

DATGANIADAU ARIANNOL COLEG SIR BENFRO

BLWYDDYN YN GORFFEN 31 GORFFENNAF 2024

PEMBROKESHIRE COLLEGE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2024



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 2024

CONTENTS

Principal's Report	3
Introduction and Overview	3
Section 1: Develop Highly Skilled, Creative and Successful Individuals.....	6
Section 2: Deliver Excellent, Inspiring and Relevant Learning and Teaching enabling Pembrokeshire's Learners to Progress to Higher Levels of Learning or Employment	14
Section 3: Contribute to the South West Region and Economy by Investing in Skills and Communities	20
Section 4: Ensure Long Term Financial Stability	22
Section 5: Provide an Environment for Learners that is Inclusive, Sustainable and Safe	27
Section 6: Deliver First Class Governance and Management.....	31
Section 7: Be a College that Values and Invests in all its Staff	32
Section 8: Future Prospects	35
Report of the Corporation Board.....	38
Statement of Corporate Governance and Internal Control.....	46
Members of the Corporation Board.....	53
Statement of Regularity, Propriety and Compliance	55
Independent Auditors Report to the Corporation of Pembrokeshire College.....	57
Statement of Comprehensive Income	60
Statement of Changes in Reserves	61
Balance Sheet	62
Statement of Cash Flows.....	63
Notes to the Financial Statements.....	64

PEMBROKESHIRE COLLEGE

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

PRINCIPAL'S REPORT

Introduction and Overview

I am delighted to present my report on the performance of the College, during the year ended 31 July 2024 (hereinafter referred to as FY24).

By way of 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 Strategic Plan for the period 2023-2028 during which period the College aims to:

Our Strategic Goals



PEMBROKESHIRE COLLEGE

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

PRINCIPAL'S REPORT

Introduction and Overview *Continued...*

The strategic goals outlined above reflect the College's vision, values, and ethos. These goals will be pursued through a series of aims, some short-term and others more long-term.

Pembrokeshire College's Strategic Plan for 2023-2028 sets out an ambitious vision for our development over the next five years. Our primary focus remains on delivering high-quality education and training to best prepare learners for the workforce or for further academic study.

The duration of this Strategic Plan will be marked by change, challenges, and opportunities, influenced by both internal and external factors, and ongoing financial pressures that impact the College and society more widely. Pembrokeshire faces significant demographic challenges and skills shortages, alongside new industries to benefit from, which include opportunities arising from the successful Celtic Freeport bid and new Renewable Energy and Carbon Net Zero initiatives in the Haven area. The College is well-positioned to address these challenges and seize these opportunities.

Over the previous Strategic Plan period, the College's reputation has grown locally, regionally, and nationally, as demonstrated by the increase in full-time enrolments and apprenticeships. The College now leads an Apprenticeship and Jobs Growth Wales Plus (JGW+) Consortium, managing a contract worth £24 million.

We remain committed to collaborating with the Welsh Government and our partners, particularly Pembrokeshire County Council and local schools, to ensure that learners in the county have access to a diverse 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 acknowledges the significance of its relationships with stakeholders and is dedicated to maintaining strong lines of communication 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 strive to provide the highest quality education, training, and support services, empowering all our learners to reach their full potential. In delivering education and training, the College plays a vital role in Pembrokeshire, the South West region, and Wales by enhancing our learners' skills, which contribute to the success of local employers and the broader local economy. The College serves approximately 13,000 learners, the majority of whom pursue vocational studies, whether at the College, on-site at their workplaces, or through our B-wbl Consortium arrangements.

PEMBROKESHIRE COLLEGE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024
PRINCIPAL'S REPORT

The College collaborates with various stakeholders to implement its strategy and deliver a wide range of activities, including basic skills training (literacy, numeracy, and digital skills), vocational studies (both at the College and in the workplace), as well as A levels and higher-level degrees and diplomas.

The College's success is largely attributed to the support and collaboration it receives. I want to extend my sincere gratitude to all College stakeholders and our exceptional business support and academic staff, whose commitment and dedication ensure that our learners have the best possible experience at Pembrokeshire College.

I would also like to take this opportunity to sincerely thank the Chair of the Corporation Board and all members of the Governing Body for their unwavering support and guidance over the past academic year. The College is truly fortunate to have such a dedicated staff team and governing body, and I appreciate their contributions to the ongoing success of the College.

PEMBROKESHIRE COLLEGE

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

PRINCIPAL'S REPORT

1. Develop Highly Skilled, Creative and Successful Individuals.

The ongoing challenges post pandemic have continued to impact Pembrokeshire College in FY24 as they have done across the entire education sector, both in terms of learner expectations and performance.

Since the opening of the College's A level Campus6 facility by the Cabinet Secretary for Education in October 2017 a further £20m has been invested in state-of-the art facilities and refurbishment projects which have been 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 summer 2024 this envelope increased to £14million, 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 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. At the same time, a further £3million has been invested in a phased window replacement scheme significantly improving the College's energy efficiency.

During the summer of 2023, the College completed a comprehensive refurbishment and expansion of its plumbing, electrical, and brickwork facilities. This project provided essential upgrades and modernized workspaces, enabling the College to deliver the latest Construction qualifications. By incorporating state-of-the-art equipment and expanded training areas, the refurbishment allows students to work in industry-standard environments, equipping them with practical skills that meet the demands of today's construction sector.

Over the past two years, the College has also invested in 380kW of solar photovoltaic panels, significantly reducing its reliance on external energy sources. This investment not only supports the College's commitment to sustainability but also contributes to a substantial decrease in its carbon footprint. By harnessing clean, renewable solar energy, the College is taking proactive steps toward a greener future while setting an example of environmental responsibility for learners and the broader community.

Nearly 60 guests from industry, agencies, other colleges and board members attended the launch of the SHELL supported process controls simulation suite which became fully operational in June 2024. This unique facility provides a state-of-the-art Control Room training suite which enables training in control systems for a wide range of sectors including: Offshore Floating Wind; Hydrogen; Solar PV; Tidal/Marine and Hydrocarbons. Amongst the guests for the formal launch were Anthony Harte, Head of Social Impact for Shell U.K. along with our local Members of the Senedd, Paul Davies and Samuel Kurtz. Simon Ames, Managing Director at Dragon LNG, which is partially owned by Shell, delivered an address and Kelly Williams, a Dragon LNG apprentice currently studying at the College, shared her valuable experience as an Engineering apprentice.

PEMBROKESHIRE COLLEGE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024
PRINCIPAL'S REPORT



The College has recently had its Strategic Outline Plan for development of the campus over the next nine years approved by Welsh Government and is now working with architects to develop an associated estates master plan.

PEMBROKESHIRE COLLEGE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024
PRINCIPAL'S REPORT

Develop Highly Skilled, Creative and Successful Individuals *Continued...*

The table below shows full time further education learners have increased by 5% from FY23 to FY24 but over the five-year period that growth increases to 7%. Part time numbers have increased by 2% and due to the mix of part time provision the College delivered, 108% of part time funding was utilised which is pleasing to note.

FE Learner Numbers	FY20	FY21	FY22	FY23	FY24
Full-time	1,781	1,828	1,802	1,803	1,900
Part-time	3,306	3,206	3,942	3,666	3,745
Total Learners	5,087	5,034	5,744	5,469	5,645

During FY24, the College saw a 15% increase in its work-based learning numbers. Employability programme numbers climbed to 91 during FY24 having diminished in the two preceding years. This trajectory is expected to continue with numbers already looking strong for FY25.

WBL Learner Numbers	FY20	FY21	FY22	FY23	FY24
Apprentices	705	779	851	913	1029
Employability Programmes	210	167	64	60	91
Total Learners	915	946	915	973	1,120

The College no longer offers Higher Education FT courses following declining numbers to a level where it was no longer viable to do so. Part time numbers have remained absolutely static year on year, having grown 34% over the five year period shown.

HE Learner Numbers	FY20	FY21	FY22	FY23	FY24
Full-time	43	26	13	-	-
Part-time	85	74	96	114	114
Total Learners	128	100	109	114	114

Further Education

At the heart of the College's mission is further education. We are continuously enhancing our offerings to meet the needs of employers and industry, with a particular focus on providing learning opportunities for 16 to 19 year-olds. The majority of the county's 16-year-olds choose to attend the College for further education or training, while some remain in school to pursue A levels.

In FY24, the number of full-time learners increased to 1,900, compared to 1,803 in FY23. This relative stability reflects a broader trend within the further education sector, influenced in part by changes in how GCSE grades were awarded post-COVID. Many learners achieved Grade C or above in six or more subjects, making it more likely for them to stay in school. However, we anticipate an increase in enrolment in the coming years, aligned with demographic trends and a return to pre-COVID grading standards. Level 3 provision, including A levels and vocational equivalent Extended Diplomas, now comprises 56% of our overall delivery, highlighting Welsh Government priorities for enhancing higher-level skills.

PEMBROKESHIRE COLLEGE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024
PRINCIPAL'S REPORT

Further Education *Continued*...

Pembrokeshire College remains committed to the development of post-19 skills and whilst we had seen a decline in enrolments in recent years, this is now stabilising. FY24 saw the College deliver on its part-time funding allocation, achieving 108%, 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 discrete funding mechanism through Personal Learning Accounts has been helpful with the College delivering its full allocation in FY24.

PEMBROKESHIRE COLLEGE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024
PRINCIPAL'S REPORT
Learner Achievements

*HC – Highly Commended

Worldskills UK - Medal Winners and Finalists		
Beauty Therapist	Kaya Mujica	Silver
	Erin Owens	Bronze
Beauty Therapy Practitioner	Carlie-Jayne Dutton	Silver
Foundation Health & Social Care	George Scully	Gold
	Daniel Lock	Silver
Foundation Horticulture	Anthony Davies	Silver
	Oliver Mathias	Finalist
	Jack Evans	
Foundation IT Software	Emily Sinnott	Bronze
	Declan Morrissey	Finalist
	Sion Duncan	
Plumbing	Tomos Evans	Bronze
Restaurant Service	Elena Philipps-Waring	Finalist
	Grace Young	*HC
Welding	Jordan Palmer	Finalist

Skills Competition Wales – Medal Winners		
Inclusive Skills Horticulture	Ross Muller	Gold
Beauty Therapy Practitioner	Erin Owens	Gold
Inclusive Skills: Life Skills	Emma Wilkinson	Gold
Personal Trainer	Ffion Mabey	Silver
Beauty Therapy Practitioner	Kaya Majica	Silver
Welding	Luke Roberts	Silver
Patisserie & Confectionery	Cerys Rogers	Silver
Popular Music	"SLAK":	Silver
	Tom Jenkins	
	Drew John	
	Jak Matera-Byford	
	Reuben Swindlehurst	
Renewable Energy	Connor Johnson	Silver
	Logan Russ	
Electrical Installation	Luke Gibbons	Bronze
Child Care	Celyn Lewis	Bronze
Beauty Therapist	Mia Parkin	Bronze
Ecolab Excellence in Hygiene	Leo Luke	

Miscellaneous	Winners & Finalists
National Schools Equestrian Association Finals	Sophie Jamieson, Emily Locke
International Media Festival of Wales	Jac Davies, Smartphone Film
	Penda Mickish, Digital Art
	Tomos Bowie & Ellis White, Music Video
	Zac Thomas, Animation
British Biology Olympiad	Jack Springer, Louis Chadd, Lea Alford
Intermediate Biology Olympiad	Mari Owen, Archie Davies, Casey Dinsdale, Tiffany Kaur Dhammu, Nyah Elliott, Thomas Absalom
World Young Chef, Young Waiter Competition	Sam Everton, 'Best Young Chef' in Wales
Royal Opera House Design Challenge	Phoebe-Lily Williams
ECI Scholar of the Year	Jordan Palmer
MEI Maths Challenge	Shannon Fellows, Ruby Phillips-Poupard, Christian Garlick, Eben Sky, Mikey Powell, Cy Gray, Ffion Hobbs, Eomer Cozier-Coombs, Cariad Bateman, William Davies, Iestyn Harries
Duke of Edinburgh Award	Seb Landais, Anderson Phalp

Eisteddfod		
Creating an App (Under 19s)	Evie Canny	Gold
	Felix Austwick	Silver
	Ben Hall	Bronze
Creating an App (Under 25s)	Charlie Jones	Gold
	Aaron Parr	Silver
	Meg McLeod	Bronze
Childcare (Under 19s)	Abi Strand	Silver
	Catrin Styles	
	Charlotte Barrett	Bronze
Childcare (Under 25s)	Krista Ivanova	Gold
	Carys Neilson	
Art, Design and Technology	Saffron Lewis	Gold
Photography Black & White	Isabelle Scale	Gold
Photography Series Black & White	Mili Hughes	Gold
Harp (Under 19s)	Eliza Bradbury	Gold
Photography Colour	Taloula Rock	Gold
Creating Textiles	Saffron Lewis	Gold
Solo (Under 19s)	Cerys Witchell	Silver
Young Artist Scholarship	Amy Lee Miles	Silver
Fashion	Rose Richards	Bronze
3D Artwork	Nina Schmidt	Bronze

Sports Achievements	
International Gold Medal in Karate & Kickboxing	Jack Springer
Disability Sport Award	Bleddyn Gibbs
Junior Disability Sport Award	Saskia Webb
Lifetime Achievement Award	Heather Warner
Mencap Home Nations Football	Brett Piggot
	Leon Davies
Welsh Colleges Men's Football	Dan John
	Harri John
	Seth Woodhouse
Welsh Street Football	Cerys Phillips
	Freya Marshall

PEMBROKESHIRE COLLEGE

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

PRINCIPAL'S REPORT

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.

