



REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

BISHOP BURTON COLLEGE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

KEY MANAGEMENT PERSONNEL, BOARD OF GOVERNORS AND PROFESSIONAL ADVISERS

Key management personnel

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

William S Meredith – Principal and CEO; Accounting Officer
Kirsti Lord – Deputy Chief Executive and Deputy Principal Curriculum & Quality (with effect from 1 August 2022)
Stephen Kelly – Chief Financial Officer
Kate Calvert – Deputy Principal HR and Organisational Services
Abi Smith – Assistant Principal Riseholme (to 25 January 2023) (Interim Assistant Principal Bishop Burton to August 2022)
Andrew Black – Assistant Principal Business Development
Andrew Tan – Director of MIS
Ann Paling – Assistant Principal Safeguarding and Residential Services
Clare Chaffe – Director of Land-Based Further Education (1 August 2023-3 November 2023)
Damien Blackburn – Director of IT and Learning Resources (title change with effect from 1 August 2022)
Debbie Jensen – Interim Assistant Principal Higher Education (with effect from 18 October 2023)
Jane Chapman – Director of Marketing (with effect from 14 November 2022)
Kate McDonald – Assistant Principal, Riseholme (with effect from 17 April 2023)
Kirstie Cawley – Director of Marketing (left 14 September 2022)
Mel Watson – Head of Higher Education Faculty (Interim member of College Leadership Team with effect to 31 August 2022)
Michaela Ginn – Assistant Principal Quality and Exams
Rachel Richardson – Director of General Further Education (with effect from 1 August 2023)
Rachael Fell-Chambers – Assistant Principal Higher Education (with effect from 12 September 2022-31 October 2023)
Sarah Milton – Director of Sport & Sports Partnerships
Sharon Kirby - Interim Assistant Principal Riseholme (to 31 August 2022)
Sharron Mansell – Interim Director of Land-Based Further Education (with effect from 18 October 2023)

Board of Governors

A full list of Governors is given on pages 14 and 15 of these financial statements.

Sallyanne Pearson, Director of Governance

Professional advisers

Financial statements auditors and reporting accountants:

RSM UK Audit LLP
Two Humber Quays
Wellington Street West
Hull HU1 2BN

Internal auditors

Wylie Bissett LLP
168 Bank Street
Glasgow G2 4TP

Bankers

Lloyds Bank PLC
14 Church Street
Sheffield

Solicitors

Rollits LLP
Citadel House
58 High Street
Hull HU1 1QE

BISHOP BURTON COLLEGE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

CONTENTS

	Page number
Report of the Governing Body	1
Statement of Corporate Governance and Internal Control	14
Governing Body's Statement on the College's Regularity, Propriety and Compliance with Funding Body Terms and Conditions of Funding	23
Statement of Responsibilities of the Members of the Corporation	25
Independent Auditors' Report to the Corporation of Bishop Burton College	26
Consolidated and College Statement of Comprehensive Income	29
Consolidated and College Balance Sheets as at 31 July	30
Consolidated and College Statement of Changes in Reserves	31
Consolidated Statement of Cash Flows	32
Notes to the Financial Statements	33
Independent Reporting Accountant's Report on Regularity to the Corporation of Bishop Burton College and the Secretary of State for Education Acting through the Education and Skills Funding Agency	

BISHOP BURTON COLLEGE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

REPORT OF THE GOVERNING BODY

Nature, Objectives and Strategies

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

Legal status

The Corporation was established under the Further and Higher Education Act 1992 for the purpose of conducting Bishop Burton College (the College). The College is an exempt charity for the purposes of part 3 of the Charities Act 2011.

Mission

The College Mission as approved by its members is as follows:

“Growing potential for sustainable futures”.

Public Benefit

Bishop Burton College is an exempt charity under Part 3 of the Charities Act 2011 and is regulated by the Secretary of State for Education. The members of the Governing Body, who are trustees of the Charity, are disclosed on pages 14 and 15.

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

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

- High-quality teaching
- Widening participation and tackling social exclusion
- Excellent progression for students into employment or education and training
- Strong student support systems
- Excellent links with employers, industry and commerce
- Links with Local Enterprise Partnerships (LEPS)
- Strong emphasis on sustainability within the curriculum and the estate

The delivery of public benefits is covered throughout the Report of the Governing Body.

In November 2022 the ONS decided to reclassify all FE colleges as public sector organisations. The reclassification is back dated to 1 April 1993. Following reclassification, colleges are now part of central government and are subject to the framework for financial management set out in Managing Public Money (MPM). MPM changes how colleges report to, and interact with, government and requires colleges to ensure their systems of financial control support public sector standards of accountability.

Implementation of strategic plan

Bishop Burton College is a highly successful specialist land-based college which has diversified to meet the needs of other sectors of the economy, including Sport and Leisure. The College operates from three main campuses, recruiting students and serving rural communities from throughout the North of England, the Midlands and beyond.

The College has a history of strong financial performance delivering a ‘Good’ financial health rating year on year. The College’s long-term strategy and plan has resulted in outstanding resources, infrastructure, excellent staff and high quality teaching and learning, ensuring the College’s long-term future and growth.

The facilities at the Bishop Burton campus, in East Yorkshire, remain some of the finest of any Further Education college in the country, allowing students to develop practical skills in real working environments and improve their employability.

BISHOP BURTON COLLEGE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

REPORT OF THE GOVERNING BODY

Implementation of strategic plan (continued)

The College continues to benefit from significant investment in its campuses in recent years. The £25 million Riseholme Showground campus opened in September 2016 and has been a catalyst for growth in student numbers in Lincolnshire, with new provision in Sport, Public Services, Food, Health and Social Care and Childcare. Through close collaboration with regional colleges and universities, we have successfully established two Institutes of Technology at both Bishop Burton and Riseholme Showground campuses, together with equipment to deliver the very latest precision agriculture technology. The Institutes of Technology are delivering higher technical skills training, and conducting related research.

The College Mission is “growing potential for sustainable futures”. The Mission is implemented via four strategic aims, underpinned by strategic objectives and a set of Key Performance Indicators (KPIs) which are closely monitored by the Strategic Leadership Group and Board of Governors.

The Corporation monitors the performance of the College against its strategic plan and financial forecasts, which are reviewed and updated each year. The College’s Strategic Aims for 2022/23 were to:

- Support sustainable economic development within the region and beyond
- Develop and support students to ensure they achieve their full potential
- Empower our people
- Ensure the college’s sustainable future

As a major employer and provider, we have a significant economic impact in the region and deliver a huge range of qualifications, from Entry to Masters Levels, including employer-responsive provision for apprenticeships and the unemployed. Our further education student destination rates to employment, or higher-level study, are some of the best in the country at 98%. Our 2022/23 results continue to support the profile of a high achieving college.

