

# Falmouth Exeter Plus

**Falmouth Exeter Plus**  
**(a Company Limited by Guarantee)**

**Registered number: 5103240**

**Consolidated Financial Statements**  
**for the Year to 31 July 2023**

## **Falmouth Exeter Plus**

**Directors (as at date  
of signing):**

A Fulton  
S Foster (appointed 1 September 2023)  
V Gosling  
Professor E Hunt  
S Gaslonde (appointed 1 August 2023)  
Professor M Seigert (appointed 4 November 2022)  
M Shore-Nye  
D Stacey (appointed 23 August 2023)

**Registered Number:** 5103240

**Registered Office:** Penryn Campus  
Penryn  
Cornwall  
TR10 9FE

**Auditor:** Mazars LLP  
90 Victoria Street  
Bristol  
BS1 6DP

**Bankers:** Barclays Bank plc  
3rd Floor  
Windsor Court  
3 Windsor Place  
Cardiff  
CF10 3BX  
  
Lloyds Bank plc  
25 Monument Street  
London  
EC3R 8BQ

**Falmouth Exeter Plus  
Consolidated Financial Statements  
For the Year ended 31 July 2023**

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**Falmouth Exeter Plus**  
**Strategic Report (incorporating the Financial and Operating Review)**  
**For the Year ended 31 July 2023**

**Strategic Report (incorporating the Financial and Operating Review)**

The Directors submit their report and the financial statements for the year ended 31 July 2023.

**Objectives and activities for the public benefit**

The objects of Falmouth Exeter Plus (FX Plus) are to advance the education of the public by providing and assisting in the provision of higher education facilities in Cornwall. The Directors confirm that they are aware of their duties with regard to public benefit and are conversant with the Charity Commission guidance in this area. In setting objectives and planning future activities, they have given consideration to the guidance on public benefit.

FX Plus is a jointly controlled entity established by Falmouth University (Falmouth) and the University of Exeter (UoE) to operate a range of services and facilities on the Penryn Campus (originally), and now also the Falmouth and Truro Campuses, for the joint benefit of the two universities which occupy the sites.

The direct benefits of FX Plus' work are the support for students at the Penryn, Falmouth and Truro Campuses to enable individual development on both an academic and personal level, and to facilitate teaching and research. This should also enrich society by providing well educated graduates and potential employees.

As the beneficiaries are students of the two universities, the public benefit is inextricably linked to that of the two universities. Further information about the universities' policies on public benefit including financial support to students and widening participation can be found in their financial statements.

Falmouth Exeter Plus (FX Plus) develops and operates all student accommodation comprising Glasney Parc, a 1,449-room residential development on Penryn Campus, Tuke House, a 156-room residence located in Falmouth and leased from Sanctuary Housing, and The Sidings, a 233-room residence at Penryn, operated under a Nominations Agreement. FX Plus also holds some short-term head leases whilst there is a shortfall of accommodation for first year students. In addition, FX Plus provides catering, retail, nursery, sport and printing services to staff, students and third parties. FX Plus manages the property issues on the Penryn and Falmouth campuses, including grounds, building maintenance, transport services, cleaning and security. It also provides library and academic skills, IT and AV and student support services.

Cornwall Plus Limited (Cornwall Plus), a wholly owned subsidiary, operates the commercial, non-charitable activities of the jointly controlled entity primarily relating to non-student letting of residences, non-academic conferences, external events and corporate hospitality for third parties. All taxable profits of Cornwall Plus are gifted to FX Plus.

Tremough Development Vehicle Limited (TDV), a wholly owned subsidiary, acted as the joint agent of Falmouth and UoE in the procurement of shared non-residential building developments on the Penryn Campus but has been dormant for the year and is expected to remain so for the foreseeable future.

The financial statements show the results of the Group, incorporating TDV, Cornwall Plus and FX Plus.

**Results for the year**

Against a backdrop of significant wage and supply chain inflation (especially related to energy), increases in interest rates and cost of living pressures on our students and staff, mean that a deficit has been posted for the year.

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**Strategic Report (incorporating the Financial and Operating Review)**  
**For the Year ended 31 July 2023**

The deficit for the year was £747K (2022/23 – surplus £157K) including additional staffing and interest costs advised by the actuaries of £419K (2022/23 £2,109K) as part of the annual pension valuation.

Summary consolidated results for 2022/23 are shown below:

	<b>£ (000)</b>	<b>£ (000)</b>
<b>Income</b>		
Central Support, Estates, Library, IT and Student Services		
Income from Falmouth/UoE	21,105	
Commercial Services	15,001	
Investment Income	76	
	<hr/>	
		36,182
<b>Expenditure</b>		
Central Support, Estates, Library, IT and Student Services costs	(21,105)	
Commercial Services		
Staffing and other costs	(10,271)	
Interest	(1,773)	
Depreciation	(3,263)	
	<hr/>	
	(15,307)	
		(36,412)
Loss on sale of assets		(98)
		<hr/>
<b>Deficit for the year (exc pension costs)</b>		<b>(328)</b>
Pension costs included in expenditure		(419)
		<hr/>
<b>Surplus for the year (inc pension costs)</b>		<b>(747)</b>
Re-measurements in respect of Pension Scheme		4,471
		<hr/>
<b>Total comprehensive income for the year</b>		<b>3,724</b>

### **Key Performance Indicators**

Financial performance was broadly in line with target although, with lower income from trading operations, cash generation is beginning to drop and FX Plus will no longer be able to purchase capital items on behalf of the universities.

Other KPIs were reported to the Board during the year on a balanced scorecard approach through customer KPIs (largely National Student Survey (NSS) results), process KPIs (volumes and helpdesk numbers) and people KPIs (through staff engagement). These were mainly positive with some work to be done in relation to NSS results which are directly influenced by FX Plus.

### **Central Support, Estates, Facilities, IT, Library and Student Services**

Services provided to the two institutions increased during the year recognising the increase in costs from both staff pay awards and operational running costs, especially utilities and building maintenance – all of which were impacted by high inflation.

### **Commercial Operations**

Trading income is shown in note 8 and shows a decrease of 0.5% (2021/22 – 16% increase) and reflects the impact of cost of living pressures on both on-campus students and staff as well as a fall in summer conference and events activity.

### **Balance sheet**

Expenditure on fixed assets during the year amounted to £1.9m which included a new prayer room at Penryn, additional solar PV installations as part of the ongoing carbon commitment, IT network and firewall improvements, a new timetabling system and additional study beds in residences to increase capacity. This was more than offset by the annual depreciation charge which led to an overall decrease in the value of fixed assets.

**Falmouth Exeter Plus**  
**Strategic Report (incorporating the Financial and Operating Review)**  
**For the Year ended 31 July 2023**

Net current liabilities were £5.7M (2021/22 - £3.9M) and the pension deficit decreased to £NIL (2021/22 - £4.1M) as explained in note 17.

**Cashflow and liquidity**

At the year end the net cash balances were £0.2M (2021/22 - £2.3M) with the main movements during the year shown in the cashflow statement.

**Strategic Risks**

Risks for FX Plus are considered regularly by the Board and assigned to a Senior Executive Team (SET) member. Risks are ranked in order of importance and flagged using high (red), medium (orange), and low (green) using impact and probability scores.

Risk management has been monitored through the risk register process which included risks and opportunities across all services. The major risks are financial, cyber security, accommodation demand and supply, compliance with accessibility and staff recruitment and retention.

