470	470	470
Fees for Higher Education loan supported courses	1,376	1,376	1,376	1,376
	4,212	4,212	4,236	4,236
Education contracts	49	49	115	115
Total tuition fees and education contracts	**4,261**	**4,261**	**4,351**	**4,351**

	2023 Group	2023 College	2022 Group	2022 College
4 OTHER GRANTS AND OTHER CONTRACTS				
Coronavirus job retention scheme	-	-	5	5
Total other grants and other contracts	**-**	**-**	**5**	**5**

	2023 Group	2023 College	2022 Group	2022 College
5 OTHER INCOME				
Catering and residence operations	1,039	1,039	951	950
Farming activities	2,076	2,076	1,609	1,609
Other income generating activities	274	274	312	339
Rents and lettings	81	81	105	101
Other grant income	817	817	1,229	1,229
Other income	2,311	1,034	1,974	862
Total other income	**6,598**	**5,321**	**6,180**	**5,090**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July (£'000)

6 STAFF COSTS

	2023 Group	2023 College	2022 Group	2022 College
Wages and salaries	9,688	9,047	9,062	8,383
Social security costs	938	888	860	811
Other pension costs	1,726	1,712	1,568	1,555
	12,352	11,647	11,490	10,749
Contracted out staffing costs	444	362	236	206
Fundamental restructuring costs	-	-	-	-
FRS102 adjustment (Note 23)	466	466	1,520	1,520
Total staff costs	**13,262**	**12,475**	**13,246**	**12,475**

The Corporation does not have any salary sacrifice arrangements in place.
None of the staff involved in the restructuring were members of the Senior Management Team.

The average number of persons (including key management personnel) employed by the College during the period, analysed by category and described as full-time equivalents, was as follows. This excludes agency, bank and short course lecturer fees.

	2023 Group	2023 College	2022 Group	2022 College
Teaching staff	107	107	105	105
Non-teaching staff	180	157	177	157
	287	**264**	**282**	**262**

7 KEY MANAGEMENT PERSONNEL

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College and are represented by the Senior Management Team which comprises of the Principal, Deputy Principal, Two Vice Principals, Finance Director and Human Resources Director.

The number of key management personnel and other staff who received annual emoluments, excluding pension contributions and employer's national insurance but including benefits in kind, in the following ranges was as follows. There is no performance related pay and all staff including the accounting officer receive the same cost of living pay award.

Total emoluments include amounts payable to the Accounting Officer, who is also the highest paid officer, the Principal and Chief Executive Officer.

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

For the year ended 31 July (£'000)

7 KEY MANAGEMENT PERSONNEL (continued)

	2023	2022	2023	2022
	Other staff		Key management personnel	
£60,001 to £65,000	2	-	-	1
£65,001 to £70,000	-	-	1	1
£70,001 to £75,000	-	-	1	1
£75,001 to £80,000	-	-	1	-
£80,001 to £85,000	-	-	-	-
£85,001 to £90,000	-	-	-	1
£90,001 to £95,000	-	-	2	1
£140,001 to £145,000	-	-	1	1
The number of key management personnel including the Accounting Officer:	**2**	-	**6**	**6**

	2023	2022
Salary	547	507
National Insurance	69	64
Other emoluments	21	21
Pension contributions	105	113
Total emoluments of key management personnel	**742**	**705**

	2023	2022
Salary	140	124
National Insurance	18	16
Other emoluments	21	21
Pension contributions	21	34
Total emoluments of accounting officer	**200**	**195**

Accounting Officer Pay Multiple

	2023	2022
Basic salary divided by median pay of all other employees	4.5	4.1
Total emoluments divided by median pay of all other employees	6.4	6.4

The pension contribution in respect of the Accounting Officer are in respect of employer's contributions to the Teachers' Pension Scheme and are paid at the same rate as for other employees. "Other emoluments" relate to the occupancy of the College property by the Accounting Officer for the better performance of his duties. This is a condition of his employment, and as such is not liable to income tax or national insurance. The emolument is however pensionable. The value of the emolument, i.e. the rental equivalence, is re-assessed every two years. However, under the rules of the Teachers' Pension Scheme the pensionable element of this residence emolument is capped at one-sixth of the Principal's salary. The members of the Corporation other that the Principal and staff members did not receive any payment from the institution other than the reimbursement of travel and subsistence expenses incurred in the course of their duties. The Principal's expenses for the year were less than £5k.