The College recruits regionally, nationally and internationally, aided by on-site accommodation and outstanding transport links, along with a strong brand and reputation for delivering first-class, first choice vocational education.

To support our sustainable future, the College delivers several successful commercial enterprises integrated into our specialisms, which not only contribute to our income but also provide added value for learners. These include the College’s own 360-hectare mixed farm and exceptional equine, animal and sports facilities.

We work in close partnership with world-class partners across our specialisms, including Hull City Tigers, Lincoln City Football Club, Rugby Football Union (RFU), Yorkshire Rugby, Agrii, Morrisons, Humberside Police, Yorkshire Water, Child Dynamix, Cranswick Country Foods, Tulip, AGCO and Manterra to name a few of our key employers.

The College is currently rated as ‘good’ overall, following its last full inspection in May 2023. Inspectors concluded: “Governors and the senior leadership team have implemented an ambitious plan to provide exceptional facilities for training and research. All staff promote a positive culture of learning and respect that motivates learners to achieve.”

Furthermore, the College is rated ‘outstanding’ overall in an Ofsted Social Care inspection, reflecting the quality of care and support afforded to its under 18 residential students at both Bishop Burton and Riseholme campuses.

	2020 / 21	2021/22	2022/23
FE 16-18	1816	2066	1914
FE Adult	341	225	258
HE	613	486	512
Work-based	404	367	398

BISHOP BURTON COLLEGE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

REPORT OF THE GOVERNING BODY

Implementation of strategic plan (continued)

Outcomes for learners remain positive at 98% securing employment or moving to a higher level of study within six months of completing their course.

Comparing the student population against the Index of Multiple Deprivation, 37% of our FE students fall into Quintile 1 and 2 and 39% of our HE student population come from the most deprived areas. A distinctive feature of the College, is its commitment to widening participation, and its activities to engage and recruit students from deprived areas across the region with a significant number of these living in the city of Hull. The College runs a comprehensive free bus system, serving students throughout the sub-region including those from disadvantaged areas and isolated rural communities. The college met most of its widening participation targets detailed in the college Access and Participation plan and continues to work to remove any attainment gaps.

We continue to deliver a strong apprenticeship provision that caters for the needs of both regional and national employers.

The employability of Further Education and Higher Education learners continues to be enhanced through the range of additional qualifications and work experience they achieve during their time at College. This is part of the colleges strategic drive to ensure the curriculum is vocational and prepares learners for the world of work. This is a service the college continues to develop with the intention that all students regardless of mode or level can access work experience.

It has been a successful year in Commercial Sport with the final contribution generated £100k over a £166k budget. The partnership agreement with Lincoln City Football Club has been revised and renewed, ensuring income stability over future years as well as an increase in payments. The next financial year will see a renegotiation of the Hull City contract and discussions around this have already begun. Ongoing work with our Commercial Sport partners ensures maximum occupancy and security of facility bookings. The team are also continuing developing commercial/public gym member recruitment and retention initiatives which has seen our customer base grow, especially at Riseholme.

As a consequence of our structured recruitment processes, sporting successes, performance sporting offer and talented coaching team, the Academies have seen a significant growth over the past four years, with 247 academy students in the Performance Sport programme for 2022/23. This season has been the most successful for our Football Academy. The Bishop Burton Boys Football Academy have become national champions in the English Schools Football Association (ESFA) Super League National Cup. The College's 1st team beat Harris City Academy (Crystal Palace) 2-1 in a thrilling final at Stoke City Football Club's stadium. The win crowned a superb season for the team, who also won the England Colleges Football Association (ECFA) Category 1 League, with an unbeaten record winning all twelve of their games. Both victories now put our college football academy in the top three college football programmes in the country. At Riseholme, the first Shadow team also enjoyed a year of success too. They play in the National Football Youth League (NFL) against professional academy teams, such as Liverpool, Everton and Middlesbrough. The Shadows finished the season as champions of the league, winning their final game 7-0. There are many individual successes too with students representing their country and securing semi and professional sporting contracts.

Commercial Equine has seen significant change in its staffing structure and business operations in 2022/23. The team work closely with the Academic teams to ensure an excellent student experience and equine welfare. Many commercial ideas are being implemented and developed, including Commercial Therapy Services, unaffiliated competitions and national partnership/sponsorship work. The British Eventing competitions organised and delivered by the College have met with acclaim from competitors, judges, volunteers and officials. Eventing is facing a number of challenges across the country and the department is working to understand the impact and opportunities as well as mitigating actions arising from this.

BISHOP BURTON COLLEGE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

REPORT OF THE GOVERNING BODY

Implementation of strategic plan (continued)

Financial objectives

The financial viability and strength of the College has been maintained. However, there was an operating deficit of £40,000 (2022: £1,802,000). Liquidity also exceeded target at 86 days cash days in hand with the current ratio being 2.3.

Performance indicators

Key performance indicator	Measure / Target	Actual for 2022/23
Operating surplus as % of income	0%	1%
EBITDA as % of income	6%	7%
Staff costs as % of income	54%	54%
Cash days in hand	25	86
Liquidity (current ratio)	1.2	2.3
Borrowing as % of income	30%	30%
Reliance on ESFA income	55%	54%
Financial Health Score	Good	Good

The College is committed to observing the importance of sector measures and indicators and is monitoring them through a number of ways including the use of the FE Choices data available on the GOV.UK website which looks at measures such as achievement rates. The College is required to complete the annual College Financial Forecasting Return (CFFR) for the Education and Skills Funding Agency (ESFA). The College is assessed by the ESFA and has a 'Good' financial health grading.

Further Education achievement rates

Bishop Burton College enrolled almost 3,100 students from Hull, the East Riding of Yorkshire, Lincolnshire and beyond during 2022/23; studying both on college campuses, and via workplace learning and community programmes. As part of our commitment to meeting individual students' needs, 725 FE students and 165 HE students received support for a range of difficulties including dyslexia, physical disabilities, and visual or hearing impairment. The College achievement rates are highlighted in the table below:

All Enrolments			FE Achievement Rates		
2020/21	2021/22	2022/23	2020/21	2021/22	2022/23
7,420	7,581	3,635	91.2%	81.2%	76.6%

Student destinations

The Graduate Outcomes survey for 2020/21 graduates showed a 92% positive progression rate. The internal survey of Further Education leavers gave a 98% positive destination for those completing their studies in 2021/22.