In line with the national picture, cyber threats are those that have the highest impact and are on a rising trajectory. These are being monitored by SET and the risk owners.

**Cornwall Plus Limited (Cornwall Plus)**

The profit generated by the company is attributable to non-charitable conferencing and events and is referred to under Commercial Services above.

Income fell by over 34% from the previous year with both group and individual traveller bookings down on budget and the prior year. Traveller bookings reflected the wider experience of Cornwall and the South West tourism business which suffered a 20% drop in bookings.

The final results for the year show a profit before tax of £16K (2021/22 - £348K), which has been donated under a gift aid agreement to the parent company FX Plus.

**Tremough Development Vehicle Limited (TDV)**

This company is dormant and will remain so for the foreseeable future. It will not be formally wound up due to the major contracts held in its name.

**Looking ahead**

Given the competition for student numbers, with more learners studying closer to home, the outlook for the coming year looks challenging. Fixed domestic fees for UK students is impacting the overall income from the two universities which means that the services they can afford will need to be delivered more effectively as the unit of resource declines.

As such, a savings implementation plan is being worked through by the Board and Senior Executive Team to enable FX Plus to continue to provide the services required for our partner universities, staff and students and other campus users.

**By Order of the Board**



A Fulton  
Chair

Date: 17 October 2023

**Falmouth Exeter Plus  
Directors' Report  
For the Year ended 31 July 2023**

## **Directors' Report**

### **Principal activities**

Falmouth Exeter Plus (FX Plus) is a jointly controlled entity established by Falmouth University (Falmouth) and the University of Exeter (UoE) to operate a range of services and facilities on the Penryn Campus (originally), and now also the Falmouth and Truro Campuses, for the joint benefit of the two universities which occupy the sites.

FX Plus has exempt charity status owing to the educational objectives of the university partners which it supports with its services. It was incorporated on 16 April 2004 as a company limited by guarantee with Falmouth and UoE as the sole members.

### **Results**

The deficit for the year was £747,000 (2021/22 – surplus £157,000). For further details on the results for the year see the analysis contained in the Strategic Report on page 4.

### **Directors**

The Directors who served during the period and up to the date of signing were as follows:

Andrew Connolly (resigned 31 July 2023)  
Peter Cox (resigned 11 January 2023)  
Simon Foster (appointed 1 September 2023)  
Amie Fulton  
Stuart Gaslonde (appointed 1 August 2023)  
Victoria Gosling  
Professor David Hosken (resigned 4 November 2022)  
Professor Emma Hunt (appointed 1 September 2022)  
Professor Minhua Eunice Ma (appointed 5 September 2022, resigned 20 March 2023)  
Paula Sanderson (resigned 31 December 2022)  
Justin Scott (resigned 31 August 2022)  
Michael Shore-Nye (appointed 1 September 2022)  
Martin Siegert (appointed 4 November 2022)  
David Stacey (appointed 23 August 2023)

### **Directors' statement as to disclosure of information to auditor**

The Directors who were members of the Board at the time of approving the Directors' report are listed at the front of the financial statements. Having made enquiries of fellow Directors and of the auditor, each of these Directors confirms that:

- to the best of each Director's knowledge and belief, there is no information relevant to the preparation of their report of which the auditor is unaware; and
- each Director has taken all the steps a Director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the auditor is aware of that information.

### **Reappointment of Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Mazars will therefore continue in office.

### **Going concern**

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the reasons set out below.

The Directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of severe but plausible downsides, FX Plus will have sufficient funds, through funding from the members

**Falmouth Exeter Plus  
Directors' Report  
For the Year ended 31 July 2023**

(Falmouth University and University of Exeter) to meet its liabilities as they fall due for that period. The members are committed to continuing to make available such funds as are needed by FX Plus under the terms of the members' agreement.

The members each guarantee 50% of the company's bank loans and both members have confirmed that they have met their covenant requirements.

Consequently, the Directors are confident that FX Plus will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

**By Order of the Board**



Amie Fulton  
Chair

Date: 17 October 2023



**Falmouth Exeter Plus  
Corporate Governance Statement**

**Corporate Governance Statement**

Falmouth Exeter Plus (FX Plus) is a charitable company, limited by guarantee. It is jointly owned by University of Exeter (UoE) and Falmouth University (Falmouth) (together "the university partners").

The governance of FX Plus is through a Board of Directors, with Falmouth and UoE each appointing three Directors. Additional Directors can be appointed by the two members, with the support of at least two-thirds of existing Directors. Any decision taken by the Board of Directors requires the support of at least two UoE and two Falmouth Directors.

The Board normally meets three times a year, with provision for additional meetings and approval by email if required. During 2022/23, the Board met three times, with additional communication between meetings.

The Board has an agreed schedule of matters which it reserves to itself and which it reviews annually. The Board is responsible for determining the overall strategic direction of FX Plus and for overseeing and supporting the Managing Director and the Senior Executive Team (SET) in implementing the strategy. The Board is also responsible for monitoring FX Plus's performance and financial position and for ensuring that FX Plus maintains a sound system of internal control and risk management.

FX Plus has two subsidiary companies. Cornwall Plus Limited (Cornwall Plus) is responsible for commercial service provision. It began trading on 1 August 2013. All profits generated by Cornwall Plus are transferred by gift aid to FX Plus to reinvest in shared services and facilities.

The other subsidiary company, Tremough Development Vehicle Ltd (TDV), became non-trading with effect from 1 August 2015. It was previously the vehicle through which capital development projects at the Penryn (formerly Tremough) Campus were undertaken.

During the accounting period, the Board oversaw the strategic direction of FX Plus. The Board also reviewed the delivery of FX Plus's strategies and monitored the high-level performance of FX Plus against key performance indicators including financial performance. This required more regular input from the Chair due to the vacant Managing Director post who met regularly with SET throughout the period to assist with day-to-day management issues.

The Board has five committees reporting directly to it: Joint Systems Committee (JSC), Strategic Infrastructure Committee (SIC), the Combined Strategic Health and Safety Committee (CSHSC), the Cornwall Campuses Environmental and Climate Emergency Board and the FX Plus Finance Committee.

**Terms of Reference**

Cornwall Campuses Environmental and Climate Emergency Board (CCECEB) is the consultation forum for strategic sustainability matters at both Falmouth and Penryn campuses. CCECEB's remit includes aligning current academic research with operations at the Falmouth and Penryn campuses and identifying opportunities for a more collaborative approach towards sustainability both on campus and in the wider local area.

The Combined Strategic Health and Safety Committee is the combined consultation forum for strategic health and safety matters in shared areas and dedicated spaces where FX Plus has a role. Three FX Plus Board Directors sit on the committee, and the chair rotates on an annual basis between Falmouth and UoE.

The membership of both JSC and SIC includes a Board Director from each of the university partners. JSC is responsible for overseeing significant and/or high impact IT

**Falmouth Exeter Plus  
Corporate Governance Statement**

systems projects being undertaken by FX Plus IT Services and for advising the Board on overall priorities and budgets for these projects. SIC is responsible for overseeing progress and completion of strategic live estates and building projects at the Penryn Campus with budgets in excess of £500k. Both committees have delegated financial authority in relation to projects within their remits.

**Internal control**

In terms of ensuring the adequacy of mechanisms for internal control and risk management, and for external audit, the Board continues to rely on agreed "lighter touch" audit arrangements. These arrangements involve SET, the internal and external auditors, the Board and both universities' Audit Committees. Safeguard mechanisms also exist.