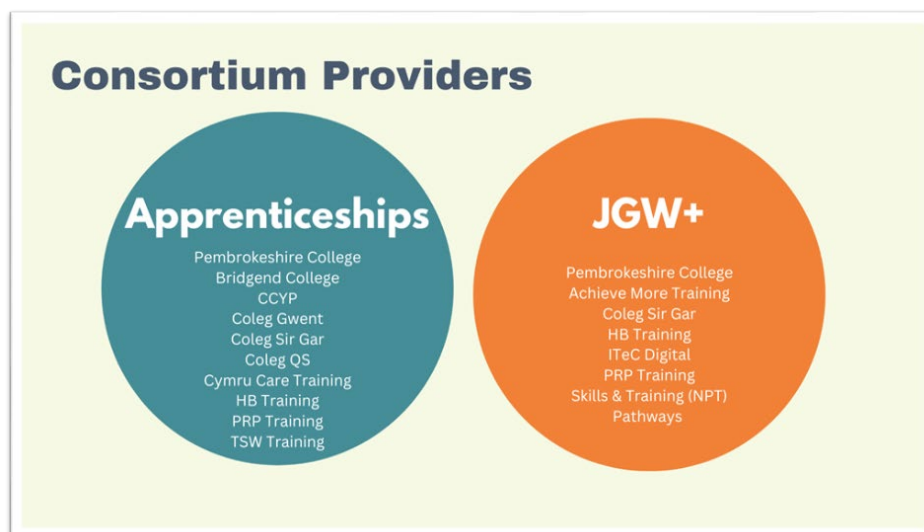
Jobs Growth Wales Plus Youth Programme (JGW+ Programme) delivers consolidated training, development and employability support to 16–19-year-olds who are assessed as NEET (Not in Education, Employment or Training). It supports delivery of the Welsh Government's strategic priorities to tackle the consequences 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 fifteen 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 £26.5 million.

In June 2024, B-wbl held its annual conference and second awards ceremony to celebrate our JGW+ and Apprenticeship learners. The awards held at the Towers Hotel Swansea celebrated success across nine categories and the conference held at the Parc Y Scarlets, Llanelli, saw 100 practitioners from across our provider network come together for an event focused on wellbeing.

PEMBROKESHIRE COLLEGE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024
PRINCIPAL'S REPORT

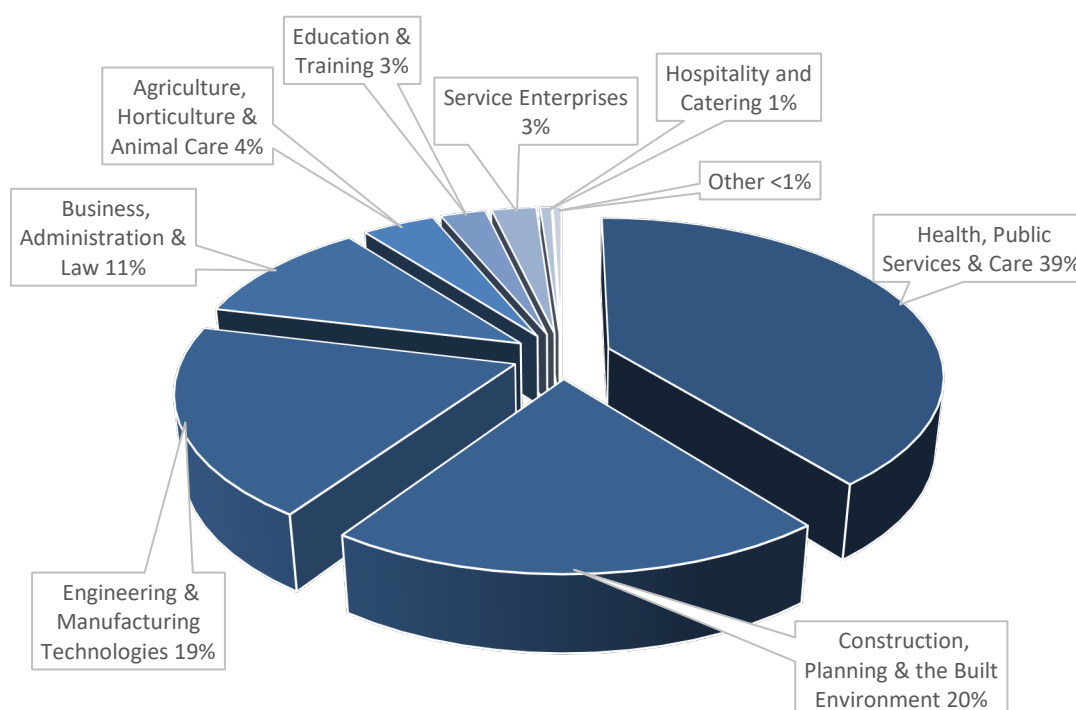


Delivery Volume Compared to the Network FY24

The total apprenticeships contract value across all the contract holders for FY24 was £156m (B-wbl £24m, is the second largest provider) and JGW+ £29m (B-wbl £2.5m).

The Consortium delivers across a range of routes with Health, Public Services and Care sector (39%) being the largest, followed by Construction, Planning & the Built Environment (20%), Engineering & Manufacturing Technologies (19%).

Apprenticeship Starts by Sector 2023/24



PEMBROKESHIRE COLLEGE

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

PRINCIPAL'S REPORT

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.

Curriculum changes have been undertaken to align the HNC Mechanical Engineering to the Degree Apprenticeship at the University of Wales Trinity St. David. This model has enabled 4 learners to infill with the existing HNC classes before moving over to the university to complete their level 5 and 6 study. This is a model that is being explored with Electrical Electronic Engineering, Computing and Construction Management.

Other curriculum being considered as part of the planned Offshore Floating Wind and Celtic Free Port include Project Management, Renewable Energy and Coastal and Marine Environment Studies.

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.

The development of the University of Wales Technical Institutes has been placed on hold pending the review of the provision by the University's Pro Vice Chancellor.

PEMBROKESHIRE COLLEGE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024
PRINCIPAL'S REPORT

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

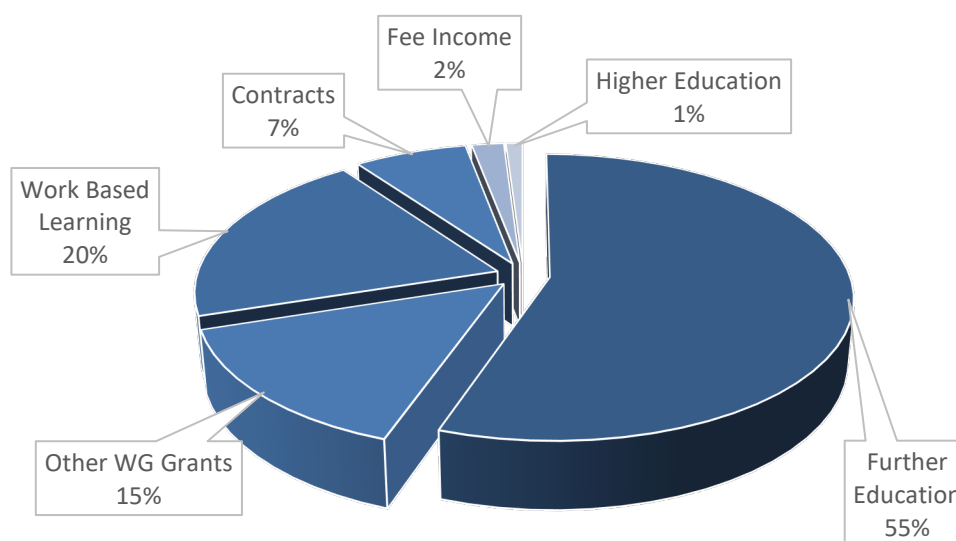
The performance of a college is reflected in the success of its learner outcomes. In this respect whilst FY24 has been a challenging year, there have been a number of significant successes for vocational and academic route learners with 184 learners being accepted to go on and study at University.

A Level results for FY24 are confirmed and the College is pleased to record a 98% overall pass rate in line with the Welsh National Comparator (NC). The A*-C success rate is 78% which is marginally above the NC.

Work Based Learning (WBL) results for both the College and its B-wbl Consortium are yet to be finalised but results are strong. In FY23 apprenticeship outcomes in the College were 81% and will likely be similar for FY24.

The principal areas of the College's activities relate to further education – vocational and academic courses - and work-based learning (together 75% of our activities), as shown in the chart below:

Nature of Provision (by income stream)



PEMBROKESHIRE COLLEGE

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

PRINCIPAL'S REPORT

Further Education Results

The College provides courses for full-time learners, mainly 16-19 years of age, and part-time learners.

Vocational Outcomes

The table below shows the projected vocational pass rates for FY24 compared to the previous year and the most recent national comparator (NC).

Level	2022/23 Actual	2023/24 Projected	2022/23 NC
One	71%	75%	77%
Two	70%	72%	76%
Three	77%	71%	79%

A-level Results

A level results for FY24 are confirmed with A* to A pass rate at 26%, A* to C pass rate at 78% and A* to E at 98%. The table below shows the trend over the last four years with grades awarded as Centre Determined Grades during the pandemic. Value added outcomes show that the College is supporting A level learners to achieve better results than indicated by their GCSE grade profile.

A Level Grades	2020/21	2021/22	2022/23	2023/24	2023/24 NC
A*/A	41%	38%	31%	26%	30%
A*-C	85%	88%	76%	78%	77%
A*-E	95%	99%	97%	98%	97%

Work Based Learning: Apprentices and Trainees

For the Pembrokeshire College led B-wbl Consortium, FY24 success rates are projected to be 80% and for Pembrokeshire College as an individual provider, framework success rates for FY24 are predicted to be 81%.

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 three A-levels and in FY24, 184 learners accepted places at Higher Education institutions, of which 85 (48%) were A level learners and 99 (52%) 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.

PEMBROKESHIRE COLLEGE

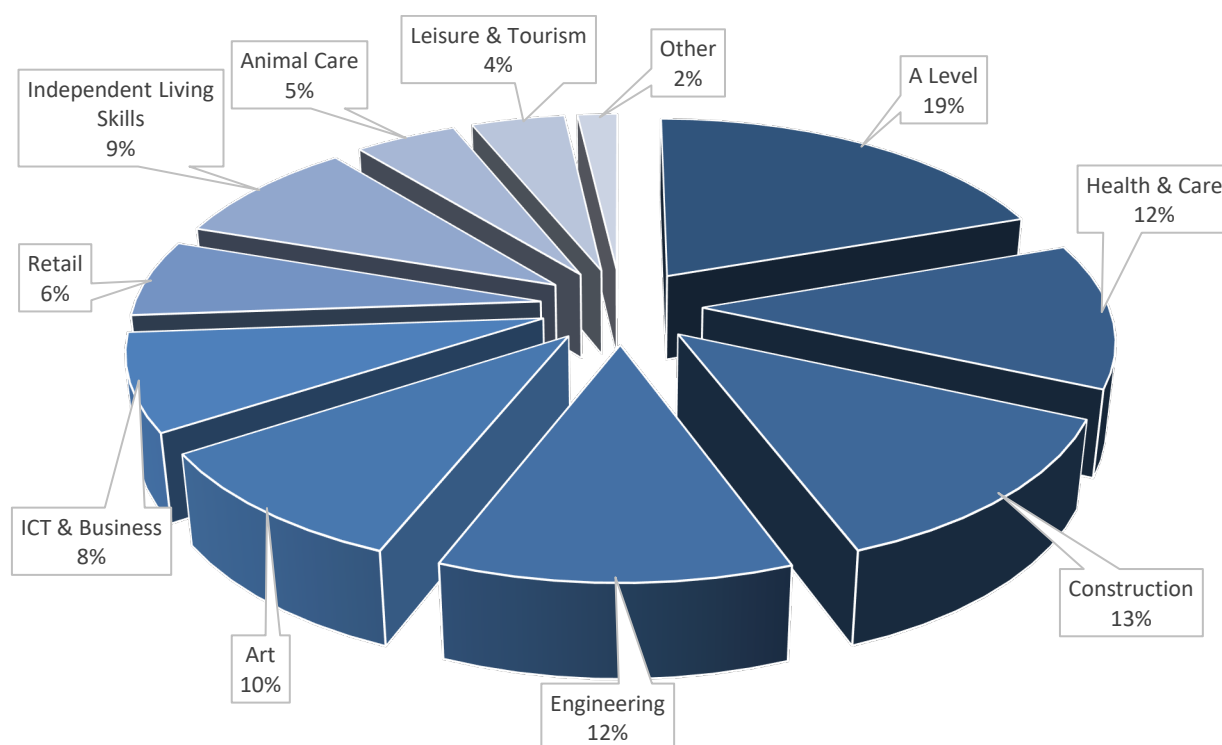
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

PRINCIPAL'S REPORT

Skills

The College provides vocational provision in all sector subject areas enabling learners in Pembrokeshire to access 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.