BISHOP BURTON COLLEGE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

REPORT OF THE GOVERNING BODY

Student satisfaction

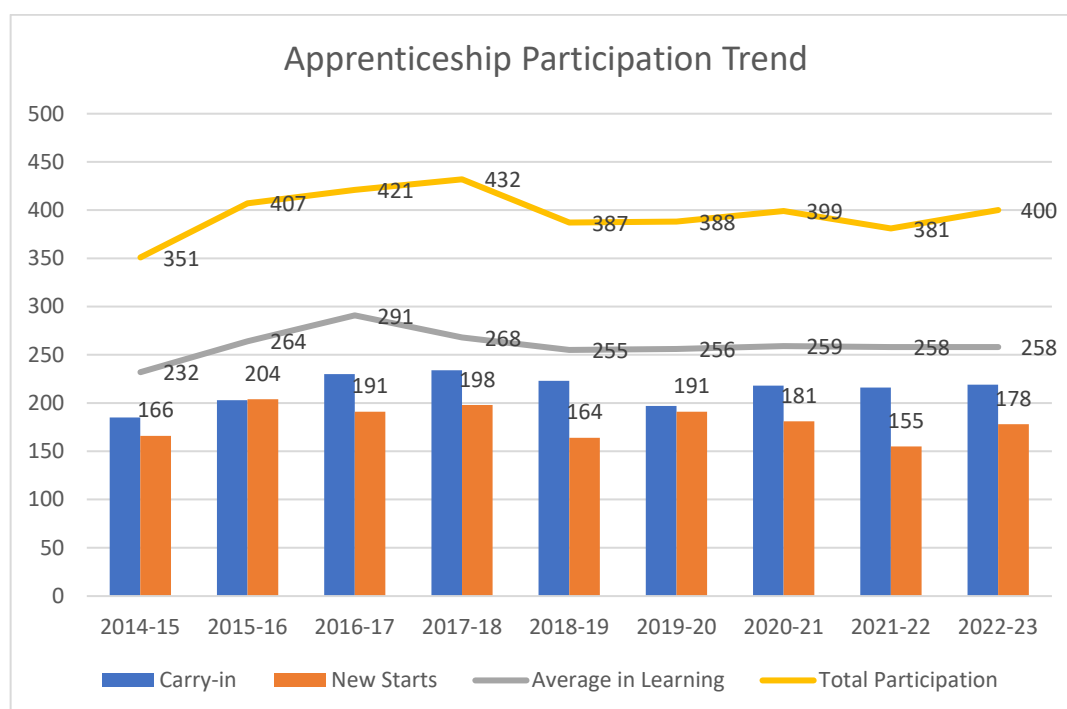
Student satisfaction remains high with an overall satisfaction rating of 98% (entry & induction), 93% (on programme) and 94% (exit survey). 98% of learners agree that tutors encourage them to work hard and achieve their best. 95% of learners agreed they are encouraged to use technology and online resources to support their learning. Learners agreed (95%) work experience/ industry placements have helped them build a range of skills to help gain employment.

Source: College surveys 2021.

Apprenticeships

The College continues to deliver apprenticeships across a number of Local Enterprise Partnership (LEP) and Local Skills Improvement Plan (LSIP) priority sectors, predominantly in Food and the Land-based, offering young people alternative career pathways. We have continued to maintain and deliver consistent volumes of apprenticeships within these sectors. Our average in learning remains stable and applications for 2023-24 are promising.

We have fully implemented the Government reform strategy and deliver the employer driven 'New Standards' across all of our provision. The New Standards in Agriculture have been problematic from the outset with the removal of the Higher Apprenticeships without a replacement available and this still remains the case. We are hoping to be delivering the new Level 4/5 Agriculture in 2024 when the EPAs become available. We continue to experience delays with End Point Assessment (EPA) availability across most of the provision with apprentices running past their expected end dates.



Achievement rates are in line with national averages and our employer feedback is excellent. We offer flexible delivery models which are often delivered in partnership with employers. This enables us to deliver the 20% off the job training either at the College or at distance, and utilise the expertise in the workplace to enhance the learning experience.

BISHOP BURTON COLLEGE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

REPORT OF THE GOVERNING BODY

Financial position

Financial results

The Group generated an operating deficit before other gains and losses in the year of £40,000 (2021/22: £1,802,000).

The Group has accumulated reserves of £50,459,000 (2021/22: £52,186,000) and cash and deposit balances of £7,343,000 (2021/22: £6,236,000).

The College had three subsidiary companies during the year; Bishop Burton Farm Enterprises Limited, Bishop Burton Farm Limited and Bishop Burton Riseholme Limited. The principal activity of Bishop Burton Farm Enterprises Limited is commercial enterprise and the rental of property. Bishop Burton Farm Limited and Bishop Burton Riseholme Limited are both non-trading.

Tangible fixed asset additions during the year amounted to £1,484,000 (2021/22: £1,510,000).

The College has significant reliance on the funding bodies for its principal funding source, largely from recurrent grants. In 2022/23 the ESFA funding bodies provided 54% of the College's total income.

Treasury policies and objectives

Treasury management is the management of the College's cash flows, its banking, money market and capital market transactions, the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks. Under MPM, new commercial loans are no longer possible.

Cash flows and liquidity

The College had cash flow from operating activities of £3,848,000 (2021/22: £2,457,000). There was a net cash outflow of £1,437,000 (2021/22: £1,508,000) in respect of investing activities. Net cash outflow (2021/22: inflow) from financing activities was through proceeds from the Santander loan facility £nil ((2021/22: £2,400,000), repayment of borrowings of £834,000 (2021/22: £746,000) and interest paid of £470,000 (2021/22: £414,000). Overall, there was an increase in cash and cash equivalents for the year of £1,107,000 (2021/22: £2,189,000).

The size of the College's total borrowing and its approach to interest rates has been calculated to ensure a reasonable cushion between the total cost of servicing debt and operating cash flow. During the year this margin was comfortably exceeded.

Reserves policy

The College has no formal Reserves Policy but recognises the importance of reserves in the financial stability of any organisation and ensures that there are adequate reserves to support the College's core activities. As at the balance sheet date the Income and Expenditure reserve of the group stands at £25,548,000 (2021/22: £27,182,000). The College is committed to making an operating surplus on its activities to ensure funds and reserves are available for reinvestment in the College and ensure it achieves its objectives included in the strategic plan.

The Governors also consider that access to liquidity is a priority, and that the future College cash flows require a robust predication of its income levels. Cash days have been maintained at 25 days or more during the financial year to protect against financial risk.