During the year, the Managing Director (MD) left her post and was replaced with an Executive Director (ED) from 1 August 2023. The MD/ED is directly responsible to the Board and there was no change to the schedule of powers delegated to the MD/ED in the accounting period.

However, during the period of absence of an MD being in post, SET Directors were responsible for devising and proposing to the Board strategies to deliver those elements of the university partners' own strategies for which FX Plus is responsible, and for implementing agreed delivery strategies.

SET comprises the list of staff below. They met monthly during the accounting period with more regular weekly meetings, as required, to meet operational demands.

Paula Sanderson, Managing Director (resigned 31 December 2022)  
Stuart Gaslonde, Director of IT and Digital (appointed Executive Director from 1 August 2023)  
David Dickinson, Director of Student and Library Services  
Lee Hallam, Director of Commercial Operations  
Oliver Lane, Director of Accommodation and Facilities  
Sarah Roby, Director of Estates (resigned 31 July 2023)

Senior representatives from Finance and Human Resources attend most meetings, along with the Head of Strategic Programmes and Business Transformation.

SET consult, through Liaison Groups, with students and staff of Falmouth and UoE as "customers" of the services which FX Plus provides. The Operational Health and Safety Committee (a statutory requirement) reports to the MD/ED (or Chair in the absence of the MD/ED) on health and safety matters, and the MD/ED, in turn, reports key health and safety related matters to the Board at each ordinary meeting.



Amie Fulton  
Chair

Date: 17 October 2023

**Statement of Responsibilities of the Directors of  
Falmouth Exeter Plus**

**Statement of Directors' Responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements**

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of FX Plus and of the profit or loss for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess FX Plus' ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of FX Plus and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on FX Plus' website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **Independent Auditor's Report to the Members of Falmouth Exeter Plus**

### **Opinion**

We have audited the financial statements of Falmouth Exeter Plus for the year ended 31 July 2023 which comprise the consolidated and company statement of comprehensive income, consolidated and company statement of changes in equity, consolidated and company balance sheets, consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies.

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

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 July 2023 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

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

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

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

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

### **Other information**

The other information comprises the information included in the Consolidated Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Consolidated Financial Statements. 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

## **Independent Auditor's Report to the Members of Falmouth Exeter Plus**

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.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

### **Responsibilities of Directors**

As explained more fully in the directors' responsibilities statement set out on page 11, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

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

## **Independent Auditor's Report to the Members of Falmouth Exeter Plus**

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

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

Based on our understanding of the group and the parent company and their industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation and pension regulations.

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

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

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation and the Companies Act 2006.

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

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

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

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

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

**Independent Auditor's Report to the  
Members of Falmouth Exeter Plus**

**Use of the audit report**

This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.



Richard Bott (Senior Statutory Auditor) for and on behalf of Mazars LLP  
Chartered Accountants and Statutory Auditor  
90 Victoria Street  
Bristol  
BS1 6DP

Date 6/11/23

**Falmouth Exeter Plus  
Consolidated and Company  
Statement of Comprehensive Income  
For the Year ended 31 July 2023**

	Note	Year to 31/7/23 Group £ (000)	Year to 31/7/23 Company £ (000)	Year to 31/7/22 Group £ (000)	Year to 31/7/22 Company £ (000)
<b>Income</b>					
Operating Income	<b>2</b>	36,106	35,437	34,673	33,982
Investment Income	<b>3</b>	76	74	12	12
<b>Total Income</b>		<u>36,182</u>	<u>35,511</u>	<u>34,685</u>	<u>33,994</u>
<b>Expenditure</b>					
Cost of Sales	<b>4</b>	1,180	708	1,393	874
Staff Costs	<b>5</b>	14,284	14,136	15,005	14,862
Other Operating Expenses	<b>6</b>	16,184	16,133	12,948	12,919
Depreciation	<b>9</b>	3,263	3,263	3,336	3,336
Interest Payable	<b>7</b>	1,920	1,920	1,846	1,846
<b>Total Expenditure</b>		<u>36,831</u>	<u>36,160</u>	<u>34,528</u>	<u>33,837</u>
<b>(Deficit)/Surplus before other Gains and Losses</b>		<b>(649)</b>	<b>(649)</b>	<b>157</b>	<b>157</b>
Losses on Disposal of Fixed Assets		(98)	(98)	-	-
<b>(Deficit)/Surplus on Continuing Operations Before and After Tax</b>		<u>(747)</u>	<u>(747)</u>	<u>157</u>	<u>157</u>
<b>(Deficit)/Surplus for the Year</b>		<b>(747)</b>	<b>(747)</b>	<b>157</b>	<b>157</b>
Actuarial gain in respect of pension scheme		4,471	4,471	22,488	22,488
<b>Total comprehensive income for the year</b>		<u>3,724</u>	<u>3,724</u>	<u>22,645</u>	<u>22,645</u>
Represented by					
<b>Unrestricted comprehensive income for the year</b>		<u>3,724</u>	<u>3,724</u>	<u>22,645</u>	<u>22,645</u>

All items of income and expenditure relate to continuing activities.

The accompanying notes on pages 19 to 35 form an integral part of the financial statements.



**Falmouth Exeter Plus**  
**Consolidated and Company Statement of Changes in Equity**  
**For the Year ended 31 July 2023**

**Group**

	Income & Expenditure Account <i>Unrestricted</i> <b>£ (000)</b>	Revaluation reserve <b>£ (000)</b>	Total <b>£ (000)</b>
<b>Balance at 1 August 2021</b>	(17,249)	26,390	9,141
Surplus from the income and expenditure statement	157	-	157
Other comprehensive income	22,488	-	22,488
Transfers between revaluation and income and expenditure reserve	519	(519)	-
<b>Balance at 31 July/ 1 August 2022</b>	5,915	25,871	31,786
Deficit from the income and expenditure statement	(747)	-	(747)
Other comprehensive income	4,471	-	4,471
Transfers between revaluation and income and expenditure reserve	519	(519)	-
<b>Balance at 31 July 2023</b>	10,158	25,352	35,510

**Company**

	Income & Expenditure Account <i>Unrestricted</i> <b>£ (000)</b>	Revaluation reserve <b>£ (000)</b>	Total <b>£ (000)</b>
<b>Balance at 1 August 2021</b>	(17,220)	26,390	9,170
Surplus from the income and expenditure statement	157	-	157
Other comprehensive income	22,488	-	22,488
Transfers between revaluation and income and expenditure reserve	519	(519)	-
<b>Balance at 31 July/ 1 August 2022</b>	5,944	25,871	31,815
Deficit from the income and expenditure statement	(747)	-	(747)
Other comprehensive income	4,471	-	4,471
Transfers between revaluation and income and expenditure reserve	519	(519)	-
<b>Balance at 31 July 2023</b>	10,187	25,352	35,539

Transfers between revaluation and income and expenditure reserve are due to previous revaluations undertaken in accordance with the old basis of accounting (2007 SORP) and on transition to FRS 102. The valuations as at the date of transition have been taken as deemed cost.

The accompanying notes on pages 19 to 35 form an integral part of the financial statements.