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 a consistent and reliable approach to initial and diagnostic assessment, Individual Learning Plan (ILP) and learning materials from Entry to Level 3. 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 in both GCSE subjects, 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 work towards re-sitting these qualifications. Learners with a D grade are timetabled into a one-year GCSE re-sit programme. Learners with an E grade or below in GCSE English Language are timetabled into a pre-GCSE programme. Learners with an E or F grade in GCSE Mathematics are timetabled into a GCSE Foundation Tier programme and learners with a G grade or below in GCSE Mathematics are timetabled into a pre-GCSE Mathematics programme.

In 2023/2024, we worked with 723 learners across the two GCSE re-sit programmes. Of the 216 entered into the GCSE English Language re-sit, 32% achieved an A*-C (compared to the National Comparator 23.6%). For Mathematics, 236 learners were entered with 16% achieving an A*-C grade (compared to the National Comparator 21.3%).

PEMBROKESHIRE COLLEGE

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

PRINCIPAL'S REPORT

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 2024, 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 remains committed to Y Coleg Cymraeg Cenedlaethol's Strategic Plan 2020-2025, ensuring that learners and staff embrace bilingualism and recognise the value of bilingual skills in the workplace and the opportunities that the Welsh language provides for employment in Wales.

With continued support from Y Coleg Cymraeg Cenedlaethol funding, the College has deployed Bilingual Support Tutors in the priority areas of Health, Childcare, Public Services, Animal Care and Sport. This year, Business and the Creative Industries have also been added to the priority areas. The Bilingual Support Tutor 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 and develop an appreciation of bilingualism in both a vocational and cultural context.

In the FY24 academic year, the Welsh language was fully integrated into the timetables of all learners in the priority areas. Bilingual Support Tutors delivered weekly 'Cymru Fodern' sessions to 391 learners, embedding Welsh language and cultural elements into their main qualifications. These sessions helped foster a positive awareness of Welsh language and culture while developing the learners' Welsh language workplace skills. Elements of the 'Cymru Fodern' programme were also delivered to the non-priority areas of Engineering and ICT, Construction and Hair & Beauty through the Tutorial Programme. Learners either completed the Prentis-laith e-module or participated in Welsh language and culture activities. Apprentices were also set Welsh language development targets, with several fluent Welsh-speaking apprentices completing elements of their main qualification in Welsh. In total, 796 learner tasks or assessments were completed using varying amounts of Welsh – 648 included small amounts of Welsh (B3), 76 included an increased amount of Welsh (B2) and 72 completed either in Welsh (C1) or bilingually (B1).

The College celebrated a number of learner successes in FY24, including:

- Increased participation in the 2024 National Urdd Eisteddfod, where learners competed in a variety of categories such as photography, fashion, creating an app, and childcare artwork, winning 9 gold, 5 silver, and 5 bronze medals. A Level 3 Sustainable Design learner won the prestigious Art, Design, and Technology Medal. The College's contributions helped place Pembrokeshire third in the national Gold Medals table.
- An NHS apprentice won the Coleg Cymraeg Cenedlaethol Apprentice of the Year Award for completing her studies bilingually and using Welsh on the hospital ward.

The College enhanced its collaboration with Menter Iaith Sir Benfro, resulting in a wider range of Welsh language and cultural events throughout the year. Highlights included folk dancing, music workshops, and themed celebrations such as Diwrnod Shwmae, Diwrnod Santes Dwyynwen, Dydd Miwsig Cymru, and a College Eisteddfod with the crowning of the artist and chairing of the bard.

The College's partnership working with Ysgol Caer Elen expanded in the FY24 academic year, adding Welsh-medium Food and Nutrition to the provision, alongside Engineering.

PEMBROKESHIRE COLLEGE

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

PRINCIPAL'S REPORT

Welsh Language and Culture *continued...*

Staff development continued through the Cymraeg Gwaith national scheme, with 37 staff members signing up for weekly one-to-one mentoring sessions, a notable increase from last year's 28. Staff also engaged in training provided by Sgiliaith and Y Coleg Cymraeg Cenedlaethol, aimed at embedding bilingualism in the classroom. The College's Welsh Language Development Team also played a key role in supporting staff to increase Welsh-medium provision and create more opportunities for learners.

It has been confirmed that Y Coleg Cymraeg Cenedlaethol funding will continue into 2024/25, with Construction being added as a new priority area. This investment will enable the College to expand its Welsh-medium and bilingual provision across existing and new curriculum areas, while also supporting the College's broader strategy to increase the number of learners studying bilingually or through the medium of Welsh. The College remains committed to the Welsh Government and Y Coleg Cymraeg Cenedlaethol's Cymraeg 2050 strategies and action plans, and will use this funding as an opportunity to explore more sustainable ways of embedding Welsh-medium and bilingual delivery in the event of possible reduced funding in the future.

Digital Learning

The College is strategically embedding digital learning methods into curriculum delivery to enhance learning, teaching, and assessment as part of its Digital 2030 strategy. This includes investing in digital technology hardware to ensure that classroom and workshop settings are equipped for digital operation. The College's dedicated Digital Innovation Team collaborates with teaching teams to support the use of digital tools and technologies in the learning environment, encouraging staff to develop their digital skills and enrich their teaching sessions. Ongoing investments in equipment, including Promethean whiteboards, software, tools, and staff training, will be essential to achieving the College's Digital 2030 ambitions. In February, the College hosted its annual "Digifest," a well-received, all staff training day. During the event, 20 teaching staff delivered training sessions on a range of digital tools and technologies, helping peers effectively integrate technology into their lessons.

Learner Wellbeing and Safeguarding

The College continues to focus on improving all aspects of safeguarding, care, wellbeing, resilience and support for learners. During FY24, significant emphasis has remained on the Safeguarding and Wellbeing agenda, raising awareness of and protecting learners from newly identified risks and matters pertaining to Peer on Peer abuse and Prevent. Our safeguarding team has continued to fulfil a pivotal role, especially with our 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 pivotal 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 continued its journey to become a trauma informed College and has implemented TRACE training for staff. The College has also established a Financial Wellbeing Strategic Group to inform policy and ideas for support for learners and staff and was pleased to host the Pembrokeshire Poverty Summit on behalf of Pembrokeshire County Council, sponsored by Milford Haven Port Authority. This is to ensure that we were proactive in supporting staff and learners through all means possible as we lived through a cost of living crisis which brought financial hardship for many. The work of the College alongside our multi-agency partners continues and the College has made significant pledges for 2024/25 in this regard.

PEMBROKESHIRE COLLEGE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024
PRINCIPAL'S REPORT

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.

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 ongoing 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
Key Question 1 – Outcomes	Good
1.1 Standards	Good
1.2 Wellbeing	Good
Key Question 2 – Provision	Good
2.1 Learning Experiences	Good
2.2 Teaching or Training	Good
2.3 Care, Support and Guidance	Excellent
2.4 Learning Environment	Excellent
Key Question 3 – Leadership and Management	Excellent
3.1 Leadership	Excellent
3.2 Improving Quality	Good
3.3 Partnership Working	Excellent
3.4 Resource Management	Good

PEMBROKESHIRE COLLEGE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024
PRINCIPAL'S REPORT

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.

Throughout 2023/24, the College continued to deliver 14-16 pathways for school pupils from Ysgol Caer Elen, Ysgol Harri Tudur and Milford Haven schools, with a focus on Engineering and Construction. These programmes were supported by the Swansea Bay City Deal Skills and Talent Fund, with the aim of broadening opportunities and enhancing learning pathways.

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's net zero economy, generating over 16,000 new, green jobs and up to £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 participates in the Pembrokeshire Public Services Board seeking to contribute to the improvement in well-being across Pembrokeshire and support of the Well-being of Future Generations (Wales) Act 2015. The College is also 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.

As a College we remain committed to supporting our local community. We 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 encourages 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.

PEMBROKESHIRE COLLEGE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024
PRINCIPAL'S REPORT

Employer Engagement

The College Employer Engagement Strategy focuses on how our curriculum can train employees of the future and how our part-time delivery can assist current employees.

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 its Personal Learning Accounts (WG Funding) and apprenticeship programme. 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 Employability Coaches, Work Experience Officers and an Enterprise Champion who work together to equip learners with the tools needed to find part-time employment during their studies and full-time employment, or self-employment, upon completion of their course. Throughout 2023/24 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 over 1,800 full-time students. The team worked directly with learners in classroom visits and 1-2-1 appointments to assist them with communication skills, job searches, CV preparation and interview techniques, to ensure that learners had a clear understanding of the job market and were matched to the opportunities that were most suitable to them.

PEMBROKESHIRE COLLEGE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024
PRINCIPAL'S REPORT

4. Ensure Long term Financial Stability

The College's financial performance during FY24 is once again strong and, although a downturn on the prior year's performance, it remains a significant factor in the Colleges overall success. 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) increased by £400k after accounting for significant capital investment of £2.5m in the year, £1.3m 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, even during challenging times.

The Welsh Government has shown strong support for the further education sector by allocating multiple additional funding streams, enabling us to effectively respond to the various challenges faced by Colleges in Wales.

The College operates several commercial areas most of which have suffered reduced activity post Covid. Most of these areas are now in some form of recovery although not all are financially viable. College Management took the difficult decision to close its Nursery provision in June 2024 due to decreasing numbers of children coming through and rising costs. Many of its users were not College learners; it therefore became increasingly difficult to justify it as an ongoing facility and for it to 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 31/07/2023	Actual 31/07/2024
Earnings before interest, tax, depreciation and amortisation (EBITDA) (£'000)	£2,343	£1,791
EBITDA as % total income	5.35%	3.77%
EBITDA as % total income (exc Franchised Provision)	8.78%	6.48%
Surplus after other gains and losses (£'000)	£1,292	£1,853
Surplus after other gains and losses as % total income	2.95%	3.90%
Surplus before non cash pension charge (£'000)	£2,059	£1,458
Unrestricted reserves without defined benefit pension provision (£'000)	£19,083	£20,642
Unrestricted reserves with defined benefit pension provision (£'000)	£22,727	£20,642
Days net liquid assets to total expenditure	45	45
Current ratio	1.73	1.87
Gearing ratio (external borrowing/unrestricted reserves without defined benefit pension)	0.00	0.00
WG grant as % total income (excl. third Franchised Provision)	90.61%	87.45%
Total pay expenditure as % of total income (excl. Franchised Provision)	68.30%	66.24%

PEMBROKESHIRE COLLEGE

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

PRINCIPAL'S REPORT

The results for the FY24 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 £1,853k for the year, in comparison to the surplus of £1,292k reported in FY23. This is after accounting for £395k (FY23 £767k) of pension adjustments. The College made a surplus of £1,458k (FY23 £2,059k) before accounting for these 'non-cash' pension adjustments. The following table explains the movement between the EBITDA of £1,791k and the surplus position of £1,853k.

	FY23 £'000	FY24 £'000
Adjusted EBITDA (see page 60)	2,343	1,791
Net Interest Income	227	439
Staff restructuring costs	(14)	(41)
Depreciation	(1,580)	(1,850)
Release of deferred capital grant	1,088	1,181
Loss on sale of fixed assets	(60)	(19)
Enhanced pension credit	55	(43)
Surplus before non-cash pension adjustments	2,059	1,458
FRS 102 service (charge)/credit to staff costs	(601)	170
FRS 102 pension interest (charge)/credit to interest and other finance costs	(166)	225
Surplus for the year	1,292	1,853

The College's reliance on Welsh Government (WG) funding is highlighted in the KPI tables (page 22) where WG grants account for 87.45% 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 66.24% 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.