Current and Future Development and Performance

Student numbers and achievements

The continued growth in ESFA-funded Further Education 16-18 student numbers is important as the lagged funding methodology rewards growth in the following year. The region has been in a period of demographic decline, with fewer 16-18 year olds. However, in recent years student recruitment for Further Education has increased, which has resulted in an increase on the ESFA allocation for 2022/23.

BISHOP BURTON COLLEGE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

REPORT OF THE GOVERNING BODY

Current and Future Development and Performance (continued)

Student numbers and achievements (continued)

Higher Education recruitment focused on retaining market share in a highly competitive market. To attract students, and to develop an alternative, more flexible route, higher national qualifications were developed in 2018/19 for student recruitment in 2019/20. During 2020/21 the College reviewed its higher education portfolio, revalidating half of its provision with the University of Lincoln. The College began teaching out Royal Agricultural University validated provision. The College reviewed the remaining portfolio during 2021/22, to ensure it is fit for purpose and meets the needs of employers and students.

Students continue to benefit from the excellent physical resources at the College. The commercially-run enterprises such as the farm, sports centre and equestrian arenas give real life work experience for students. Continued investment in the IT infrastructure of the College and technology in the classroom gives staff and students easy access to learning technologies, for example, through the ever-developing Virtual Learning Environment and Microsoft Teams.

Staff are actively encouraged to enter outstanding students in national competitions and awards and a number of students have gained national recognition. The College has had success in the prestigious Farm Planner of the Year Competition and Cereals Challenge, as well as successes in inter-university tournaments across various sports.

Academic and curriculum developments

All students are now offered the opportunity to achieve additional qualifications to boost their employability, with an emphasis on qualifications deemed most desirable by employers. This includes an increased emphasis on maths and English GCSEs. For the ninth consecutive year, a large proportion of full-time students completed a volunteering qualification, helping to contribute positively to college life and the local community. Listening to employer's needs, the College has redoubled its efforts to ensure all students are supported in developing 'softer skills', that aid employability. Following the COVID-19 epidemic the need to support students with mental health issues has increased and the College is working hard to support learners and ensure they catch up or make good on learning lost as a result of the pandemic.

Successful Further Education curriculum developments at Riseholme College have included Health and Social Care, Sport, Public Services and Access to Higher Education programmes. Progression pathways have been extended at Riseholme to include more Entry Level and Level 1 provision, enabling less able students to engage with technical education and eventually progress into employment.

The College has continued to develop its Further Education curriculum offer in conjunction with employers. As an early adopter of T-Levels (level 3 technical qualifications with equivalence to A-Levels) in Education and Childcare, the College has introduced a new T-Level in Healthcare Science and is preparing for the further roll-out of T-Levels as the equivalent BTEC qualifications are withdrawn.

Within Higher Education, the College has maintained its strategy of renewing programmes and looking for increased flexibility for students, offering a part-time alternative to all programmes. The potential to grow Higher Education full-time and part-time numbers continues to offer a significant opportunity, particularly with increased internal progression from Level 3 Further Education courses and with the development of provision at Riseholme.

Partnerships with validating partners have been renewed with the University of Hull and the University of Huddersfield. The final cohort of students taking programmes validated by the Royal Agricultural University started in 2020/21, with 'teach-out' commencing from 2021/22.

Internally, the College has continued to invest in its Information and Communication Technology (ICT), upgrading IT systems and equipment both inside and outside of the classroom, and improving servers across both Bishop Burton and Riseholme campuses. The College's Virtual Learning Environment, iLearn, provides access on demand to online learning materials within College and off campus. It offers an invaluable complementary resource to the extensive physical resources available in the College's Learning Resource Centres.

The IT infrastructure provides campus-wide wireless technology, supporting the increased and varied use of mobile technology by students. Students are actively encouraged to use a variety of mobile devices during lessons to enhance and enrich the learning experience.

BISHOP BURTON COLLEGE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

REPORT OF THE GOVERNING BODY

Academic and curriculum developments (continued)

The College has continued its digital enhancement, employing a digital technologist in 2020/21 to continue to lead innovation. With the purchase of new agricultural technology on the College farm associated with the Institute of Technology (IoT), the College has engaged in technology transfer activities with the agricultural sector, demonstrating innovation in precision farming technologies including Global Positioning Systems, variable application of inputs such as seed and fertiliser and in data management to inform decision making processes on farm. Under the auspices of the IoT, the College has developed short courses in Precision Agriculture and Agri-robotics for remote delivery in the workplace, funded by the Department for Education's In-Work Skills pilot.

The College extended its knowledge transfer activities on the College farm and estate to demonstrate to industry how the latest technology can be deployed to reduce carbon emissions and to farm more sustainably. The College farm has been set an ambitious target to become net zero by 2030 and to that end has adopted regenerative farming practices to reduce inputs and improve carbon sequestration. Renewable energy crops such as miscanthus and short rotation coppice are also being trialled on the farm in conjunction with Aberystwyth University.

The College has invested in the generation of renewable energy (e.g. wind and solar) and the use of automation and robotics as it prepares to deliver the skills training required to support Industry 4.0 – the fourth industrial revolution. This work has been facilitated by involvement in the region's Strategic Development Fund (SDF) which seeks to pave the way for education providers to deliver on the Local Skills Improvement Plans (LSIPs) currently in development.

The College embraces and actively promotes equality and diversity. This is supported through themed weeks for all full-time learners, including Equality and Diversity, Health and Respect and Difference and Diversity. A range of activities take place throughout these weeks, all designed to raise students' awareness and knowledge and improve their life skills outside of the classroom. Additionally, numerous national initiatives are supported by the College and British Values are embedded in a structured tutorial programme to ensure learners are engaged with current issues and understand the wider context.

Property

Following the significant investment in the new Riseholme Showground Campus, which has been fully operational since September 2016, the College has continued with its extensive minor works projects, maintenance and refurbishment across the whole site to ensure the campuses and facilities remain a selling point.

The 2021/22 academic year marked the opening of the College's new £2.4 million 40-bed residential accommodation at the Riseholme Showground Campus and the opening of two Institute of Technology facilities: the Centre for Precision Agriculture at the Bishop Burton Campus, and the Centre for Agri-Food Technology at the Riseholme Showground Campus. A new modular-build dog grooming skills centre was also constructed at the Showground Campus in readiness for the next academic year.

In November 2023, the College opened its new £1.2 million state-of-the-art, Pig Training Centre on its Bishop Burton Campus.

External engineers have examined the Bishop Burton campus and found no evidence of RAAC concrete.