Falmouth Exeter Plus  
Balance Sheets as at 31 July 2023

	Note	Group 2023 £ (000)	Company 2023 £ (000)	Group 2022 £ (000)	Company 2022 £ (000)
<b>Fixed Assets</b>					
Tangible Assets	<b>9</b>	73,816	73,816	75,305	75,305
Investment Assets	<b>10</b>	-	-	-	-
		73,816	73,816	75,305	75,305
<b>Current Assets</b>					
Stock	<b>11</b>	163	163	158	158
Trade and other receivables	<b>12</b>	1,708	1,596	1,341	1,284
Cash and cash equivalents		167	145	2,340	2,141
		2,038	1,904	3,839	3,583
Creditors - amounts falling due within one year	<b>13</b>	(7,695)	(7,532)	(7,702)	(7,417)
Net Current Liabilities		(5,657)	(5,628)	(3,863)	(3,834)
Total Assets less Current Liabilities		68,159	68,188	71,442	71,471
Creditors - amounts falling due after more than one year	<b>14</b>	(32,649)	(32,649)	(35,604)	(35,604)
<b>Provisions</b>					
Pension Provision	<b>17</b>	-	-	(4,052)	(4,052)
Total Net Assets		35,510	35,539	31,786	31,815
<b>Unrestricted Reserves</b>					
Income and Expenditure Reserve-unrestricted		10,158	10,187	5,915	5,944
Revaluation Reserve		25,352	25,352	25,871	25,871
Total Reserves		35,510	35,539	31,786	31,815

The financial statements on pages 15 to 35 were approved by the Board of Directors on 17 October 2023



Amie Fulton  
Chair

Simon Foster  
Deputy Chair



The accompanying notes on pages 19 to 35 form an integral part of the financial statements.

**Falmouth Exeter Plus**  
**Consolidated Cash Flow Statement**  
**For the Year ended 31 July 2023**

	<b>Year to 31/7/23 £ (000)</b>	<b>Year to 31/7/22 £ (000)</b>
<b>Cash flow from operating activities</b>		
(Deficit)/Surplus for the year	(747)	157
<b>Adjustment for non-cash items</b>		
Depreciation	3,263	3,336
(Increase) in stock	(5)	(35)
(Increase) in debtors	(359)	(53)
(Decrease) in creditors	(551)	(1,296)
Increase in pension provision	272	1,705
Loss on disposal of fixed assets	98	-
<b>Adjustment for investing or financing items</b>		
Investment income	(76)	(12)
Interest payable	1,920	1,846
<b>Net cash inflow from operating activities</b>	<u>3,815</u>	<u>5,648</u>
<b>Cash flow from investing activities</b>		
Proceeds from sale of fixed assets	-	1,604
Payments made to acquire fixed assets	<u>(2,076)</u>	<u>(1,950)</u>
	(2,076)	(346)
<b>Cash flows from financing activities</b>		
Investment income	68	12
Interest paid	(1,646)	(1,283)
Interest element of finance lease	(43)	(130)
Repayment of amounts borrowed	(2,599)	(2,583)
Capital element of finance lease	<u>(334)</u>	<u>(326)</u>
	(4,554)	(4,310)
(Decrease)/Increase in cash and cash equivalents in the year	(2,815)	992
Cash and cash equivalents at the beginning of the year	2,314	1,322
<b>Cash and cash equivalents at the end of the year</b>	<u><u>(501)</u></u>	<u><u>2,314</u></u>

The accompanying notes on pages 19 to 35 form an integral part of the financial statements.

**Falmouth Exeter Plus**  
**Notes to the Consolidated Financial Statements**  
**For the Year ended 31 July 2023**

**1. Principal Accounting Policies**

**Basis of accounting**

The company is a private company limited by guarantee and domiciled in England.

These financial statements are prepared under the historical cost convention modified by the revaluation of derivative financial instruments and in accordance with the Companies Act 2006 and Financial Reporting Standard (FRS) 102. The company is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS 102.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year, are discussed below.

**Basis of consolidation**

The consolidated financial statements include the company and its subsidiary companies Tremough Development Vehicle Limited and Cornwall Plus Limited. Intra-group sales and profits are eliminated fully on consolidation.

**Accounting estimates and judgements**

***Key sources of estimation uncertainty***

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

*Useful economic lives of tangible assets*

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives of the assets so these are re-assessed annually and amended when necessary to reflect current estimates. See note 9 for the carrying amount of the property, plant and equipment, and note 1 for the useful economic lives for each class of assets.

*Impairment of debtors*

The company makes an estimate for the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 12 for the net carrying amount of the debtors and associated impairment provision.

*Pensions*

FRS102 requires that certain assumptions are made in order to determine the amount to be recorded for retirement benefit obligations and pension plan assets, in particular for defined benefit plans. These are mainly actuarial assumptions such as expected inflation rates, employee turnover, expected return on plan assets and discount rates. Substantial changes in the assumed development of any one of these variables may significantly change the company's retirement benefit obligation and pension assets.

**Falmouth Exeter Plus**  
**Notes to the Consolidated Financial Statements**  
**For the Year ended 31 July 2023**

***Critical accounting judgements in applying the Company's accounting policies***

There are no such judgements in either the current or prior year.

**Going concern**

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of severe but plausible downsides, including the impact of Covid-19, the group and company will have sufficient funds, through funding from the members (Falmouth University and University of Exeter) to meet its liabilities as they fall due for that period. The members are committed to continuing to make available such funds as are needed by the group and company under the terms of the members' agreement.

The members each guarantee 50% of the company's bank loans. Both members have addressed their covenant requirements.

Consequently, the Directors are confident that the group and company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

**Recognition of income**

Income is included in the Consolidated Statement of Comprehensive Income and Expenditure to the extent of the goods supplied or completion of the service concerned. For services, this is generally equivalent to the sum of the relevant expenditure incurred during the period and any related contributions towards overhead costs. All income from short-term deposits is credited to the income and expenditure account in the period in which it is earned.

**Accounting for retirement benefits**

Retirement benefits for the employees of the Group are provided by the Cornwall Council (CC) Superannuation Scheme. This is a defined benefit scheme which is externally funded and contracted out of the State Earnings Related Pension Scheme. The Scheme is valued every three years by professionally qualified independent actuaries.

The Group's obligation is to provide the agreed benefits to current and former employees, and actuarial risk (that benefits will cost more or less than expected) and investment risk (that returns on assets set aside to fund the benefits will differ from expectations) are borne, in substance, by the Group. The Group should recognise a liability for its obligations under defined benefit plans net of plan assets. This net defined benefit liability is measured as the estimated amount of benefit that employees have earned in return for their service in the current and prior periods, discounted to determine its present value, less the fair value (at bid price) of plan assets. The calculation is performed by a qualified actuary using the projected unit credit method. Where the calculation results in a net asset, recognition of the asset is limited to the extent to which the Company considers it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

The Group also participates in the Universities Superannuation Scheme (the scheme). The scheme is a defined benefit, multi-employer scheme for which it is not

**Falmouth Exeter Plus**  
**Notes to the Consolidated Financial Statements**  
**For the Year ended 31 July 2023**

possible to identify the assets and liabilities attributable to the Group due to the mutual nature of the scheme and therefore is accounted for as a defined contribution retirement benefit scheme. A scheme-wide contribution rate is set and the Group is therefore exposed to actuarial risks associated with the other institutions' employees. The Group is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by Section 28 of FRS 102 "Employee benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period.

**Employment benefits**

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

**Finance leases**

Leasing agreements that transfer substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. These are initially recognised at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

**Operating leases**

Costs in respect of operating leases are charged on a straight line basis over the lease term. Any lease premiums or incentives are spread over the whole term of the lease including extension options.

