

# DATGANIADAU ARIANNOL COLEG SIR BENFRO

BLWYDDYN YN GORFFEN 31 GORFFENNAF 2023

## PEMBROKESHIRE COLLEGE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2023



Mae'r cyhoeddi hwn ar gael yn Gymraeg | This publication is available in Welsh



COLEG Sir Benfro  
Pembrokeshire COLLEGE

PEMBROKESHIRE COLLEGE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

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# PEMBROKESHIRE COLLEGE

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

### PRINCIPAL'S REPORT

#### Introduction and Overview

I have great pleasure in presenting my report on the performance of the College, during the year ended 31 July 2023 (hereinafter referred to as FY23).

By way of formal introduction, Pembrokeshire College is a Chartered Corporation whose structure of governance is laid down in the instruments and articles of Government for Further Education Colleges in Wales which came into effect on 6 April 2006. The Institution is accountable through its governing body known as the Corporation Board, which has ultimate responsibility for the determination of the educational character and mission of the Institution and for oversight of its activities.

Pembrokeshire College's vision is:

***"To transform lives through learning"***

The College is committed to creating opportunities and enriching lives through the provision of excellent learning opportunities and as such the College's mission is:

***"To empower individuals, raise aspirations and develop tomorrow's workforce."***

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

#### Strategic Goals 2023-2028

The College has produced a new Strategic Plan for the period 2023-2028 during which period the College aims to:

#### Our Strategic Goals



# PEMBROKESHIRE COLLEGE

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### PRINCIPAL'S REPORT

#### **Introduction and Overview *Cont'd...***

The strategic goals set out above are statements of intent which capture the vision, values and ethos of the College. The goals will be addressed by a series of aims; some short term, others longer.

Pembrokeshire College's Strategic Plan 2023-2028 sets an ambitious vision for our development over the next five years. Our focus remains on providing first class education and training to ensure that we best prepare learners for the world of work or for higher levels of study.

The period of this Strategic Plan 2023-2028 will be a time of change, challenge and opportunity, with both expected and unexpected impacts of the worldwide coronavirus pandemic, Brexit and financial pressures all continuing to have a profound effect on people's lives and society in general. The county of Pembrokeshire is facing significant demographic challenges and skills shortages at a time when opportunities will arise through the successful Celtic Freeport bid and the emerging Renewable Energy developments on the Haven. The College is in a key position to play a pivotal role in meeting the challenges and opportunities that will arise.

The College and its reputation have grown locally, regionally and nationally over the period of the previous Strategic Plan as evidenced by the increase in full time enrolments and apprenticeships. The College now leads an Apprenticeship and Jobs Growth Wales plus (JGW+) Consortium with a contract exceeding £24 million.

The College is committed to the Welsh Government's agenda of working in collaboration with our partners, especially the Pembrokeshire County Council and Pembrokeshire Schools, to ensure that learners in the county have access to the widest range of academic and vocational opportunities.

The strategic plan has been created following an extensive consultation with a range of stakeholders including employers, staff, learners, the Pembrokeshire College Advisory Forum and the College Governing Body.

The College recognises the importance of the relationships with Stakeholders, maintaining strong communication links with;

- Learners;
- Staff;
- The local community;
- Work-based learning consortium members;
- HE Institutions;
- Local employers (with specific links);
- Local Authorities;
- Government Offices (DWP)/ Regional Bodies;
- Other FE institutions;
- Trade Unions;
- Professional bodies;
- Third Sector and voluntary organisations.

To achieve our mission, we aim to provide the highest quality education, training and support services, enabling all our learners to realise their full potential. In delivering education and training, the College fulfils an important role within Pembrokeshire, the South West region and Wales in enhancing the skills of our learners, which contribute to the success of local employers and, more generally, to the local economy. The College enrolls 13,000 learners, the majority of whom are engaged in vocational studies, either at the College, at the premises of their employers, or through our B-wbl Consortium arrangements.

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The College works in collaboration with several stakeholders to achieve its strategy and to deliver the diverse activities it undertakes, ranging from the teaching of basic skills (literacy, numeracy and digital) and vocational studies (at the College and in the workplace) to A levels and higher-level degrees and diplomas.

The success of the College is due to the support and collaboration it receives, so from the outset I would like to express my personal gratitude to all College Stakeholders and an outstanding business support and academic staff team, whose commitment and dedication ensures that all our learners have the best possible learning experience here at Pembrokeshire College.

I also want to take this opportunity to sincerely thank the Chair of the Corporation Board and all the Governing Body members for their selfless support and direction throughout the last academic year. As a College, we are indeed privileged to have such a committed and dedicated staff team and governing body and I thank them all for their contributions to the ongoing success of the College.

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### PRINCIPAL'S REPORT

#### 1. Develop Highly Skilled, Creative and Successful Individuals.

The post Covid-19 challenges have continued to impact Pembrokeshire College in FY23 as they have done across the entire education sector, both in terms of learner experience and performance.

Since the opening of the College's A level Campus6 facility by the Cabinet Secretary for Education in October 2017 a further £14m of state-of-the art facilities have been developed, jointly funded by Welsh Government and the College. In FY19, the College was awarded a £7.4million capital development funding envelope from Welsh Government's Sustainable Communities for Learning fund. Over the period to the summer 2022 this envelope increased to £10m, enabling the completion of Band B plans for the main campus and the new Independent Living Skills (ILS) centre at the Pembrokeshire Agricultural Showground. The courtyard area redevelopment was completed on time and on budget and has created significantly more social space and study areas for learners along with a Hwb area, where all learner support services have been centralised in a single location. The Minister for Education and Welsh Language formally opened this facility in June 2022. All these new areas are now well utilised by the learners.

Work completed at the beginning of FY23 on the new engineering workshops enabled the move of welding and fabrication routes from the Mitec building in Milford Haven onto the College campus into a state-of-the-art new facility. The First Minister of Wales Mark Drakeford formally opened the Centre of Excellence for Welding and Fabrication in April 2023.



The table below shows full time further education learners have remained static from FY22 to FY23 but over the five-year period shown they have grown by 4%. Part time numbers have reduced by 7% due to the mix of part time provision the College delivered however over 100% of part time funding was utilised which is pleasing to note as we continue to recover post Covid-19.

FE Learner Numbers	FY19	FY20	FY21	FY22	FY23
Full-time	1,727	1,781	1,828	1,802	1,803
Part-time	4,734	3,306	3,206	3,942	3,666
<b>Total Learners</b>	<b>6,461</b>	<b>5,087</b>	<b>5,034</b>	<b>5,744</b>	<b>5,469</b>



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**Develop Highly Skilled, Creative and Successful Individuals *Cont'd...***

During FY23, the College saw a 7% increase in its work-based learning apprenticeship numbers. Employability programme numbers have diminished year on year going down by a further 6% compared to FY22.

<b>WBL Learner Numbers</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>
Apprentices	907	705	779	851	913
Employability Programmes	242	210	167	64	60
<b>Total Learners</b>	<b>1,149</b>	<b>915</b>	<b>946</b>	<b>915</b>	<b>973</b>

Higher Education FT enrolments over the last five years have declined to a level where no full-time provision is delivered. Part time numbers have increased by 19% year on year, having grown 31% over the five year period which is positive.

<b>HE Learner Numbers</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>
Full-time	56	43	26	13	-
Part-time	87	85	74	96	114
<b>Total Learners</b>	<b>143</b>	<b>128</b>	<b>100</b>	<b>109</b>	<b>114</b>

**Further Education**

The core of the College's work revolves around further education. The College continues to develop its provision to meet the needs of employers and industry, and fundamental to this, is the provision of learning for 16-19 year olds. The majority of the county's 16-year-olds come to the College for further education or training, with others remaining in school to study A levels.

Whilst full time learner numbers remained consistent in FY23 at 1803 (FY22 1802). This trend was experienced to a greater extent across the FE sector attributed in part to the way GCSE grades were applied post Covid and the fact that learners were more likely to achieve Grade C or above in six or more subjects and could therefore opt to remain in a school setting. However, we expect figures to increase in future years in line with demographic trends and GCSE grades reverting to pre-Covid grading. Level 3 provision (A level and vocational equivalent Extended Diplomas) now accounts for over 58% of overall provision – reflecting Welsh Government priorities to increase higher level skills.

Pembrokeshire College remains committed to the development of post 19 skills and whilst we had seen a decline in enrolments in recent years following the reduction in part time funding, this is now stabilising. FY23 saw the College improve on its part-time funding allocation, achieving 100%, which was pleasing in light of the economic climate and inflationary pressures that both businesses and individuals were subject to. Employer-led delivery remains a priority and Welsh Government has acknowledged this by reintroducing a discrete funding mechanism through Personal Learning Accounts with the College delivering its full allocation in FY23.

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**Learner Achievements**

<b>Worldskills UK - Medal Winners and Finalists</b>		
Horticulture	Morgan Scarfe	Gold
H&SC	Sophie James	Silver
Foundation IT for Business	Declan Morrissey	Bronze
Foundation Media	Luke Lloyd King Khamhanphon	Bronze
Welding	Billy Burton Josh Handley	Finalist
Foundation Hairdressing	Tom Fairbairn	Finalist
Media	Craig Deakin	Finalist

<b>Inspiring Skills Wales – Medal Winners</b>		
Popular Music	Beck Cole-Picton	Gold
	Amy Evans	Gold
	Noah Hathaway	Gold
	Tegan Skyrme	Gold
	Ula Bohata Jones	Gold
	Cai Barry	Gold
Beauty Therapy Practitioner	Carlie-Jayne Dutton	Gold
Fashion Design & Technology	Sofia Longworth	Silver
Welding	Jordan Palmer	Silver
Renewable Energy	Logan Day Rhys Hardman Andrew Scott Amy Wilson	Silver
Plumbing & Heating	Tomos Evans	Silver
Inclusive Fitness	Rhys Baker	Bronze
Inclusive Skills Child Care	Chloe John	Bronze
Brickwork	Tucker Guy	Bronze
Digital Media Production	Ffion Evans Stephanie Prosser	Bronze
Beauty Therapist	Erin Owens	Bronze

<b>Sports Achievements</b>	
Welsh & British Shotput	Dafydd Pawlett
Welsh Golf	Holly Jenkins
Gymnastics	Arabella Hurst Seren Rowland Higgans
Welsh Athletics, Running	Rhys Llewellyn
Welsh Academicals, Rugby	Dan Page
Welsh Colleges Men's Football	Lucas Davies Harri John
Welsh Colleges Women's Football	Megan Thomas
Welsh Youth Boxing	Mikey O'Sullivan Ffion Willmott

<b>Eisteddfod</b>		
Creating an App (U19's)	Ffion Evans	Gold
	Stephanie Prosser	Silver
	Penda Mickish	Bronze
Creating an App (U25's)	Jay Lewis	Gold
	Liberty Prosser	Silver
	Lexa Wilson-Pope	Bronze
19-25s Welsh Learner Award	Carpentry student, Seb Landais won the 19-25s Welsh Learner Award, Medal Bobi Jones at the National Eisteddfod 2023 for his commitment to learning Welsh.	

<b>B-wbl Awards 2023</b>	
Tomorrows Talent, Winner:	Kelly Williams, Dragon LNG
Gwobr Iaith Gymraeg, Finalist:	Siân Thomas-Davies, Hywel Dda
Higher Apprentice of the Year, Finalist:	Casey Vincent, Landsker Childcare

<b>Gold Duke of Edinburgh Award</b>	
Zachary Thomas, Oliver Monk, Rosa Brew, Hannah Douglas	

<b>Miscellaneous</b>	<b>Winners &amp; Finalists</b>
SkillBuild Regional Heat:	Thomas Evans, Plumbing Leighton Montgomery, Joinery
Federation of Master Builders Wales, Apprentice of the Year:	Jordan Gay, Bluestone Builders
Coleg Cymraeg Cenedlaethol's William Salesbury FE & Apprenticeship Award:	Seb Landais
Global Offshore Wind Awards:	Destination Renewables Programme
Visit Pembrokeshire Awards, Young Tourism Person of the Year:	Samuel Williams Ollie Ryder
Welsh Food and Drink Awards, Apprentice of the Year:	Samuel Davies, Puffin Produce
Soroptimist Bursary for Females in Construction:	Amy Wilson, L3 Construction & Design
ECITB & Development Awards, Scholar of the Year:	Joshua Handley
Salon Culinaire, Pub Chef of the Year:	Daniel Jones



# PEMBROKESHIRE COLLEGE

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#### Work Based Learning

Work Based Learning (WBL) at Pembrokeshire College is delivered through the Apprenticeship Commissioning Programme and through the Jobs Growth Wales plus (JGW+) contract which is an employability programme.

The purpose of the Apprenticeship Programme is to provide employers with the relevant skilled workforce to meet the current and future needs of their businesses and the Welsh economy whilst providing individuals with the skills necessary to embark on successful careers. Apprenticeships focus on employees who are in the workplace, therefore impacting:

- Individuals - by providing the means whereby they can fulfil their potential;
- Employers - by improving the skills of their workforce;
- The local and national economy - by improving the skill base available for driving economic growth.

Jobs Growth Wales Plus Youth Programme (JGW+ Programme) delivers consolidated training, development and employability support to 16–18-year-olds who are assessed as NEET (Not in Education, Employment or Training). It supports delivery of the Welsh Government's strategic priorities to tackle the consequences and risk factors associated with young people being NEET, which are integral to the Employability Plan, the Programme for Government Taking Wales Forward, Prosperity for All the National Strategy and to the Well-being Objectives.

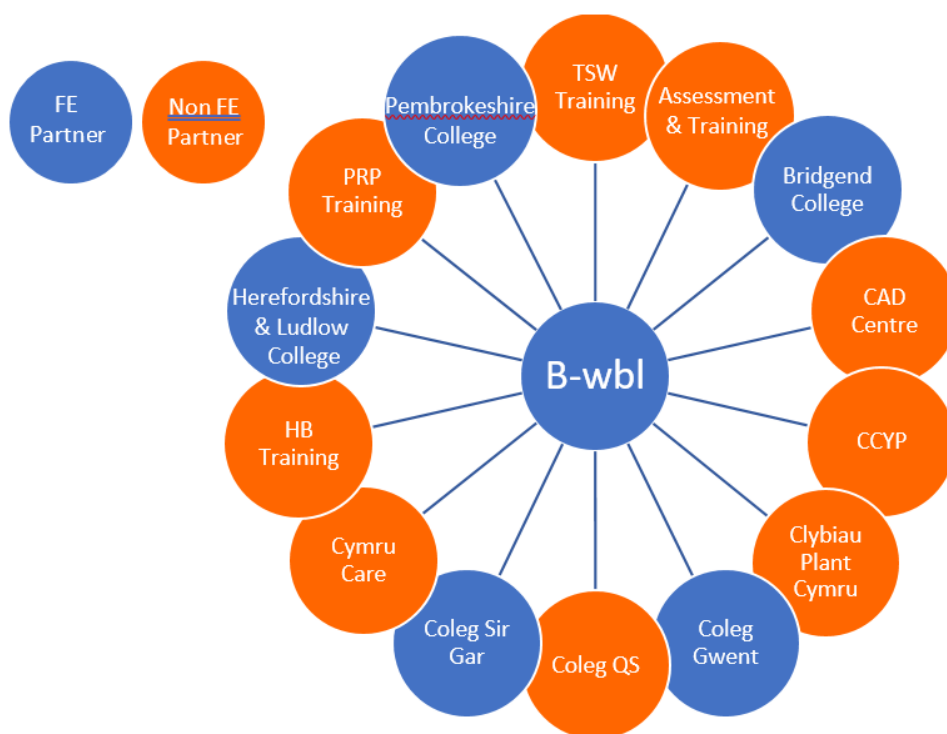
The Welsh Government provides funding to organisations in the public and private sectors to deliver WBL through contracts that are the subject of competitive tender. The latest contract process for Apprenticeships took place in Autumn 2020 and for Jobs Growth Wales plus (JGW+) in Spring 2021.

Since August 2011, the College has been leading a Work Based Learning consortium – “B-wbl”, delivering apprenticeship and employability programmes. The Consortium originally consisted of six partners (comprising further education colleges and independent training providers) and secured a contract for £6.5m. The composition of the Consortium has changed over time and now has twenty partners spread across South, West and Mid Wales. In April FY21 the College was successful in the retendering for a new WBL apprenticeship contract, at the same time several previous contract holders were unsuccessful in the process, resulting in the number of prime contract holders reducing from eighteen to ten. In the same year, the College was also successful in tendering for the new JGW+ contract and employability programme for young people. As a result of this change, the new contract value for the B-wbl consortium now exceeds £24 million.

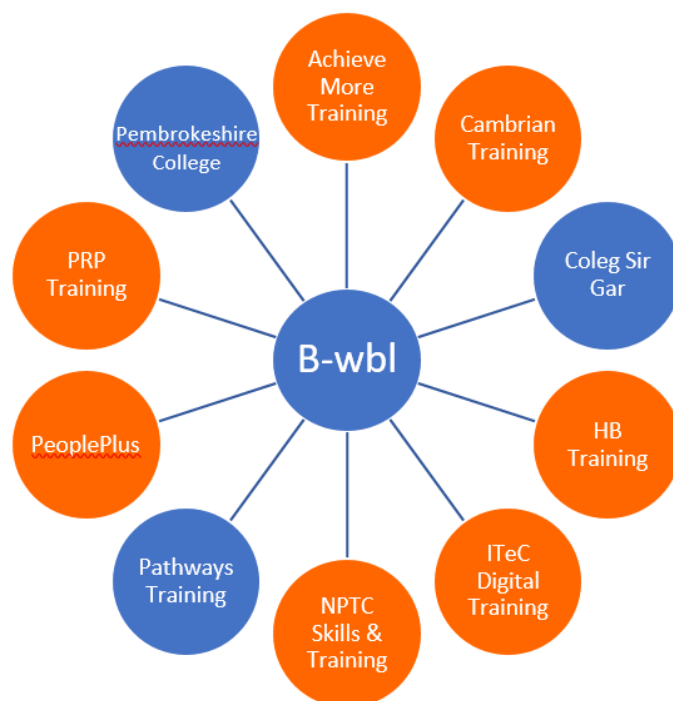
In May 2023, B-wbl held its annual conference and first awards ceremony to celebrate our JGW+ and Apprenticeship learners. The conference held at the Swansea City Stadium saw 100 practitioners from across our provider network come together for an event focused on teaching and learning.