PEMBROKESHIRE COLLEGE

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

PRINCIPAL'S REPORT

The majority of the College's funding comes from the Welsh Government (WG) as Further Education recurrent funding. This is based on the volume of education provided. The further education element of the table below shows an increase in funding for FY24 of £518k, an increase of 3.5% on FY23. This equates to a 5% price increase (in line with the pay award) in the unit rate less a reduction of 1.5% from funded learners in line with the demographic profile and previous actual learner recruitment.

Work Based Learning income grew by 21% 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 increased by 16% year on year due to several of the partner providers not meeting target in terms of contract delivery.

Welsh Government Grant Income	FY20 £'000	FY21 £'000	FY22 £'000	FY23 £'000	FY24 £'000
Further Education Recurrent Funding	11,716	11,942	12,906	14,467	14,985
Work Based Learning Income	3,124	3,216	4,443	4,494	5,435
PC Total FE & WBL WG Grant	14,840	15,158	17,349	18,961	20,420
Franchised WBL Provision Income	10,897	12,193	18,432	17,005	19,798
Total FE & WBL WG Grant	25,737	27,351	35,781	35,966	40,218

Other Income Streams

In addition to the WG grants listed above, the College has received specific funds for purpose of £2.8m during FY24. These grants are designated to address various issues, including Additional Learning Needs, Mental Health, Employer Skills Delivery, and professional development for staff. Typically short-term in nature, these funds require the College to spend them as intended and in accordance with specific guidance to access them. As they cannot be guaranteed from year to year, their amounts can vary significantly.

The College is committed to its income generation strategy and aims to reduce reliance on Welsh Government funding. To achieve this, it will actively seek and utilise alternative funding sources to support innovative developments that align with the needs of learners.

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). Shared Prosperity Funding was the UK Government's replacement of EU funding. The College submitted two successful bids for Shared Prosperity funding to the Local Authority. The first project will ensure learners get additional support to remain on their programme of study and successfully achieve their qualification outcome. The second, will train those to obtain work ready qualifications. The total value of two successful bids is £910k over the project lifetime (2 academic years).

The Government initiative referred to as Personal Learning Accounts (PLAs) was introduced during FY21 and continued into FY24. The funding allocation for the College was £571K and it is provided to support upskilling and reskilling of employed workers. Next financial year, this initiative will be mainstreamed i.e., included within our overall Part Time funding allocation.

Professional Development Funding 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.

PEMBROKESHIRE COLLEGE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024
PRINCIPAL'S REPORT

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:

	FY20 £'000	FY21 £'000	FY22 £'000	FY23 £'000	FY24 £'000
Cash flows from operating activities	556	4,034	3,965	1,391	2,772
Cash flows from Capital (net of grants)	(740)	(1,092)	(1,297)	(3,206)	(1,811)
Cash flows from investments	16	3	(2,973)	227	(561)
Cash flows from financing	(135)	(626)	(103)	-	-
Increase/(Decrease) in cash & cash equivalents	(303)	2,319	(408)	(1,588)	400
Cash balance					
- Opening balance	5,220	4,917	7,236	6,828	5,240
- Closing balance	4,917	7,236	6,828	5,240	5,640

Over the last 5 years the College has invested £20.5m on capital expenditure. After accounting for the £1.8m net cash outlay on capital expenditure in FY24, the College's cash balance has increased by £400k over the period.

Capital Expenditure

Work on the Welsh Government Band B Capital funding developments to the main campus and learning facilities of £4.7m has now been completed. 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 and a new lift brought the Band B projects value to £10m. Subsequent bids for the replacement of windows, remodelling of construction workshop layouts and additional PV brought the total Band B envelope to £14.7m. The College is extremely grateful for Welsh Government's support in bringing these projects to completion and enabling the College to maintain excellent facilities.

Although lower in FY24, capital investment levels totalling £20.5m over the past 5 years continues to provide an environment conducive to learning.

Capital Expenditure	FY20 £'000	FY21 £'000	FY22 £'000	FY23 £'000	FY24 £'000
Land & buildings	2,702	2,340	5,724	3,843	1,615
IT equipment	797	642	455	887	837
Other equipment	130	72	177	183	98
Total	3,629	3,054	6,356	4,913	2,550

PEMBROKESHIRE COLLEGE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024
PRINCIPAL'S REPORT

Balance Sheet

The Balance Sheet is set out on page 62 showing a healthy position with strong cash reserves. The previously reported Defined Benefit Pension Asset has now been removed as a result of the adoption of the FRS102 pension reporting guidance with regards Asset Ceiling, which states that an asset can only be recognised in the event of the College receiving an economic benefit. In FY23, the Pension Asset was £3.6m (in comparison to a Liability of £5.4m in the previous year). The volatility in the pension fund valuation, coupled with the differing treatment of the financial reporting standard can impact the overall Balance Sheet position significantly. This reporting requirement is the same for all organisations included in the Local Government 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.

Net current assets have increased from £5.6m to £6.5m. Cash at Bank stands at £5.6m, up £0.4m from £5.2m at open. In addition, an extra £1m has been placed on longer term investment, taking the total cash and investments to £9.6m from £8.2m at the start of the year.

PEMBROKESHIRE COLLEGE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024
PRINCIPAL'S REPORT

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

Health and Safety

In FY24 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;
- The CAM Health, Safety and Sustainability inspection programme which was launched in September 2022 has become well established with 41 inspections completed within the academic year. Inspections were led by the CAMs, reviewed by the HSSR team and provided valuable actions. Helpful feedback was received from Faculty Heads and CAMs about the programme;
- Audits of the Environmental Management System, learner inductions and WBL vetting and monitoring were completed;
- The focus of staff training was educational visits training for refresher or new starters, fire marshal, corporate risk training for managers, security lockdown training for key staff and first aid at work
- 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. Reassuringly, the College's 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	FY20	FY21	FY22	FY23	FY24
Total	129	64	154	143	148

There were three incidents which were reportable to the Health and Safety Executive under RIDDOR by the College:

- A learner in the strength and conditioning gym dislocated their shoulder;
- A carpentry learner cut their forearm with a tenon saw while using an incorrect technique;
- A member of staff injured their back and wrist.

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 committed to doing the right thing, especially now at this critical time in climate change. A strategy is being developed, which will act as a framework for 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
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024
PRINCIPAL'S REPORT

Sustainability *Continued...*

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 and was the first college to do so. The guidance and feedback received from this process help the College to expand its carbon accounting boundary to include wider (Scope 3) carbon emissions such as supply chain, commuting and homeworking, although this data is much more difficult to obtain and continues to be a work in progress. An improvement in FY24 was the undertaking of an employee commuting survey which includes homeworking data collection. 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 FY23 and FY24

	FY23 (KgCO₂e)	FY24 (KgCO₂e)
Main Campus (includes electricity, gas, water, fleet)	565,693	698,884
Withybush Animal Care Unit and Academy (includes electricity and water)	7,717	7,505
Folly Farm (includes electricity and water)	514	349
Business Travel	68,091	101,377
Waste	38,436	4,540
Total	680,451	812,655
Less Land Use	(4,336)	(4,336)
Total – Land Use	676,115	808,319

In terms of operational differences between the 2 years:

- The increase in carbon emissions for the main campus accounts for 133,191kgCO₂e which is primarily associated with the College fleet vehicles which was previously unaccounted for;
- Business travel in FY24 includes 29,425kgCO₂e from flights which is an increase from prior years;
- Waste has decreased significantly due to a correction in the way that sanitary waste was historically calculated to improve accuracy. In FY23 the total volume of sanitary waste was calculated as 34 tonnes creating 36,731kgCO₂ and in FY24 the total volume was 2 tonnes with 2,421kgCO₂.

A summary of scope emissions is below.

	22/23 (KgCO₂e)	23/24 (KgCO₂e)
Scope 1	309,883	452,870
Scope 2	260,904	250,647
Scope 3	109,664	109,138
Total	680,451	812,665

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

PEMBROKESHIRE COLLEGE

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

PRINCIPAL'S REPORT

Sustainability *Continued...*

In the context of the college this means:

- Scope 1 - includes the increase in fleet that was not previously captured;
- Scope 2 - includes electricity;
- Scope 3 - includes water, business travel and waste. The wider scope 3 emissions of commuting, homeworking and supply chain have not been included as the data on these is not yet accurate enough to trust.

The College has made a good start towards the carbon net zero ambition 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 wildflower meadows onsite.

In FY24 the following work was done:

- A 100 kW PV array was installed on the TIC building;
- Wildflower seed was sown on the bank next to the bus bays;
- The last and final phase of the window replacement scheme finished in October 2023;
- Two gas fryers were replaced with electric fryers;
- The new Welsh waste legislation was implemented in April 2024 which involved physically changing and moving bins and a communication strategy for staff and learners;
- The completeness and accuracy of carbon emissions reporting was improved;
- White boards and projectors were replaced with Promethean screens which are more energy efficient;
- An annual refresh of laptops to replace older models with more efficient models has taken place;
- In support of the increasing virtual environment the College rationalised the number of physical servers which require electricity and air conditioning in server rooms.

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.

The College has been certified to Level 5 (the highest) of the Green Dragon Environmental Standard for around 13 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.

The learner executive appointed two 'Ambassadors for the Environment'. The Learner Executive also set up a learner sustainability committee which aimed to get learners from across College involved with sustainability and the environment. This work will be built on for the following academic year.

PEMBROKESHIRE COLLEGE

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

PRINCIPAL'S REPORT

Sustainability *Continued...*

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, Solar Photovoltaic cells have been installed, which have partially been funded by Welsh Government, which will reduce the College's use of purchased electricity by approximately 25-30%.

The College completed their 2018 Estate Strategy delivery during 2023/24 which saw an investment of £12m over this period in improving the learner environment. The College delivered a number of key strategic projects during period, on time and to budget. This has included the creation of more flexible accommodation for learning and teaching, delivery of additional refectory and social space, enhancements to the Learning Resource Centre and HWB, installing 385kw of solar photovoltaic panels, replacing over 500 external windows on the main College building, constructing a new Engineering building, developing a new training centre at Folly Farm and a new Independent Living Skills Centre at Withybush, alongside the College's animal care centre. The College successfully obtained 65% funding towards this from Welsh Government through their Sustainable Communities for Learning Programme.

During 2023/24 the College prepared a new Estate Strategy and a new Strategic Outline Programme for a £43m Capital Investment over the next seven years. These strategically important development documents have been approved by the College Board and Welsh Government with projects starting to be rolled out from 2025/26.

PEMBROKESHIRE COLLEGE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024
PRINCIPAL'S REPORT

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 representatives from industry, Local Authority, voluntary and third sector organisations and business partners. This Forum 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. A new President of the Forum will be appointed during the FY25.

Iwan Thomas has continued as Chair of the Corporation Board since August 2021. There continues to be strong Board membership from a variety of sectors. Board members bring a wealth of knowledge and experience to the Board. Succession planning for Board members is ongoing.

The Board had two Student Governors in FY24, Bradley Cole (A Level learner) and Tomos Padel (A Level learner) were appointed to the Board, following their election by fellow learners. Bradley Cole and Tomos Padel have also been re-elected as the Student Governors for FY25. A new Learner Executive was created in FY24, which is headed up by the two Student Governors and has improved learner voice on the Board and throughout the College and wider community.

Staff voice on the Board has also improved through the continued development of the Staff Governor role. This has included the successful development of a Staff Forum which is chaired by the Staff Governors.

PEMBROKESHIRE COLLEGE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024
PRINCIPAL'S REPORT

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

Pembrokeshire College employs highly qualified staff with industry experience, dedicated to ensuring that our learners receive a high-quality educational experience.

The success of our learners relies on our skilled workforce, and we are fortunate to have individuals who are committed to helping our learners reach their full potential.

As an aspirational organization, the College takes pride in the quality of teaching and learning, as well as in the support provided to all staff members. Our shared goal is to enhance the experience of our learners and improve their outcomes.

In developing people practices, we foster the pride and aspiration of our staff, increase the visibility of all College achievements and create an environment where knowledge is shared openly and transparently. Our priorities include:

- recruiting and retaining the best talent;
- ensuring fair remuneration for staff;
- cultivating positive employee engagement and morale;
- developing a high-performance, aspirational culture;
- promoting a safe, healthy and equitable environment that encourages proactive wellbeing.