**Maintenance of premises**

The cost of long term and routine corrective maintenance is charged to the income and expenditure account as incurred.

**Tangible fixed assets**

Fixed assets are stated at deemed cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on the date of transition to the 2015 Further and Higher Education SORP are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

**Land and buildings**

Freehold land is not depreciated as it is considered to have an indefinite useful life. Buildings and associated capital works are depreciated over their expected useful lives of 50 years (long leasehold) or the period of the lease (short leasehold). Building improvement works, signage and the multi-use games area are depreciated over 10 years.

**Falmouth Exeter Plus**  
**Notes to the Consolidated Financial Statements**  
**For the Year ended 31 July 2023**

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

Finance costs on associated loans from third parties that are directly attributable to the purchase of land or the construction of buildings are capitalised during the construction period but, thereafter, are not capitalised as part of the costs of those assets but are shown as interest payable.

Buildings under construction are accounted for at cost, based on the value of architects' certificates, contractor claims that are substantiated and other direct costs incurred to 31 July. They are not depreciated until they are ready for use.

### **Equipment**

Equipment, including computers and software, costing less than £5,000 per individual item is recognised as expenditure. All other equipment is capitalised.

Capitalised equipment is stated at cost and depreciated over its expected useful life, as follows:

Computers and equipment	- between 4 and 7 years
Motor vehicles	- 4 years

Depreciation methods, useful lives and residual values are reviewed at the date of the preparation of each Balance Sheet.

### **Investments**

Investments in subsidiaries are carried at cost less impairment in the company's accounts.

### **Stock**

Stocks of materials for sale are valued at the lower of cost and net realisable value where cost is taken as that incurred in bringing each product to its present location and condition.

### **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. This includes amounts invested by Falmouth University on the Group's behalf. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

### **Trade and other debtors and creditors**

The Company measures debtors and creditors at amortised cost less impairment, except for derivatives which are measured at fair value.

### **Provisions**

Provisions are recognised when the Group 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. The amount recognised as a provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

**Falmouth Exeter Plus**  
**Notes to the Consolidated Financial Statements**  
**For the Year ended 31 July 2023**

**Taxation status**

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

The Group receives no similar exemption in respect of Value Added Tax.

Irrecoverable VAT on inputs is included in the costs of such inputs. Any irrecoverable VAT allocated to fixed assets is included in their cost.

The Group's subsidiaries are subject to Corporation Tax in the same way as any commercial organisation.

**2. Operating income**

	<b>Group</b>	<b>Company</b>	<b>Group</b>	<b>Company</b>
	<b>31/7/23</b>	<b>31/7/23</b>	<b>31/7/22</b>	<b>31/7/22</b>
	<b>£ (000)</b>	<b>£ (000)</b>	<b>£ (000)</b>	<b>£ (000)</b>
Central Support Services	828	828	1,015	1,015
Estates Services	12,355	12,355	10,973	10,973
Library, IT and Student Services	7,922	7,922	7,595	7,595
Campus Services (note 8)	15,001	14,316	15,090	14,051
Gift Aid	-	16	-	348
	<u>36,106</u>	<u>35,437</u>	<u>34,673</u>	<u>33,982</u>

**3. Interest receivable**

	<b>Group</b>	<b>Company</b>	<b>Group</b>	<b>Company</b>
	<b>31/7/23</b>	<b>31/7/23</b>	<b>31/7/22</b>	<b>31/7/22</b>
	<b>£ (000)</b>	<b>£ (000)</b>	<b>£ (000)</b>	<b>£ (000)</b>
Bank deposit interest	76	74	12	12

**4. Cost of sales**

	<b>Group</b>	<b>Company</b>	<b>Group</b>	<b>Company</b>
	<b>31/7/23</b>	<b>31/7/23</b>	<b>31/7/22</b>	<b>31/7/22</b>
	<b>£ (000)</b>	<b>£ (000)</b>	<b>£ (000)</b>	<b>£ (000)</b>
Material Purchases	1,180	708	1,393	874

**5. Staff costs**

	<b>Group</b>	<b>Company</b>	<b>Group</b>	<b>Company</b>
	<b>31/7/23</b>	<b>31/7/23</b>	<b>31/7/22</b>	<b>31/7/22</b>
	<b>£ (000)</b>	<b>£ (000)</b>	<b>£ (000)</b>	<b>£ (000)</b>
Wages and Salaries	11,403	11,255	10,852	10,709
Social Security Costs	1,101	1,101	1,028	1,028
Other Pension Costs	1,780	1,780	3,125	3,125
	<u>14,284</u>	<u>14,136</u>	<u>15,005</u>	<u>14,862</u>



**Falmouth Exeter Plus**  
**Notes to the Consolidated Financial Statements**  
**For the Year ended 31 July 2023**

**5. Staff costs (continued)**

Average Staff Numbers (FTEs) by Major Category:

<b>Group and Company</b>	<b>31/7/23</b>	<b>31/7/22</b>
Management	16	12
Estates and facilities	156	160
Library, IT and Student Services	120	124
Campus Services	61	62
	<u>353</u>	<u>358</u>

**Directors' remuneration**  
**Group and Company**

	<b>31/7/23</b>	<b>31/7/22</b>
	<b>£ (000)</b>	<b>£ (000)</b>
Aggregate Remuneration	134	203
Compensation on Loss of Office	56	-
Pension Contributions	11	20
	<u>201</u>	<u>223</u>

Two Directors within the Group are accruing benefits under the company's defined benefit pension scheme. The highest paid director received remuneration of £54K (2021/22: £132k) and compensation on loss of office of £56K (2021/22: £nil). The value of the Company's contributions paid to a defined benefit pension scheme in respect of the highest paid director amounted to £3k (2021/22: £13K). The directors have considered whether there are any further key management personnel and no such parties were identified.

**6. Other Operating expenses**

	<b>Group</b>	<b>Company</b>	<b>Group</b>	<b>Company</b>
	<b>31/7/23</b>	<b>31/7/23</b>	<b>31/7/22</b>	<b>31/7/22</b>
	<b>£ (000)</b>	<b>£ (000)</b>	<b>£ (000)</b>	<b>£ (000)</b>
General Office Costs	557	546	473	466
Marketing & Promotions	9	5	30	26
Heat, Light, Rates & Water	4,426	4,426	3,284	3,284
Other Premises Costs	7,725	7,725	6,194	6,194
IT Costs	1,345	1,321	1,266	1,245
Library & Learning Resource Costs	389	389	348	348
Insurance	364	364	290	290
External Audit Fees	50	42	39	32
Internal Audit Fees	-	-	13	13
Bad Debts	(20)	(20)	(62)	(32)
Other Professional Fees	1,339	1,335	1,073	1,053
	<u>16,184</u>	<u>16,133</u>	<u>12,948</u>	<u>12,919</u>

**7. Interest payable**

	<b>Group</b>	<b>Company</b>	<b>Group</b>	<b>Company</b>
	<b>31/7/23</b>	<b>31/7/23</b>	<b>31/7/22</b>	<b>31/7/22</b>
	<b>£ (000)</b>	<b>£ (000)</b>	<b>£ (000)</b>	<b>£ (000)</b>
On bank overdraft and loans	1,729	1,729	1,377	1,377
On Finance Leases	44	44	65	65
Pension Finance Cost (note 17)	147	147	404	404
	<u>1,920</u>	<u>1,920</u>	<u>1,846</u>	<u>1,846</u>

Interest charges relating to the finance lease and interest on bank loans are allocated to periods over the term of the liability/debt to produce a charge in the Income and Expenditure account that is a constant percentage of the carrying amount of the liability/debt in the Balance Sheet.