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**B-wbl Consortium Partners (Apprenticeships)**



**B-wbl Consortium partners (JGW+)**



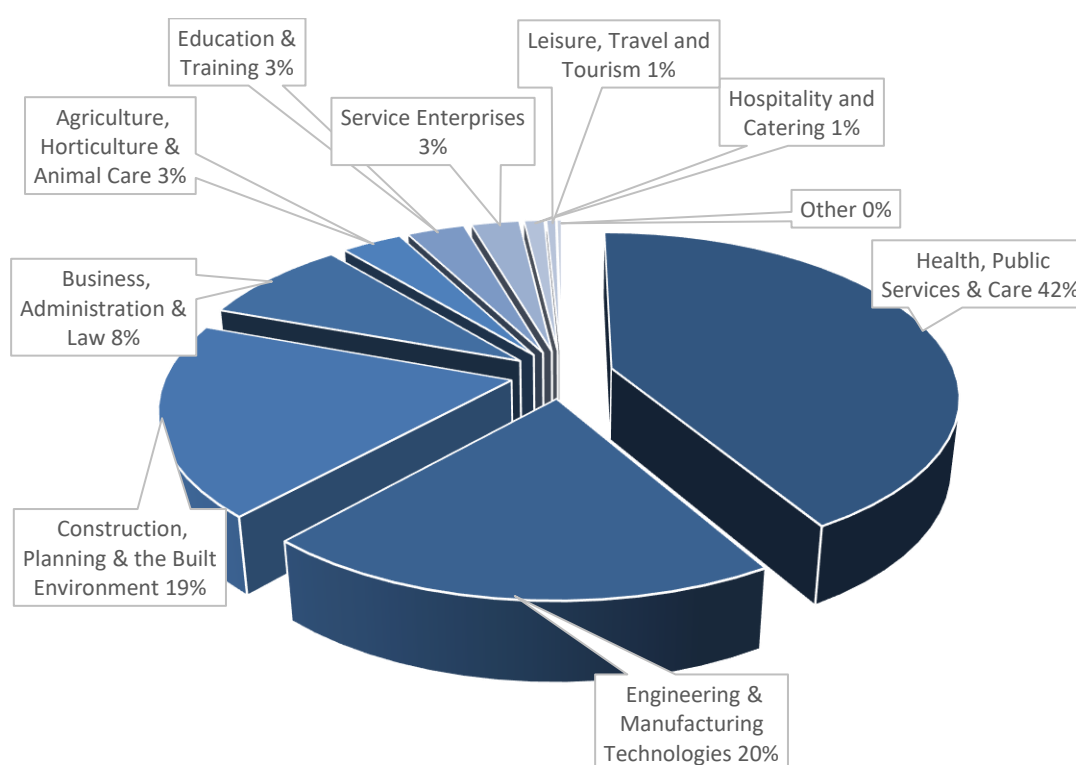
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**Delivery Volume Compared to the Network FY23**

The total apprenticeships contract value across all the contract holders for FY23 was £148m (B-wbl £23m, 2nd largest provider) and JGW+ £23m (B-wbl £2.8m).

The Consortium delivers across a range of routes with Health, Public Services and Care sector (42%) being the largest, followed by Engineering & Manufacturing Technologies (20%).

**Apprenticeship Starts by Sector 2022/23**



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**Higher Education**

The College fulfils an important role in delivering higher education courses in the county. Whilst this income stream represents just under 1% of the College's overall income, the provision of such courses (full time and part time) is important to learners in Pembrokeshire for the following reasons:

- There is no Higher Education Institution ('HEI') in Pembrokeshire, offering courses;
- Learners who are in employment, who want to pursue higher education qualifications are able to do so;
- Some people for financial and/or family reasons are unable to go away to study and want to remain at home, but still want to pursue a higher education qualification;
- Employers want to up-skill their employees, by allowing them to take part-time in higher level courses;
- Adult returning learners can find the College environment more appropriate for their learning, and more convenient.

Since 2011, University of Wales, Trinity St. David (UWTSD) has provided the funding, the degree awarding powers and quality oversight for Higher Education provision. The college has collaborated with the University to offer Degree Apprenticeships from September 2023.

Pembrokeshire College has this year achieved the status of a University of Wales Technical Institute, which is a collaboration between UWTSD and four FE colleges, enabling the development and delivery of new provision across Wales. Initial areas being explored are:

- Engineering and Advanced Manufacturing;
- Energy;
- Modern Professional Services;
- Creative Arts;
- Health and Social Care, Childhood and Early Years.

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**2. Deliver excellent, inspiring and relevant learning and teaching enabling Pembrokeshire's learners to progress to higher levels of learning or employment**

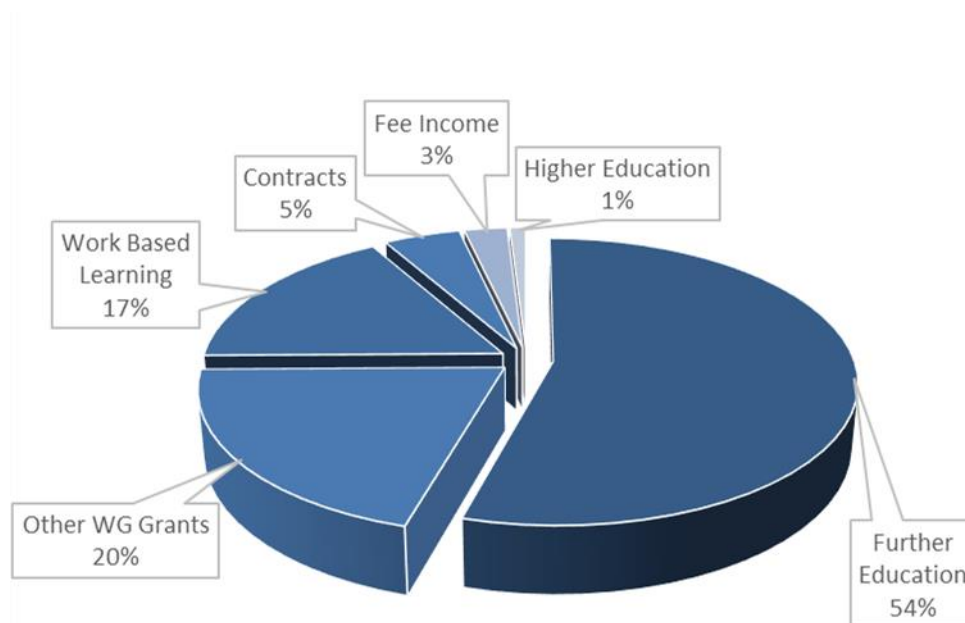
The success of a college is reflected in the success of its learner outcomes. In this respect whilst FY23 has been a challenging year, there have been a significant number of successes for vocational and academic route learners.

A Level results for FY23 are confirmed and the College is pleased to record a 97% overall pass rate and an A\*-C success rate of 76% which is marginally below the National Comparator (NC). The AS results were also pleasing with 19% of all entries achieving a grade A.

Work Based Learning (WBL) results for both the College and its B-wbl Consortium are yet to be finalised but results are now returning to levels more in keeping with pre Covid-19 outcomes. In FY22 apprenticeship outcomes in the College were 83%.

The principal areas of the College's activities relate to further education – vocational and academic courses - and work-based learning (together 71% of our activities), as shown in the chart below:

**Nature of Provision (by income stream)**



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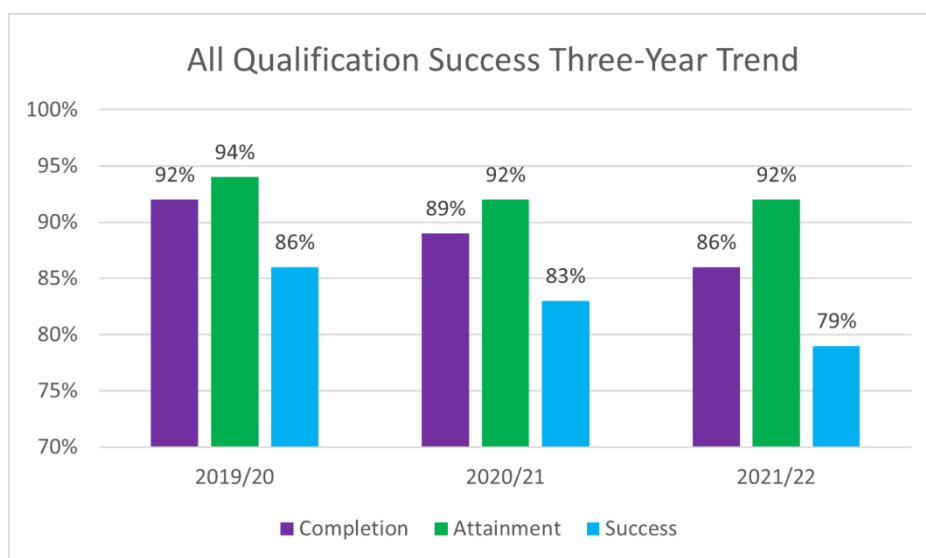
### PRINCIPAL'S REPORT

#### Further Education Results

The College provides courses for full time learners, mainly 16-19 years of age, and part time learners. The College anticipates that it will maintain a strong 'all qualifications' success rate but this will not be confirmed until December 2023. Some learners studying competency based vocational routes are awaiting confirmation of outcomes following external verifier visits.

#### All Qualifications Success Rate Trend

All qualification success rates are based on internal data as the Welsh Government no longer produce Learner Outcome Reports. The Welsh Government have introduced Post 16 Consistent Performance Measures and 2021/22 was the first year that the College has had verified data from Welsh Government since 2018/19. The 'all qualification' success rate in 2021/22 is 79% which has been impacted by the pandemic and the completion of programmes.



#### A-level Results

A level results for FY23 are confirmed with A\* to A pass rate at 31%, A\* to C pass rate at 76% and A\* to E at 97%. The table below shows the trend over the last four years with grades awarded as Teacher Assessed Grades and Centre Determined Grades throughout the period of the pandemic. Value added outcomes also show that the College is supporting A level learners to achieve better results than indicated by their GCSE grade profile.

A Level Grades	2019/20	2020/21	2021/22	2022/23	2022/23 NC
A/A*	48%	41%	38%	31%	34%
A*-C	97%	85%	88%	76%	79%
A*-E	100%	95%	99%	97%	98%



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### Vocational Outcomes

The chart below shows vocational performance by level against the national comparator for 2021/22.



The table below shows performance by subject sector area (SSA) for 2021/22, in the traditional Learner Outcome Record (LOR) style measures, split by full time, part time and overall programmes.

SSA	Sector	All Programmes %	Full Time %	Part Time %
1	Health, Public Services and Care	88	71	96
2	Science and Mathematics	75	79	65
3	Agriculture, Horticulture and Animal Care	73	73	100
4	Engineering and Manufacturing Technologies	77	73	91
5	Construction, Planning and the Built Environment	73	72	77
6	Information and Communication Technology	89	89	-
7(b)	Hair and Beauty	69	66	73
7(c)	Hospitality and Catering	82	77	89
8	Leisure, Travel and Tourism	85	86	81
9(a)	Performing Arts	84	84	100
9(b)	Art and Design	86	87	25
10	History, Philosophy and Theology	72	72	67
11	Social Sciences	83	83	100
12	Languages, Literature and Culture	76	78	74
14(a)	Independent Living Skills	99	100	99
14(c)	Foundation for Work	72	71	89
15	Business, Administration and Law	70	74	63

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#### **Work Based Learning: Apprentices and Trainees**

For Pembrokeshire College as a provider, framework success rates for FY23 are yet to be finalised though we are predicting a final outturn of 82%. For the Pembrokeshire College led B-wbl Consortium, FY23 success rates at level three have been impacted by the legacy of the pandemic and impact of qualification reform, such as in Health and Care and Construction. The ability to improve learner outcomes, regardless of where learners are situated or from whom they receive direct delivery, was commented on in the Estyn Inspection report of June 2015 and reflects the success of the management team in adapting to managing a large number of sub-contractors.

#### **Higher Education and Progression to University**

The ability to provide both A level and Extended Diploma qualification routes allows learners to choose the best pathway for them to progress to higher education. BTEC Extended Diplomas are the equivalent of 3 A-levels and in FY23, 184 learners progressed to Higher Education of which 106 (58%) were A level learners and 78 (42%) were vocational learners.

#### **Community Learning**

The College's Adult and Community Learning (ACL) provision comprises short courses under the brand of Community provision and includes a selection of accredited and recreational courses.

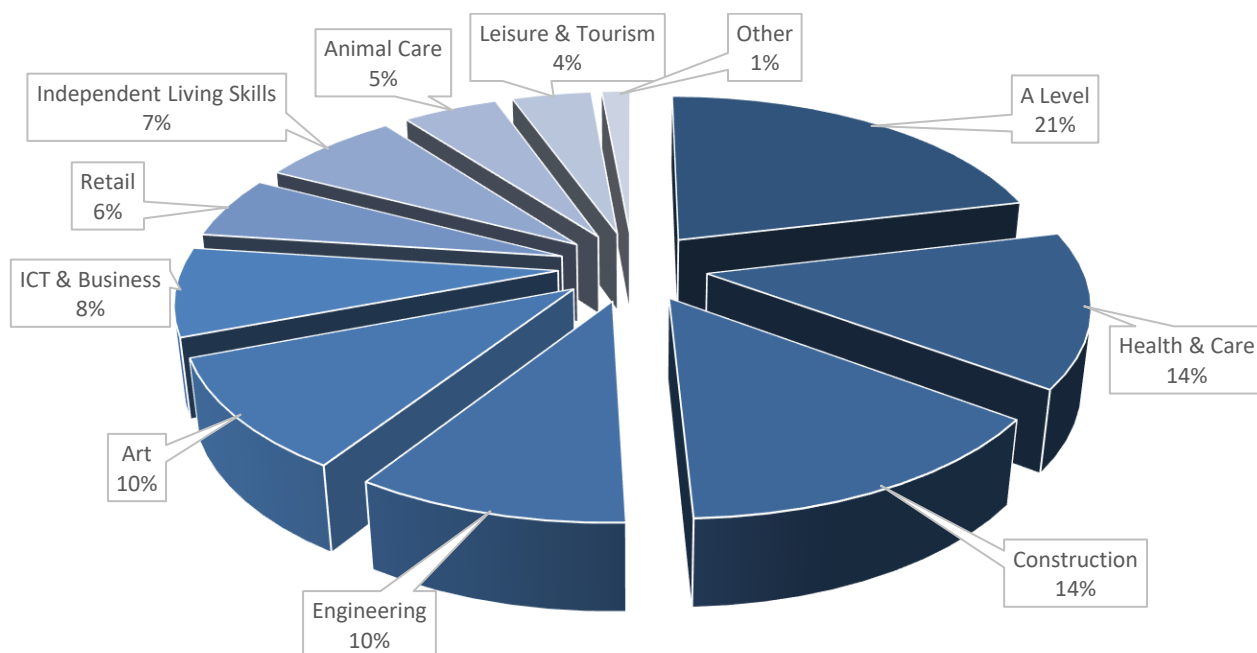
Effective employer engagement allows enhanced opportunities for local employers and also to those seeking work. Voluntary work is a key part of the Work Experience strategy and it ensures learners engage with relevant course related activity and are work ready for progression into the workplace.

#### **Skills**

The College provides vocational provision in all sector subject areas enabling access to learners in Pembrokeshire to the broadest curriculum offer. The sectors for which vocational courses are offered largely reflect the economy of Pembrokeshire and the College has worked to develop strong links with local employers. The College estimates that it works with 4,000 employers and therefore, is uniquely placed to help learners realise their potential for employment.

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**Volume of College Activity by Subject Sector Area (SSA)**



Every learner that enrolls at the College is supported to develop their basic skill levels. Learners are required to undertake a WEST Initial Assessment in Literacy, Numeracy, and Digital Literacy upon enrolment. These assessments provide baseline scores which learners are expected to improve on in their time at the College. At enrolment, a learner's GCSE grades in Mathematics and English Language determine what their Skills provision at the College will be. If a learner has secured C grades, they upskill via our Upskilling Destinations programme, the Advanced Skills Baccalaureate Wales, or the Extended Project Qualification. If learners have not secured C grades in these subjects, they are required to re-sit these qualifications. Learners with a D grade are timetabled into a GCSE re-sit programme and learners with an E grade or below are timetabled into a Pre-GCSE programme. In 2022/2023, we worked with 339 learners on the GCSE re-sit programme. Of the 163 enrolled on the GCSE English Language re-sit, 39% achieved an A\*-C (compared to the National Comparator 28.4%). For Mathematics, 176 learners were enrolled with 32% achieving an A\*-C grade (compared to the National Comparator 18%).

**Other Areas of Focus**

**Welsh Language and Culture**

In accordance with the Welsh Language Standards requirements, the College published its annual report on the implementation of the Standards on 31st January 2023, providing an overview of the College's compliance with the Standards and its promotional activity. The report can be accessed here, in [Cymraeg](#) or [English](#).

In terms of the curriculum, the College is committed to Y Coleg Cymraeg Cenedlaethol's Strategic Plan 2020/21 – 2024/25, ensuring that both learners and staff embrace bilingualism and understand the importance of bilingual skills in the workplace and the opportunities that the Welsh language provides for employment.

# PEMBROKESHIRE COLLEGE

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

### PRINCIPAL'S REPORT

#### **Welsh Language and Culture *Con't...***

The College curriculum is supported by Y Coleg Cymraeg Cenedlaethol funding, enabling the deployment of Bilingual Support Tutors in the priority areas of Health, Childcare, Public Services, Animal Care and Sport, with Business and the Creative Industries being added in 2023/24. These funded roles provide increased Welsh-medium/bilingual opportunities for learners within the classroom environment. Fluent Welsh speaking learners are encouraged and supported to complete elements of their learning programme in Welsh, providing them with linguistic continuity and progression. Learners who are not fluent Welsh speakers are also provided with opportunities to upskill their Welsh language skills for the workplace.

The College ensures that its Welsh language and bilingual development strategy continues to focus on driving up the number of learners learning bilingually or through the medium of Welsh, in accordance with Welsh Government and Y Coleg Cymraeg Cenedlaethol's Cymraeg 2050 strategies and action plans.

During academic year FY23 the Welsh language continued to be integrated into the LAPs cross-College. A total of 70 FEFT courses received the 10-15 hour 'Dwyieithrwydd ar gyfer y Gweithle – Bilingualism in the Workplace' programme with its focus on developing Welsh language skills relevant to the workplace, within the context of customer service and the active offer. As a result, 899 learners completed the 'Dwyieithrwydd' programme or elements of their main qualification through the medium of Welsh. Out of this total, 859 were coded on LLWR LA26 as B3; 16 as B2 and 24 as B1/C1. This activity has been supported by key projects funded by Y Coleg Cymraeg Cenedlaethol, in particular the Bilingual Support Tutor roles in the priority areas, the 'Hybu a Hyrwyddo' grant and the Welsh Language Ambassador scheme.

The College has secured further funding from Y Coleg Cymraeg Cenedlaethol for 2023/24, with the aim of developing bilingual provision in the new priority areas of Business and the Creative Industries, as well as continuing to support Health, Childcare, Public Services, Animal Care and Sport. It is anticipated that this investment will lead to:

- increased Welsh-medium/bilingual provision for learners from Welsh-medium and bilingual schools
- increased number of learners completing assessments in Welsh
- increased learner engagement in opportunities to develop Welsh language skills and in extra-curricular Welsh promotion activity and events

Staff continued to engage in the Cymraeg Gwaith national scheme in order to develop their Welsh language skills in the classroom environment. A total of 28 staff signed up to the project compared to 24 in the previous year, receiving weekly one-to-one mentoring sessions by the project's Cymraeg Gwaith Tutor. Staff were also supported by the College's Welsh Language Development Team to increase Welsh-medium/bilingual provision and opportunities for learners.