Our staff has identified the core values that we believe should guide the College throughout this strategic plan. These values, which define the ethos, culture, and behaviours of the College, its staff, and learners, are encapsulated by the backronym PEOPLE, representing the following:

PEOPLE

Positivity:	We promote a positive and responsive approach, encouraging everyone to adopt this mindset in all their actions.
Equality:	We are dedicated to creating an inclusive and safe environment that respects the diversity of our staff and learners. We actively support and implement anti-discrimination strategies across all protected characteristics.
Opportunity:	We strive to create every possible opportunity for education within our College community.
Potential:	We aim not to just fulfil potential but to go beyond expectations;
Listening:	We prioritise listening to our learners, staff, employers, and community members to build an open and inclusive culture.
Excellence:	We aspire to excellence and aim to be a Centre of Learning and Teaching Excellence.

PEMBROKESHIRE COLLEGE

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

PRINCIPAL'S REPORT

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.

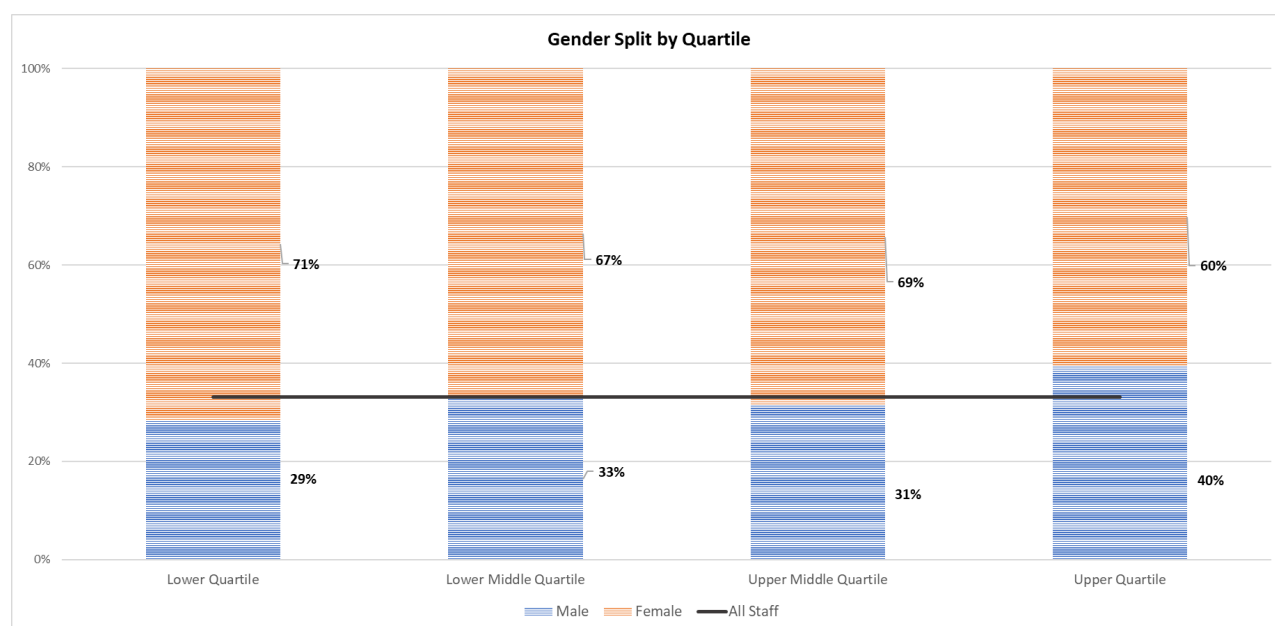
The gender pay gap is the difference between the average earnings of men and women. Any gap is expressed as a percentage of male earnings.

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	Median	Mean
Pembrokeshire College	6.9%	5.6%



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 67% Male 33%. 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.

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 2024
PRINCIPAL'S REPORT

Equality, Diversity & Inclusion

Pembrokeshire College is committed to creating and sustaining a fully inclusive working and learning environment for all its staff and learners which is fair, positive and, supportive.

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 ensuring equal access to College facilities and benefits.

The talent, skills and knowledge of every individual is recognised as a key contributing factor in achieving excellent standards.

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;
- Sex;
- Sexual orientation;
- Transsexualism.

As a provider of employment, training and education, we value the diversity of our staff and learners. This is reflected in the core values of the College's Strategic Plan 2023 – 2028 and the College's Strategic Equality Plan 2024 - 2028.

PEMBROKESHIRE COLLEGE

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

PRINCIPAL'S REPORT

8. Future Prospects

Changing Landscape

Pembrokeshire College is well positioned to offer a promising future for the upcoming generations in the county and the South West 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 landscape of our further education provision has evolved, and we are now successfully transitioning post-16 learners from Ysgol Bro Gwaun, Ysgol Penrhyn Dewi, and Milford Haven School. By offering a diverse range of A level subjects in a single location, along with focused support and collaborative arrangements between the College and the schools, we ensure that these learners have the best opportunities to advance in their chosen careers. The recent atrium development has been crucial in creating a modern environment for learners to socialise and study.

The College has established a Strategic Alliance with Coleg Sir Gar to collaborate closely and maximize benefits for learners across Pembrokeshire, Carmarthenshire and Ceredigion. Staff from both colleges hold regular meetings to focus on areas such as teaching and learning, digitalisation, and curriculum development, and we are already seeing positive outcomes in these areas.

Higher education remains a vital component of our provision, enabling learners to access level 4 and higher qualifications locally, thus enhancing their employment prospects and earning potential. Our partnership with the University of Wales Trinity St David, as part of a confederation with other colleges in the FE sector, positions us to collaborate on potential inward investment opportunities, such as offshore renewable energy projects and the proposed new hospital on the Pembrokeshire/Carmarthenshire border.

Welsh Government Policies

Following the WG consultation in 2017 entitled 'Public Good and a Prosperous Wales' – an overarching body for all post-16 education and training has been established effective 1 August 2024, at 'arms-length' from Government. The body known as the Commission for Tertiary Education and Research called MEDR has responsibility for planning, funding and regulatory functions previously undertaken by Welsh Government.

The Tertiary Education and Research Bill (Wales) 2021 has now received Royal Assent. The Act establishes the Commission and dissolved the Higher Education Funding Council for Wales (HEFCW). The Commission has 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.

MEDR have recently published their draft Strategic Plan and have asked for feedback as part of the consultation period. The Plan is set in the context of balancing the establishment of the new organisation and implementation of new legislative requirements in the short term, and setting the ambition and aspirations for the longer term. Once approved by the Welsh Ministers, the Plan will be published in early 2025.

PEMBROKESHIRE COLLEGE

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

PRINCIPAL'S REPORT

The Welsh Government programme of educational reform is 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 appointed the role of Chief Executive of the Commission to Simon Pirotte, previously a Principal of Bridgend College.

Funding

Further Education Colleges in Wales continue to face challenging funding settlements. For FY24, the increase to the unit rate for recurrent further education funding was limited to cover the pay award settlement only. Continued pressure is therefore felt on the underlying core activity and cost base of the College, and the ongoing need to identify and implement efficiencies year on year. The Welsh Government continues to be committed to the concept of pay parity between lecturers pay and that of school teachers, having made funding available in FY24 to support cost of living increases.

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 is important not only to the College but to the wider region also.

Pay cost pressures remain a significant concern for the College. The national contract for all lecturing and management staff, along with annual incremental salary increases and rising employer pension contributions, places considerable strain on financial resources.

Tighter financial settlements necessitate a review of course offerings, increasing group sizes, being cost-conscious and seeking alternative income streams from commercial operations. These strategies will be essential as we move past FY24. Early indications from the Welsh Government Budget are that national cuts will be necessary to address a deficit budget which will inevitably impact public services, including further education, though the extent of that impact remains uncertain.

Efforts to control costs have allowed us to reduce our cost base in real terms, but this becomes increasingly challenging in the current high-inflation environment. We have continued to subsidise activities we consider "mission critical," including the operation of smaller groups within our A Level and Higher Education offerings.

On a global scale, the ramifications of Brexit and the ongoing conflict in Ukraine continue to have negative effects. In September 2023, the College received shared prosperity funding through the "Cefnogi" project, which is a positive development. This funding offers pastoral support to learners, helping them stay in education and successfully achieve their qualifications. However, this project is relatively short-term, running from September 2023 to February 2025, and securing follow-on funding in order to maintain the support services we currently provide is not forthcoming. Additionally, the loss of ESF funding poses a risk to our Welsh Government apprenticeship contract funding. We work closely with relevant agencies to influence the outcomes of these important funding streams and their impact on our offerings.

PEMBROKESHIRE COLLEGE

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

PRINCIPAL'S REPORT

Our Approach

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

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

Our direction aligns with 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 Celtic Freeport announcement and the Regional Learning Partnership’s Employment and Skills Plan.

The strategic goals align with the Pembrokeshire Public Services Board’s wellbeing objectives, which include reducing inequalities, supporting decarbonisation, fostering safe and resourceful communities, and promoting growth, jobs, and a transition to a more sustainable economy. These aims are supported by the College’s operational plan, with each faculty and department identifying actions to achieve the objectives of the Strategic Plan.

To this end, the College intends to:

- Collaborate with Pembrokeshire County Council to deliver 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 sustaining the B-wbl consortium infrastructure;
- Achieve Further Education and Work-Based Learning success rates of 82% and 85% respectively;
- Ensure learner satisfaction levels are above sector benchmarks of 90%;
- Increase work placement opportunities and the number of learners securing jobs through the Employment Bureau;
- Boost academic staff upskilling via industry workplace CPD from the current 10% to 30%;
- Develop the Digital Skills 2030 Strategy ensuring learners and all staff are engaged with technology;
- Deliver an updated Estates Master Plan that provides outstanding facilities for the future, securing the funding needed to bring it to fruition;
- Review the curriculum offer, ensuring that it is adaptable and meets economic needs;
- Actively promote the region to external investors, taking a leading role in promoting the Celtic Freeport and Renewable initiatives and benefits;
- Partner with the Welsh Government and MEDR to ensure the College and the sector is well placed for the implementation of the Post Compulsory Education and Training (PCET) Bill.



Dr Barry Walters

Principal

PEMBROKESHIRE COLLEGE

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

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 FY24.

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 53 and 54.

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 provided advice to the members and management of the College during the year were:

Independent External Auditors:	Azets Audit Services Ltd Charter Court Phoenix Way Enterprise Park Swansea SA7 9FS
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Internal Auditors:	Wbg Services LLP 168 Bath Street Glasgow G2 4TP
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Bankers:	Barclays Bank plc 32 High Street Haverfordwest Pembrokeshire SA61 2DG HSBC Bank UK plc 5 th Floor 5 Callaghan Square Cardiff CF10 5BT
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PEMBROKESHIRE COLLEGE

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

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 benefits from a dedicated and effective Board of Governors, who play a vital role in its operations. Meetings of the Corporation Board and its committees are generally well-attended, as are training sessions and other events.

Governors receive clear and concise information from the College's senior management, which is rigorously scrutinised as necessary. They demonstrate a solid understanding of their roles, with specific curriculum and resource areas assigned to Link Governors.

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 order to provide assurance to the Board.

Governors are encouraged to participate in training alongside their attendance at Board meetings and committees. Their diverse expertise—ranging from estates and health and safety to finance and local authority operations—significantly contributes to the growth of College activities. They also engage in strategic planning and attend various award and learner events.

In addition to chairing Board meetings, the Chair of Governors is responsible for the line management of the Principal and the Governance Officer. They also participate in meetings with strategic partners, inspectors, and other external bodies, representing the College and regularly consulting with the Principal.

Furthermore, the Corporation Board established its current governance structure in September 2013, following the Review of Governance in the Further Education Sector. This structure emphasises community consultation and involvement, enhancing the College's connection with its stakeholders.

PEMBROKESHIRE COLLEGE

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

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 Register termly and have ranked the risks. The Audit Committee review the full risk management register annually and review any relevant new and emerging risks on a termly basis. The register identifies the risks, key assurances, 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 Finance and Resources. 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 dedicated to recruiting and retaining highly skilled and qualified individuals to achieve its strategic objectives. We recognise that our staff are our most valuable resource in delivering quality education and training, and we are committed to valuing and investing in all employees.

To support this commitment, we prioritise the development of policies and best practices that ensure effective recruitment and ongoing professional development of staff. This focus is essential for maintaining the highest standards of education, training, and support services.

The College's work is supported by approximately 534 (358 Female: 176 Male) full time and part time staff as at 31 July 2024 which translates into 401 FTE for FY24. 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 prioritises effective communication across the organisation and emphasises consultation with staff and trade unions to ensure robust communication channels. The Local Joint Consultative Committee meetings with trade unions are held termly, alongside various opportunities for feedback through surveys and informal meetings. These interactions were particularly frequent in recent years to promptly address the impacts on staff and learners.

Additional communication methods include "Latest College News" bulletins, all-staff briefings, and discussion forums on specific topics. The Principal issues weekly blogs, which are well-received and appreciated by staff based on the College campus and working remotely.