For the year ended 31 July (£'000)

	2023		2022	
	Group	College	Group	College
8 OTHER OPERATING EXPENSES				
Teaching costs	824	824	809	779
Non-teaching costs	4,544	3,775	4,699	4,093
Examination costs	528	528	508	508
Premises costs	2,558	2,549	1,894	1,889
Fixed asset impairment costs	-	-	-	-
Total other operating expenses	**8,454**	**7,676**	**7,910**	**7,269**
Other operating expenses include:				
Financial statements and regularity audit	43	43	37	37
Internal audit and assurance	2	2	9	9
Hire of plant and machinery - operating leases	150	150	184	184
	195	**195**	**230**	**230**
Other operating expenses include:				
OfS Access and participation spending				
Access investment	-	-	-	-
Financial support to students	33	33	40	40
Disability support	-	-	-	-
Research and evaluation (access and participation)	-	-	-	-
	33	**33**	**40**	**40**
Funding body grants and Tuition fees include:				
OfS Income				
Grant income from the Office for Students (note 2)	241	241	174	174
Fee income for taught awards (note 3)	1,376	1,376	1,376	1,376
Total Income	**1,617**	**1,617**	**1,550**	**1,550**

	2023 Group	2023 College	2022 Group	2022 College
9 INTEREST AND OTHER FINANCE COSTS				
On bank loans, overdrafts and other loans	342	325	175	171
Net interest on defined pension liability (Note 23)	48	48	200	200
Total interest and other finance costs	**390**	**373**	**375**	**371**

For the year ended 31 July (£'000)

10 TANGIBLE FIXED ASSETS	Leasehold improvement	Freehold land and buildings	Assets under construction	Equipment	Total
COST OR VALUATION					
At 1 August 2022	56	37,789	7,647	7,919	53,411
Transfers	-	6,789	(7,409)	620	-
Additions	-	4,329	776	957	6,062
Less: Disposals	-	(178)	-	(80)	(258)
Less: Impairment	-	-	-	-	-
At 31 July 2023	**56**	**48,729**	**1,014**	**9,416**	**59,215**
DEPRECIATION					
At 1 August 2022	-	16,626	-	5,769	22,395
Charge for year	-	923	-	837	1,760
Less: Disposals	-	(178)	-	(68)	(246)
Less: Impairment	-	-	-	-	-
At 31 July 2023	**-**	**17,371**	**-**	**6,538**	**23,909**
NET BOOK VALUE					
At 31 July 2023	**56**	**31,358**	**1,014**	**2,878**	**35,306**
At 31 July 2022	56	21,163	7,647	2,150	31,016

Inherited land and buildings were valued for the purpose of the 1994 financial statements at depreciated replacement cost and subsequently under the transitional provision of FRS102 inherited land was revalued at 1st August 2014. Both revaluations were undertaken by firms of independent chartered surveyors, in accordance with the RICS Statement of Asset Valuation Proactive and Guidance notes. Other tangible fixed assets inherited from the Local Education Authority at incorporation have been valued by the Corporation on a depreciated replacement cost basis with the assistance of independent professional advice.

All fixed assets are owned by the College and accessed as required by the Group under a facilities agreement.

The College inherited assets from the Local Authority following the 1992 Further and Higher Education Act and subsequently revalued some assts on adoption of FRS102. All non-land assets have been fully depreciated in the accounts. Land revaluation of £2,516k is non-depreciable and held in the revaluation reserve.

For the year ended 31 July (£'000)

	2023 Group	2023 College	2022 Group	2022 College
11 TRADE AND OTHER RECEIVABLES				
Trade receivables	1,101	1,096	921	896
Prepayments and accrued income	924	924	1,072	1,072
Other taxation and social security	43	85	349	349
Intercompany debtor - amounts owed by subsidiary	-	779	-	530
Other	14	14	11	10
Total trade and other receivables	**2,082**	**2,898**	**2,353**	**2,857**

	2023 Group	2023 College	2022 Group	2022 College
12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR				
Bank loans, overdrafts and finance leases (Note 14)	5,389	5,389	1,375	1,375
Payments received in advance	33	33	36	36
Trade payables	1,038	976	802	763
Other tax and social security	424	410	441	387
Other creditors	164	159	548	547
Accruals and deferred income	1,248	1,229	2,491	2,446
Deferred income - capital grants	746	746	746	746
Amounts owed to the ESFA	-	-	-	-
Total creditors within one year	**9,042**	**8,942**	**6,439**	**6,300**

	2023 Group	2023 College	2022 Group	2022 College
13 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR				
Bank loans and finance leases (Note 14)	1,211	1,211	1,551	1,551
Deferred income - capital grants	13,847	13,847	13,171	13,171
Total creditors after more than one year	**15,058**	**15,058**	**14,722**	**14,722**

	2023 Group	2023 College	2022 Group	2022 College
14 MATURITY OF DEBT				
(a) Bank loans and overdrafts				
Bank loans and overdrafts repayable in one year or less	5,307	5,307	1,294	1,294
Between one and two years	267	267	257	257
Between two and five years	826	826	810	810
In five years or more	72	72	356	356
Total	**6,472**	**6,472**	**2,717**	**2,717**