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#### **Digital Learning**

The College has invested strategically in embedding Digital learning methods into curriculum delivery for the enhancement of learning, teaching and assessment as part of the College Digital 2030 strategy. This includes digital technology hardware to ensure classroom and workshop settings offer the right equipment to operate digitally. Our dedicated Digital Design Team works with teaching teams to provide modules of blended learning as an element of curriculum delivery, encouraging delivery staff to develop further as inspiring and imaginative lecturers. Digital Learning empowers both staff and learners to embrace opportunities to inspire learning through the use of technology. It is recognised however, that most 16–19-year-olds have missed out on face-to-face delivery which is the preferred method of learning. The College has now returned to the norm of face-to-face delivery, but with the ability to deliver on-line learning where appropriate. Further investment in equipment, software and staff training will always be needed to fulfil the College's Digital 2030 ambitions. The College hosted a "Digifest" all staff training day in July 2023 which was progressive and well received.

#### **Learner Wellbeing and Safeguarding**

The College continues to focus on improving all aspects of safeguarding, care, wellbeing, resilience and support for learners. During FY23, significant emphasis has remained on the Safeguarding and Wellbeing agenda, raising awareness of and protecting learners from newly identified risks and matters pertaining to 'Everyone's Invited'. Our safeguarding team has continued to fulfil a pivotal role, especially with our vulnerable learners who had been identified at risk. Areas of activity have included mental health and resilience training and utilising funding to provide 24/7 on line counselling support. Regional partnerships and multi-agency working remains a strength of the College and all internal and external services have continued to work together to support learners. A Health and Wellbeing Officer for learners has been instrumental in enabling the College to meet the requirements of the University and Colleges Health Standards, together with a Health and Wellbeing Officer for staff. The College has committed to the implementation of the 'Trauma Informed Toolkit' and sharing work with the sector. The College has also established a Financial Wellbeing Strategic Group to inform policy and ideas for support for learners and staff. This is to ensure that we are proactive in supporting staff and learners through all means possible as we live through a period of financial hardship for many.

#### **Quality Assurance**

Quality Assurance is critical in ensuring the College delivers outstanding quality learning programmes and support services. Quality has to be placed front and centre in all that we do in order to be recognised as one of the best performing colleges in the UK. We pride ourselves on our continual focus to improve. The structure of Aspire consists of Quality Improvement, Quality Assurance, Learning and Teaching and Continuous Professional Development, enabling the Aspire Team to effectively integrate all aspects of Quality Improvement. This structure utilises the way these elements of provision impact on each other, supporting and inspiring staff, improving systems and processes and building on the existing aspirational culture of the College.

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**Quality Assurance Cont'd...**

Continuing Professional Development under our ASPIRE programme remains a priority and this continues to drive forward a mandatory training programme for safeguarding, positive behaviour management, equality and diversity and safer working practices. Aspire encourages staff to undertake their own development and offers support to teaching staff using innovative coaching methods and models. We continually review the development needs of our management teams and have an on-going leadership and management development programme, further enhancing our effectiveness as managers, our knowledge, understanding and skills.

The quality assurance processes in the College could not be achieved without the active support and engagement of our staff. Their commitment to quality is what drives the success of the College. The performance of the College in the most recent 2017 Estyn inspection is a testament to the excellence of our staff in all areas of the College, aspiring to be best we can be, in everything we do.

**FE: Estyn's Judgements - January 2017**

Quality Indicator	Judgement
Current Performance Judgement:	Good
Prospects for Improvement Judgement	Excellent
<b>Key Question 1 – Outcomes</b>	Good
1.1 Standards	Good
1.2 Wellbeing	Good
<b>Key Question 2 – Provision</b>	Good
2.1 Learning Experiences	Good
2.2 Teaching or Training	Good
2.3 Care, Support and Guidance	Excellent
2.4 Learning Environment	Excellent
<b>Key Question 3 – Leadership and Management</b>	Excellent
3.1 Leadership	Excellent
3.2 Improving Quality	Good
3.3 Partnership Working	Excellent
3.4 Resource Management	Good



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**3. Contribute to the South West region and economy by investing in skills and communities**

The College plays an important part in the economy of Pembrokeshire. The key role from an economic perspective is the improvement in the skill base of young people, employees in the workplace and improving the earnings potential of those who live in the county.

**Our Locality**

The College values the work it does with schools, employers and the business community in Pembrokeshire and realises the need for this to remain an area for continuous development. We have some excellent working practice with schools and employers which we would like to see replicated across all sectors.

The joint work undertaken in partnership with Folly Farm and use of our learning centre based at their site for Animal Care Level 3 learners, who work with the specialist animal keepers across the park to increase their knowledge of husbandry skills, is of particular importance. The College footprint on the Withybush showground has expanded in collaboration with the Pembrokeshire Agriculture Society and has been supported by the John Burns Foundation. The base for Independent Living Skills learner activities and Animal Care courses shows the College's commitment to these two important routes in the local demographic and allows learners to engage in real life scenarios linked to improve their employability skills.

Delivery of 14-16 pathways to pupils from Ysgol Hari Tudor, Ysgol Greenhill, Ysgol Caer Elen and Milford Haven schools who are following routes into Engineering continues with the aim of widening the scope of these pathways to include new provision supported by the Swansea Bay City Deal Skills and Talent fund.

FY23 saw the continued use of the Camrose building at the Pembrokeshire Agriculture Society. This space has been invaluable, allowing the department to continue to function and it even held World Skills trials here. That said, the College has taken the decision to move the provision back to the main campus for FY24. The College acknowledges the support from the Pembrokeshire Agriculture Society.

The College continues to be represented on the Haven Waterways Enterprise Zone which was re-established to highlight the location of Pembrokeshire for potential new energy sites. The Enterprise Zone has remained an attractive location for energy companies and the College wishes to ensure it is delivering the curriculum and skills required by the energy employers of the future. In FY23, an exciting opportunity was announced for Pembrokeshire when a bid for "Freeport" status was approved. The Celtic Freeport will deliver an accelerated pathway for Wales' net zero economy generating over 16,000 new, green jobs and up to £5.5 billion of new investment. The transformational bid covers the ports of Milford Haven and Port Talbot and spans clean energy developments and innovation assets, fuel terminals, a power station, heavy engineering and the steel industry across south-west Wales. As this venture unfolds, Pembrokeshire College will need to be at the forefront of delivering on the skills agenda in this region.

The College is also partner in the Pembrokeshire Public Services Board seeking to contribute to the improvement in well-being in Pembrokeshire, with the mission of supporting the Well-being of Future Generations (Wales) Act 2015. The College is represented on the South West Wales Regional Learning and Skills Partnership Board, focusing on improving the economic and social well-being of people living and working across the south-west region.

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#### **Our Locality *Cont'd...***

As a College we remain committed to supporting our local community. Despite funding challenges, we have, through alternative income sources, been able to maintain community participation via initiatives such as "Keep Warm, Keep Learning" funding. We also provide services to the community through charitable activity and use of the College estate for community groups. The College is considered a Community Asset and to encourage wider participation for the benefit of the county.

Within the curriculum, we continue to promote Global citizenship and the importance of protecting our environment. Digital skills are more important than ever; with all learners being taught basic Digital skills as part of their course. Also, an increased focus on Welsh and the importance of learning basic workplace conversational skills to increase learner's knowledge to make them more desirable for future employment opportunities in Wales.

#### **Employer Engagement**

The College Employer Incentive Strategy focuses on how our curriculum can train employees of the future and how our part-time delivery can assist current employees. Having over ten years' experience delivering a range of programmes for the Department for Work and Pensions (DWP) the College has continued to support partnership working through the Active Inclusion Get Going project, providing 1-2-1 mentoring support for those aged between 16-24 and who are NEET, and for those aged 25 plus and who are long term unemployed.

The employer engagement team are essential in facilitating the link between the local skill needs and creating a productive workforce. Through employer engagement, the team have supported the College to deliver against its part time delivery targets and in addition, the successful delivery of the Personal Learning Accounts (WG Funding). This has been achieved through face-to-face visits (scheduled and unannounced), emails, marketing campaigns and social media.

#### **The Employment Bureau**

Our Employment Bureau comprises Business Engagement, Work Experience and Employment Advisors who work together, sharing opportunities and knowledge, to aid College learners to find part-time employment during their studies and full-time employment upon completion of their course. During FY23 the Enterprise team also joined the Bureau assisting learners in developing their business ideas. Throughout the year the Employment Bureau continued to deliver recruitment events benefiting both learners and employers while the Work Experience team ensured that learners were able to undertake meaningful placements to enhance their programme of study and gain valuable industry experience. The Employment Bureau also continued to provide a free recruitment service for local employers, advertising their vacancies to almost 2,000 full-time students. The team worked directly with learners in classroom visits and 1-2-1 appointments as well as remotely where needed to ensure that learners had a clear understanding of the job market and were matched to the opportunities that were most suitable to them.

As well as placing learners with employers, the Work Experience team are also responsible for carrying out employer Health and Safety visits. Placement numbers and requests have increased and so responding to this demand is now a focus.

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#### 4. Ensure Long term Financial Stability

The College's financial performance during FY23 is strong and, although a downturn on the prior year's performance, it remains a significant improvement from previous years. Key Performance Indicators have been met and the cash position remains healthy. Our strategy of continued investment in the resources and infrastructure of the College has been maintained. The College's 'net funds' position (cash less borrowings) decreased by £1.6m after accounting for significant capital investment of £5m in the year, £3.3m of which was funded through Capital Grants. This demonstrates further evidence of our ability to invest and provide a high-quality environment to deliver education and training, in what continues to be challenging times.

The Welsh Government has been supportive of the FE sector allocating numerous additional funding streams ensuring we have the financial capability to react to each challenge that Colleges have faced.

The College operates several commercial areas which suffered reduced activity during and post Covid. Most of these areas are now in some form of recovery although not all are as yet financially viable but nevertheless add value for learners and their College experience.

#### Performance Indicators

The key performance indicators (KPI) in the table below are the main measures used to evaluate how successful the College has been in its financial performance.

Key Performance Indicators	Actual 31/07/2022	Actual 31/07/2023
Earnings before interest, tax, depreciation and amortisation (EBITDA) (£'000)	<b>£2,739</b>	<b>£2,343</b>
EBITDA as % total income	6.27%	5.35%
EBITDA as % total income (exc Franchised Provision)	10.90%	8.78%
Surplus after other gains and losses (£'000)	£56	£1,292
Surplus after other gains and losses as % total income	0.13%	2.95%
Surplus before non cash pension charge (£'000)	£2,214	£2,059
Unrestricted reserves without defined benefit pension provision (£'000)	£16,922	£19,083
Unrestricted reserves with defined benefit pension provision (£'000)	£11,481	£22,727
Days net liquid assets to total expenditure	57	45
Current ratio	1.65	1.73
Gearing ratio (external borrowing/unrestricted reserves without defined benefit pension)	0.00	0.00
WG grant as % total income (excl. third Franchised Provision)	90.43%	90.61%
Total pay expenditure as % of total income (excl. Franchised Provision)	70.58%	68.30%

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The results for the FY23 are positive given the rural challenges of the county along with the associated costs of delivering an extensive offer of education in a sparsely populated area, this is a major achievement.

One of the main measures the College uses to assess financial performance is 'adjusted EBITDA' (Earnings Before Interest, Taxes, Depreciation and Amortisation) (as calculated on the Statement of Comprehensive Income page 60). The 'adjusted EBITDA' removes non-cash and one-off costs. It is an important measure and is considered a better indicator of operating performance than the reported Surplus / Deficit. The College generates significant EBITDA each year to ensure future capital investment. This has been achieved by tight financial control and also through innovation and creativity in leveraging the funds from the Welsh Government (which provides the majority of our funding) and other external sources of income.

The College is reporting a surplus of £1,292k for the year, in comparison to the surplus of £56k reported in FY22. This is after accounting for £767K (FY22 £2,158k) of pension adjustments. The College made a surplus of £2,059k (FY22 £2,214k) before accounting for these 'non-cash' pension adjustments. The following table explains the movement between the EBITDA of £2,343k and the surplus position of £1,292k.

	<b>FY22 £'000</b>	<b>FY23 £'000</b>
Adjusted EBITDA (see page 60)	2,739	2,343
Net Interest Income	27	227
Staff restructuring costs	(44)	(14)
Depreciation	(1,337)	(1,580)
Release of deferred capital grant	880	1,087
Loss on sale of fixed assets	(108)	(60)
Enhanced pension credit	57	55
<b>Surplus before non-cash pension adjustments</b>	<b>2,214</b>	<b>2,059</b>
FRS 102 service charge to staff costs	(1,836)	(601)
FRS 102 pension interest charge to interest and other finance costs	(322)	(166)
<b>Surplus for the year</b>	<b>56</b>	<b>1,292</b>

The College's reliance on Welsh Government (WG) funding is highlighted in the KPI tables (page 23) where WG grants account for 88.98% of income (Total Income excluding third party provision) to the College. The College's Financial Strategy highlights the importance of generating income streams other than those that come directly from the Welsh Government. This is particularly important at times of austerity or funding reductions as it lessens the reliance we place upon it.

The final KPI in the table (Pay to Income ratio) shows that 68.30% of the College's income is spent directly on pay costs, therefore maintaining control of these is critical. Factors affecting this include the rurality of the College which has a negative impact on class sizes when compared to urban colleges. The College also does not benefit from the economies of scales the larger colleges do.

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The majority of the College's funding comes from the Welsh Government (WG) as Further Education recurrent funding. The grant to the College is based on the volume of education provided. The further education element of the table below shows an increase in funding for FY23 of £1,561k, an increase of 12.1% on FY22. This relates to an element of funding carried forward from the previous year, a unit price increase of 6.5% for the FY23 pay award settlement plus a further 1.5% for an in-year non-consolidated payment to be made to staff, along with an increase in demographic profile.

Work Based Learning income grew by 1% as a result of an increased contract allocation and the management fee which the College gains for holding the contract lead status. Programme values had a price increase of 5% applied within the increased contract allocation. Franchised WBL provision fell by 8% year on year due to several of the partner providers not meeting target in terms of contract delivery.

<b>Welsh Government Grant Income</b>	<b>FY19 £'000</b>	<b>FY20 £'000</b>	<b>FY21 £'000</b>	<b>FY22 £'000</b>	<b>FY23 £'000</b>
Further Education Recurrent Funding	11,170	11,716	11,942	12,906	14,467
Work Based Learning Income	3,290	3,124	3,216	4,443	4,494
<b>PC Total FE &amp; WBL WG Grant</b>	<b>14,460</b>	<b>14,840</b>	<b>15,158</b>	<b>17,349</b>	<b>18,961</b>
Franchised WBL Provision Income	10,740	10,897	12,193	18,432	17,005
<b>Total FE &amp; WBL WG Grant</b>	<b>25,200</b>	<b>25,737</b>	<b>27,351</b>	<b>35,781</b>	<b>35,966</b>

### Other Income Streams

In addition to the WG grants listed above, the College has received specific funds for purpose of £4.4m during FY23. These grants are allocated to address issues such as Additional Learning Needs, Mental Health, Employer Skills Delivery and professional development for staff. These funds tend to be of a short-term nature and in order to draw them down the College has to ensure that they are spent as intended and in line with specific guidance issued. They cannot be relied upon from year to year and their quantum is variable.

The College is committed to its income generation strategy and as part of its plan to recover and lessen reliance on WG income, it will pursue and exploit alternative funding sources in order to support innovative developments in line with the needs of the learner.

European funding has historically been an important income stream to the College allowing it to support learners through projects such as 'Cynnydd' which was led by Pembrokeshire County Council and provided support to learners at most risk of becoming NEET (Not in Education, Employment or Training). The College submitted a bid for Shared Prosperity programme, the domestic replacement of European funding, and was successful. This funding will be made available from September 2023 until December 2024 and will ensure learners get additional support to remain on their programme of study and successfully achieve their qualification outcome.

The Government initiative referred to as Personal Learning Accounts (PLAs) was introduced during FY21 and continued into FY23. The funding allocation for the College was £856K and it is provided to support upskilling and reskilling of employed workers.

The College received Professional Development Funding for the fifth year in FY23. This enables the College to invest in teaching and learning and staff training in priority areas, course development and/or delivery aligned with regional industry priorities.

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**Cash flow**

The generation of cash surpluses allows the College to invest in its buildings and infrastructure. The College has used the cash it has generated over the last five years, as follows:

	<b>FY19 £'000</b>	<b>FY20 £'000</b>	<b>FY21 £'000</b>	<b>FY22 £'000</b>	<b>FY23 £'000</b>
Cash flows from operating activities	1,170	556	4,034	3,965	1,391
Cash flows from Capital (net of grants)	(59)	(740)	(1,092)	(1,297)	(3,206)
Cash flows from investments	24	16	3	(2,973)	227
Cash flows from financing	(146)	(135)	(626)	(103)	-
<b>Increase/(Decrease) in cash &amp; cash equivalents</b>	<b>989</b>	<b>(303)</b>	<b>2,319</b>	<b>(408)</b>	<b>(1,588)</b>
Cash balance					
- Opening balance	4,231	5,220	4,917	7,236	6,828
- Closing balance	5,220	4,917	7,236	6,828	5,240

Over the last 5 years the College has invested £19m on capital expenditure. After accounting for the £3.2m net cash outlay on capital expenditure in FY23, the College's cash balance has decreased by £1.6m over the period.

**Capital Expenditure**

In FY19 Pembrokeshire College secured Welsh Government Band B Capital funding for developments to the main campus and learning facilities of £4.7m. The Courtyard Development and Folly Farm projects were completed during FY21 and works on the Engineering facility completed in August 2022. In addition to the original Band B projects, a further development at Withybush completed in August 2022 brought the Band B projects value to £10m. Subsequent bids for the replacement of windows, remodelling of construction workshop layouts and additional PV now brings the overall Band B envelope to £14.2m. The College is extremely grateful to Welsh Government support in bringing these projects to completion and enabling the College to maintain excellent facilities.

Investment levels over the past 5 years in capital schemes and maintenance programmes continues to provide an environment conducive to learning.

<b>Capital Expenditure</b>	<b>FY19 £'000</b>	<b>FY20 £'000</b>	<b>FY21 £'000</b>	<b>FY22 £'000</b>	<b>FY23 £'000</b>
Land & buildings	774	2,702	2,340	5,724	3,843
IT equipment	394	797	642	455	887
Other equipment	95	130	72	177	183
<b>Total</b>	<b>1,263</b>	<b>3,629</b>	<b>3,054</b>	<b>6,356</b>	<b>4,913</b>



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**Balance Sheet**

The Balance Sheet is set out on page 62. It shows a healthy and liquid position, with a reported Defined Benefit Pension Asset in comparison to a Liability as reported in previous years. Net current assets have increased from £4.7m to £5.6m. With large capital outlay in the year and an increase in working capital, the College's cash position has decreased by £1.6m to £5.2m. The LGPS pension fund stands at a £3.6m asset, which is a significant improvement from £5.4m Liability at the same point last year. The reporting requirement of this on the Balance Sheet is the same for all organisations included in this scheme, including local authorities and other public bodies. Actuarial assumptions that are used to calculate the valuation, such as the discount factor and CPI, are not within the College's control or a reflection of its performance.