Sustainability

The College is committed to:

- Incorporate best practice sustainability management into all aspects of college operations
- Deliver in line with the Climate Action Roadmap and AoC Green College Commitment
- Achieve Net Zero by 2030

BISHOP BURTON COLLEGE

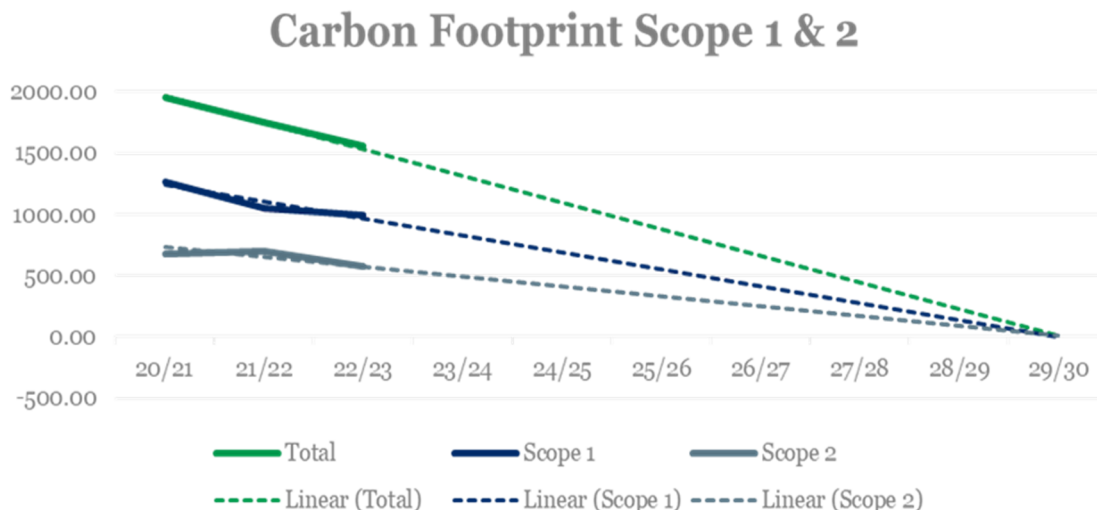
FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

REPORT OF THE GOVERNING BODY

Sustainability (continued)

The graph below shows how the College has reduced scope 1 and 2 emissions (as measured in tonnes of carbon dioxide equivalent) by 20% vs a 2023/21 baseline year:



Events after the end of the reporting period

There have been no significant events after the end of the reporting period.

Future prospects

The College maintains and reviews its Estate Strategy on a regular basis. It is committed to continuously improving its facilities at both Bishop Burton and the Riseholme campuses, along with developing its curriculum in line with employer needs. The College has recently completed a new student accommodation block on the Riseholme Showground campus. This was funded from a £2.4 million bank loan in 2021/22. Student residences are a key requirement for the College with the new block replacing facilities on the existing Riseholme Park site.

During the year the College has utilised its Institutes of Technology (IoT) on its Bishop Burton and Showground Campuses. These specialise in delivering the higher level technical skills that employers need.

Resources

The College has various resources that it can deploy in pursuit of its strategic objectives.

Financial

The Group has £50.5 million of net assets and loans of £8.9 million. It also holds £7.3 million in cash. It has fixed assets of £81.0 million spread over three campuses Bishop Burton, Riseholme Showground and Riseholme Park.

People

The Group employs 556 people, 201 of whom are teaching staff.

Principal risks and uncertainties

The College has continued to embed the system of internal control, including financial, operational and risk management which is designed to protect the College's assets and reputation.

Based on the strategic plan, the Strategic Leadership Group undertakes a comprehensive review of the risks to which the College is exposed. They identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the College. The internal controls are then implemented and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions. In addition to the annual review, the Strategic Leadership Group will also consider any risks which may arise as a result of a new area of work being undertaken by the College.

A risk register is maintained at the College level which is reviewed at every Audit Committee meeting. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the College and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

BISHOP BURTON COLLEGE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

REPORT OF THE GOVERNING BODY

Principal risks and uncertainties (continued)

The College operates an enterprise risk management approach to risk management. This is supported by a risk management training programme to raise awareness of risk throughout the College.

Outlined below is a description of the principal risk factors that may affect the College. Not all the factors are within the College's control. Other factors besides those listed below may also adversely affect the College.

1. Government funding

The College relies on continued government funding through the Further Education sector funding and Office for Students. In 2022/23 the majority of the College's revenue was ultimately public funded and this level of requirement is expected to continue. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms. However, the College does have opportunities for alternative income streams through college enterprises which continue to develop and offer net income and also the opportunity for students to work on Real Working Environments (RWEs).

The College is aware of several issues which may impact on future funding, including apprenticeship reforms and the devolution of the adult education budget. The College, in conjunction with its key stakeholders, is developing a strategy for growth in response to the devolution agenda and to the apprenticeships reform. The introduction of the apprenticeship levy has affected the marketplace in a positive way for the College. We have established solid links with levy paying employers and this area of delivery continues to grow as government policy further develops.

This risk is mitigated in a number of ways:

- Funding is derived through a number of direct and indirect contractual arrangements.
- By ensuring the College is rigorous in delivering high quality education and training.
- Considerable focus and investment is placed on maintaining and managing key relationships with the various funding bodies.
- Ensuring the College is focused on those priority sectors which will continue to benefit from public funding.
- The continued development of non-grant income.

2. Higher Education

The College sector continues to compete with the University sector for HE Students. The College will continue to focus on its specialist facilities to attract HE students.

3. Tuition fee policy

In line with the majority of other colleges, Bishop Burton College will seek to maintain tuition fees in accordance with the fee assumptions. The risk for the College is the impact of this on demand. This may impact on the growth strategy of the College.

This risk is mitigated in a number of ways:

- By ensuring the College is rigorous in delivering high quality education and training, thus ensuring value for money for students
- Close monitoring of the demand for courses as prices change.

4. Staff Recruitment

Skills and labour shortages are a significant risk factor to the College's development. As a result, there has been a review of the College Reward Strategy, with Reward and Recognition processes being implemented to attract new staff and to reduce staff turnover.

5. Cost of living crisis

This has significantly increased costs throughout the College. It has been addressed through fixed price utility contracts and a focus on essential expenditure.

6. Failure to maintain the financial viability of the College

The College's current financial health grade is classified as Good, as described above. Notwithstanding that, the continuing challenge to the College's financial position remains.

BISHOP BURTON COLLEGE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

REPORT OF THE GOVERNING BODY

Principal risks and uncertainties (continued)

This risk is mitigated in a number of ways:

- By rigorous budget setting procedures and cashflow forecasts sensitivity analysis
- Regular in year budget monitoring
- Robust financial controls
- Exploring on-going procurement efficiencies

The College's Risk Register and Risk Management Action Plan addresses all the key risks facing the College.