PEMBROKESHIRE COLLEGE

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

REPORT OF THE CORPORATION BOARD

The Staff Forum, chaired by two Staff Governors without senior management present aims to enhance staff representation on the Corporation Board and includes representatives from each curriculum area and business support teams, meeting on a half-termly basis. The Forum's reporting procedures ensure regular updates to the Senior Management Team, and Staff Governors present an update report to each meeting of the Quality & Standards Committee, along with an annual report to the Corporation Board. The Forum provides a platform for staff to discuss College matters, share best practices, and consult on key documents, such as the Strategic Plan.

Learner Involvement

The College places a high value on communication with learners and actively involves them in shaping all aspects of College life. This engagement is guided by the Learner Voice Strategy, which has two primary objectives: to ensure learners are actively involved in both the management of the College and their own learning, and to prompt College managers to respond swiftly to learner feedback, guiding an environment informed by the views of key stakeholders.

To facilitate and encourage learner involvement, the College employs several mechanisms, including the management of Learner Voice engagement, a Learner Executive, course representatives, learner governors, and learner participation in formal committees and the Corporation Board. The Aspire Team oversees the quality assurance aspect of learner involvement, facilitating Learner Voice surveys and analysing the responses to inform improvement planning.

Continual Professional Development (CPD)

Aspire plays a crucial role in supporting College management teams by planning, organising, and evaluating the learning and development needs of all staff members. This includes facilitating various learning and development activities, responding to both local and national initiatives, and ensuring compliance with statutory requirements. Staff training and development are essential for the College to achieve its strategic goals, implement its plans, and provide high-quality services to all learners.

The Professional Learning and Quality Manager oversees the Continuing Professional Development (CPD) and staff development budget, as well as any designated grant funding, in alignment with the College's financial year. Aspire is dedicated to fostering a culture of ongoing professional development and learning, ensuring that teaching and learning strategies are consistently applied across the institution in order to ensure high standards for all.

The team manages and facilitates the professional development of all College departments, addressing individual training needs as well as curriculum, administrative, technical, and management requirements to support the College's strategic objectives. Additionally, the College is an active participant in the South West Wales Professional Learning Network, which allows for collaboration on development projects with other regional colleges. This involvement provides valuable opportunities and keeps the College at the forefront of regional advancements and sector innovation.

Safeguarding

The College has a mandatory safeguarding training programme in place. All staff are required to undertake Safeguarding training, which is a certificated course developed by Pembrokeshire College and Coleg Sir Gar/ Coleg Ceredigion for the FE sector. This is supplemented by expert speakers delivering sessions to staff which focus on the risks associated with being a professional 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 duties in relation to Safeguarding and makes it "everyone's business", and ensures that all staff

PEMBROKESHIRE COLLEGE

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

REPORT OF THE CORPORATION BOARD

are aware of their duty to report. A Safeguarding Panel, made up of the College Leadership Team, a link Governor and the Designated Senior Person Safeguarding & Wellbeing meet monthly 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:

- 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.

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, Diversity and Inclusion Committee which is chaired by the College Principal.

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, victimisation or harassment. 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 has an Equality, Diversity and Inclusion 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 College decisions made. An enhanced version of the Equality Impact Assessment is now being rolled out across the College

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 FY23. 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 actively 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.

PEMBROKESHIRE COLLEGE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024
REPORT OF THE CORPORATION BOARD

Learning Support Services Statement

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

Every learner is valued and respected, encouraged to thrive and reach their potential while maximising the benefits and enjoyment from their College involvement.

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 pivotal part of our drive to provide equality of opportunity for everybody.

Our aim is to create a welcoming and supportive learning environment that facilitates academic success. Our staff are trained to help learners identify their personal strengths, develop essential skills, and recognise and pursue their individual goals and ambitions.

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.

Employees with a Protected Characteristic

The College has been accredited as a Disability Confident Leader and provides guaranteed access to recruitment and selection processes for applicants with a stated disability who meet the essential criteria for a role. Where an existing employee becomes disabled, every effort is made to ensure that employment with the College continues, with reasonable adjustments made wherever possible and support services offered through Occupational Health.

The College is working closely with the Black Leadership Group and, with their support is working towards being an 'Anti-racist' College. Racism of any form is not tolerated. Applicants from a UK minority ethnicity are given guaranteed access to recruitment and selection processes where they meet the essential criteria for a role.

Every effort is made to ensure that College processes for staff are free from bias and applied on an equal basis.

Health and Safety

The College continues to embed a positive health and safety culture, this is carried out through a number of initiatives such as Management Tours. Last year, over 264 HSSR actions and improvements were made through the HSSR 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 supply chain. 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 a Sustainable Development

PEMBROKESHIRE COLLEGE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024
REPORT OF THE CORPORATION BOARD

and has an Environment and Sustainability Committee 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 £1,853,000 (3.90% of gross income) for the year compared with a surplus of £1,292,000 (2.95% of gross income) for the previous year. The balance on the general reserve at 31 July 2024 stood at a surplus of £20,642,000 (2023 £22,727,000) 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 3-37.

PEMBROKESHIRE COLLEGE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024
REPORT OF THE CORPORATION BOARD

Financial Statements *Continued*...

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 6 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% and Pembrokeshire College made 95.2% of payments to suppliers within thirty days. As at 31 July 2024 the College had 6 creditor days.

Creditors balance at 31 July 2024	£152,879
Amounts invoiced during the year by suppliers	£8,933,546
Number of days in the financial year	366 days
Trade creditor days at 31 July 2024	6 days

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 20 December 2024 and signed on its behalf by:



Iwan Thomas
Chair

PEMBROKESHIRE COLLEGE

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

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 2023 to 31 July 2024 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 Colegau Cymru 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. The College has not adopted and therefore does 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 2024. 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.

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 53 and 54. 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. The Corporation Board usually meets six times per year.

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.

PEMBROKESHIRE COLLEGE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

The Corporation Board Continued...

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 are 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 2023/24, Colegau Cymru introduced sector wide training for Board Members that was accessible to all Pembrokeshire College Board Members. The Corporation Board also received briefings on safeguarding, equality, cyber security and quality matters. 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 attended the Colegau Cymru Board Member training sessions and Anti-racism CPD for Governance delivered by the BLG. The Governance Officer continues to attend meetings of the FE Governance Network.

PEMBROKESHIRE COLLEGE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024
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 FY24, 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's internal auditors undertook a Corporate Governance review in February 2024 with an overall conclusion of a strong level of assurance. The two low grade recommendations resulting from the audit have been addressed.

No external review of Governance was commissioned during FY24.

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 2024 are set out in note 7 to the financial statements.

Audit Committee

The Audit Committee comprises 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.

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.

PEMBROKESHIRE COLLEGE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

Audit Committee Continued...

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 Assurance Manager.

The Committee's remit includes Learner and Staff 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, the Head of A Levels and (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 sixth 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 2024
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 2024 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 2024 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.

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.

PEMBROKESHIRE COLLEGE

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

The Risk and Control Framework *Continued...*

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 2024 meeting, the Corporation Board carried out the annual assessment for the year ended 31 July 2024 by considering documentation from the senior management team, the internal audit and taking account of events since 31 July 2024.

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 2024
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 suspects that bribery is being carried out must report it immediately to the Assistant Principal Finance & Resources.



Date: 20/12/2024
Iwan Thomas
Chair



Date: 20/12/2024
Dr Barry Walters
Principal

PEMBROKESHIRE COLLEGE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024
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	7/7	N/A	Appointed as Chair 1st Aug 21
John Gammon	December 2023 (Second term)	4 yrs	A Level Centre	3/7	1/3	N/A	End of Term Dec 27, Review Oct 27
Andy Jones	May 2021 (Second term)	4 yrs	Audit	N/A	N/A	1/2	Finished Term Oct 23. Co-optee on Audit until Dec 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 2024 (Second term)	4 yrs	Audit (Chair) Search & Remuneration	7/7	6/7	4/4	End of Term Jan 28, Review Dec 27
Marc Blockwell	January 2024 (Second term)	4 yrs	Audit	6/7	N/A	4/4	End of Term Jan 28, Review Dec 27
Louise Wilkinson	May 2021 (First term)	4 yrs	Quality & Standards	4/7	3/3	N/A	End of Term May 25, Review Apr 25
Lisa Gostling	October 2021 (First term)	4 yrs	Search & Remuneration	3/7	5/7	N/A	End of Term Oct 25 Review July 25
Sarah Rowland-Jones	December 2021 (First term)	4 yrs		2/7	N/A	N/A	End of term Dec 25 Review September 25
Edna Davies	July 2022 (First term)	4 yrs		3/7	N/A	N/A	End of term July 26. Review May 26
Helen Murray	March 2023 (First term)	4 yrs		6/7	3/3	N/A	End of term January 27. Review Dec 26
Tom Sawyer	October 2023 (First term)	4 yrs	Search & Remuneration	5/6	3/4	N/A	End of term Oct 27, Review August 27
Local Authority Governors							
Steven Richards-Downes	January 2024 (Second term)	4 yrs	A Level Centre	6/7	2/3	N/A	End of Term Jan 28, Review Dec 27
Guy Woodham	October 2022 (First term)	4 yrs	Quality & Standards	3/7	5/6	N/A	End of Term Oct 26 Review July 26
Staff Governors							
Will Bateman	July 2022 (First term)	4 yrs	Quality & Standards	6/6	3/3	N/A	End of Term July 26, Review May 26

PEMBROKESHIRE COLLEGE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024
MEMBERS OF THE CORPORATION BOARD

Staff Governors Cont'd							
Charlie Royal	September 2020 (Second term)	4 yrs	Quality & Standards	5/6	3/3	N/A	End of Term Sept 24, Review July 24
Dr Barry Walters	July 2018		Search & Remuneration Quality & Standards A Level Centre	7/7	12/13	N/A	Principal
Student Governors 2023/24							
Bradley Cole	August 2023	1 yr	Quality & Standards	5/6	3/3	N/A	Annual Election
Tomos Padel	August 2023	1 yr	Quality & Standards	5/6	3/3	N/A	Annual Election
Co-opted Committee Members							
Jo Hendy	December 2023	4 yrs	Audit Committee	N/A	N/A	2/2	End of Term December 2027 Review October 2027
Phil Maull	Annually approved by Board		Quality & Standards	N/A	2/3	N/A	Annual

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 2024
MEMBERS OF THE CORPORATION BOARD

Statement of Regularity, Propriety and Compliance

Statement of the Accounting Officer

As Accounting Officer, I confirm that the College has had due regard to the requirements of grant funding agreements and contracts with the Welsh Government and has considered its responsibility to notify the Welsh Government of material irregularity, impropriety and non-compliance with terms and conditions of funding.

I confirm on behalf of the College that after due enquiry, and to the best of my knowledge, I am able to identify any material irregular or improper use of funds by the College, or material non-compliance with the terms and conditions of funding, under the College's grant funding agreements and contracts with the Welsh Government, or any other public funder.

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



Dr Barry Walters
Accounting Officer

Statement of the Chair of Governors

On behalf of the College, I confirm that the Accounting Officer has discussed their statement of regularity, propriety and compliance with the Board and that I am content that it is materially accurate.



Iwan Thomas
Chair

PEMBROKESHIRE COLLEGE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024
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 Board 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 20 December 2024 and signed on its behalf



Iwan Thomas
Chair

PEMBROKESHIRE COLLEGE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024
MEMBERS OF THE CORPORATION BOARD

INDEPENDENT AUDITOR'S REPORT
TO THE CORPORATION OF PEMBROKESHIRE COLLEGE

Opinion

We have audited the financial statements of Pembrokeshire College (the "College") for the year ended 31 July 2024 which comprise the statement of comprehensive income, the balance sheet, statement of changes in reserves, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the College's affairs as at 31 July 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been properly prepared in accordance with the requirements of the Statement of Recommended Practice - Accounting for Further and Higher Education; and
- have been prepared in accordance with the requirements of the Accounts Direction issued by the Welsh Government.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Corporation are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

PEMBROKESHIRE COLLEGE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024
MEMBERS OF THE CORPORATION BOARD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE CORPORATION OF PEMBROKESHIRE COLLEGE

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 aspects:

- 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.

Responsibilities of the Corporation for the financial statements

As explained more fully in the statements of the responsibilities of the members of the Corporation board, the Corporation board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Corporation determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Corporation are responsible for assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Corporation either intend to liquidate the College or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

PEMBROKESHIRE COLLEGE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024
MEMBERS OF THE CORPORATION BOARD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE CORPORATION OF PEMBROKESHIRE COLLEGE

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance.
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Challenging assumptions made by management in the significant accounting estimates, in particular the assumptions in relation to the local government pension scheme;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our 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.