See Note 1 Going Concern for details of loans.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July (£'000)

14 MATURITY OF DEBT (continued)

(b) Finance leases

	2023 Group	2023 College	2022 Group	2022 College
At 31 July the finance leases are as follows:				
Finance leases repayable in one year or less	82	82	81	81
Between one and two years	46	46	82	82
Between two and five years	-	-	46	46
In five years or more	-	-	-	-
Total finance leases	**128**	**128**	**209**	**209**

15 FINANCIAL COMMITMENTS

At 31 July the commitments (under non-cancellable operating leases) as follows:

	2023 Group	2023 College	2022 Group	2022 College
Land and Buildings				
Not later than one year	92	92	96	96
Later than one year and not later than five years	60	60	124	124
Later than five years	-	-	-	-
	152	**152**	**220**	**220**
Equipment				
Not later than one year	66	66	178	178
Later than one year and not later than five years	76	76	112	112
Later than five years	-	-	-	-
	142	**142**	**290**	**290**

16 CASH AND CASH EQUIVALENTS

	2023	Cashflow	2022
Cash and cash equivalents	561	(1,009)	1,570
Total cash and cash equivalents	**561**	**(1,009)**	**1,570**

17 PROVISIONS

	Total	Defined benefit obligations	Other
At 1 August 2022	(1,760)	(1,760)	-
Expenditure/additions in the period	1,760	1,760	-
At 31 July 2023	-	-	-

17 PROVISIONS (continued)

Defined benefit obligations relate to the liabilities under the College's membership of the Local Government Pension Scheme (Note 23).

18 TAXATION

The members of the Corporation do not consider the College is liable for any corporation tax arising out of its activities during this year.

19 CAPITAL COMMITMENTS

The College has undertaken preliminary works on the Institute of Technology project to be completed in 24/25 financial year. All preliminary spend to date is grant funded, if the project proceeds total spend of £5m is funded by a mixture of grants and PWLB loan.

20 SUBSIDIARY UNDERTAKINGS

One Garden Brighton Ltd, a wholly owned subsidiary of Plumpton College was established in 2019 and began trading on 29th March 2021.

At 31 July 2023 One Garden Brighton owed £0.779m (2022: £0.545m) to the College.

The Strategy for One Garden Brighton is to achieve break even in the 2023/24 financial year before moving in surplus and repaying the College in the years thereafter.

21 RELATED PARTIES

Due to the nature of the College operations and the composition of the Corporation (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 Corporation may have an interest. All transactions involving organisations in which a member of the Corporation may have an interest, are conducted at arm's length and in accordance with the College's financial regulations and normal procurement procedures. Transactions with the Education and Skills Funding Agency are detailed (Note 2, 12, 13).

The College holds a 27% interest in Woodland Enterprise Ltd (WEL), a company limited by guarantee (£1). WEL owns a leasehold site and facilities at Flimwell, at which it is seeking to develop skills in wood production and use. The College appoints two directors (currently the Principal and the Estate Manager) to the WEL Board. It has an arm's length sub-lease with WEL for two workshops on the site, and provides various management services to WEL. During the year rent was paid to WEL of £240 (2021 £240). This interest will end when the College disposes of the property, which is anticipated to occur in the 2023/24 financial year.

The College owns the whole of the issued share capital of One Garden Brighton Limited amounting to £1 (1 ordinary share of £1) which was incorporated on 17th July 2019.

The Colleges is paying a governor for providing accommodation to a staff member who requires this to carry out the duties of their role, amounting to £6k (2022: £6k).

22 POST BALANCE SHEET EVENTS

The Corporation have approved the Heads of Terms for the DfE loan that will replace £5.05m current liability with a term loan to be drawn down in December 2023 after the signing of the annual report and accounts.

For the year ended 31 July (£'000)

23 DEFINED BENEFIT OBLIGATION

The College's employees belong to two principal post-employment benefit plans: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the East Sussex Local Government Pension Scheme (LGPS) for non-teaching staff. Both are multi-employer defined-benefit plans.

		2023		2022
The total pension cost for the year				
Teachers' Pension Scheme contributions paid		959		912
Local Government Pension contributions paid	752		643	
Local Government Pension FRS 102 (28) charge	466		1,520	
Charges to statement of comprehensive income (staff costs)		1,218		2,163
Total pension cost for the year within staff costs (Note 6)		**2,177**		**3,075**

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools, Colleges and other educational establishments. 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 FRS 102 (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.