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**5. Provide an environment for learners, staff and the community that is inclusive, sustainable and safe**

**Health and Safety**

In FY23 the following proactive interventions were undertaken;

- Senior Management Tours are used as an opportunity to discuss health and safety with learners, and to ensure senior managers understand which hazards are present.
- A new CAM Health, Safety and Sustainability inspection programme launched in term 1. Inspections produced valuable actions and were led by the CAMs. Helpful feedback was received from Faculty Heads and CAMs about the programme.
- Audits of the Environmental Management System, educational visits, consolidated risk assessments, learner inductions and WBL vetting and monitoring were completed.
- TIAA conducted an educational visits audit finding Reasonable Assurance. The audit identified actions which have been implemented and a noticeable improvement has been made in the timeliness of submission of planning documents. TIAA also conducted an internal audit of risk management which found Substantial Assurance.
- A Food Hygiene inspection was conducted by Pembrokeshire County Council's Environmental Health department and the College maintained their level 5 food hygiene rating.
- The focus of staff training was educational visits training for refresher or new starters, fire marshal, practical use of fire extinguishers, duty manager training for new managers and training for CAMs on the new CAM HSS inspection programme.
- The HSE Improvement Plan is about continual improvement and so there are no safety critical actions on the plan. Good progress was made on the plan this year.
- The College submitted its incident data as part of an Association of Colleges (AoC) benchmarking exercise, and a final report received back. The report shows that we were the only college in Wales to engage in this exercise. Reassuringly, our incident reporting profile is in line with other colleges with similar numbers of staff and learners.

The overall incident trend for minor incidents remains low when taken in context of the volume of learners, members of public, contractors and staff on the premises at any one time. Incidents were reported to Senior Management Team on a weekly basis and at Health and Safety Committee for discussion. Heads of faculty/department and Curriculum Area Managers received emails regarding any incidents in their remit.

No. of Incident reports	FY19	FY20	FY21	FY22	FY23
Total	140	129	64	154	143

One incident was reported to the Health and Safety Executive under RIDDOR. A Pembrokeshire College learner at Withybush ILS Academy received a fractured finger. She had her hand on the door frame when an automatic door closer closed the door quickly on her finger. First Aid was administered, she attended A&E and all door closers in the academy were inspected and adjusted.

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### Sustainability

The College has committed to Carbon Net Zero by 2030 for scopes 1 and 2. This is a highly ambitious target which will take time, effort and funding to achieve but the College is impassioned and feels a moral obligation to contribute to the global effort, especially now at this critical time in climate change. A strategy is being developed, which will act as a framework to working towards the target. Further work is required to identify all opportunities for carbon reduction and movement towards carbon net zero technology which will require the services of a specialist consultant.

Pembrokeshire College is continually improving the recording, monitoring and reporting of its carbon emissions. The College takes part in the Welsh Government's Public Sector Carbon Net Zero Reporting Guidelines and is currently the only College that participates in the scheme. The guidance and feedback help the College to expand its carbon accounting boundary to include wider (Scope 3) carbon emissions from its supply chain and in the future, homeworking etc. An improvement in FY23 was the undertaking of an employee commuting survey and inclusion of this data in the carbon emissions report. By improving and expanding the accuracy and scope of carbon emissions, the overall carbon emission figure will rise until the recording measures are well established.

Below is a brief summary of carbon emissions for FY22 and FY23

	FY22 (KgCO2e)	FY23 (KgCO2e)
Main Campus (includes electricity, gas, water, fleet)	650,669	565,693
MITEC (includes electricity, gas, water)	22,016	MITEC (now engineering build on main campus)
Withybush Animal Care Unit and Academy (includes electricity and water)	7,557	7,717
Folly Farm (includes electricity and water)	535	514
Business Travel	44,501	68,091
Waste	53,797	38,436
<b>Total</b>	<b>779,075</b>	<b>680,451</b>
Less Land Use	(4,336)	(4,336)
<b>Total – Land Use</b>	<b>774,739</b>	<b>676,115</b>

In terms of operational differences between the 2 years, MITEC was replaced with the new engineering building which came into operation September 2022 and in FY22 the College had extended opening times for teaching until 5pm.

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**Sustainability Con't...**

A summary of scope emissions is below.

	<b>21/22 (KgCO<sub>2</sub>e)</b>	<b>22/23 (KgCO<sub>2</sub>e)</b>
Scope 1	339,805	309,883
Scope 2	337,492	260,904
Scope 3	101,778	109,664
<b>Total</b>	<b>779,075</b>	<b>680,451</b>

*Scope 1 emissions – direct emissions from sources owned or controlled by a company.*

*Scope 2 emissions – indirect emissions from purchased electricity, steam, heat, and cooling.*

*Scope 3 emissions – all other emissions associated with a company's activities*

The College has made a good start towards this target and has been actively working to reduce carbon emissions since 2002, through energy saving initiatives. The College also considers the wider impact of climate change including biodiversity. Examples of carbon saving and biodiversity initiatives are below (but not limited to);

- Installing more efficient gas boilers;
- Building Management Control systems;
- Operational changes to how the College runs;
- Installing green technology in new builds and existing buildings including air source heat pumps and solar panels;
- Significant investment to replace lighting across the estate;
- Procuring all electricity through a green tariff since 2018;
- Improving the percentage of waste recycled;
- Reducing the amounting of printing carried out;
- Planting a wildflower meadow;
- Hedgehog friendly campus, currently certified to Bronze level and aiming for Silver in 2023/24;
- 'No Mow May' initiatives etc.

In FY23 the following work was done;

- Original windows have been replaced with new high specification windows. The final phase will be completed in October half term 2023;
- 200Kw of solar PV installed on main College building;
- As part of the construction of the engineering building an air source heat pump and 85Kw of PV were installed;
- As part of the construction of the academy building in Withybush (completed in August 2022) it was designed for Net Zero operation and has an air source heat pump, 50Kw of solar PV and the thermal insulation was improved to achieve U values;
- A wildflower meadow was completed to the front of the College gates;
- A polytunnel was erected for Life Skills learners to grow and sell vegetables;
- Exchanged fossil fuel vehicles for an Electric car and van.

Further information on progression towards carbon net zero and action taken can be found in the College's sustainability documents, Environmental Management System and annual reports.

## PEMBROKESHIRE COLLEGE

### FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

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The College has been certified to Level 5 (the highest) of the Green Dragon Environmental Standard for around 12 years after developing the College's environmental management system and moving up through the levels of the standard. Certification is granted through an annual audit.

A new Learner Executive has been established which includes appointing two 'Ambassadors for the Environment'. The Learner Executive will also set up a learner sustainability committee to ensure learner involvement with sustainability and the environment.

The College is a member of the Pembrokeshire Public Service Board's (PSB) Climate Change Group and is collaborating with members to work towards a Carbon Net Zero Pembrokeshire.

#### **Estyn Report on Management of Resources**

The College's Learning Environment was classed as Excellent in the most recent Estyn inspection.

The report identified:

"All College buildings and facilities provide learners with learning facilities and classrooms that are of a high standard, with good access to ICT and resources. There is good internet connectivity that enables learners to use their own devices, and the College provides all learners with software. Learners have a broad range of learning options that help them to develop digital competence. Nearly all workshops and specialist classrooms contain modern, industry standard equipment that meets the needs of learners well. A classroom based at a local riding centre is well equipped with ICT and 3D learning resources. The College has developed an exceptional virtual control room that enables learners to simulate a wide range of industrial process control operations in a realistic environment."

In terms of Resource management this was classed as Good. The report identified the following areas:

- It routinely reinvests savings, such as £750k from reduced energy costs, into improving College services and provision further;
- During a period of reduced funding, the College has grown its reserves, enabling it to invest in building new provision through matching WG Sustainable Communities Fund to meet its strategic aims of supporting local learners;
- The College takes very good account of sustainability and energy efficiency in the management of its estate. For example, it has reduced its carbon footprint by about a third in the past year;
- Overall, outcomes for learners are good and the College offers good value for money.

Additionally, Photovoltaic cells have been funded through the Net Zero Carbon financial support from Welsh Government which will reduce the College's use of external purchased electricity by 30%.

The College embarked on the implementation of its 5-year Estate Strategy, which has received Full Business Case approval from the Welsh Government, with the College successfully obtaining 65% Band B funding towards this. The College has delivered a number of key strategic projects, on time and to budget, in relation to its Estate Strategy over the last three years. This has included the creation of more flexible accommodation for learning and teaching and the delivery of additional refectory and social space and enhancements to the Learning Resource Centre and HWB which were completed in January 2021, undertaken during the height of the pandemic. The new Engineering building was completed on time for September 2022 opening. The College was also successful in obtaining approval and 75% funding from Welsh Government for a new Independent Living Skills Centre which has been completed and opened at Withybush, alongside the College's animal care centre.

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**6. Deliver First Class Governance and Management**

**Other Stakeholders**

The Board introduced a membership body back in FY14 - the Pembrokeshire College Advisory Forum. This Forum has representatives from our stakeholders in Pembrokeshire and beyond, including Trade Bodies, Chamber of Commerce, Higher Education and DWP. This Forum, chaired since March 2023 by Wendy Goldsworthy and the previous 2 years by Helen Murray, has proved to be of significant advantage to the College over the past 9 years, in both an advisory and consultative role, and in securing community ownership and involvement in the College's future.

Iwan Thomas took over as Chair of the Corporation Board in August 2021.

We had two student governors serving on the Board in FY23. Samuel Lowe (A Level learner) and Jake Aldred (Vocational learner) were appointed to the Board, following their election by fellow learners. For FY24 the Board has two new student governors, Bradley Cole and Tomos Padel (both A Level learners). A new Learner Executive has been created for FY24, which is headed by the two Student Governors to further improve learner voice on the Board and throughout the College and wider community.



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## 7. Be a College that Values and Invests in all Staff

The College has highly qualified staff with industry experience and knowledge whose focus is on supporting and ensuring our learners receive a high-quality experience.

The success of our learners is ultimately down to our staff and we are fortunate to have a dedicated workforce that strive to provide our learners with the opportunity to fulfil their potential.

Pembrokeshire College is an aspirational organisation, proud of both the quality of teaching and learning and the support that the College provides for all its staff. Our collective aim is to improve the experience of our learners and the outcomes that they achieve.

In developing people practices, we nurture the pride and aspiration of our staff, help to focus it and increase the visibility of all College achievements. We aim to attract staff who value the opportunity to advance and share knowledge within an open and transparent, supportive and inspirational environment. In doing so we have the following priorities:

- recruit and retain the best staff;
- remunerate staff fairly;
- develop positive employee engagement and morale;
- develop a high-performance aspirational culture;
- promote a safe, healthy and equal environment in which staff take a proactive approach to their own wellbeing.

Staff have identified the values that we believe should drive the College through the period of this strategic plan. These values, which define the ethos, culture and behaviours of the College, our staff and its learners are encapsulated by the backronym PEOPLE which represents the following:



<b>Positivity:</b>	being positive and responsive, encouraging all to adopt such an approach in all that they do;
<b>Equality:</b>	committed to providing an inclusive and safe environment which respects the diversity of its staff and learners. We actively support and promote anti- discrimination strategies across all the protected characteristics;
<b>Opportunity:</b>	make every opportunity possible with regard to education for our College community;
<b>Potential:</b>	we aim not to just fulfil potential but to go beyond all expectations;
<b>Listening:</b>	we listen to learners, staff, employers and members of the community in order to ensure an open and inclusive culture;
<b>Excellence:</b>	aspiring to excellence and endeavour to be a Centre of Learning and Teaching Excellence.

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**Pay Equality**

The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017, requires organisations employing more than 250 employees to provide an annual report showing the pay gap between its male and female employees. There is no statutory duty for Colleges in Wales to publish that data but Pembrokeshire College has chosen to do so.

The gender pay gap is the difference between the average earnings of men and women. Any gap is expressed as a percentage of male earnings.

A positive percentage shows that on average, women have lower pay than men. A negative percentage would show that, on average, men have lower pay than women.

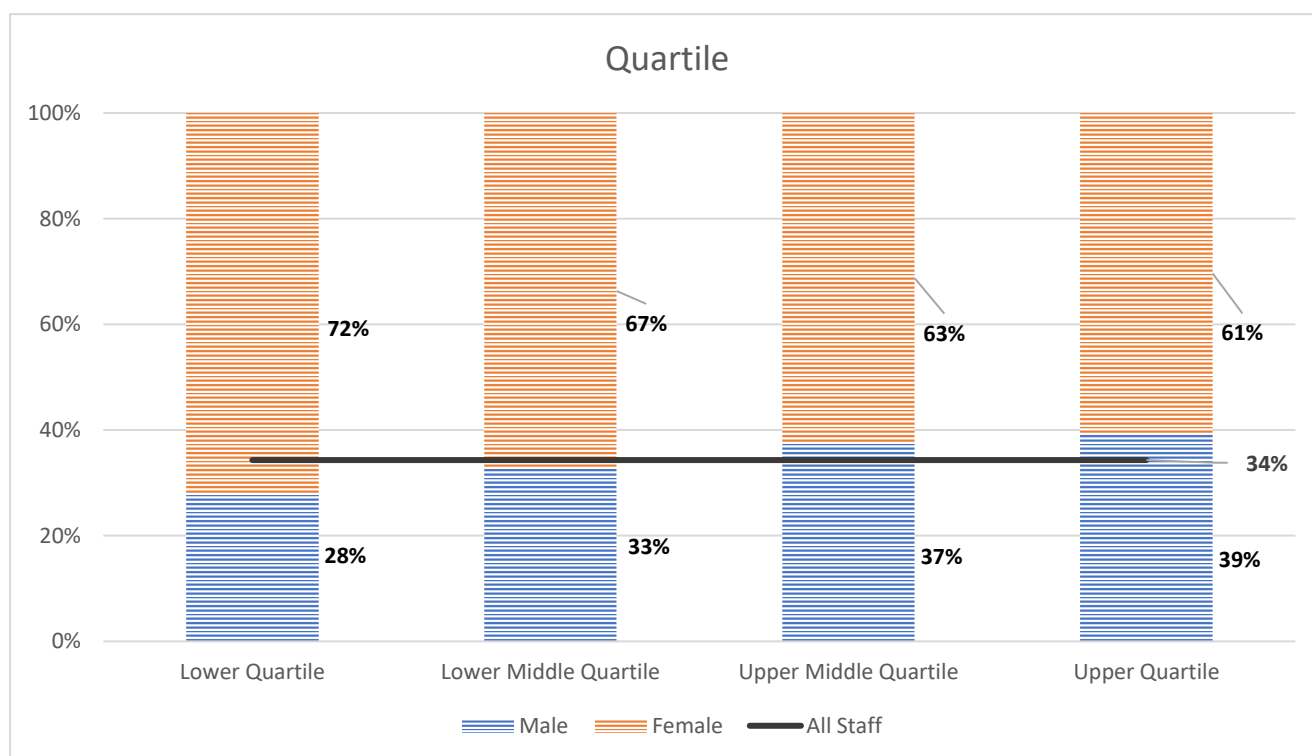
The College is required to provide:

- The difference in mean pay between genders;
- The difference in median pay between genders;
- The number of men and women in each quartile of the range

Calculated Pay Gap	<b>Median</b>	<b>Mean</b>
Pembrokeshire College	9.8%	6.2%

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**Gender Split by Quartile**



The pay quartiles are prepared by ordering all employees by their hourly pay and then dividing them into quartiles from the lowest paid in the 'Lower Quartile' to the highest paid in the 'Upper Quartile'. The black line represents the actual overall split of males and females working in the College – Female 66% Male 34%. The quartiles are also sorted to show the distribution between males and females. A comparison of the quartile split with the Overall College split will determine if either male or female employees are over represented within that quartile. The graph shows that in the College, Females are over represented in the lower quartiles whilst Males are over represented in the upper quartiles.

The implementation of the National Living Wage Foundation minimum rate of pay to which the College is committed, has created a flatter structure for large numbers of employees in the lower pay quartile.

Pembrokeshire College has a fair and transparent pay system using the nationally agreed 'Starting Salaries Matrix', with structured pay spines (in the case of the Lecturing pay spine, agreed nationally with the recognised Trade Unions). Appointment to any role is based objectively on qualifications, skills and experience regardless of gender.

# PEMBROKESHIRE COLLEGE

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

### PRINCIPAL'S REPORT

#### **Equality & Diversity**

The College promotes equality and diversity and welcomes its legislative responsibilities under the Equality Act 2010. Strategically, we aspire toward a College Community which is fair, inclusive and has a people focus, respecting and valuing each other.

The talent, skills and knowledge of every individual is recognised which is a key contributing factor in achieving excellent standards. An environment is created that respects the diversity of staff and learners and enables them to achieve their full potential, to contribute fully and to derive maximum benefit and enjoyment from their involvement in the life of the College.

The College encourages a positive inclusive ethos with a shared commitment to challenging and preventing stereotyping, prejudice and discrimination; celebrating and respecting diversity and difference across all aspects of College life; and ensure equal access to College facilities and benefits.

The College is committed to the equality of treatment for all employees and learners on the grounds of one or more of the following protected characteristics:

- Age
- Disability
- Being married or in a civil partnership
- Pregnancy, Adoption, Maternity and Paternity
- Religion, Belief or lack of Religion or Belief
- Race, nationality, ethnic or national heritage
- Sex
- Sexual orientation
- Transsexualism

As a provider of employment, training and education, we value the diversity of our staff and learners. We are committed to providing a fair, equitable and mutually supportive learning and working environment for our learners and staff, and this is reflected in the core values of the College and in our Strategic Equality Plan.

# PEMBROKESHIRE COLLEGE

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

### PRINCIPAL'S REPORT

#### 8. Future Prospects

##### Changing Landscape

Pembrokeshire College is poised to offer a promising future for the upcoming generations in our region. With recent growth, both in terms of physical infrastructure and financial resources, we are exceptionally positioned to provide high-quality education to the people of Pembrokeshire and South Wales.

The face of our further education provision in the county has changed and we now transition post 16 learners from Ysgol Bro Gwaun, Ysgol Penrhyn Dewi and Milford Haven School. The range of A level subjects on offer to these learners at a single location, the focus of support and the collaborative arrangements between the College and the schools means that these learners will have the very best opportunities we can offer to help them progress in their chosen career. The updated atrium development has been pivotal in providing an up-to-date environment for learners to socialise and study.

The College has signed a Strategic Alliance with Coleg Sir Gar with a view to working closely together to maximise the benefits for learners in the counties of Pembrokeshire, Carmarthenshire and Ceredigion. Staff from both colleges attend regular meetings to work on areas such as teaching and learning, digitalisation and curriculum development and the benefits are already being seen in a number of these areas.