**Falmouth Exeter Plus**  
**Notes to the Consolidated Financial Statements**  
**For the Year ended 31 July 2023**

**8. Analysis of Campus Services income by activity**

	<b>Group</b>	<b>Company</b>	<b>Group</b>	<b>Company</b>
	<b>31/7/23</b>	<b>31/7/23</b>	<b>31/7/22</b>	<b>31/7/22</b>
	<b>£ (000)</b>	<b>£ (000)</b>	<b>£ (000)</b>	<b>£ (000)</b>
Retail	1,221	1,221	1,122	1,122
Catering & Bar	203	203	685	685
Residences	11,606	11,606	11,039	11,039
Nursery	688	688	715	715
Fitness Centre	441	441	335	335
Reprographics	157	157	155	155
Campus and Commercial Events	685	-	1,039	-
	<u>15,001</u>	<u>14,316</u>	<u>15,090</u>	<u>14,051</u>

**9. Fixed Assets**

<b>Group</b>	<b>Assets in the course of construction £ (000)</b>	<b>Long Leasehold Buildings £ (000)</b>	<b>Short Leasehold Buildings £ (000)</b>	<b>Equipment £ (000)</b>	<b>Total £ (000)</b>
<b>Cost</b>					
B/f as at 1 August 2022	1,761	85,280	2,899	9,999	99,939
Additions for the Year	526	315	-	1,032	1,873
Disposals for the Year	(99)	-	-	(20)	(119)
Transfers	(1,605)	312	-	1,293	-
C/f as at 31 July 2023	<u>583</u>	<u>85,907</u>	<u>2,899</u>	<u>12,304</u>	<u>101,693</u>
<b>Depreciation</b>					
B/f as at 1 August 2022	-	13,477	2,611	8,546	24,634
Charge for the Year	-	1,861	145	1,257	3,263
Depreciation on Disposals	-	-	-	(20)	(20)
C/f as at 31 July 2023	<u>-</u>	<u>15,338</u>	<u>2,756</u>	<u>9,783</u>	<u>27,877</u>
<b>Net book value</b>					
As at 31 July 2022	<u>1,761</u>	<u>71,803</u>	<u>288</u>	<u>1,453</u>	<u>75,305</u>
As at 31 July 2023	<u>583</u>	<u>70,569</u>	<u>143</u>	<u>2,521</u>	<u>73,816</u>

**Falmouth Exeter Plus**  
**Notes to the Consolidated Financial Statements**  
**For the Year ended 31 July 2023**

**9. Fixed Assets (continued)**

<b>Company</b>	<b>Assets in the course of construction £ (000)</b>	<b>Long Leasehold Buildings £ (000)</b>	<b>Short Leasehold Buildings £ (000)</b>	<b>Equipment £ (000)</b>	<b>Total £ (000)</b>
<b>Cost</b>					
B/f as at 1 August 2022	1,761	85,280	2,899	9,979	99,919
Additions for the Year	526	315	-	1,032	1,873
Disposals for the Year	(99)	-	-	(20)	(119)
Transfers	(1,605)	312	-	1,293	-
C/f as at 31 July 2023	583	85,907	2,899	12,284	101,673
<b>Depreciation</b>					
B/f as at 1 August 2022	-	13,477	2,611	8,526	24,614
Charge for the Year	-	1,861	145	1,257	3,263
Depreciation on Disposals	-	-	-	(20)	(20)
C/f as at 31 July 2023	-	15,338	2,756	9,763	27,857
<b>Net book value</b>					
As at 31 July 2022	1,761	71,803	288	1,453	75,305
As at 31 July 2023	583	70,569	143	2,521	73,816

The cumulative amount of interest capitalised at 31 July 2023 was £1,011,000 (2022: £1,011,000).

Land and buildings were previously revalued in accordance with the old basis of accounting (2007 SORP) and on transition to FRS 102. The valuations as at the date of transition were taken as deemed cost.

Long leasehold buildings were revalued by Alder King, Chartered Surveyors on the basis of existing use value on 31 July 2014 at a value of £82,909K. The existing use value did not include directly attributable selling/acquisition costs.

The Tuke House lease (in short leasehold buildings above) was assessed by Vickery Holman Chartered Surveyors on the basis of existing use on 31 March 2005 and was valued at £2,899K. The valuers are external to the Group.

**10. Investments**

The Company owns 100% of the issued share capital of 100 £1 Ordinary shares of the Tremough Development Vehicle Ltd (TDV). TDV was established to provide the construction of earlier buildings at the Penryn Campus.

The Company also owns 100% of the issued share capital of 2 £1 Ordinary shares of Cornwall Plus Limited. The company was established to operate non student letting of residences, non-academic conferences, external events and corporate hospitality and started trading on 1 August 2013.

**Falmouth Exeter Plus**  
**Notes to the Consolidated Financial Statements**  
**For the Year ended 31 July 2023**

**11. Stock**

	<b>Group 2023 £ (000)</b>	<b>Company 2023 £ (000)</b>	<b>Group 2022 £ (000)</b>	<b>Company 2022 £ (000)</b>
Shop	114	114	111	111
Refectory	26	26	25	25
Bar	8	8	8	8
Other	15	15	14	14
	<u>163</u>	<u>163</u>	<u>158</u>	<u>158</u>

**12. Trade and other receivables**

	<b>Group 2023 £ (000)</b>	<b>Company 2023 £ (000)</b>	<b>Group 2022 £ (000)</b>	<b>Company 2022 £ (000)</b>
Trade Debtors	372	319	544	439
Bad Debt Provision	(144)	(144)	(212)	(212)
Amounts Owed by Group Undertakings	-	26	-	103
Amounts Owed by Related Undertakings -				
University of Exeter	262	262	-	-
Falmouth University	333	326	217	217
Other Debtors	91	13	65	10
Prepayments & Accrued Income	794	794	727	727
	<u>1,708</u>	<u>1,596</u>	<u>1,341</u>	<u>1,284</u>

**13. Creditors - amounts falling due in one year**

	<b>Group 2023 £ (000)</b>	<b>Company 2023 £ (000)</b>	<b>Group 2022 £ (000)</b>	<b>Company 2022 £ (000)</b>
Bank Overdraft	668	668	26	26
Bank Loans	2,652	2,652	2,642	2,642
Finance Lease Commitments due in One Year	414	414	402	402
Amounts Owed to Group Undertakings	-	103	-	-
Amounts Owed to Related Undertakings -				
University of Exeter	-	-	328	328
Trade Creditors	1,007	1,006	1,227	1,189
Other Taxation and Social Security	506	506	458	458
Other Creditors	197	197	228	228
Accruals	2,251	1,986	2,391	2,144
	<u>7,695</u>	<u>7,532</u>	<u>7,702</u>	<u>7,417</u>

**14. Creditors - amounts falling due after more than one year**

	<b>Group and Company 2023 £ (000)</b>	<b>2022 £ (000)</b>
Not wholly repayable within five years:		
Bank Loan 1	10,108	11,002
Bank Loan 2	7,850	8,311
Bank Loan 3	11,550	12,361
Bank Loan 4	3,141	3,584
Finance Lease Commitments after One Year	-	346
	<u>32,649</u>	<u>35,604</u>