Azets Audit Services

Paul Bowden
Senior Statutory Auditor
For and on behalf of Azets Audit Services

Chartered Accountants
Statutory Auditor

Date 20/12/2024

Charter Court
Phoenix Way Enterprise Park
Swansea
United Kingdom
SA7 9FS

PEMBROKESHIRE COLLEGE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2024

	Note	2024 £'000	2023 £'000
Income			
Funding body grants	2	44,173	41,385
Tuition fees and education contracts	3	1,037	1,176
Other income	4	1,647	1,030
Investment income	5	664	227
Total income		47,521	43,818
Expenditure			
Staff costs	6	18,305	18,226
Other operating expenses	8	25,494	22,494
Depreciation	11	1,850	1,580
Interest and finance costs	9	-	166
Total expenditure		45,649	42,466
Adjusted EBITDA before one off costs and non-cash items		1,791	2,343
Net Interest Receivable		664	61
Staff Restructuring Costs	6	(41)	(14)
<i>Non-Cash Items:</i>			
Depreciation	11	(1,850)	(1,580)
Release of Capital Grants	16	1,181	1,088
FRS 102 Pension & Early Retirement Credit/(Charge)		127	(546)
Surplus before other losses		1,872	1,352
Loss on disposal of fixed assets		(19)	(60)
Surplus for the year retained within general reserves		1,853	1,292
Actuarial Gain		1,145	9,852
Pension Asset Ceiling Adjustment		(5,184)	-
Total Comprehensive (Expense)/Income for the year		(2,186)	11,144

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

PEMBROKESHIRE COLLEGE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024
STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 JULY 2024

	Income and Expenditure <u>£'000</u>	Capital Reserve <u>£'000</u>	Total unrestricted Reserves <u>£'000</u>
Balance at 1 August 2022	11,481	5,097	16,578
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
Balance at 31 July 2023	22,727	4,995	27,722
Surplus from the income and expenditure account	1,853	-	1,853
Other comprehensive income	1,145	-	1,145
Transfers between revaluation and income and expenditure reserves	101	(101)	-
Pension Asset Ceiling Adjustment	(5,184)	-	(5,184)
Total comprehensive expense for the year	(2,085)	(101)	(2,186)
Balance at 31 July 2024	20,642	4,894	25,536

PEMBROKESHIRE COLLEGE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024
BALANCE SHEET
AS AT YEAR ENDED 31 JULY 2024

	Note	2024 £'000	2023 £'000
Non-current assets			
Tangible fixed assets	11	38,828	38,156
Defined benefit pension asset	18	-	3,644
Total non-current assets		38,828	41,800
Current assets			
Stocks		84	92
Debtors	12	4,195	5,013
Investments	13	4,000	3,000
Cash and cash equivalents		5,640	5,240
Total current assets		13,919	13,345
Creditors - amounts falling due within one year	14	(7,454)	(7,697)
Net current assets		6,465	5,648
Total assets less current liabilities		45,293	47,448
Creditors - amounts falling due after more than one year	15	(19,091)	(19,006)
Less: Provisions for liabilities			
Other provisions	17	(666)	(720)
Net assets		25,536	27,722
Unrestricted reserves			
Income and expenditure account		20,642	22,727
Capital reserve		4,894	4,995
Total unrestricted reserves		25,536	27,722

The financial statements on pages 60 to 89 were approved by the Corporation Board on 20 December 2024 and were signed on its behalf by:



Iwan Thomas
Chair



Dr Barry Walters
Principal



Caroline James
Assistant Principal

PEMBROKESHIRE COLLEGE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024
STATEMENT OF CASH FLOWS

	2024 <u>£'000</u>	2023 <u>£'000</u>
Cash flow from operating activities		
Surplus for the year	1,853	1,292
Adjustments for non-cash items		
Depreciation	1,850	1,580
Release of capital grants	(1,181)	(1,088)
Decrease/(Increase) in stock	8	(21)
Decrease/(Increase) in debtors	873	(1,414)
Increase in creditors due within one year	238	398
(Decrease)/Increase in provisions	(54)	44
Pension costs less contributions paid	(170)	601
Adjustment for investing or financing activities		
Investment income	(664)	(227)
Interest payable	-	166
Loss on sale of fixed assets	19	60
Net cash flows generated from operating activities	<u>2,772</u>	<u>1,391</u>
Cash flows from investing activities		
Proceeds from sale of fixed assets	10	2
Investment income	439	227
Maturity of Cash Deposits	3,000	3,000
New Deposits	(4,000)	(3,000)
Payments made to acquire fixed assets	(3,049)	(5,033)
Capital grants received	1,228	1,825
Net cash flows used in investing activities	<u>(2,372)</u>	<u>(2,979)</u>
Cash flows from financing activities		
Repayments of amounts borrowed	-	-
Net cash flows used in financing activities	<u>-</u>	<u>-</u>
Increase/(Decrease) in cash and cash equivalents in the year	<u>400</u>	<u>(1,588)</u>
Cash and cash equivalents at beginning of the year	5,240	6,828
Cash and cash equivalents at end of the year	5,640	5,240

PEMBROKESHIRE COLLEGE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024
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 2023 to 2024 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 remained static in FY24. 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.

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.

PEMBROKESHIRE COLLEGE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024
NOTES TO THE FINANCIAL STATEMENTS

Recognition of Income *Continued...*

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 2024
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, the value of the asset that can be recognised within the accounts is determined via the 'asset ceiling' test. The asset ceiling is a limit to the amount of the net pension asset that can be recognised to the lower of (1) the amount of the net pension asset or (2) the present value of any economic benefits available in the form of refunds or reductions in future contributions to the plan.

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:

PEMBROKESHIRE COLLEGE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024
NOTES TO THE FINANCIAL STATEMENTS

Land and Buildings *Continued*...

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

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 £1,500 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.

PEMBROKESHIRE COLLEGE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024
NOTES TO THE FINANCIAL STATEMENTS

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.

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 2024
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 2024. 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 2024
NOTES TO THE FINANCIAL STATEMENTS

2 Funding Body Grants

	2024	2023
	<u>£'000</u>	<u>£'000</u>
Recurrent grant	14,897	14,340
Work Based Learning grant (WBL)	5,435	4,494
Franchised provision - WBL	19,798	17,005
- FE	87	127
Release of deferred capital grants		
- Buildings	544	448
- Equipment	609	610
Specific grants	2,803	4,361
	<u>44,173</u>	<u>41,385</u>

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:

	2024	2023
	<u>£'000</u>	<u>£'000</u>
WBL Contract Income	25,233	21,499
Payments to FE partners	(11,433)	(10,451)
Payments to non FE partners	(8,365)	(6,554)
Total Payments to Partners	<u>(19,798)</u>	<u>(17,005)</u>
Pembrokeshire College WBL income as provider and contract lead	<u>5,435</u>	<u>4,494</u>

3 Tuition Fees and Education Contracts

	2024	2023
	<u>£'000</u>	<u>£'000</u>
Further Education		
- Tuition Fees	432	549
- International Students' Fees	100	152
Higher Education (HE) income	135	101
Tuition Fees Total	<u>667</u>	<u>802</u>
Higher Education (HE) Franchised income	138	158
Other Educational Contracts	232	216
	<u>1,037</u>	<u>1,176</u>

PEMBROKESHIRE COLLEGE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024
NOTES TO THE FINANCIAL STATEMENTS

4 Other income

	2024	2023
	<u>£'000</u>	<u>£'000</u>
European Funds	-	129
Catering and Residences Operations	93	80
Release of deferred capital grants (non WG)	29	30
College Facilities	164	178
International Discrete Provision	122	-
Salary & Other Grants	941	343
Other Income Generating Activity	298	270
	<u>1,647</u>	<u>1,030</u>

5 Investment Income

	2024	2023
	<u>£'000</u>	<u>£'000</u>
Other Investment Income	150	180
Other Interest Receivable	289	47
	<u>439</u>	<u>227</u>
Net Return on Pension Scheme	225	-
	<u>664</u>	<u>227</u>

PEMBROKESHIRE COLLEGE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024
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:

	2024			2023		
	<u>No.</u>	<u>FTE.</u>	<u>£'000</u>	<u>No.</u>	<u>FTE.</u>	<u>£'000</u>
Teaching departments - Teaching staff	240	183	9,730	245	189	9,478
- Other staff	131	100	3,803	125	97	3,616
Teaching support services	51	39	1,344	48	37	1,204
	422	322	14,877	418	323	14,298
Other support services	18	14	560	18	14	553
Administration and central services	58	44	2,214	54	42	2,079
General education expenditure	7	5	212	5	4	181
Premises	12	9	361	13	10	370
Other income generating activities	9	7	167	9	7	185
Total	526	401	18,391	517	400	17,666
FRS 102 non-cash pension adjustment			(170)			601
Early retirement charge/(credit)			43			(55)
Staff restructuring			41			14
			18,305			18,226

	<u>2024</u>	<u>2023</u>
	<u>£'000</u>	<u>£'000</u>
Wages and salaries	14,114	13,731
Social security costs	1,370	1,327
Other pension costs (including FRS 102 (28) adjustments)	2,737	3,209
Early retirement credit	43	(55)
Staff Restructuring	41	14
Total	18,305	18,226

PEMBROKESHIRE COLLEGE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024
NOTES TO THE FINANCIAL STATEMENTS

6 Staff Costs *Continued*

	2024	2023
	<u>£'000</u>	<u>£'000</u>
Employment costs for staff on permanent contracts	17,468	16,606
Employment costs for staff on short-term and temporary contracts	923	1,060
FRS 102 (28) adjustment	(170)	601
Early retirement credit	43	(55)
Staff Restructuring	41	14
Total	<u>18,305</u>	<u>18,226</u>

All Staff

In line with a nationally agreed award by all Colleges and the joint unions, the College awarded a 5% consolidated cost of living settlement with effect from 1 August 2023.

Severance Payments

The College paid seven severance payments in the year, disclosed in the following bands;

	2024
	<u>No.</u>
£0 - £25,000	7
£25,001 - £50,000	-
£50,001 - £100,000	-
£100,001 - £150,000	-
£150,000 +	-

Included in staff restructuring costs are special severance payments totalling £15,365 (2023: £13,050). The special severance payment of £15,365 related to one individual.

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. The Assistant Principal Commercial and Client Services retired on the 30th of June 2024. This role was not directly replaced but a leadership team restructure came into place on the 1st of August 2025.

PEMBROKESHIRE COLLEGE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024
NOTES TO THE FINANCIAL STATEMENTS

7 Key Management Personnel *continued*

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:

	Key Management Personnel		Other Staff	
	2024	2023	2024	2023
	No.	No.	No.	No.
£60,001 to £65,000	-	-	3	1
£65,001 to £70,000	-	-	3	3
£70,001 to £75,000	-	-	1	1
£75,001 to £80,000	-	-	1	1
£85,001 to £90,000	-	1	-	1
£90,001 to £95,000	1	-	1	-
£100,001 to £105,000	1	1	-	-
£135,001 to £140,000	-	1	-	-
£140,001 to £145,000	1	-	-	-

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

	Key Management Personnel		Other Staff	
	2024	2023	2024	2023
	£	£	£	£
Salaries	332,406	328,658	637,537	503,467
Benefits in Kind		-		-
	332,406	328,658	637,537	503,467
Pension Contributions	72,307	69,116	129,206	93,719
	404,713	397,774	766,743	597,186

PEMBROKESHIRE COLLEGE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024
NOTES TO THE FINANCIAL STATEMENTS

7 Key Management Personnel *continued*

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.

	2024	2023
	£	£
Emoluments of the Principal		
Salary	144,152	139,221
Benefits in Kind		-
	<u>144,152</u>	<u>139,221</u>
Pension Contributions	36,538	32,967
	<u>180,690</u>	<u>172,188</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 the evidence collated, 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 has therefore 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.

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

	2024	2023
Accounting Officer's basic salary divided by the median pay of all other employees	4.3	4.8
Accounting Officer's total emoluments divided by the median pay of all other employees	5.4	6.0

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 5% consolidated effective 1 August 2023. This took the salary from £139,221 to £144,152.

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 5% consolidated 1 August 2023.

PEMBROKESHIRE COLLEGE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024
NOTES TO THE FINANCIAL STATEMENTS

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.