Higher Education remains an important aspect of the College offering, enabling learners to access level 4 and above qualifications locally to increase their chances of employment progression and earnings potential. Partnering with the University of Wales Trinity St David in the Confederation with other colleges in the FE sector means that we will be able to work jointly when the potential inward investment opportunities commence e.g. offshore renewable energy and the new hospital proposed for the Pembrokeshire/Carmarthenshire border.

##### Welsh Government Policies

In October 2017, WG completed a consultation on 'Public Good and a Prosperous Wales – Building a reformed PCET sector'. This consultation proposed that an overarching body for all post 16 education and training be established, at 'arms-length' from Government. The body – to be known as the Commission for Tertiary Education and Research (CTER) – will have responsibility for planning, funding and other functions currently undertaken by Welsh Government for post 16 education.

The Tertiary Education and Research Bill (Wales) 2021 has now received Royal Assent. The Act establishes the Commission and dissolves the Higher Education Funding Council for Wales (HEFCW). The Commission will have oversight of:

- Further education, including colleges and school sixth-forms;
- Higher education, including research and innovation;
- Adult education and adult community learning;
- Apprenticeships and training.

The Welsh Government continues its programme of educational reform to ensure educational inequalities narrow and standards rise. Having all aspects of tertiary education and research under one body is seen by Welsh Government as a vital step in that direction. The Minister for Education has appointed the role of Chief Executive of the Commission as Simon Pirotte, previously a Principal of Bridgend College. The Commission will formally commence in April 2024.

# PEMBROKESHIRE COLLEGE

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

### PRINCIPAL'S REPORT

#### **Funding**

Further Education Colleges in Wales continue to face challenging funding settlements. For FY23, the only increase to the unit rate for recurrent further education funding was allocated based on the pay award settlement. This puts pressure on the underlying core activity and cost base of the College, and the need to identify and implement efficiencies year on year. The Welsh Government continues to be supportive in order for colleges to achieve parity between lecturers pay and that of school teachers, having made funding available in FY23 to support cost of living increases. The sector is grateful for this support but recognises that in the current financial climate there will be further challenges.

Part-time further education and work-based funding are largely used to up-skill learners and are therefore critical to the economic prosperity of Pembrokeshire. Maintaining these income levels are important not only to the College but to the wider region.

Pay cost pressures continue to be a cause for concern. The cost of the national contract for all lecturing and management staff, annual incremental increases and increases in the employer pension contribution rates add a significant pressure to our cost base.

Tighter financial settlements in practice, mean reviewing course choice, increasing group sizes, being cost focused about our employer provision, seeking alternative income streams from commercial operations and pursuing relationships with other organisations. These imperatives will be key features of our work as we progress into FY24. Early indications of the Welsh Government Budget going into 2024/25 are that national cuts will have to be made to recover a deficit budget position circa £600m. There will undoubtedly be an impact on Further Education but to what extent is not yet known.

Control of costs has enabled us to reduce our cost base in real terms, but this gets more challenging as inflation levels are high. We have continued to subsidise activity which we believe is 'mission critical', including the operation of some smaller groups within the A Level offer and Higher Education.

On a global level, the implications of BREXIT and the Ukrainian conflict continue to impact adversely. Our learners and local employers have historically benefited from European Funding, and in September 2023 the College will begin to be in receipt of shared prosperity funding in the guise of a "Cefnogi" project which is hugely reassuring. This funding provides pastoral support to learners to ensure they remain in education and successfully achieve their qualification aim. The project is however relatively short term as the funding will run from September 2023 to December 2024 only. Follow on funding will be an imperative to be able to retain the support services we are currently able to provide. The other risk with the loss of ESF funding is its contribution to the WG apprenticeship contract funding. We work closely with the relevant agencies to influence the outcomes these important funding streams have upon what the College are able to offer.

# PEMBROKESHIRE COLLEGE

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

### PRINCIPAL'S REPORT

#### **Our Approach**

The College remains committed to delivering against its key objectives of: “developing highly skilled, creative and successful individuals”.

Within the next five-year period, Pembrokeshire College plans to develop its curriculum portfolio, guided by the seven key strategic goals.

Our direction considers the Minister for Education and Welsh Language’s “A Vision for Further Education” paper, the Wellbeing of Future Generations Act and Welsh Government strategy and policy. Our goals also take into consideration those of the City Deal for the Swansea Bay Region, the Haven Waterway Enterprise Zone, the Regional Learning Partnership’s Employment and Skills Plan.

The Strategic Goals also fully align with the Pembrokeshire Public Services Board wellbeing objectives of: reducing inequalities; supporting decarbonisation; enabling safe, connected and resourceful communities; and supporting growth, jobs and prosperity and a transition to a more sustainable greener economy. The aims identified are underpinned by the College’s operational plan. Each faculty and department identify actions which enable the aims of the Strategic Plan to be achieved.

Accordingly, the College intends to:

- Work collaboratively with Pembrokeshire County Council in the delivery of the 14-19 agenda;
- Achieve 5% growth in learner volume (100 learners) and increase the percentage of level 3 learners.
- Maintain a WBL contract of £25 million for the consortium maintaining the B-wbl consortium infrastructure.
- Outcome Further Education and Work-Based Learning achievement rates of 88%.
- Demonstrate learner satisfaction levels above sector benchmarks of 90% or better.
- Increase work placement opportunities and the number of learners gaining jobs through the Employment Bureau.
- Increase academic staff upskilling via industry workplace CPD from the current 10% to 30%.
- Finalise the Digital Skills 2030 Strategy across the College ensuring that all learners and all staff are engaged with technology.
- Develop an updated Estates Master Plan that provides outstanding facilities for the future.
- Seek funding to underpin the estates development plan and the investment needed to bring it to fruition.
- Consider the curriculum offer, ensuring that it is adaptable and meets economic needs.
- Play an active role in promoting the region to outside investors and take a leading role in promoting the Enterprise Zone and accruing benefits;
- Work closely with the Welsh Government to ensure the College is prepared for the implementation of the Post Compulsory Education and Training (PCET) Bill in 2024.

# PEMBROKESHIRE COLLEGE

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

### REPORT OF THE CORPORATION BOARD

#### Introduction

The Corporation Board of Pembrokeshire College has pleasure in presenting the report and audited financial statements for Pembrokeshire College for the FY23.

#### The Corporation Board

The members who served on the Corporation Board of the College during the year and subsequent to the year-end, up to the date of signing the financial statements are listed on page 54 and 55.

The Corporation Board 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 and personnel-related matters. The Corporation Board meets each term as a minimum.

The Corporation Board conducts its business through a number of committees. Each committee has terms of reference, which have been approved by the Corporation Board. Audit, Search and Remuneration, Quality and Standards and A Level.

Full minutes of all meetings, except those deemed to be confidential by the Corporation Board, are available from the Governance Officer at Pembrokeshire College, Haverfordwest, Pembrokeshire, SA61 1SZ.

#### Professional Advisers

The professional advisers of the Corporation Board who provide advice to the members and management of the College during the year were:

Independent External Auditors:	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors One Kingsway Cardiff CF10 3PW
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Internal Auditors:	TIAA LLP Artillery House Fort Fareham Newgate Lane Fareham Hampshire PO14 1AH
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Bankers:	Barclays Bank plc 32 High Street Haverfordwest Pembrokeshire SA61 2DG  HSBC Bank UK plc 5 <sup>th</sup> Floor 5 Callaghan Square Cardiff CF10 5BT
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# PEMBROKESHIRE COLLEGE

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

### REPORT OF THE CORPORATION BOARD

#### **Legal Status**

The Corporation was established under the Further and Higher Education Act 1992 for the purpose of conducting education and training. The College is an exempt charity for the purposes of the Charities Act 2011. The College is subject to the additional requirements of the Accounting and Reporting by Charities' Statement of Recommended Practice (revised 2019) and the Charities Act 2011.

#### **Charitable and Taxation Status**

The College is an exempt charity for the purposes of the Charities Act 2011 and is not liable for corporation tax.

#### **Governance**

The College has an excellent and committed Board of Governors who continue to play an important role in the operation of the College. The Corporation Board and committee meetings are generally very well attended, as are training sessions and other events.

The Governors are provided with clear and succinct information from the College senior management, which is rigorously challenged where appropriate. Governors have a good understanding of their role and key curriculum and resource areas have Link Governors assigned.

The Link Governor scheme encourages each Governor to participate more fully in the activities of the particular directorate or functional area of the College to which he or she is linked. This scheme has generally worked very well.

The Audit Committee monitors the audit reports and any other matters referred to it by the Corporation Board or other Committees. The Committee meets four times a year. This Committee also looks at risk management and complex issues affecting the College in an endeavour to give assurance to the Board.

Governors are asked to undertake training as well as attendance at Board meetings and committees. The Governors provide the College management and staff with a broad range of knowledge and experience. In particular, the Governors' knowledge of estates, health and safety, finance, Local Authority operations, health and social service sectors etc, can often aid in the growth of College activities. In addition, there is time spent on strategic planning and other activities including attendance at award and learner events.

Apart from chairing Board meetings, the Chair of Governors has responsibility for the line management of the Principal and the Governance Officer. In addition, there are meetings with strategic partners, inspectors and other external bodies, which require their attendance on behalf of the College. They consult regularly with the Principal.

Additionally, the Corporation Board agreed its current governance structure, which came into effect from September 2013. This structure is a direct response to the Review of Governance in the Further Education Sector and has resulted in an increased focus on community consultation and involvement.

**PEMBROKESHIRE COLLEGE**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023**  
**REPORT OF THE CORPORATION BOARD**

**Principal Risks and Uncertainties**

The College has identified eleven Corporate Risks which are aligned to the Strategic Plan. The Leadership Team review the Corporate Risk Management Plan termly and have ranked the risks. The Audit Committee review the full risk management plan annually and review any relevant new and emerging risks as and when they arise. The Plan identifies the risks, the cause, the potential impact, the inherent risk rating, three lines of defence controls and a residual risk rating. Management also consider the College's risk appetite for each risk, this determines if the controls in place are adequate to minimise the risks.

The Risk Management Group meets to review whether risks are being controlled appropriately and this group is chaired by the Assistant Principal for Client and Commercial services. There are a number of delegated members of staff who sit on this group and the invitation has also been extended to any interested member of staff. At each meeting, at least one corporate risk is challenged with a 'deep dive' approach to ensure there are adequate controls in place and to provide assurance that risks are being managed.

**Human Resources (HR)**

The College is committed to recruiting and retaining highly skilled and highly qualified individuals to deliver its strategic objectives. It acknowledges the contribution of staff as the most important resource required to deliver education and training and recognises the need to value and invest in all staff. Developing policy and good practice to ensure that the recruitment and development of staff remains a key priority in order to provide the highest standards of education, training and support services.

The College's work is supported by approximately 535 (347 Female: 188 Male) full time and part time staff as at 31 July 2023 which translates into 400 FTE for FY23. Staff perform a number of Academic and Support roles and functions.

Effective human resource management practices are in place and are continually updated with consultation with the Joint Trade Unions to ensure they are current and fit for purpose. The College is committed to the health and well-being of staff and learners and has comprehensive support arrangements in place to promote this ethos. The College is very proud to have maintained its Disability Confident Leader status.

**Communication and Consultation**

College management always aim to maintain good communication across the organisation and consultation with staff and trade unions are paramount to ensure that good communication channels are maintained. The Local Joint Consultative Committee meetings with joint Trade Unions continue termly and various opportunities through surveys, informal meetings and Tea & Talk sessions with the Principal play an important role in staff relations. These meetings were more frequent during the past two years in order to ensure impact on staff and learners were considered at the earliest point. Other regular communication arrangements which are in place include "Latest College News" bulletins, all staff briefings and discussion forums on specific topics. During the pandemic period, weekly Blogs were issued directly by the Principal which were very well received and appreciated by staff whilst working remotely. These weekly Blogs have continued throughout FY23. A new initiative was started in FY23 with the introduction of the Staff Forum. The Forum is chaired by the two Staff Governors without senior management present and one of the aims is to improve staff voice on the Corporation Board. The Forum is made up of representatives from each curriculum area and business support teams and meets on a half termly basis. The reporting procedures for the Forum includes regular updates to Senior Management Team and the Staff Governors provide an update report to each meeting of the Quality & Standards Committee, as well as an annual report to the Corporation Board. The Forum is an opportunity for staff to discuss College matters and to share good practice, it is also requested to consult on key documents, such as the Strategic Plan.

# PEMBROKESHIRE COLLEGE

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

### REPORT OF THE CORPORATION BOARD

#### **Learner Involvement**

The College considers good communication with our learners to be very important and ensures learners are involved in shaping all aspects of College life. This is managed both strategically and operationally via the Learner Voice Strategy. The Strategy has two overriding objectives, which are for learners to be actively involved in the management of the College and their learning; and for College managers to act promptly on learner feedback creating a College environment which is informed by the views of its key stakeholders. The mechanisms used to drive and encourage learner involvement include the management of Learner Voice engagement, a Learner Executive, learner course representatives, learner governors, learner membership of formal committees and the Corporation Board. The quality assurance element of learner involvement is managed by the Aspire Team, who facilitate Learner Voice surveys, analysing the response and data to inform improvement planning.

#### **Continual Professional Development (CPD)**

The Aspire function is responsible for supporting College management teams in planning, organising and evaluating the individual and collective learning and development needs of all staff, facilitating learning and development activities and events, responding to local and national initiatives and statutory requirements. Staff training and development is a key mechanism in ensuring that the College can meet its strategic targets, deliver its plans and ensure a quality service for all learners. The Quality Assurance Manager has oversight of the CPD/Staff Development budget and any designated grant funding streams in line with the College budget year. Aspire is responsible for driving forward a culture of continued professional development and professional learning, ensuring that learning and teaching strategies are consistent across College. The Team manage and facilitate the staff development of all College departments, reflecting individual training, curriculum, administrative, technical and management needs in order to fulfil the College's strategic direction. The College participates in the South West Wales Professional Learning Network, which enables the College to collaborate on development projects with other colleges in the region. This offers valuable and diverse opportunities, ensuring that the College is at the core of regional developments and sector innovation.

#### **Safeguarding**

The College has a mandatory safeguarding training programme in place. All staff are required to attend Safeguarding training, which is a certificated course. This is supplemented by expert speakers delivering sessions to staff which focus on the risks associated with being a practitioner in the delivery education and the importance of keeping both learners and staff safe in an ever-changing landscape. The College fully understands its duty in relation to Safeguarding and make it "everyone's business" to get it right. A Safeguarding Panel, made up of the College Leadership Team, a link Governor and the Designated Safeguarding Lead meet regularly to review and discuss safeguarding issues.

#### **Equality**

The Equality Act 2010 and the Equality Act 2010 (Specific Duties) Regulations 2011 requires public bodies to publish relevant, proportionate information demonstrating their compliance with the Equality Duty and to set themselves specific, measurable equality objectives.

The Equality Act 2010 introduced a Public Sector Equality Duty (PSED), under which Public Bodies must consider how they can positively contribute to a fairer society in their day-to-day activities and are under a general duty to have due regard to the need to:

# PEMBROKESHIRE COLLEGE

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

### REPORT OF THE CORPORATION BOARD

#### **Equality Cont'd...**

- eliminate unlawful discrimination, harassment and victimisation and other conduct that is prohibited by the 2010 Act;
- advance equality of opportunity between people who share a relevant protected characteristic and those who do not; and
- foster good relations between people who share a protected characteristic and those who do not.

Pembrokeshire College is committed to creating and sustaining a fully inclusive working and learning environment for staff and learners which is fair, positive, supportive and free from any form of discrimination. The College is committed to ensuring equality of opportunity for all learners and staff. The College respects and positively values differences in race, sex, disability, sexual orientation, religion or belief, gender reassignment, adoption, pregnancy and maternity, being married or in a civil partnership and age. It vigorously strives to remove any barriers which place individuals at a disadvantage.

The College's Strategic Equality Plan 2020–2024 outlines the College's commitment to ensuring compliance with its legal responsibilities. The College's progress towards meeting these legal responsibilities is monitored by an Equality and Diversity Committee which is chaired by the College Principal.

The College has an Equality and Diversity Policy, which is supplemented with a range of relevant Equality Procedures relating to individual protected characteristics. Equality impact assessments are undertaken for all College Policies and in relation to decisions made at its Curriculum Management Group.

The College's progress towards meeting its legislative equality responsibilities is recorded in an Annual Equality Report and Action Plan, which is published on the College website.

The Welsh Government's Race Equality Action Plan was published during the year. The College has responded by drafting an action plan which works towards the national aim of being an Anti-Racist nation by 2030. College Management have committed to this aim and are working towards ensuring that the College fulfils its commitment to be Anti-Racist.

In relation to all aspects of procurement, the College is committed to the Welsh Government's Code of Practice on ethical employment in supply chains. The College expects its suppliers to sign up to the Code of Practice to help ensure that ethical employment practices are carried out throughout the supply chain.

#### **Learning Support Services Statement**

The College is committed to creating and sustaining an excellent learning, teaching and support experience for all its learners.

Learners are equally valued and respected and are encouraged to thrive and reach their potential, and to derive maximum benefit and enjoyment from their involvement in the life of the College.

Pembrokeshire College creates opportunities for learners to achieve personal, educational and employment ambitions, which applies equally to learners with learning difficulties and/or disabilities and is a very important part of our drive to provide equality of opportunity for everybody.

The aim is to provide a welcoming and enabling learning environment to support learners in their studies. Our staff have been trained to make sure that learners are provided with every opportunity to identify personal strengths, develop skills and to recognise and value individual aims and ambitions.

# PEMBROKESHIRE COLLEGE

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

### REPORT OF THE CORPORATION BOARD

Specialist advice, support, equipment and resources are provided to allow access for learners with learning difficulties, physical disabilities and sensory impairments, together with a wide range of educational facilities and support to ensure the College meets its obligations under the ALN Act 2018 and the ALN Code for Wales 2021.

#### **Employment of Disabled Persons**

The College is committed to considering applications for employment 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 that are, as far as possible, identical to those for other employees. This statement is borne out in the accreditation of the College as a Disability Confident Leader.

#### **Health and Safety**

The College continues to embed a positive HSE culture, this is carried out through a number of initiatives such as Management Tours. Last year, over 491 HSE actions and improvements were made through the HSE action tracking system. Thorough audits are conducted on a risk basis and there is good cooperation from managers, all staff and learners.

#### **Environment**

The College is committed to sustainable development and ensuring resources are used effectively. The adverse impact on the environment arises from the consumption of energy, transport, generation of waste and consumption of office materials. An environmental strategy is being developed in order to improve environmental management and performance and to reduce the College's environmental impact. The College has developed a Sustainable Policy and has set up an environmental group to drive forward action to improve sustainability and environmental performance.