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**14. Creditors - amounts falling due after more than one year (continued)**

	<b>Group and Company</b>	
	<b>2023</b>	<b>2022</b>
	<b>£ (000)</b>	<b>£ (000)</b>
Amounts repayable on loans:		
In one year or less	2,652	2,642
In more than one year but not more than two years	2,746	2,721
In more than two years but not more than five years	8,635	8,682
In more than five years	21,268	23,855
	<u>35,301</u>	<u>37,900</u>

  

	<b>Group and Company</b>		
	<b>Amount</b>	<b>Term</b>	<b>Interest rate</b>
	<b>£ (000)</b>		<b>%</b>
Lloyds Bank plc (loan 1)	11,002	2032	5.8875
Lloyds Bank plc (loan 2)	8,311	2036	5.215
Barclays Bank plc (loan 3)	12,361	2038	Sonia plus lending margin and spread
European Investment Bank (loan 4)	1,215	2027	2.24% plus lending margin and costs
Lloyds Bank plc (loan 4)	2,412	2031	2.0887%
	<u>35,301</u>		

Guarantees covering all bank loans have been given by Falmouth University and the University of Exeter on a 50:50 basis. The two universities also have banking covenants that they are required to meet on an annual basis.

	<b>Group and Company</b>	
	<b>2023</b>	<b>2022</b>
	<b>£ (000)</b>	<b>£ (000)</b>
Amounts repayable on finance leases:		
In one year or less	414	402
In more than one year but not more than two years	-	414
Less future finance charges	-	(68)
	<u>414</u>	<u>748</u>

**15. Cash and cash equivalents**

**Group**

	<b>At 1 Aug 2022</b>	<b>Cashflows</b>	<b>At 31 July 2023</b>
	<b>£ (000)</b>	<b>£ (000)</b>	<b>£ (000)</b>
Cash and cash equivalents	2,340	(2,173)	167
Overdraft	(26)	(642)	(668)
<b>Total</b>	<u>2,314</u>	<u>(2,815)</u>	<u>(501)</u>

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**16. Consolidated reconciliation of net debt**

	<b>31 July 2023 £ (000)</b>
<b>Net debt 1 August 2022</b>	<b>(36,334)</b>
Movement in cash and cash equivalents	2,173
Other non cash changes	(2,056)
<b>Net debt 31 July 2023</b>	<b>(36,217)</b>
<b>Change in net debt</b>	<u>117</u>

<b>Analysis of net debt:</b>	<b>31 July 2023 £ (000)</b>	<b>31 July 2022 £ (000)</b>
<b>Cash and cash equivalents</b>	<b>167</b>	<b>2,340</b>
<b>Borrowings: amounts falling due within one year</b>		
Secured loans	(2,653)	(2,642)
Bank Overdraft	(668)	(26)
Obligations under finance leases	(414)	(402)
	<b>(3,735)</b>	<b>(3,070)</b>
<b>Borrowings: amounts falling due after more than one year</b>		
Secured loans	(32,649)	(35,258)
Obligations under finance leases	-	(346)
	<b>(32,649)</b>	<b>(35,604)</b>
<b>Net debt</b>	<u><b>(36,217)</b></u>	<u><b>(36,334)</b></u>

**17. Pension scheme**

The Group's employees belong to the Cornwall Council Superannuation Scheme.

The Group is an admitted body of the Cornwall Council Superannuation Scheme which is a funded defined benefit scheme with the assets held in separate trustee administered funds.

The pensions cost is assessed every three years in accordance with the advice of a qualified independent actuary. The assumptions and other data that have the most significant effect on the determination of the contribution levels are shown below.

The Group has set out below the information available on the scheme.

Latest actuarial valuation	31 March 2022
Period of actuarial valuation	3 years
Actuarial method	Prospective benefits
Investment returns per annum	4.4%
Salary scale increases per annum	2.7%
Market value of assets at date of last valuation	£2,363M
Proportion of members' accrued benefits covered by the actuarial value of assets	96%
Employers primary contribution rate (excluding lump sum)	20.5%
Employees average contribution rate	6.3%

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The Group contributes to the Cornwall Council Superannuation Scheme, a defined benefit scheme in the UK. A full actuarial valuation was carried out at 31 March 2022 and updated to 31 July 2023 by a qualified independent actuary. The major assumptions used by the actuary were:

	<b>31 Jul 2023</b>	<b>31 Jul 2022</b>	<b>31 Jul 2021</b>
	<b>% pa</b>	<b>% pa</b>	<b>% pa</b>
Inflation (CPI)	2.95	2.7	2.8
Rate of increase in salaries payment	2.95	2.7	2.8
Rate of increase in pension	2.95	2.7	2.8
Discount rate	5.00	3.5	1.6

The assumed life expectancy is:

	<b>Males</b>	<b>Females</b>
Current pensioners	19.9 years	24.3 years
Future pensioners	21.9 years	25.4 years

The assets and liabilities of the scheme and the expected rates of return were:

	<b>Long-term rate expected 31 July 2023</b>	<b>Assets at 31 July 2023</b>	<b>Long-term rate expected 31 July 2022</b>	<b>Assets at 31 July 2022</b>	<b>Long-term rate expected 31 July 2021</b>	<b>Assets at 31 July 2021</b>
	<b>%</b>	<b>£(000)</b>	<b>%</b>	<b>£(000)</b>	<b>%</b>	<b>£(000)</b>
Equities	5.0	18,107	3.5	17,550	1.6	17,912
Bonds	5.0	11,852	3.5	12,252	1.6	11,313
Property	5.0	2,304	3.5	2,649	1.6	1,886
Cash	5.0	658	3.5	662	1.6	314
Estimated employer's share of scheme assets		32,921		33,113		31,425
Present value of scheme liabilities		(30,922)		(37,165)		(55,856)
Non-recognition of pension asset *		(1,999)		-		-
Net pension liability		-		(4,052)		(24,431)

- \* No pension scheme surplus has been recognised as the Company is not able to recover this either in the form of reduced contributions or through refunds from the plan.

**Analysis of the amount charged/(credited) to income and expenditure account**

	<b>2023</b>	<b>2022</b>
	<b>£(000)</b>	<b>£(000)</b>
Current service cost	1,352	2,813
<b>Total operating charge</b>	<b>1,352</b>	<b>2,813</b>

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**Analysis of the amount charged to pension finance costs/(credited) to pension finance income**

	<b>2023</b>	<b>2022</b>
	<b>£(000)</b>	<b>£(000)</b>
Expected return on pension scheme assets	1,175	511
Interest on pension scheme liabilities	(1,322)	(915)
<b>Net charge</b>	<b>(147)</b>	<b>(404)</b>

**Amount recognised in Other Comprehensive Income (OCI)**

	<b>2023</b>	<b>2022</b>
	<b>£(000)</b>	<b>£(000)</b>
Actuarial gain recognised in OCI in the year	4,471	22,488
Cumulative actuarial gain/(loss) in OCI at 1 August	7,161	(15,327)
Cumulative actuarial gain in OCI at 31 July	11,632	7,161

**Reconciliation of defined benefit obligation**

	<b>2023</b>	<b>2022</b>
	<b>£(000)</b>	<b>£(000)</b>
Opening defined benefit obligation	37,165	55,856
Current service cost	1,352	2,813
Interest cost	1,322	915
Contributions by members	312	320
Remeasurements	(8,826)	(22,368)
Non-recognition of pension asset	1,999	-
Losses on curtailments	7	-
Estimated benefits paid	(410)	(371)
<b>Closing defined benefit obligation</b>	<b>32,921</b>	<b>37,165</b>