Stakeholder Relationships

- Students and parents / guardians
- Education sector funding body
- FE Commissioner
- Staff
- Local employers (with specific links)
- Local authorities
- Three Local Enterprise Partnerships (LEPs)
- The local community
- Other education and training providers
- Trade unions
- Professional bodies.

The College recognises the importance of these relationships and engages in regular communication with them as highlighted below for customers, employers, external agencies and partners.

Students

The quality of the student experience is of central importance to the Executive who are actively involved in meeting students and understanding their needs through a number of different channels including the Student Association, Student Forums and questionnaires and surveys. The Chair of the Student Association (the Student President) is a member of the Corporation.

Staff

During the year, the College has worked with managers and staff, including the Staff Council to enhance the employees' experience. This has included increasing our teams working to support students, welfare support and facilities for staff and measures to improve career opportunities, terms and conditions and line management skills.

Employers

The College continues to effectively engage with employers through its Services to Business activities (e.g. apprenticeships, European Social Funding, Jobcentre Plus programmes, full-cost recovery courses) and has been particularly successful at delivering on Government priorities.

Senior managers promote the College through their membership of local, regional and national industry and employer groups. This informs their understanding of sector and employer needs. The Services to Business department takes the lead in responding to employer enquiries, maintaining contact, follow up and responding to training needs.

During the 2021/22 academic year the College reconstituted and revitalised the Bishop Burton Agricultural Club – a longstanding discussion group for the farming industry hosted by the College which had ceased to convene during the two years of the pandemic.

Employers are also very much engaged in the design, delivery and assessment of the College curriculum. The revalidation of a large proportion of the Higher Education provision has involved extensive consultation with a range of employers to ensure currency and fitness for purpose in developing appropriately skilled graduates. Curriculum managers have contributed to an extensive employer database and the identification of the College's 'top 100 employer partners'. Employers have been involved in job interview simulation exercises with students and have provided access to a wide range of extended work experience opportunities that the students have benefitted from.

BISHOP BURTON COLLEGE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

REPORT OF THE GOVERNING BODY

Employers (continued)

Employers have been supportive of the College's research and knowledge transfer activities. For example, employers were invited to critique the Higher Education students' research project posters and to provide guidance on how the research could be developed. A number of employers have provided a research platform for students working with the College on crop and livestock trials. The partnership with Agrii is particularly worthy of note as the College hosts one of the agronomy company's national field trial sites and is now home to their Northern Area research facility. Students benefit enormously from this partnership, working closely with the organisation and gaining in-depth knowledge of agronomy via the trial sites.

At the Riseholme campuses, students continue to benefit from extensive employer engagement, with much of their practical activity taking place on employer premises. This has meant that students are able to develop their skills in Real Working Environments, using the latest technology.

External Agencies

The College has recognised the strategic importance of anticipating and responding to stakeholder priorities to maximise growth opportunities. Our approach has been to identify the key agencies and for the Principal/CEO to participate at a strategic level, including at Board membership wherever possible. This enables us to gain understanding of current needs and to anticipate future direction through early participation in the decision making processes. The Assistant Principal, HE works closely with a number of other educational institutions in the validation of courses, external examining, partnership projects or progression agreements.

Partners

Strong emphasis is placed on partnering as a method of achieving strategic aims and improving performance in key areas. Having identified through the planning process our key strategic and operating priorities, the Strategic Leadership Group and College managers identify those that require joint delivery through partnerships. We seek to identify the specific needs of potential partners in order to maximise the mutual benefits to be gained.

These include partnerships with research bodies, such as Agrii, professional bodies including AHDB, commercial partnerships with sports teams and retailers, international governing bodies, such as FEI, and a whole host of other organisations from a variety of sectors. These partnerships not only help improve the reputation of the College, but also help to enhance the quality of teaching and the availability of opportunities for students.

This type of activity helps students to gain a better understanding of the food chain and market requirements. Graduate bursaries and graduate placements have also resulted from partnership working, providing opportunities for students to progress into food processing, retail and agronomy careers. In addition, the Centre for Agricultural Innovation (CAI) conducts trials with industry partners utilising all of the College farm enterprises to maximise student participation.

Equality and employment of disabled persons

The College considers all applications for employment from disabled persons, bearing in mind the aptitudes of the individuals concerned. Where an existing employee becomes disabled every effort is made to ensure that employment with the College continues. The College's policy is to provide training, career development and opportunities for promotion which are, as far as possible identical to those for other employees.

Equality and Diversity

The College is committed to ensuring equality of opportunity for all who learn and work here. We respect and value positively differences in race, gender, sexual orientation, disability, religion or belief and age. We strive vigorously to remove conditions which place people at a disadvantage and we will actively combat bigotry. This policy is resourced, implemented and monitored on a planned basis. The College's Equality Policy is published on the College's Intranet site.

The College publishes an Annual Equality Report and Equality Objectives to ensure compliance with all relevant equality legislation including the Equality Act 2010. The College undertakes equality impact assessments on all new policies and procedures and publishes the results. Equality impact assessments are also undertaken for existing policies and procedures on a prioritised basis.

The College is a 'Positive about Disabled' employer and has committed to the principles and objectives of the Positive about Disabled standard. The College considers all employment applications from disabled persons, bearing in mind the aptitudes of the individuals concerned, and guarantees an interview to any disabled applicant who meets the essential criteria for the post.

BISHOP BURTON COLLEGE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

REPORT OF THE GOVERNING BODY

Equality and Diversity (continued)

The College has also implemented an updated equality and diversity training programme which all staff are required to attend. Refresher training and training for new starters is carried out on an on-going basis.

Disability statement

The College seeks to achieve the objectives set down in the Equality Act 2010. The College is committed to the on-going improvement of its resources in order to give all students equal opportunity to access the programme of their choice, and the admissions policy for all students is described in the Student Handbook. Appeals against a decision not to offer a place are dealt with under the complaints policy.

The College has made a significant investment in the appointment of specialist lecturers to support students with learning difficulties and/or disabilities. There are a number of student support assistants who provide a variety of support for learning. There is a continuing programme of staff development to ensure the provision of a high level of appropriate support for students who have learning difficulties and/or disabilities.

The College has invested in a larger support team, and as such, more courses were made available to those with disabilities. Specialist programmes are described in prospectuses, and achievements and destinations are recorded and published in the standard College format. Approximately 860 students received additional support through the Additional Learning Support team, this included 204 students with Education, Health and Care plans and 167 students were assessed for examination access arrangements. A further 284 students received support from the College's welfare officers, with 853 contacts in total. The College actively promotes its guidance and counselling services through its prospectus and student handbook.