#### **Financial Statements**

##### Financial objectives and review of out-turn for the year

The financial statements are set out from page 60. The College out-turned a surplus of £1,292,000 (2.95% of gross income) for the year compared with a surplus of £56,000 (0.13% of gross income) for the previous year. The balance on the general reserve at 31 July 2023 stood at a surplus of £22,727,000 (2022 £11,481,000) including pension reserve.

##### Review of performance

The financial performance and financial position of the Corporation is regarded as satisfactory. A review of performance and key performance indicators is set out in the Principal's Report on pages 3-39.

PEMBROKESHIRE COLLEGE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023  
REPORT OF THE CORPORATION BOARD

**Financial Statements Con't...**

Payment performance

The late payment of Commercial Debts (Interest) Act 1998, which came in to force on 1 November 1988, requires colleges, in the absence of agreement to the contrary, to make payments to suppliers within thirty days of either the provision of goods or services or the date on which the invoice was received. At the year end, creditors represented 7 days of trade purchases. The College incurred no interest charges in respect of late payment for this financial year.

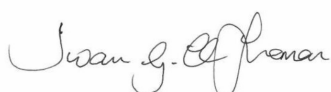
The target set by the Treasury for payment to suppliers within thirty days is 95%. As at 31 July 2023 the College had 7 creditor days.

Creditors balance at 31 July 2023	<b>£212,496</b>
Amounts invoiced during the year by suppliers	<b>£10,909,110</b>
Number of days in the financial year	<b>365 days</b>
Trade creditor days at 31 July 2023	<b>7 days</b>

Disclosure of information to auditors

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

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



Iwan Thomas  
Chair

# PEMBROKESHIRE COLLEGE

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

### STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

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

The College endeavours to conduct its business:

- I. in accordance with Pembrokeshire College Instrument & Articles of Government and the Standing Orders & Terms of Reference;
- II. in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership);
- III. in accordance with The Governance Code for Further Education published by ColegauCymru in January 2016 ("the Code");
- IV. having due regard to the UK Corporate Governance Code 2018 insofar as it is applicable to the further education sector.

The College is committed to exhibiting best practice in all aspects of corporate governance and in particular the College has adopted and complied with the Code. We have not adopted and therefore do not apply the UK Corporate Governance Code. However, we have reported on our Corporate Governance arrangements by drawing upon best practice available, including those aspects of the UK Corporate Governance Code we consider to be relevant to the further education sector and best practice.

In the opinion of the Board Members, the College complies with all the provisions of the Code, and it has complied throughout the year ended 31 July 2023. The Corporation Board recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times. In carrying out its responsibilities, it takes full account of The Governance Code for Further Education published by ColegauCymru in January 2016, which it formally adopted on 23 February 2016.

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

#### **The Corporation Board**

The composition of the Corporation Board is set out on pages 54 and 55. It is the Corporation Board's responsibility to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct.

The Corporation Board 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 Board usually meets six times per year.

PEMBROKESHIRE COLLEGE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023  
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

**The Corporation Board Cont'd...**

The Corporation Board conducts its business through a number of committees. Each committee has terms of reference, which have been approved by the Corporation Board. These committees are Audit, Search and Remuneration, Quality and Standards and A Level Centre.

In furtherance of their duties, all Board Members are able to take independent professional advice, at the College's expense, and have access to the Clerk to the Corporation Board, who is responsible to the Board for ensuring compliance with all applicable procedures and regulations. The appointment, evaluation and removal of the Clerk are matters for the Corporation Board as a whole.

Formal agendas, papers and reports are supplied to Board members in a timely manner, prior to Board meetings. Briefings are provided on an ad-hoc basis.

The Corporation Board has a strong and independent non-executive element and no individual or group dominates its decision-making process. The Corporation Board 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 Principal are separate. The Corporation Board has adopted a governance structure that includes the "Membership Body" to further develop relationships with businesses, schools, voluntary organisations and the wider public and encourage greater community participation and integration with the College. This Body is known as the Pembrokeshire College Advisory Forum.

**A report on activities undertaken during the year to develop Governors and the Clerk to the Corporation Board**

Newly appointed Board Members received induction training and sign posted to key documents, such as the Instrument & Articles of Government, Standing Orders, Memorandum of Financial Understanding and the Code of Good Governance. Additionally, new members of the Audit Committee receive a Finance Induction.

There is a training programme in place for Corporation Board Members which includes both mandatory and optional training. During 2022/23, Board Members updated their Safeguarding and Prevent training. The Corporation Board also received briefings on equality matters including areas on which the College was focussing. Board Members are invited to and attend College events, such as Graduation, award evenings, Aspire Days and conferences.

The College has a Link Governor Scheme in place. These roles help develop the effectiveness of the Corporation Board and in raising College standards. The scheme assists Board Members with developing their understanding of different areas of the College and the College benefits from their expertise, skills and knowledge in an advisory and support capacity.

The Governance Officer completed all mandatory staff training sessions. In addition, the Governance Officer undertook training on conducting investigations and attended a Webinar on Culture and Whistleblowing in organisations, with some follow up sessions scheduled for FY24. The Governance Officer continues to attend meetings of the FE Governance Network.



PEMBROKESHIRE COLLEGE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023  
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

**A report on whether the college has conducted/commissioned an internal or external review of Governance**

The Corporation Board reviews and approves its Standing Orders and Terms of Reference on an annual basis. All committees of the Board produce annual reports and the Governance Officer also completes an Annual Report as required by Welsh Government.

The Chair undertakes a self-assessment review of the Corporation Board at the end of the academic year. For FY23, all Board Members were invited to express their views and feedback around a number of key areas. The review focused on an initial survey followed by one-to-one conversations where requested. The outcomes and recommendations of the review are considered by the Corporation Board and an action plan is developed. Progress against the action plan is considered by the Board on bi-annual basis.

The College internal auditors review elements of Governance as part of the Annual Audit Needs Analysis Plan. Review areas include, Performance Management, Strategic Planning and Board Effectiveness on a rolling programme.

No external review of Governance was commissioned during FY23.

**Appointments to the Corporation Board**

Any new appointments to the Corporation Board are a matter for the consideration of the Corporation Board as a whole. The Corporation Board has a Search and Remuneration Committee comprising of up to five members who are responsible for the selection and nomination of any new member for the Corporation Board's consideration. The Corporation Board is responsible for ensuring that appropriate training is provided as required.

Members of the Corporation Board are appointed for a term of office not exceeding four years and are eligible for reappointment for a second term.

**Search and Remuneration Committee**

The Corporation Board merged the duties of the Search Committee and Remuneration Committee to form a single committee. The Committee has up to five members. In addition, to duties outlined above, the Committee's responsibilities include making recommendations to the Board on the remuneration and benefits of Senior Post Holders including the Principal and the Clerk to the Corporation Board.

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 of a minimum of three members (excluding the Principal and Chair). The Committee operates in accordance with written terms of reference approved by the Corporation Board.

PEMBROKESHIRE COLLEGE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023  
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

**Audit Committee Cont'd...**

The Audit Committee meets on a termly basis and provides a forum for reporting by the College's internal and external financial statement auditors, who have access to the Committee for independent discussion, without the presence of College management. The Committee also receives and considers reports from Welsh Government as they affect the business of the College.

The College's internal auditors monitor the systems of internal control, risk management controls and governance processes in accordance with an agreed plan of input and report their findings to management and the Audit Committee.

Management is responsible for the implementation of agreed audit recommendations and internal auditors undertake periodic follow up reviews to ensure such recommendations have been implemented.

The Audit Committee advises the Corporation Board on the appointment of internal and financial statement auditors and their remuneration for both audit and non-audit work.

**Quality and Standards Committee**

The Board established a Quality and Standard Committee to determine and advise on such matters relating to the improvement of quality of performance. The remit of the Committee is to analyse the College's current performance, including the performance information for further education, work based learning and higher education.

The constitution of the Committee is: the Chair (a governor nominated by the Board), the Principal, Assistant Principal for Vocational Studies, two Independent Governors, two Student Governors, two Staff Governors and a co-opted representative from higher education along with Faculty Heads and Quality Improvement and organisational Development Manager.

The Committee's remit includes Learner Voice and monitoring compliments and complaints.

**A Level Centre Committee**

The Board established an A level Centre Committee following the increase of A Level provision into Campus6. The remit of the Committee is to oversee the operation of the A Level Centre.

The constitution of the Committee is: three College representatives, a Corporation Board Member, the Principal and the Head of A Levels (CAM). Up to 10 members nominated by Pembrokeshire County Council, including the Director of Education, up to two members of the Council, three Headteachers and three governors from schools with no six forms whose learners transition into the College.

The Committee provides strategic advice and direction to the ALC Faculty Management Team and oversees the operations of the A Level Centre.

PEMBROKESHIRE COLLEGE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023  
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

**Internal Control**

**Scope of Responsibility**

The Corporation Board 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 Board 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 they are personally responsible, in accordance with the responsibilities assigned to them in the Financial Memorandum between the College and Welsh Government. They are also responsible for reporting to the Corporation Board any material weaknesses or breakdowns in internal control.

**The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going 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 their impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the College for the year ended 31 July 2023 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

The Corporation Board 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 Board is of the view that there is a formal ongoing process for identifying, evaluating and managing the College's significant risks that has been in place for the year ending 31 July 2023 and up to the date of approval of the annual report and financial statements. The Corporation Board regularly reviews this process.

**The Risk and Control Framework**

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

- Comprehensive budgeting systems with an annual budget, which is reviewed and agreed by the Corporation Board;
- Regular reviews by the Corporation Board of periodic and annual financial reports, which indicate the financial performance against forecasts;
- Setting targets to measure financial and other performance;
- Clearly defined capital investment control guidelines;
- The adoption of formal project management disciplines, where appropriate.

PEMBROKESHIRE COLLEGE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023  
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

The Risk and Control Framework *Cont'd...*

The College has an internal audit service, which operates in accordance with the requirements of the Welsh Government. The work of the internal audit service is informed by an analysis of the risks to which the College is exposed and annual internal audit plans are based on this analysis. The Corporation Board, on the recommendation of the Audit Committee, endorses the analysis of risks and the internal audit plans.

At a minimum annually, the Head of Internal Audit provides the Corporation Board with a report on internal audit activity in the College. The report includes the Head of Internal Auditor's independent opinion on the adequacy and effectiveness of the College's system of risk management, controls and governance processes.

Review of Effectiveness

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

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

The Principal has been advised on the implications of the result of the review of the effectiveness of the system of internal control by the Audit Committee, which oversees the work of the Internal Auditor and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The senior management team receives reports setting out key performance and risk indicators and considers possible control issues brought to members' attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The senior management team and the Audit Committee also receive regular reports from internal audit, which include recommendations for improvement. The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Corporation Board'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.

At its December 2023 meeting, the Corporation Board carried out the annual assessment for the year ended 31 July 2023 by considering documentation from the senior management team, the internal audit and taking account of events since 31 July 2023.

Based on the advice of the Audit Committee and the Accounting Officer, the Corporation Board 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 body and the safeguarding of their assets".

PEMBROKESHIRE COLLEGE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023  
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

Going Concern

After making appropriate enquiries, the Corporation Board considers that the College has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

Bribery Act 2010

The Bribery Act 2010 came into effect on 1 July 2011 and applies to any organisation which is incorporated in the UK irrespective of where it carries out its business. The College is covered by the Act as it engages in commercial activities.

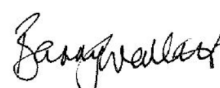
The Act contains two general offences:

- Active Bribery – offering or giving a bribe; and
- Passive Bribery – requesting or accepting a bribe.

Training has been provided to staff that have been identified as being most at risk. Any staff member who has suspicion of bribery being carried out must report it immediately to the Director of Resources.



Date: 05/12/2023  
Iwan Thomas  
Chair



Date: 05/12/2023  
Dr Barry Walters  
Principal

PEMBROKESHIRE COLLEGE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023  
MEMBERS OF THE CORPORATION BOARD

Name	Date of Appointment / Re-Appointment	Term of Office	Committees	Attendance			Notes
				Board	Other Cmttees	Audit	
Iwan Thomas (Chair of Corporation Board)	August 2023 (Second term)	4 yrs	Search & Remuneration	7/7	5/5	N/A	Appointed as Chair 1st Aug 21
John Gammon	November 2019 (First term)	4 yrs	A Level Centre	3/7	2/3	N/A	End of Term Dec 23, Review Oct 23
Andy Jones	May 2021 (Second term)	4 yrs	Audit	5/7	N/A	5/5	Finishing Term November 23
Graham Morgan	May 2021 (Second term)	4 yrs		4/7	N/A	N/A	End of Term May 25, Review Apr 25
Andrew Phillips	December 2021 (Second term)	4 yrs		6/7	N/A	N/A	End of Term Dec 25, Review Oct 25
Dylan Harries	January 2020 (First term)	4 yrs	Audit (Chair) Search & Remuneration	7/7	5/5	5/5	End of Term Jan 24, Review Dec 23
Marc Blockwell	January 2020 (First term)	4 yrs	Audit	5/7	N/A	5/5	End of Term Jan 24, Review Dec 23
Louise Wilkinson	May 2021 (First term)	4 yrs	Quality & Standards	4/7	1/1	N/A	End of Term May 25, Review Apr 25 (Leave of absence until March 22)
Lisa Gostling	October 2021 (First term)	4 yrs	Quality & Standards Search & Remuneration	4/7	1/3	N/A	End of Term Aug 25 Review Jul 25
Sarah Rowland-Jones	December 2021 (First term)	4 yrs		4/7	N/A	N/A	End of term Dec 25 Review September 25
Edna Davies	July 2022 (First term)	4 yrs		4/7	N/A	N/A	End of term July 26. Review May 26
Helen Murray	March 2023 (First term)	4 yrs		3/3	N/A	N/A	End of term January 27. Review December 26
<b>Local Authority Governors</b>							
Steven Richards-Downes	January 2020 (First term)	4 yrs	A Level Centre	5/7	2/3	N/A	End of Term Jan 24, Review Dec 23
Jonathan Haswell	October 2018 (Second term)	4 yrs	Audit	0/1	N/A	0/1	Ended Term Oct 22
Guy Woodham	October 2022	4 yrs	Q&S Committee	4/7	3/4	N/A	End of Term Oct 26 Review July 26
<b>Staff Governors</b>							
Will Bateman	July 2022 (First term)	4 yrs	Quality & Standards	6/6	2/3	N/A	End of Term July 26, Review May 26
Charlie Royal	September 2020 (Second term)	4 yrs	Quality & Standards (Temp Chair from May 2022)	6/6	1/3	N/A	End of Term Sept 24, Review July 24

PEMBROKESHIRE COLLEGE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023  
MEMBERS OF THE CORPORATION BOARD

Staff Governors Cont'd							
Dr Barry Walters / Dave Evans (Acting Principal for a period)	July 2018		Search & Remuneration Quality & Standards A Level Centre	7/7	10/11	N/A	Principal
Student Governors 2022/23							
Samuel Lowe	August 2022	1 yr	Quality & Standards	2/5	1/3	N/A	Student Gov to be elected new academic year
Jake Aldred	August 2022	1 yr	Quality & Standards	0/2	0/1	N/A	Student Gov to be elected new academic year

The Members of the Corporation Board of the College are responsible for the administration and management of the College's affairs, including ensuring an effective system of internal control and are required to present audited financial statements for each financial year.

Within the terms and conditions of the Financial Memorandum agreed between WG and the Corporation, the Corporation, through its Chief Accounting Officer, is required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the College, the surplus/deficit and cash flows for that year.

**PEMBROKESHIRE COLLEGE**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023**  
**MEMBERS OF THE CORPORATION BOARD**

**Statement of the Responsibilities of the Members of the Corporation Board**

Within the terms and conditions of the Financial Memorandum between the WG and the Corporation Board of the College, 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 (SORP) – Accounting for Further and Higher Education, the Accounts Direction for Further Education Colleges in Wales and the UK's Generally Accepted Accounting Principles, and which give a true and fair view of the state of affairs of the College and its surplus/deficit of income over expenditure for that period. In preparing the financial statements the Corporation Board is required to:

- Select suitable accounting policies and apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Assess whether the College is a going concern, noting the key supporting assumptions, qualifications or mitigating actions, as appropriate (which must be consistent with other disclosures in the financial statements and auditor's report)
- Prepare financial statements on the going concern basis unless it is inappropriate to assume that the College will continue in operation.

The Corporation is satisfied that it has adequate resources to continue in operation for the foreseeable future; for this reason, the going concern basis continues to be adopted in the preparation of financial statements. The Corporation Board is also required to prepare a Members' Report in accordance with the FE and HE SORP, describing what it is trying to do and how it is going about it, including information about the legal and administrative status of the College.

The Corporation Body 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. Also for the maintenance and integrity of its website; the work carried out by auditors does not involve consideration of these matters.

Responsibility includes ensuring that expenditure and income are applied for the purposes intended by the WG and that the financial transactions conform to the authorities that govern them and ensuring that funds from the WG, and any other public funds, are used only in accordance with the Financial Memorandum and any other conditions that may be prescribed from time. In addition, Members of the Governing Body are responsible for securing economical, efficient and effective management of the College's resources and expenditure so that the benefits that should be derived from the application of public funds from the Welsh Government and other public bodies are not put at risk.

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



Iwan Thomas  
Chair



PEMBROKESHIRE COLLEGE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023  
INDEPENDENT AUDITORS REPORT TO THE CORPORATION OF PEMBROKESHIRE  
COLLEGE (THE "COLLEGE")

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## **Report on the audit of the financial statements**

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### **Opinion**

In our opinion Pembrokeshire College's financial statements (the "financial statements"):

- give a true and fair view of the state of the College's affairs as at 31 July 2023, and of the College's income and expenditure and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law);
- have been properly prepared in accordance with the requirements of the Statement of Recommended Practice – Accounting for Further and Higher Education; and
- have been properly prepared in accordance with the Accounts Direction issued by the Welsh Government.

We have audited the financial statements, included within the Pembrokeshire College Financial Statements (the "Annual Report"), which comprise the Balance Sheet as at 31 July 2023; the Statement of Comprehensive Income, Statement of Changes in Reserves and the Statement of Cash Flows for the year then ended; and the notes to the financial statements, which include a summary of significant accounting policies.

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### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

We remained independent of the College in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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### **Conclusions relating to going concern**

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

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the College's ability to continue as a going concern.

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

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### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Corporation is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

PEMBROKESHIRE COLLEGE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023  
INDEPENDENT AUDITORS REPORT TO THE CORPORATION OF PEMBROKESHIRE  
COLLEGE (THE "COLLEGE")

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**Responsibilities for the financial statements and the audit**

*Responsibilities of the Corporation for the financial statements*

As explained more fully in the Statement of the Responsibilities of the Members of the Corporation Board, the Corporation is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Corporation is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Corporation is responsible for assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Corporation either intends to liquidate the College or to cease operations, or has no realistic alternative but to do so.