**Reconciliation of fair value of employer assets**

	<b>2023</b>	<b>2022</b>
	<b>£(000)</b>	<b>£(000)</b>
Opening fair value of employer assets	33,113	31,425
Expected return on assets	1,175	511
Contributions by members	312	320
Contributions by the employer	1,087	1,108
Remeasurements	(2,356)	120
Benefits paid	(410)	(371)
<b>Closing fair value of employer assets</b>	<b>32,921</b>	<b>33,113</b>



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**History of experience gains and losses**

	<b>Year to 31 July 2023 £(000)</b>	<b>Year to 31 July 2022 £(000)</b>	<b>Year to 31 July 2021 £(000)</b>	<b>Year to 31 July 2020 £(000)</b>	<b>Year to 31 July 2019 £(000)</b>
Difference between the expected and actual return on assets	(1,776)	120	3,125	437	1,614
Value of assets	32,921	33,113	31,425	26,571	24,042
<b>Percentage of assets</b>	<b>(5.4%)</b>	<b>0.4%</b>	<b>9.9%</b>	<b>1.6%</b>	<b>6.7%</b>
Experience gains on liabilities	8,826	22,368	(6,650)	(6,790)	(3,682)
Present value of liabilities	32,921	37,165	55,856	45,828	35,407
<b>Percentage of the present value of liabilities</b>	<b>26.8%</b>	<b>60.2%</b>	<b>(11.9%)</b>	<b>(14.8%)</b>	<b>(10.4%)</b>
Actuarial gains recognised in OCI	4,471	24,273	(3,525)	(6,353)	(2,068)
Present value of liabilities	32,921	37,165	55,856	45,828	35,407
<b>Percentage of the present value of liabilities</b>	<b>13.6%</b>	<b>65.3%</b>	<b>(6.3%)</b>	<b>(13.9%)</b>	<b>(5.8%)</b>
<b>Deficit brought forward</b>	<b>(4,052)</b>	<b>(24,431)</b>	<b>(19,257)</b>	<b>(11,365)</b>	<b>(8,004)</b>
<b>Movement</b>	<b>4,052</b>	<b>20,379</b>	<b>(5,174)</b>	<b>(7,892)</b>	<b>(3,361)</b>
<b>Deficit carried forward</b>	<b>-</b>	<b>(4,052)</b>	<b>(24,431)</b>	<b>(19,257)</b>	<b>(11,365)</b>

**Pension scheme – USS**

The total cost charged to the Statement of Comprehensive Income is £27K (2022: £26K). No liability has been included for deficit payments as these are not considered to be material.

The latest available complete actuarial valuation of the Retirement Income Builder of the scheme is at 31 March 2020 ("the valuation date"), which was carried out using the projected unit method.

Since the Group cannot identify its share of Retirement Income Builder section of the scheme assets and liabilities, the following disclosures reflect those relevant for the scheme as a whole.

The 2020 valuation was the sixth valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £66.5 billion and the value of the scheme's technical provisions was £80.6 billion indicating a shortfall of £14.1 billion and a funding ratio of 83%.

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The key financial assumptions used in the 2020 valuation are described below. More detail is set out in the Statement of Funding Principles:

CPI assumption	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves less: 1.1% p.a. to 2030, reducing linearly by 0.1% p.a. to a long-term difference of 0.1% p.a. from 2040
Pension increases (subject to a floor of 0%)	CPI assumption plus 0.05%
Discount rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.75% p.a. Post retirement: 1.00% p.a.

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2020 actuarial valuation. The mortality assumptions used in these figures are as follows:

**2020 valuation**

Mortality base table	101% of S2PMA "light" for males and 95% of S3PFA for females
Future improvements to mortality	CMI 2019 with a smoothing parameter of 7.5, an initial addition of 0.5% p.a. and a long term improvement rate of 1.8% p.a. for males and 1.6% p.a. for females.

The current life expectancies on retirement at age 65 are:

	<b>2023</b>	<b>2022</b>
Males currently aged 65 (years)	24.0	23.9
Females currently aged 65 (years)	25.6	25.5
Males currently aged 45 (years)	26.0	25.9
Females currently aged 45 (years)	27.4	27.3

**18. Capital commitments**

	<b>Group 2023 £ (000)</b>	<b>Company 2023 £ (000)</b>	<b>Group 2022 £ (000)</b>	<b>Company 2022 £ (000)</b>
Authorised but not committed	62	62	413	413
Commitments contracted at 31 July	14	14	361	361

Amounts authorised are in respect of various construction and other capital projects at the Penryn Campus less commitments to date and are funded by the two universities.

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**19. Financial commitments**

Details of loan agreements are provided in note 14.

Amounts payable under non-cancellable operating leases were as follows:

	<b>Group and Company</b>	
	<b>2023</b>	<b>2022</b>
	<b>£ (000)</b>	<b>£ (000)</b>
<b>Land and buildings</b>		
In one year or less	791	1,066
In more than one year but not more than two years	791	80
In more than two years but not more than five years	807	157
In more than five years	-	16
<b>Total</b>	<b>2,389</b>	<b>1,319</b>

Total lease payments in the year were £1,117k (2022:£1,071k).

Included in the total above is £402k which represents the remaining lease commitments for student residence, Henry Scott Tuke House, which commenced on 1 August 1999 and was transferred from Falmouth University in 2004/05 to complement the freehold residences at the Penryn Campus. The remaining period of the lease is 1 year and lease payments are linked to the rate of inflation. The amount recognised in the Statement of Comprehensive Income in the year is £43k.

The balance represents head leases taken out for additional student residences to fulfil the short-term need.

**20. Related party transactions**

FX Plus has taken advantage of the exemption under FRS 102 not to disclose transactions with subsidiaries that are 100% owned.

For other related parties, FX Plus entered into the following transactions which are all shown on an arms' length basis.

**Group**

	<b>Sales to related parties</b>	<b>Purchases from related parties</b>	<b>Amounts owed by related party</b>	<b>Amounts owed to related party</b>
	<b>£ (000)</b>	<b>£ (000)</b>	<b>£ (000)</b>	<b>£ (000)</b>
<b>Year ended 31/7/23</b>				
University of Exeter	7,928	66	262	-
Falmouth University	14,028	141	333	-
<b>Year ended 31/7/22</b>				
University of Exeter	12,608	70	-	328
Falmouth University	14,141	184	217	-

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<b>Company</b>	<b>Sales to related parties £ (000)</b>	<b>Purchases from related parties £ (000)</b>	<b>Amounts owed by related party £ (000)</b>	<b>Amounts owed to related party £ (000)</b>
<b>Year ended 31/7/23</b>				
University of Exeter	7,928	66	262	-
Falmouth University	14,020	141	326	-
<b>Year ended 31/7/22</b>				
University of Exeter	12,608	70	-	328
Falmouth University	14,141	180	217	-

At the balance sheet date £333,000 was due from Falmouth University (2022: £217,000) and £262,000 was due from University of Exeter (2022: £328,000 due to University of Exeter).

The parent institutions are as follows:

University of Exeter  
 Stocker Road  
 Exeter EX4 4PY

Falmouth University  
 25 Woodlane  
 Falmouth TR11 4RH