The latest actuarial review of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education (the Department) in April 2019. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £198 billion giving a notional past service deficit of £22 billion.

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/9. DfE agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2022-23 academic year.

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

For the year ended 31 July (£'000) 2023 2022

23 DEFINED BENEFIT OBLIGATION (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit Scheme, with the assets held in separate funds administered by East Sussex County Council.

The agreed contribution rates for future years are 18.9% for the College and range from 5.5% to 12.5% for employees, depending on salary according to a national scale.

The following information is based upon a full actuarial valuation of the fund at 31 March 2022 updated to 31 July 2023 by Barnett Waddingham LLP.

	2023	2022
Discount rate for scheme liabilities	5.10%	3.40%
Future pension increases	2.85%	2.75%
Rate of increase in salaries	3.85%	2.75%

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

	2023	2022
Retiring today		
Males	20.9	21.2
Females	23.8	23.8
Retiring in 20 years		
Males	21.9	22.1
Females	25.3	25.1

The college's share of the assets in the plan at the balance sheet date and the expected rates of return were:

	Fair value 2023	2022
Equities	15,430	14,198
Bonds	2,556	3,004
Property	1,401	1,703
Cash	270	424
Total market value of assets	**19,657**	**19,329**

The return on the Fund (on a bid value to bid value basis) for the year to 31 July 2023 is estimated to be -0.96%. The actual return on Fund assets over the year may be different.

Based on the above, the Employer's share of the assets of the Fund is approximately 0.43%.

For the year ended 31 July (£'000)	2023	2022
Amount included in the balance sheet in respect of the defined benefit pension plan and enhanced pensions benefits is as follows:		
Present value of the defined benefit obligation	18,519	21,089
Fair value of fund assets (bid value)	19,657	19,329
College adjustment to surplus to achieve a nil balance sheet	(1,138)	-
Net defined benefit liability/(asset)	**-**	**1,760**
Amounts recognised in the Statement of Comprehensive Income in respect of the plan:		
Service cost	1,174	2,116
Net interest on the defined liability (asset)	48	200
Administration expenses	15	11
Total loss	**1,237**	**2,327**
Asset and Liability Reconciliation		
Changes in the present value of defined benefit obligations		
Defined benefit obligations at start of period	21,089	30,977
Current service cost	1,174	2,116
Interest cost	713	495
Change in financial assumptions	(7,549)	(12,532)
Change in demographic assumptions	104	-
Experience loss/(gain) on defined benefit obligation	3,243	88
Estimated benefits paid net of transfers in	(514)	(277)
Past Service costs, including curtailments	-	-
Contributions by Scheme participants and other employers	260	223
Unfunded pension payments	(1)	(1)
Defined benefit obligations at the end of period	**18,519**	**21,089**
Changes in fair value of plan assets		
Fair value of plan assets at start of period	19,329	18,169
Interest on plan assets	665	295
Return on plan assets	(853)	325
Other actuarial gains/(losses)	63	-
Administration expenses	(15)	(11)
Employer contributions	723	606
Contributions by Scheme participants	260	223
Estimated benefits paid	(515)	(278)
Fair value of plan assets at end of period	**19,657**	**19,329**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July (£'000)	2023	2022
Amounts recognised in Other Comprehensive Income:		
Return on fund assets in excess of interest	(853)	325
Other actuarial gain/(loss) on assets	63	
Change in financial assumptions	7,549	12,532
Change in demographic assumptions	(104)	-
Experience gain/(loss) on defined benefit obligations	(3,243)	(88)
College adjustment to surplus to achieve a nil balance sheet	(1,139)	-
Total	**2,273**	**12,769**

McCloud/Sergeant Judgement

These accounts show a past service cost of £230 million in respect of the McCloud / Sergeant judgment which ruled that the transitional protection for some members of public service schemes implemented when they were reformed constituted age discrimination. This provision is just under 2% of the total scheme liability. The calculation of adjustment to past service costs, £7 billion, arising from the outcome of the Court of Appeal judgment is based on a number of key assumptions including:

- the form of remedy adopted
- how the remedy will be implemented
- which members will be affected by the remedy
- the earning assumptions
- the withdrawal assumption

The other financial and demographic assumptions adopted to calculate the past service cost are the same as those used to calculate the overall scheme liability. Adopting different assumptions, or making other adjustments to reflect behavioural changes stemming from the judgment, would be expected to change the disclosed past service cost. Similarly, allowing for variations in individual members' future service or salary progression is expected to produce higher costs. The past service cost is particularly sensitive to the difference between assumed long term general pay growth and the CPI. If the long term salary growth assumptions were 0.5% pa lower, then the past service cost disclosed here would be expected to reduce by 50% and conversely a 0.5% pa increase would increase the estimated cost by 65%.