PEMBROKESHIRE COLLEGE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024
NOTES TO THE FINANCIAL STATEMENTS

8 Other Operating Expenses

		2024	2023
		<u>£'000</u>	<u>£'000</u>
Teaching departments	- Learner Related Expenditure	1,042	1,163
	- Projects Expenditure	539	352
Teaching support services		1,343	1,237
Other support services		245	303
Administration and central services		699	658
Unrecoverable VAT		430	422
General education expenditure		76	74
Premises costs	- Running costs	516	426
	- Maintenance	235	257
	- External Contracts	270	230
	- Rents and Leases	28	60
Planned maintenance and Condition Survey Work		55	73
Other income generating activities		75	52
Catering and residences		56	55
Subtotal before Franchised provision		5,609	5,362
Franchised provision	- FE	87	127
	- WBL	19,798	17,005
		25,494	22,494
		<u>25,494</u>	<u>22,494</u>
		2024	2023
		<u>£'000</u>	<u>£'000</u>
Other operating expenses include:			
Examination Fees (included in Teaching support services)		569	545
Auditors' remuneration	- external audit	27	27
	- internal audit	24	21
	- other services regulatory	5	12
Operating leases	- plant and machinery	9	8
	- land and buildings	28	60

PEMBROKESHIRE COLLEGE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024
NOTES TO THE FINANCIAL STATEMENTS

9 Interest and Finance Costs

	Note	2024 £'000	2023 £'000
Pension finance costs	18	-	166
		-	166

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

	Freehold Land and Buildings £'000	Plant and Machinery £'000	Fixtures Fittings and Equipment £'000	Assets in the Course of Construction £'000	Total £'000
Cost or valuation					
At 1 August 2023	44,577	889	9,103	1,500	56,069
Additions	438	72	864	1,177	2,551
Disposals	-	(19)	(436)	-	(455)
Transfer	2,425	-	-	(2,425)	-
At 31 July 2024	47,440	942	9,531	252	58,165
Accumulated depreciation					
At 1 August 2023	10,529	702	6,682	-	17,913
Charge for year	1,011	42	797	-	1,850
Eliminated in respect of disposals	-	(19)	(407)	-	(426)
At 31 July 2024	11,540	725	7,072	-	19,337
Net book value at 31 July 2024	35,900	217	2,459	252	38,828
At 31 July 2023	34,048	187	2,421	1,500	38,156
Inherited	4,894	-	-	-	4,894
Financed by capital grant	18,664	131	1,334	164	20,293
Other	12,342	86	1,125	88	13,641
Net book value at 31 July 2024	35,900	217	2,459	252	38,828

PEMBROKESHIRE COLLEGE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024
NOTES TO THE FINANCIAL STATEMENTS

11 Tangible Assets *Continued*...

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 £4,894,234 (2023: £4,995,354) 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

	2024	2023
	<u>£'000</u>	<u>£'000</u>
Amounts falling due within one year		
Trade debtors	3,731	4,612
Prepayments and accrued income	464	401
	<u>4,195</u>	<u>5,013</u>

13 Investments

	2024	2023
	<u>£'000</u>	<u>£'000</u>
Short term deposits	<u>4,000</u>	<u>3,000</u>

PEMBROKESHIRE COLLEGE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024
NOTES TO THE FINANCIAL STATEMENTS

14 Creditors - Amounts falling due within one year

	Note	2024 £'000	2023 £'000
Payments received in advance		641	217
Creditors - Trade		153	213
- Capital		304	802
Taxation and social security		321	481
Accruals		1,134	1,095
Other Creditors		2,755	2,326
Deferred revenue grants		944	1,378
Deferred capital grants	16	1,202	1,185
		7,454	7,697

15 Creditors - Amounts falling due after more than one year

	Note	2024 £'000	2023 £'000
Deferred capital grant	16	19,091	19,006
		19,091	19,006

PEMBROKESHIRE COLLEGE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024
NOTES TO THE FINANCIAL STATEMENTS

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 2023	17,268	1,863	1,047	13	20,191
Grant received	1,076	207	-	-	1,283
Released to Statement of Comprehensive Income	(544)	(609)	(19)	(9)	(1,181)
At 31 July 2024	<u>17,800</u>	<u>1,461</u>	<u>1,028</u>	<u>4</u>	<u>20,293</u>

	2024	2023
	<u>£'000</u>	<u>£'000</u>
In one year or less	1,202	1,185
In one year or more	19,091	19,006
	<u>20,293</u>	<u>20,191</u>

PEMBROKESHIRE COLLEGE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024
NOTES TO THE FINANCIAL STATEMENTS

17 Other Provisions

	<u>Enhanced</u>		
	<u>Pension</u>	<u>Other</u>	<u>Total</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
At 1 August 2023	553	167	720
Expenditure for year	(50)	-	(50)
Transferred from/(to) Statement of Comprehensive Income	39	(43)	(4)
At 31 July 2024	542	124	666

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 £146,836 (2023: £133,482) in respect of early retirement pension payable to former key management personnel.

The principal assumptions for this calculation are:

	2024	2023
Interest rate	4.8%	5.0%
Inflation rate	2.8%	2.8%

The "Other" provision totalling £124k is made up of two components. £15k 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.

PEMBROKESHIRE COLLEGE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024
NOTES TO THE FINANCIAL STATEMENTS

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 £2,907,882 (2023 £2,612,529).

The principal assumptions for this calculation are:

	2024	2023
	<u>£'000</u>	<u>£'000</u>
TPS contributions Paid	1,411	1,225
LGPS contributions paid	1,497	1,382
LGPS FRS 102 (28) (credit)/charge	<u>(170)</u>	<u>601</u>
LGPS total	1,327	1,983
Enhanced Pension charge to the Statement of Comprehensive Income		
TPS	39	(59)
LGPS	<u>4</u>	<u>4</u>
Total	43	(55)
Total Pension Cost for Year within staff costs	<u>2,781</u>	<u>3,153</u>

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools, colleges and other educational establishments. Membership is automatic for teachers and lecturers at eligible institutions. Teachers and lecturers are able to opt out of the TPS.

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

Under the definitions set out in FRS 102 (28.11), the TPS is a multi-employer pension plan. The College is unable to identify its share of the underlying assets and liabilities of the plan.

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

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

PEMBROKESHIRE COLLEGE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024
NOTES TO THE FINANCIAL STATEMENTS

18 Pension and Similar Obligations *Continued...*

The latest actuarial review of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education (the Department) in October 2023. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service at the effective date of £262 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222 billion giving a notional past service deficit of £40 billion (compared to £22 billion in the 2016 valuation)

As a result of the valuation, new employer contribution rates will rise to 28.68% from April 2024 (compared to 23.68% during 2018/19).

A full copy of the 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 £1,410,523 (2023: £1,225,695)

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 2024 were £1,993,824 of which employer's contributions totalled £1,497,359 and employees' contributions totalled £496,465. 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.

PEMBROKESHIRE COLLEGE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024
NOTES TO THE FINANCIAL STATEMENTS

18 Pension and Similar Obligations *Continued*...

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2022 updated to 31 July 2024 by a qualified independent actuary.

	2024	2023
Rate of CPI inflation	2.6%	2.7%
Rate of increase in salaries	4.1%	4.2%
Rate of increase in pensions	2.7%	2.8%
Discount rate	4.9%	5.1%

The assumed life expectations on retirement age 65 are:

	2024	2023
	Years	Years
Retiring Today – Males	21.4	21.4
Retiring Today – Females	23.8	23.7
Retiring in 20 years' time – Males	22.8	22.8
Retiring in 20 years' time – Females	25.6	25.5

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

	Value at	Value at
	31 July	31 July
	2024	2023
	£'000	£'000
Equities	31,286	27,678
Government Bonds	-	76
Other Bonds	3,975	3,218
Property	4,616	4,998
Other	2,864	1,893
	42,741	37,863

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

	2024	2023
	£'000	£'000
Fair value of plan assets	42,741	37,863
Present value of plan liabilities	(37,557)	(34,219)
Surplus in the scheme	5,184	3,644
Effect of the Asset Ceiling	(5,184)	-
Recognised pension asset/(liability)	-	3,644

PEMBROKESHIRE COLLEGE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024
NOTES TO THE FINANCIAL STATEMENTS

18 Pension and Similar Obligations *Continued...*

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

	2024	2023
	<u>£'000</u>	<u>£'000</u>
Charged to staff costs		
Current service costs	(1,300)	(1,963)
Administration expenses	(31)	(29)
Total Charge to staff costs	<u>(1,331)</u>	<u>(1,992)</u>
Charge for net return on pension scheme		
Interest Income	1,964	1,271
Interest cost	(1,739)	(1,437)
Net interest credit/(cost)	<u>225</u>	<u>(166)</u>
Credit to other comprehensive income		
Return on pension plan assets	1,663	(326)
Changes in assumptions underlying the present value of plan liabilities	(518)	10,178
Actuarial Gain	<u>1,145</u>	<u>9,852</u>
Total credit to the Income Statement	<u>39</u>	<u>7,694</u>

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

	2024	2023
	<u>£'000</u>	<u>£'000</u>
Surplus/(Deficit) at 1 August	3,644	(5,441)
Movement in year:		
Current service cost	(1,300)	(1,963)
Net finance income/(cost)	225	(166)
Administration costs	(31)	(29)
Employer contributions	1,501	1,391
Actuarial gain	1,145	9,852
Net defined asset at 31 July	<u>5,184</u>	<u>3,644</u>
Effect of Asset Ceiling	(5,184)	-
Recognised pension asset	<u>-</u>	<u>3,644</u>

PEMBROKESHIRE COLLEGE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024
NOTES TO THE FINANCIAL STATEMENTS

18 Pension and Similar Obligations *Continued...*

Asset and liability reconciliation

Changes in the present value of defined benefit obligations

	2024	2023
	<u>£'000</u>	<u>£'000</u>
Defined benefit obligations at start of financial year	(34,219)	(41,147)
Current service cost	(1,300)	(1,963)
Interest cost	(1,739)	(1,437)
Contribution by scheme participants	(496)	(461)
Changes in financial assumptions	(518)	10,178
Benefits paid	715	611
Defined benefit liability at 31 July	<u>(37,557)</u>	<u>(34,219)</u>

Changes in fair value of plan assets

	2024	2023
	<u>£'000</u>	<u>£'000</u>
Fair value of plan assets at start of year	37,863	35,706
Return on plan assets	1,964	1,271
Remeasurements	1,663	(326)
Administration costs	(31)	(29)
Employer contributions	1,501	1,391
Contributions by scheme participants	496	461
Benefits paid	(715)	(611)
Fair value of plan assets at 31 July	<u>42,741</u>	<u>37,863</u>
Effect of the Asset Ceiling	(5,184)	-
Recognised value of scheme assets	<u>37,557</u>	<u>37,863</u>

19 Capital Expenditure

	2024	2023
	<u>£'000</u>	<u>£'000</u>
Purchase of tangible fixed assets	(3,049)	(5,033)
Proceeds from sale of tangible fixed assets	10	2
Capital grants received	1,228	1,825
Net cash outflow from capital expenditure	<u>(1,811)</u>	<u>(3,206)</u>

PEMBROKESHIRE COLLEGE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024
NOTES TO THE FINANCIAL STATEMENTS

20 Analysis of Changes in Net Funds

	At 1 August 2023 <u>£'000</u>	Cash flow <u>£'000</u>	Non-cash Movement <u>£'000</u>	At 31 July 2024 <u>£'000</u>
Cash at bank and in hand	5,240	400	-	5,640
Cash deposit investments	3,000	1,000	-	4,000
Net funds	8,240	1,400	-	9,640

21 Capital Commitments

	2024 <u>£'000</u>	2023 <u>£'000</u>
Capital expenditure contracted for at 31 July not provided for in the Financial statements.	754	789

22 Financial Commitments

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

	2024 <u>£'000</u>	2023 <u>£'000</u>
Expiring less than one year	36	36
Expiring between two and five years inclusive	115	116
Expiring in more than five years	429	444
	580	596

PEMBROKESHIRE COLLEGE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024
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:

	Sales to related party		Purchases from related party		Balances (owed to)/ owed by at year end	
	2024	2023	2024	2023	2024	2023
	<u>£'000</u>	<u>Restated £'000</u>	<u>£'000</u>	<u>Restated £'000</u>	<u>£'000</u>	<u>Restated £'000</u>
Details of related party						
Pembrokeshire County Council	648	383	792	779	(113)	24
Milford Haven Port Authority	17	-	13	-	-	-

There were sales to Carreg Construction of £285 (2023: £150) during the year but due to rounding they have not been disclosed above.

The total expenses paid to or on behalf of the Governors during the year was £104 and related to one governor (2023: £135; one governor). This represents travel and subsistence expenses and other out of pocket expenses incurred in attending Governor meetings and other events in their official capacity.

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.

	2024 £'000	2023 £'000
Brought Forward 1 August	23	10
Received from WG	294	310
Interest Received	3	-
	<u>320</u>	<u>320</u>
Disbursed to Learners	(320)	(297)
Balance unspent	<u><u>-</u></u>	<u><u>23</u></u>
Summary of balance unspent at 31 July		
Retained for following year	-	23
Balance unspent	<u><u>-</u></u>	<u><u>23</u></u>