Trade union facility time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require the College to publish information on facility time arrangements for trade union officials at the College. There are no facility time arrangements for trade union officials at the College.

Going concern

The College has considered its anticipated future income and expenditure streams and their subsequent impact on the Balance Sheet. We draw attention to Note 1 in the Financial Statements, which indicates that the College is forecasting loan covenant breaches at year end 2024 and year end 2025, for which the loan providers have not yet issued waiver letters or amended the breached loan covenants. The College does need support from the bank in respect of these covenant breaches and has reasonable expectation of receiving this, although, this does represent the existence of a material uncertainty, which may cast significant doubt about the College's ability to continue as a going concern. This is mitigated by the College's current strong cash position and, following reclassification, reasonable expectation that the College will be able to refinance its debt using the DfE loan scheme. Taking this into account, and all the known risks and uncertainties of the Further Education sector, including the impact of the cost of living and energy increases, and comparing these against the many opportunities that are emerging, underpinned by the strength of the College Balance Sheet and its ability to make sound strategic decisions and adapt accordingly, the College is satisfied that it continues as a going concern. This is supported by producing high quality and regular management information including monthly accounts and updated cashflow forecasts.

The Board therefore considers that the College has adequate resources to continue in operational existence for the foreseeable future to at least 31 July 2025 with sensitivity analysis performed to assess short term cash demands. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

Disclosure of information to auditors

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

Approved by order of the members of the Corporation on 19 December 2023 and signed on its behalf by:



Ian Sackree
Chair

BISHOP BURTON COLLEGE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

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

The College endeavours to conduct its business:

- i. in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership);
- ii. in full accordance with the guidance to colleges from the Association of Colleges in The Code of Good Governance for English Colleges (“the Code”); and
- iii. whilst not having adopted the UK Corporate Governance Code 2018, the corporation has due regard to its principles and guidance’

The Corporation recognises that as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of governance at all times. In carrying out its responsibilities, the Members observe the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership) (the Nolan Principles) and has adopted the AoC Code of Good Governance. It is the opinion of the Members therefore, that the College complied with the principles of the Code and it has complied throughout the Relevant Period.

The College is committed to exhibiting best practice in all aspects of corporate governance and whilst not adopting the UK Corporate Governance Code 2018 does have due regard to its principles and guidance which are considered relevant to the further education sector and best practice.

The College is an exempt charity within the meaning of Part 3 of the Charities Act 2011. The Governors, 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.

Members of the Corporation

The Members who served on the Corporation during the year and up to the date of signature of this report were as follows:

Name	Date of Appointment	Term of Office	Date of Resignation	Status of Appointment	Committees Served	Attendance
Ms R Brassington	1 Sept 2021	3 years		Staff	Curriculum & Quality Enhancement	9/9
Dr S Hamer	18 Feb 2020 1 Sept 2023	3.5 years 3 years		External	Curriculum & Quality Enhancement	12/12
Mr J Hurst	17 July 2018 1 Sept 2021	3.2 years 3 years		External	Remuneration	7/7
Mr K Kendall (Vice-Chair as of 1 Sept 2018)	10 April 2018 1 Sept 2021	3.33 years 3 years	31 Aug 2023	External	Governance and Search, Curriculum & Quality Enhancement, Remuneration	11/13
Ms S Kirby	1 Sept 2021	3 years		Staff	Finance & Resources	12/12

BISHOP BURTON COLLEGE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

Mr A Menzies (Chair as of 1 Sept 2018)	1 Sept 2009 Re-appointed 1 Sept 2012 1 Sept 2015 1 Sept 2018 1 Sept 2021	3 years 3 years 3 years 3 years 3 years	31 Aug 2023	External	Finance & Resources, Governance & Search, Remuneration	15/16
Mr W Meredith	22 Oct 2017	Ex officio		Principal	Governance & Search, Finance & Resources, Curriculum & Quality Enhancement	18/18
Mr A Milner	1 Sept 2020 1 Sept 2023	3 years 3 years		External	Curriculum & Quality Enhancement	7/9
Ms E Milson	18 Oct 2022	3 years		External	Audit	6/7
Ms K Moore ¹	18 Feb 2020	3 years	Sept 2022	External	Audit	
Ms A Moran (Vice Chair as of 1 Sept 2023)	6 Feb 2018 1 Sept 2021 1 Sept 2023	3.5 years 3 years 3 years		External	Audit, Remuneration, Governance & Search	12/14
Mr P Phythian	18 Oct 2022	3 years		External	Audit	6/7
Mr I Sackree (Chair as of 1 Sept 2023)	11 Dec 2018 1 Sept 2022 1 Sept 2023	3.67 years 3 years 3 years		External	Finance & Resources, Governance & Search, Remuneration	15/16
Ms V Shannon	10 Dec 2019	3.5 years	31 Aug 2023	External	Finance & Resources	8/12
Mr M Thomas	23 Oct 2018 1 Sept 2021	2.83 years 3 years		External	Audit	8/10
Mr J Wells	1 Sept 2021	3 years	24 Nov 2022	External	Audit	3/4
Ms C Walters	1 Sept 2021 1 Sept 2022 1 Sept 2023	1 year 1 year 1 year		Co-Opted	Audit	3/4

Ms C Sykes was Clerk until 12 January 2023
Ms S Pearson was Director of Governance from 3 January 2023
Ms K Magurn was Deputy Clerk

In line with the Student Association Constitution, its duly elected President (Ms L Horsfield) and Vice President (Ms C Sutton) were duly appointed by the Corporation at its Meeting on 29 November 2022.

¹ Noted for completeness. Date of Resignation noted as September 2022 following correspondence in August 2022.

BISHOP BURTON COLLEGE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

The Governance Framework

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

The Corporation adopted a Committee Governance Structure from September 2020 after a review of the Carver Model in July 2019. The Committee Governance Structure has developed since its introduction and will continue to develop in line with the recommendations and action plan derived from the Corporations External Board Review which was undertaken, and approved, in the Relevant Period.

The Corporation has therefore adopted a Committee Governance Structure delegating authority and responsibility to the following Committees: Audit, Curriculum & Quality Enhancement, Finance & Resources, Remuneration and Governance and Search. Each committee has terms of reference, which have been approved by the Corporation.

Minutes of the Corporation Meetings, except those deemed to be confidential by the Corporation, are available on the College's website at www.bishopburton.ac.uk or from the Director of Governance at:

Bishop Burton College
Bishop Burton
Beverley
HU17 8QG

The Director of Governance maintains a Register of Interests for all Members. which is available for inspection at the above address.