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

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

Based on our understanding of the College/industry, we identified that the principal risks of non-compliance with laws and regulations related to health & safety and employment law together with the Financial Memorandum between the College and the Welsh Government, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Accounts Direction issued by the Welsh Government. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate accounting entries designed to overstate the financial performance and/or position of the College. Audit procedures performed included:

- Enquiry of management around known or suspected instances of non-compliance with laws and regulations and fraud;
- Review of minutes of meetings with those charged with governance;
- Challenging assumptions made by management in the significant accounting estimates, in particular the assumptions in relation to the local government pension scheme;
- Identifying and testing the validity of journal entries, in particular, those considered to have unusual account combinations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

*Use of this report*

This report, including the opinions, has been prepared for and only for the College's Corporation as a body in accordance with Article 18 of the College's Articles of Government and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PEMBROKESHIRE COLLEGE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023  
INDEPENDENT AUDITORS REPORT TO THE CORPORATION OF PEMBROKESHIRE  
COLLEGE (THE "COLLEGE")

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## Other Required Reporting

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### **Opinions on other matters prescribed in the Further Education Audit Code of Practice 2015 issued by the Welsh Government**

In our opinion, in all material respects:

- monies expended out of Welsh Government grants and other funds from whatever source administered by the College for specific purposes have been properly applied to those purposes and, if appropriate, managed in compliance with all relevant legislation; and
- income has been applied in accordance with the financial memorandum with the Welsh Government.



PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Cardiff  
5 December 2023

PEMBROKESHIRE COLLEGE  
 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023  
 STATEMENT OF COMPREHENSIVE INCOME  
 FOR THE YEAR ENDED 31 JULY 2023

	Note	2023 £'000	2022 £'000
<b>Income</b>			
Funding body grants	<a href="#">2</a>	41,385	41,326
Tuition fees and education contracts	<a href="#">3</a>	1,176	1,170
Other income	<a href="#">4</a>	1,030	1,155
Investment income	<a href="#">5</a>	227	27
<b>Total income</b>		<b>43,818</b>	<b>43,678</b>
<b>Expenditure</b>			
Staff costs	<a href="#">6</a>	18,226	17,734
Other operating expenses	<a href="#">8</a>	22,494	24,121
Depreciation	<a href="#">11</a>	1,580	1,337
Interest and finance costs	<a href="#">9</a>	166	322
<b>Total expenditure</b>		<b>42,466</b>	<b>43,514</b>
<b>Adjusted EBITDA before one off costs and non-cash items</b>		<b>2,343</b>	<b>2,739</b>
Net Interest Receivable/(Payable)		61	(295)
Staff Restructuring Costs	<a href="#">6</a>	(14)	(44)
<i>Non-Cash Items:</i>			
Depreciation	<a href="#">11</a>	(1,580)	(1,337)
Release of Capital Grants	<a href="#">16</a>	1,088	880
FRS 102 Pension & Early Retirement Charge		(546)	(1,779)
<b>Surplus before other losses</b>		<b>1,352</b>	<b>164</b>
Loss on disposal of fixed assets		(60)	(108)
<b>Surplus for the year retained within general reserves</b>		<b>1,292</b>	<b>56</b>
Actuarial Gain		9,852	17,421
<b>Total Comprehensive Income for the year</b>		<b>11,144</b>	<b>17,477</b>

The income and expenditure account is in respect of continuing activities of the College.

PEMBROKESHIRE COLLEGE  
 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023  
 STATEMENT OF CHANGES IN RESERVES  
 FOR THE YEAR ENDED 31 JULY 2023

	Income and Expenditure <u>£'000</u>	Capital Reserve <u>£'000</u>	Total unrestricted Reserves <u>£'000</u>
<b>Balance at 1 August 2021</b>	<b>(6,097)</b>	<b>5,198</b>	<b>(899)</b>
Surplus from the income and expenditure account	56	-	56
Other comprehensive income	17,421	-	17,421
Transfers between revaluation and income and expenditure reserves	101	(101)	-
Total comprehensive income for the year	17,578	(101)	17,477
<b>Balance at 31 July 2022</b>	<b>11,481</b>	<b>5,097</b>	<b>16,578</b>
Surplus from the income and expenditure account	1,292	-	1,292
Other comprehensive income	9,852	-	9,852
Transfers between revaluation and income and expenditure reserves	102	(102)	-
Total comprehensive income for the year	11,246	(102)	11,144
<b>Balance at 31 July 2023</b>	<b>22,727</b>	<b>4,995</b>	<b>27,722</b>

PEMBROKESHIRE COLLEGE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023  
BALANCE SHEET  
AS AT YEAR ENDED 31 JULY 2023

	Note	2023 £'000	2022 £'000
<b>Non-current assets</b>			
Tangible fixed assets	<a href="#">11</a>	38,156	34,885
Defined benefit pension asset	<a href="#">18</a>	3,644	-
Total non-current assets		41,800	34,885
<b>Current assets</b>			
Stocks		92	71
Debtors	<a href="#">12</a>	5,013	2,091
Investments	<a href="#">13</a>	3,000	3,000
Cash & cash equivalents		5,240	6,828
Total current assets		13,345	11,990
<b>Creditors - amounts falling due within one year</b>	<a href="#">14</a>	(7,697)	(7,268)
<b>Net current assets</b>		<b>5,648</b>	<b>4,722</b>
<b>Total assets less current liabilities</b>		<b>47,448</b>	<b>39,607</b>
<b>Creditors - amounts falling due after more than one year</b>	<a href="#">15</a>	(19,006)	(16,912)
<b>Less: Provisions for liabilities</b>			
Defined benefit pension obligations	<a href="#">18</a>	-	(5,441)
Other provisions	<a href="#">17</a>	(720)	(676)
<b>Net assets</b>		<b>27,722</b>	<b>16,578</b>
<b>Unrestricted reserves</b>			
Income and expenditure account		22,727	11,481
Capital reserve		4,995	5,097
<b>Total unrestricted reserves</b>		<b>27,722</b>	<b>16,578</b>

The financial statements on pages 60 to 88 were approved by the Corporation Board on 5 December 2023 and were signed on its behalf by:



Iwan Thomas  
Chair



Dr Barry Walters  
Principal



Caroline James  
Director of Resource

PEMBROKESHIRE COLLEGE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023  
STATEMENT OF CASH FLOWS

	<b>2023</b> <b>£'000</b>	<b>2022</b> <b>£'000</b>
<b>Cash flow from operating activities</b>		
Surplus for the year	1,292	56
<b>Adjustments for non-cash items</b>		
Depreciation	1,580	1,337
Release of capital grants	(1,088)	(880)
Increase in stock	(21)	(26)
(Increase) / Decrease in debtors	(1,414)	195
Increase in creditors due within one year	398	1,138
Increase / (Decrease) in provisions	44	(94)
Pension costs less contributions paid	601	1,836
<b>Adjustment for investing or financing activities</b>		
Investment income	(227)	(27)
Interest payable	166	322
Loss on sale of fixed assets	60	108
<b>Net cash flows generated from operating activities</b>	<b>1,391</b>	<b>3,965</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of fixed assets	2	5
Investment income	227	27
Maturity of Cash Deposits	3,000	-
New Deposits	(3,000)	(3,000)
Payments made to acquire fixed assets	(5,033)	(5,754)
Capital grants received	1,825	4,452
<b>Net cash flows used in investing activities</b>	<b>(2,979)</b>	<b>(4,270)</b>
<b>Cash flows from financing activities</b>		
Repayments of amounts borrowed	-	(103)
<b>Net cash flows used in financing activities</b>	<b>-</b>	<b>(103)</b>
<b>Decrease in cash and cash equivalents in the year</b>	<b>(1,588)</b>	<b>(408)</b>
Cash and cash equivalents at beginning of the year	6,828	7,236
Cash and cash equivalents at end of the year	5,240	6,828

PEMBROKESHIRE COLLEGE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023  
NOTES TO THE FINANCIAL STATEMENTS

**1 Statement of Principal Accounting Policies**

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

**Basis of Preparation**

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

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 in accordance with the historical cost convention as modified by the use of previous valuations as deemed cost at transition for certain non-current assets.

**Going concern**

The activities of the College, together with the factors likely to affect its future development and performance are set out in the Principals Report. The financial position of the College, its cash flow, liquidity and borrowings are presented in the financial statements and accompanying notes.

Cashflow forecasts show that the College has sufficient cash resources to fund its future investment plans. The College has access to Welsh Government grants for capital investment purposes on an application and eligibility basis.

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.

Short term investments and Cash holding levels have reduced in FY23 due to significant investment in large capital expenditure projects. Prudent three-year forecasts have been developed which show the College is financially sustainable and will continue to generate operating cash to invest in the College infrastructure.



**PEMBROKESHIRE COLLEGE**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023**  
**NOTES TO THE FINANCIAL STATEMENTS**

**Recognition of Income**

The recurrent grants from Welsh Government (WG) and specific government grants are accounted for under the accrual model as permitted by FRS 102. Recurrent grants are recognised in line with planned activity. Any under-achievement against this planned activity is adjusted in-year and reflected in the level of recurrent grant recognised in the Statement of Comprehensive Income.

The Work Based Learning grant from WG is accounted for under the accrual model as permitted by FRS 102. The income is recognised in line with when delivery took place.

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

Government capital grants are capitalised, held as deferred income and recognised in income over the expected useful life of the asset, under the accrual method as permitted by FRS 102.

Income from tuition fees is stated gross of any expenditure which is not a discount and is recognised in the financial year to which it relates.

Income from contracts and other services rendered is included to the extent of the completion of the contract or service concerned. This is generally equivalent to the sum of the relevant expenditure incurred during the year and any related contributions towards overhead costs.

Income from the sale of goods or services is credited to the Statement of Comprehensive Income when the goods or services are supplied to the external customers or the terms of the contract have been satisfied.

All income from short-term deposits is credited to the income and expenditure account in the financial year in which it is received.

**Accounting for post-employment benefits**

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

**Teachers' Pension Scheme (TPS)**

The TPS is an unfunded scheme. Contributions to the TPS are calculated so as to spread the cost of pensions over employees' working lives with the College in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of valuations using a prospective benefit method.

The TPS is a multi-employer scheme and the College is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as an expense in the Statement of Comprehensive Income in the year during which services rendered by employees.

PEMBROKESHIRE COLLEGE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023  
NOTES TO THE FINANCIAL STATEMENTS

**Local Government Pension Scheme (LGPS)**

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

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

Actuarial gains and losses are recognised immediately in other recognised gains and losses. Where the value of the pension scheme asset is greater than the pension obligation, a pension scheme asset is recognised only where there is certainty around the ability of the College to recover the surplus through reduced contributions in the future.

**Short-term Employment Benefits**

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

**Enhanced Pensions**

The actual cost of any enhanced ongoing pension to a former member of staff is paid by the College annually. An estimate of the expected future cost of any enhancement to the ongoing pension of a former member of staff is charged in full to the College's Income in the year that the member of staff retires. In subsequent years a charge is made to the income statement to reflect any required changes to the provision in the balance sheet.

**Non-current Assets - Tangible Fixed Assets**

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

**Land and Buildings**

Land and buildings inherited from the Local Education Authority are stated in the balance sheet at valuation on the basis of deemed cost. Land and buildings acquired since incorporation are included in the balance sheet at cost. Freehold land is not depreciated. Freehold buildings are depreciated on a straight-line basis over their expected useful lives as follows:

	<b>Years</b>
Buildings	100
Building and major refurbishment projects	66 - 80
Modular buildings	15 - 25
Minor refurbishment projects	10 - 15

PEMBROKESHIRE COLLEGE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023  
NOTES TO THE FINANCIAL STATEMENTS

**Land and Buildings *Cont'd...***

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

On adoption of FRS 102, the College followed the transitional provision to retain the book value of land and buildings, which were re-valued in 1998, but not to adopt a policy of revaluations of these properties in the future.

**Assets Under Construction**

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

**Equipment**

Equipment costing less than £1,000 per individual item or group of related items is recognised as expenditure in the period of acquisition. All other equipment is capitalised at cost.

Equipment is depreciated on a straight-line basis over its estimated useful economic life at the following rates:

Plant and machinery	10 - 25% per annum
Fixtures, fittings and Equipment	10 - 40% per annum

**Capital Reserve**

The value of tangible fixed assets inherited from the Local Education Authority on 1 April 1993 was transferred to the College's Capital Reserve. An amount equal to the depreciation charged on the inherited assets is transferred from the Capital Reserve to the Income and Expenditure Account each year.

**Borrowing Costs**

Borrowing costs which are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised, all other borrowing costs are recognised as expenditure in the period in which they are incurred.

**Leased Assets**

Costs in respect of operating leases are charged on a straight-line basis over the lease term to the Statement of Comprehensive Income and Expenditure.

**Stocks**

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

**Cash and Cash Equivalents**

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

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

PEMBROKESHIRE COLLEGE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023  
NOTES TO THE FINANCIAL STATEMENTS

**Financial Liabilities**

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

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

**Taxation**

The College is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the College is potentially exempt from taxation in respect of income or capital gains received within categories covered by sections 478-488 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The College is partially exempt in respect of Value Added Tax, so that it can only recover an element (circa 4%) of the VAT charged on its inputs. Irrecoverable VAT on inputs is included in expenditure and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

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

**Provisions and Contingent Liabilities**

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

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

**Agency Arrangements**

The College acts as an agent in the collection and payment of Financial Contingency Funds. Related payments received from WG and subsequent disbursements to learners are excluded from the Statement of Comprehensive Income are shown separately in the notes to the financial statements.

# PEMBROKESHIRE COLLEGE

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

### NOTES TO THE FINANCIAL STATEMENTS

#### **Investments in Subsidiaries**

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

The results of Pembrokeshire Apprenticeship Scheme have not been consolidated with those of Pembrokeshire College as the Corporation Board considers that the amounts involved are not material.

#### **Judgements in applying accounting policies and key sources of estimation uncertainty**

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

The College acts as the lead provider in the Work Based Learning Contract. The College subcontracts some of the delivery of this contract to other partner institutions and companies; Pembrokeshire College is contracted directly by the Welsh Government and therefore, this is not considered to be a consortia arrangement. Income is recognised on the basis of the College acting as "Principal". Therefore, and in accordance with the Accounts Direction issued by Welsh Government, the College has recognised income from this contract on a gross basis in these financial statements (see note 2).

Determined 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;

Determined whether there are indicators of impairment of the College's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

#### **Other Key Sources of estimation uncertainty:**

##### **Useful Economic Life of Fixed Assets**

Tangible fixed assets, are depreciated over their useful lives considering 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 considered. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

##### **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. Any changes in these assumptions, which are disclosed in note 18, will impact the carrying amount of the pension liability or asset. 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 pension scheme valuation 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 or asset as at the Balance Sheet date.

PEMBROKESHIRE COLLEGE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023  
NOTES TO THE FINANCIAL STATEMENTS

**2 Funding Body Grants**

	<b>2023</b>	<b>2022</b>
	<b><u>£'000</u></b>	<b><u>£'000</u></b>
Recurrent grant	14,340	12,786
Work Based Learning grant (WBL)	4,494	4,443
Franchised provision - WBL	17,005	18,432
- FE	127	120
Release of deferred capital grants		
- Buildings	448	279
- Equipment	610	570
Specific grants	4,361	4,696
	<b><u>41,385</u></b>	<b><u>41,326</u></b>

The College is a lead in the Work Based Learning contract. All income derived through the contract is shown in these financial statements. The breakdown of monies allocated is as below:

	<b>2023</b>	<b>2022</b>
	<b><u>£'000</u></b>	<b><u>£'000</u></b>
<b>WBL Contract Income</b>	<b>21,499</b>	<b>22,875</b>
Payments to FE partners	(10,451)	(11,052)
Payments to non FE partners	(6,554)	(7,380)
<b>Total Payments to Partners</b>	<b>(17,005)</b>	<b>(18,432)</b>
<b>Pembrokeshire College WBL income as provider and contract lead</b>	<b><u>4,494</u></b>	<b><u>4,443</u></b>

**3 Tuition Fees and Education Contracts**

	<b>2023</b>	<b>2022</b>
	<b><u>£'000</u></b>	<b><u>£'000</u></b>
Further Education		
- Tuition Fees	549	593
- International Students' Fees	152	23
Higher Education (HE) income	101	145
<b>Tuition Fees Total</b>	<b>802</b>	<b>761</b>
Higher Education (HE) Franchised income	158	131
Department of Work and Pensions income	-	34
Other Educational Contracts	216	244
	<b><u>1,176</u></b>	<b><u>1,170</u></b>

PEMBROKESHIRE COLLEGE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023  
NOTES TO THE FINANCIAL STATEMENTS

**4 Other income**

	<b>2023</b>	<b>2022</b>
	<b><u>£'000</u></b>	<b><u>£'000</u></b>
European Funds	129	385
Catering and Residences Operations	80	56
Release of deferred capital grants (non WG)	30	31
College Facilities	178	135
Salary & Other Grants	343	345
Other Income Generating Activity	270	203
	<b><u>1,030</u></b>	<b><u>1,155</u></b>

**5 Investment Income**

	<b>2023</b>	<b>2022</b>
	<b><u>£'000</u></b>	<b><u>£'000</u></b>
Bank Interest receivable	<b><u>227</u></b>	<b><u>27</u></b>

PEMBROKESHIRE COLLEGE  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023  
NOTES TO THE FINANCIAL STATEMENTS

**6 Staff Costs**

The average number (No.) of persons (including senior post holders) employed by the College during the year, also expressed as full-time equivalents (FTE) with the associated staff costs was:

	<b>2023</b>			<b>2022</b>		
	<b><u>No.</u></b>	<b><u>FTE.</u></b>	<b><u>£'000</u></b>	<b><u>No.</u></b>	<b><u>FTE.</u></b>	<b><u>£'000</u></b>
Teaching departments - Teaching staff	245	189	9,478	233	184	8,488
- Other staff	125	97	3,616	133	105	3,530
Teaching support services	48	37	1,204	41	32	976
	<b>418</b>	<b>323</b>	<b>14,298</b>	<b>407</b>	<b>321</b>	<b>12,994</b>
Other support services	18	14	553	16	12	389
Administration and central services	54	42	2,079	51	40	1,854
General education expenditure	5	4	181	6	5	181
Premises	13	10	370	11	9	337
Other income generating activities	9	7	185	8	6	156
<b>Total</b>	<b>517</b>	<b>400</b>	<b>17,666</b>	<b>499</b>	<b>393</b>	<b>15,911</b>
FRS 102 non-cash pension adjustment			601			1,836
Early retirement credit			(55)			(57)
Staff restructuring			14			44
			<b>18,226</b>			<b>17,734</b>

	<b><u>2023</u></b>	<b><u>2022</u></b>
	<b><u>£'000</u></b>	<b><u>£'000</u></b>
Wages and salaries	13,731	12,298
Social security costs	1,327	1,200
Other pension costs (including FRS 102 (28) adjustments)	3,209	4,249
Early retirement credit	(55)	(57)
Staff Restructuring	14	44
<b>Total</b>	<b>18,226</b>	<b>17,734</b>



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**6 Staff Costs *Cont'd***

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Employment costs for staff on permanent contracts	16,606	14,826
Employment costs for staff on short-term and temporary contracts	1,060	1,085
FRS 102 (28) adjustment	601	1,836
Early retirement credit	(55)	(57)
Staff Restructuring	14	44
<b>Total</b>	<b>18,226</b>	<b>17,734</b>

**All Staff**

In line with a nationally agreed award by all Colleges and the joint unions, the College awarded a 6.5% consolidated and a 1.5% unconsolidated cost of living settlement with effect from 1 August 2022.

**7 Key Management Personnel**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College. The key management personnel comprise of the Principal, Assistant Principal Commercial and Client Services and Assistant Principal Vocational Studies.

**Emoluments of Key Management Personnel, Accounting Officer and other higher paid staff**

The number of key management personnel and other staff, stated in Full Time Equivalent (FTE) who received (or would have done, had they been employed by the College for the full year) annual emoluments, excluding pension contributions but including benefits in kind, in the following ranges was:

	<b>Key Management Personnel</b>		<b>Other Staff</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>
£60,001 to £65,000	-	-	1	4
£65,001 to £70,000	-	-	3	1
£70,001 to £75,000	-	-	1	1
£75,001 to £80,000	-	1	1	1
£85,001 to £90,000	1	-	1	-
£90,001 to £95,000	-	1	-	-
£100,001 to £105,000	1	-	-	-
£125,001 to £130,000	-	1	-	-
£135,001 to £140,000	1	-	-	-

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**7 Key Management Personnel** *Con't...*

The emoluments of key management personnel and other higher paid staff above was:

	<b>Key Management Personnel</b>		<b>Other Staff</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Salaries	328,658	299,834	503,467	467,430
Benefits in Kind	-	-	-	-
	<u>328,658</u>	<u>299,834</u>	<u>503,467</u>	<u>467,430</u>
Pension Contributions	69,116	63,138	93,719	84,444
	<u><b>397,774</b></u>	<u><b>362,972</b></u>	<u><b>597,186</b></u>	<u><b>551,874</b></u>

The emoluments paid to the Principal who is the Accounting Officer and who is also the highest paid member of staff are set out below.

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Emoluments of the Principal		
Salary	139,221	128,908
Benefits in Kind	-	-
	<u>139,221</u>	<u>128,908</u>
Pension Contributions	32,967	30,525
	<u><b>172,188</b></u>	<u><b>159,433</b></u>

The Search and Remuneration Committee undertook a benchmarking exercise in order to determine appropriate salaries when they were set. This included comparison with the most recent figures of average salaries of the Accounting Officers within the FE sector in Wales (as reported in financial accounts), taking into account income and Work Based Learning contract holders. Based on this evidence recommendations were made to the Corporation Board that were subsequently approved. Any pay award increase since that point, has been awarded as a cost of living increase and is based on the percentage approved for all staff and so has also been applied to Senior Post Holders including the Accounting Officer. Performance of the Accounting Officer and other Senior Post Holders is reviewed annually through appraisals, setting of objectives and final outcomes.

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**7 Key Management Personnel** *Con't...*

**Relationship of the Accounting Officer's emoluments and that of all other employees**

	<b>2023</b>	<b>2022</b>
Accounting Officer's basic salary divided by the median pay of all other employees	4.8	4.7
Accounting Officer's total emoluments divided by the median pay of all other employees	6.0	5.8

There were no amounts due to key management personnel or higher paid staff that were waived in the year.

The Principal was awarded a Cost of Living increase in line with other Management posts of 6.5% consolidated and a 1.5% unconsolidated effective 1 August 2022. This took the salary from £128,908 to £139,221.

The Assistant Principal Commercial and Client Services and the Assistant Principal Vocational Studies were each awarded a Cost of Living increase in line with other Management posts of 6.5% consolidated and a 1.5% unconsolidated effective 1 August 2022.

The pension contributions of the Principal and key management personnel are in respect of employer's contributions and are paid at the same rate as for other employees.

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

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**8 Other Operating Expenses**

		<b>2023</b>	<b>2022</b>
		<b><u>£'000</u></b>	<b><u>£'000</u></b>
Teaching departments	- Learner Related Expenditure	1,163	1,146
	- Projects Expenditure	352	713
Teaching support services		1,237	1,162
Other support services		303	165
Administration and central services		658	634
Unrecoverable VAT		422	462
General education expenditure		74	62
Premises costs	- Running costs	426	418
	- Maintenance	257	253
	- External Contracts	230	293
	- Rents and Leases	60	84
Planned maintenance and Condition Survey Work		73	98
Other income generating activities		52	12
Catering and residences		55	67
<b>Subtotal before Franchised provision</b>		<b>5,362</b>	<b>5,569</b>
Franchised provision	- FE	127	120
	- WBL	17,005	18,432
		<b>22,494</b>	<b>24,121</b>
		<b><u>22,494</u></b>	<b><u>24,121</u></b>
		<b>2023</b>	<b>2022</b>
		<b><u>£'000</u></b>	<b><u>£'000</u></b>
Other operating expenses include:			
Examination Fees (included in Teaching support services)		545	534
Auditors' remuneration	- external audit	27	25
	- internal audit	21	23
	- other services regulatory	12	5
Operating leases	- plant and machinery	8	8
	- land and buildings	60	84

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**9 Interest and Finance Costs**

	<b>Note</b>	<b>2023 £'000</b>	<b>2022 £'000</b>
Pension finance costs	18	166	322
		<b>166</b>	<b>322</b>

**10 Taxation**

The College is not liable for any corporation tax arising out of its activities during the year due to its charitable status.

**11 Tangible Fixed Assets**

	<b>Freehold Land and Buildings £'000</b>	<b>Plant and Machinery £'000</b>	<b>Fixtures Fittings and Equipment £'000</b>	<b>Assets in the Course of Construction £'000</b>	<b>Total £'000</b>
<b>Cost or valuation</b>					
At 1 August 2022	38,843	881	9,464	5,058	54,246
Additions	1,299	90	981	2,543	4,913
Disposals	(1,666)	(82)	(1,342)	-	(3,090)
Transfer	6,101	-	-	(6,101)	-
<b>At 31 July 2023</b>	<b>44,577</b>	<b>889</b>	<b>9,103</b>	<b>1,500</b>	<b>56,069</b>
<b>Accumulated depreciation</b>					
At 1 August 2022	11,304	750	7,307	-	19,361
Charge for year	851	33	696	-	1,580
Eliminated in respect of disposals	(1,626)	(81)	(1,321)	-	(3,028)
<b>At 31 July 2023</b>	<b>10,529</b>	<b>702</b>	<b>6,682</b>	<b>-</b>	<b>17,913</b>
<b>Net book value at 31 July 2023</b>	<b>34,048</b>	<b>187</b>	<b>2,421</b>	<b>1,500</b>	<b>38,156</b>
<b>At 31 July 2022</b>	<b>27,539</b>	<b>131</b>	<b>2,157</b>	<b>5,058</b>	<b>34,885</b>
Inherited	4,995	-	-	-	4,995
Financed by capital grant	17,363	152	1,724	952	20,191
Other	11,690	35	697	548	12,970
<b>Net book value at 31 July 2023</b>	<b>34,048</b>	<b>187</b>	<b>2,421</b>	<b>1,500</b>	<b>38,156</b>

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**11 Tangible Assets *Cont'd...***

Land and buildings were valued as at 31 January 1994 at their depreciated replacement cost by Chestertons International PLC, Property Consultants. Other tangible fixed assets inherited from the Local Education Authority at incorporation were valued by the College at their estimated depreciated replacement cost.

Land and buildings with a net book value of £4,995,354 (2022: £5,096,474) have been funded from Local Education Authority sources. Should these assets be sold, the College would either have to surrender the sale proceeds to WG or use them in accordance with the financial memorandum of the WG.

**12 Debtors**

	<b>2023</b>	<b>2022</b>
	<b><u>£'000</u></b>	<b><u>£'000</u></b>
Amounts falling due within one year		
Trade debtors	4,612	1,419
Prepayments and accrued income	401	672
	<b><u>5,013</u></b>	<b><u>2,091</u></b>

**13 Investments**

	<b>2023</b>	<b>2022</b>
	<b><u>£'000</u></b>	<b><u>£'000</u></b>
Short term deposits	<b><u>3,000</u></b>	<b><u>3,000</u></b>

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**14 Creditors - Amounts falling due within one year**

	<b>Note</b>	<b>2023 £'000</b>	<b>2022 £'000</b>
Payments received in advance		217	118
Creditors - Trade		213	217
- Capital		802	922
Taxation and social security		481	321
Accruals		1,095	1,325
Other Creditors		2,326	2,004
Deferred revenue grants		1,378	1,327
Deferred capital grants	16	1,185	1,034
		<b>7,697</b>	<b>7,268</b>

**15 Creditors - Amounts falling due after more than one year**

	<b>Note</b>	<b>2023 £'000</b>	<b>2022 £'000</b>
Deferred capital grant	16	19,006	16,912
		<b>19,006</b>	<b>16,912</b>

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**16 Deferred Capital Grants**

	WG Grants		Other Grants		Total
	Land and Buildings	Other	Land and Buildings	Other	
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Balance at 1 August 2022	14,666	2,190	1,066	24	17,946
Grant received	3,050	283	-	-	3,333
Released to Statement of Comprehensive Income	(448)	(610)	(19)	(11)	(1,088)
<b>At 31 July 2023</b>	<b><u>17,268</u></b>	<b><u>1,863</u></b>	<b><u>1,047</u></b>	<b><u>13</u></b>	<b><u>20,191</u></b>

	<b><u>2023</u></b>	<b><u>2022</u></b>
	<b><u>£'000</u></b>	<b><u>£'000</u></b>
In one year or less	1,185	1,034
In one year or more	19,006	16,912
	<b><u>20,191</u></b>	<b><u>17,946</u></b>



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**17 Other Provisions**

	<u>Enhanced</u> <u>Pension</u> <u>£'000</u>	<u>Other</u> <u>£'000</u>	<u>Total</u> <u>£'000</u>
At 1 August 2022	661	15	676
Expenditure for year	(49)	-	(49)
Transferred from Statement of Comprehensive Income	(59)	152	93
<b>At 31 July 2023</b>	<b>553</b>	<b>167</b>	<b>720</b>

The enhanced pension provision relates to future payments in respect of early retirees. This provision has been recalculated in accordance with guidance issued by the funding body. The provision includes £133,482 (2022: £157,521) in respect of early retirement pension payable to former key management personnel.

The principal assumptions for this calculation are:

	<b>2023</b>	<b>2022</b>
Interest rate	5.0%	3.3%
Inflation rate	2.8%	2.9%

The "Other" provision totalling £167k is made up of two components. £58k in relation to Make Good works that the College is obligated to carry out. £109k in relation to a Supreme Court ruling regards the calculation of holiday pay where the College is awaiting further advice prior to settlement.

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**18 Pension and Similar Obligations**

The employees of the College belong to two principal pension schemes, the unfunded Teachers' Pension Scheme (TPS) and the funded Dyfed Local Government Pension Scheme (LGPS). The total pension contribution was £2,612,529 (2022 £2,413,366).

The principal assumptions for this calculation are:

	<b>2023</b>	<b>2022</b>
	<b><u>£'000</u></b>	<b><u>£'000</u></b>
TPS contributions Paid	1,225	1,212
LGPS contributions paid	1,382	1,201
LGPS FRS 102 (28) charge	<u>601</u>	<u>1,836</u>
LGPS total	1,983	3,037
Enhanced Pension charge to the Statement of Comprehensive Income		
TPS	(59)	(60)
LGPS	<u>4</u>	<u>3</u>
Total	(55)	(57)
<b>Total Pension Cost for Year within staff costs</b>	<b><u><u>3,153</u></u></b>	<b><u><u>4,192</u></u></b>

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.

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**18 Pension and Similar Obligations *Con't...***

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 2019, however that valuation report has yet to be published. The valuation report published by the Department for Education in April 2019 was based on the 2016 valuation but is the latest published report we are able to rely on. 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 2016 valuation, employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/19). Any updated employer rates are not yet known

A full copy of the 2016 valuation report and supporting documentation can be found on the Teachers' Pension Scheme website.

The pension costs paid to TPS in the year amounted to £1,225,695 (2022: £1,212,040)

**Local Government Pension Scheme (LGPS)**

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by Dyfed Local Authority. The total contributions made for the year ended 31 July 2023 were £1,848,077 of which employer's contributions totalled £1,386,834 and employees' contributions totalled £461,243. The agreed contribution rates for future years are 19.1% for employers and range from 5.5% to 12.5% for employees, depending on salary.

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**18 Pension and Similar Obligations *Con't...***

**Principal Actuarial Assumptions**

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

	<b>2023</b>	<b>2022</b>
Rate of CPI inflation	2.7%	2.6%
Rate of increase in salaries	4.2%	4.1%
Rate of increase in pensions	2.8%	2.7%
Discount rate	5.1%	3.5%

The assumed life expectations on retirement age 65 are:

	<b>2023</b>	<b>2022</b>
	<b>Years</b>	<b>Years</b>
Retiring Today – Males	21.4	23.0
Retiring Today – Females	23.7	24.9
Retiring in 20 years' time – Males	22.8	24.4
Retiring in 20 years' time – Females	25.5	27.1

The College's share of the assets in the plan at the balance sheet date:

	<b>Value at</b>	<b>Value at</b>
	<b>31 July</b>	<b>31 July</b>
	<b>2023</b>	<b>2022</b>
	<b><u>£'000</u></b>	<b><u>£'000</u></b>
Equities	27,678	25,136
Government Bonds	76	500
Other Bonds	3,218	2,607
Property	4,998	5,642
Other	1,893	1,821
	<b><u>37,863</u></b>	<b><u>35,706</u></b>

The amount included in the balance sheet in respect of the defined benefit pension plan

	<b>2023</b>	<b>2022</b>
	<b><u>£'000</u></b>	<b><u>£'000</u></b>
Fair value of plan assets	37,863	35,706
Present value of plan liabilities	(34,219)	(41,147)
	<b><u>3,644</u></b>	<b><u>(5,441)</u></b>

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**18 Pension and Similar Obligations *Con't...***

The analysis of amounts charged to the Statement of comprehensive income and expenditure is as follows

	<b>2023</b>	<b>2022</b>
	<b><u>£'000</u></b>	<b><u>£'000</u></b>
<b>Charged to staff costs</b>		
Current service costs	(1,963)	(3,015)
Administration expenses	(29)	(26)
<b>Total Charge to staff costs</b>	<b><u>(1,992)</u></b>	<b><u>(3,041)</u></b>
 <b>Charge for net return on pension scheme</b>		
Interest Income	1,271	565
Interest cost	(1,437)	(887)
<b>Net interest charge</b>	<b><u>(166)</u></b>	<b><u>(322)</u></b>
 <b>Credit to other comprehensive income</b>		
Return on pension plan assets	(326)	(883)
Changes in assumptions underlying the present value of plan liabilities	10,178	18,304
<b>Actuarial Gain</b>	<b><u>9,852</u></b>	<b><u>17,421</u></b>
 <b>Total credit to the Income Statement</b>	<b><u>7,694</u></b>	<b><u>14,058</u></b>

Movement in net defined asset/(liability) during the year

	<b>2023</b>	<b>2022</b>
	<b><u>£'000</u></b>	<b><u>£'000</u></b>
Deficit at 1 August	(5,441)	(20,704)
Movement in year:		
Current service cost	(1,963)	(3,015)
Net interest on the defined liability	(166)	(322)
Administration costs	(29)	(26)
Employer contributions	1,391	1,205
Actuarial gain	9,852	17,421
 <b>Net defined asset/(liability) at 31 July</b>	<b><u>3,644</u></b>	<b><u>(5,441)</u></b>

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**18 Pension and Similar Obligations *Con't...***

**Asset and liability reconciliation**

Changes in the present value of defined benefit obligations

	<b>2023</b> <b>£'000</b>	<b>2022</b> <b>£'000</b>
Defined benefit obligations at start of financial year	(41,147)	(55,314)
Current service cost	(1,963)	(3,015)
Interest cost	(1,437)	(887)
Contribution by scheme participants	(461)	(397)
Changes in financial assumptions	10,178	18,304
Benefits paid	611	162
<b>Defined benefit liability at 31 July</b>	<b>(34,219)</b>	<b>(41,147)</b>

Changes in fair value of plan assets

	<b>2023</b> <b>£'000</b>	<b>2022</b> <b>£'000</b>
Fair value of plan assets at start of year	35,706	34,610
Return on plan assets	1,271	565
Remeasurements	(326)	(883)
Administration costs	(29)	(26)
Employer contributions	1,391	1,205
Contributions by scheme participants	461	397
Benefits paid	(611)	(162)
<b>Fair value of plan assets at 31 July</b>	<b>37,863</b>	<b>35,706</b>

**19 Capital Expenditure**

	<b>2023</b> <b>£'000</b>	<b>2022</b> <b>£'000</b>
Purchase of tangible fixed assets	(5,033)	(5,754)
Proceeds from sale of tangible fixed assets	2	5
Capital grants received	1,825	4,452
<b>Net cash outflow from capital expenditure</b>	<b>(3,206)</b>	<b>(1,297)</b>

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**20 Analysis of Changes in Net Funds**

	At 1 August 2022 <u>£'000</u>	Cash flow <u>£'000</u>	Non-cash Movement <u>£'000</u>	At 31 July 2023 <u>£'000</u>
Cash at bank and in hand	6,828	(1,588)	-	5,240
Cash deposit investments	3,000	-	-	3,000
<b>Net funds</b>	<b>9,828</b>	<b>(1,588)</b>	<b>-</b>	<b>8,240</b>

**21 Capital Commitments**

	2023 <u>£'000</u>	2022 <u>£'000</u>
Capital expenditure contracted for at 31 July not provided for in the Financial statements.	789	981

**22 Financial Commitments**

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

	2023 <u>£'000</u>	2022 <u>£'000</u>
Expiring less than one year	36	69
Expiring between two and five years inclusive	116	106
Expiring in more than five years	444	527
	<b>596</b>	<b>702</b>

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

**23 Related Party Transactions**

The College entered into the following transactions with organisations in which a member of the Board of Governors had an interest:

Details of related party	Sales to related party		Purchases from related party		Balances (owed to)/ owed by at year end	
	2023	2022	2023	2022	2023	2022
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Pembrokeshire County Council	383	513	909	562	56	284

**24 Financial Contingency Fund**

The College acts as agent in the administration of learner support funds which are available solely for learners. The grants and related disbursements are excluded from the Statement of Comprehensive Income.

	<b>2023</b>	<b>2022</b>
	<u>£'000</u>	<u>£'000</u>
Brought Forward 1 August	10	41
Received from WG	310	245
	<hr/>	<hr/>
	320	286
Disbursed to Learners	(297)	(276)
	<hr/>	<hr/>
<b>Balance unspent</b>	<b><u>23</u></b>	<b><u>10</u></b>
<b>Summary of balance unspent at 31 July</b>		
Retained for following year	23	10
	<hr/>	<hr/>
<b>Balance unspent</b>	<b><u>23</u></b>	<b><u>10</u></b>