All Members are able to take independent professional advice in furtherance of their duties at the College's expense and have access to the Director of Governance, who is responsible to the Corporation for ensuring that all applicable procedures and regulations, in this regard, are complied with. As a Senior Post Holder the appointment, evaluation and removal of the Director of Governance are matters for the Corporation as a whole.

Formal agendas, papers and reports are supplied to Members in a timely manner, prior to Corporation meetings. Briefings are also provided when required.

To support the Corporation, the recruitment of an in-house Clerk from September 2020 was also approved; giving an improved level of independence, support to the members and the Chair and increased opportunity to utilise sector resources and developments. This role has been developed furthermore to a Director of Governance role from January 2023 and a new appointment was made to this role.

The Corporation has a strong and independent non-executive element and no individual or group dominates its decision-making process. The Corporation considers that each of its non-executive members is independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement. There is a clear division of responsibility in that roles of the Chair and Accounting Officer are separate.

The following persons also acted as directors of the College's wholly owned subsidiaries: Mr W Meredith, Mr K Kendall, Mr A Menzies. Following the resignation of both Mr K Kendall and Mr A Menzies as External Members, the Corporation approved, at its meeting held on 17 October 2023 that Mr I Sackree be appointed as Director of Bishop Burton Farm Enterprises Limited (Company Number: 02806919).

As a result of the reclassification of Colleges to the central government sector on 29 November 2022, consideration has been applied to ensuring compliance with new reclassification requirements whilst reviewing policies and procedures as part of its current review process.

BISHOP BURTON COLLEGE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

Continuous Professional Development

Corporation Members

- Members engaged with learning and development opportunities facilitated by the Association of Colleges (AoC) including its:
 - AoC Governance Conference (November 2023)
 - AoC Ofsted Roadshow (March 2023)
 - AoC Governor Summit (June 2023)
 - Regional Governor Inductions
 - Student Governor Inductions
 - Principal and Chair's Networks
- Safeguarding and PREVENT Training was provided to the Members by the Designated Safeguarding Lead (DSL) in October 2022. Newly appointed Members were also provided with one-to-one introductory training with the DSL.
- Members attended a Training Day on 29 November 2022 which included:
 - Principals Update
 - Strategic Aims and Five-Year Plan: Around the table discussion
 - "What is the collective vision on the College's role as a specialist Land-based College in East Yorkshire and Lincolnshire": Review and an around the table discussion on the Corporation's Self-Assessment Report, possible areas for development, the College's high-level risk register and a review of the Strategic Aims and Five-Year Plan to determine the College Intent
- Members attended a second Training Day on 9 May 2023 which included:
 - a workshop to: "To jointly explore how Governors and the Executive Team can best work together to achieve the organisations strategic aims" hosted and facilitated by the AoC's Director for Diversity and Governance
 - a training event: "Preparation for an Ofsted Inspection" hosted and facilitated by an Education Consultant,

Members were also provided with feedback from Ron Matthews, the External Board Reviewer, on the observations and actions arising from the External Board Review and subsequent External Board Report ("the **Report**"). This was taken as part of the Extraordinary Corporation Meeting convened on the same day. Ron Matthews was invited to the Training Day as a whole to allow for discussion and reflection opportunities with Members.
- Members regularly received sector updates from the Principal as part of a Principal's Report.
- Members received sector updates and important developments from the Clerk to Corporation/Director of Governance.
- Members of the Audit Committee received relevant sector updates from Wylie & Bisset (Internal Audit Service) and RSM (Financial Statements Auditor) as part of the governance meeting cycle and as appropriate throughout the year.
- Members were also provided with access to the ETF Governance Development Programme which includes modules across all areas of Governance to undertake their own development.
- Members participated in a "Governor Link Programme" throughout the year whereby each Member was assigned to link up with a co-ordinating senior member of staff to explore different areas of the College business and present a report to Corporation. This programme has been established annually with Members allocated to different areas of the business from time to time to learn about different areas of the College's operations.

BISHOP BURTON COLLEGE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

Continuous Professional Development (continued)

Clerk to the Corporation / Director of Governance

From January 2023 the role of the Clerk to the Corporation developed to the role of Director of Governance with a new appointment made. Continuous Professional Development undertaken as part of both roles are detailed below.

Governance Development Online Network Events

- Webinar - GP Qualification Clerk to Corporation
- Governance Network Event - Board Reviews Clerk to Corporation

Governance Professionals Executive Coaching and Mentoring

- Coaching for 22/23 Clerk to the Corporation

Governance Professionals' Leadership Programme

- Governance Professionals' Alumni Conference 2023 - The Future of Work and Learning Clerk to the Corporation

Governance Professional Network

- AoC Y&H Governance Professionals Network 23/02/2023 Director of Governance
- Governance Professional Network 11/05/2023 Director of Governance

Regional Governance Conferences

- North East and Yorkshire and Humber Governor Conference 25/11/2022 Clerk to the Corporation
- North West Governor Conference 03/03/2023 Director of Governance

FE Commissioner Active Support Programme:

Commissioned by the Further Education Commissioner and sponsored by the DfE

- Just One Thing 'Class of 22/23' 16/06/2023 Director of Governance

AoC Governance Professionals Conference 2023

- AoC Governance Professionals Conference 2023 24/01/2023 & 25/01/2023 Director of Governance

In addition to the above the Director of Governance also successfully completed the Level 4 Certificate in Academy Governance awarded by the Chartered Governance Institute UK & Ireland.

Corporation Performance

As detailed above the Corporation commissioned an External Board Review (the **Review**) to be undertaken during the Relevant Period in accordance with Guidance provided from the Department for Education's (DfE) "External Governance Reviews: Guide for FE College Corporations and Designated Institutions". The Review was facilitated through the Association of Colleges (AoC) and undertaken by Ron Matthews. The Report was provided for consideration in April 2023 and received by the Corporation at its Corporation Meeting held on 1 May 2023 whereby it was RESOLVED that the Report and its recommendations and action plan be approved in full.

The following recommendations and action plan were noted as primary areas of focus:

Issue	Action	Intended outcome
1.	<i>Improve relations between the Board and the Executive</i>	<i>A better understanding between the two parties on clear ways of working</i>
2.	<i>Change the scheduling of the F & R Committee</i>	<i>Separation of F & R and Corporation dates</i>
3.	<i>Covering Reports for documents with clear recommendations</i>	<i>Clarity for Governors on what they are asked to do</i>
4.	<i>KPI Dashboard for Committees</i>	<i>Clearer understanding for Governors of performance</i>
5.	<i>Chair to assess performance of individual Governors</i>	<i>A cohesive and informed Board</i>
6.	<i>Chairs to meet with Principal on a regular basis</i>	<i>Improve communications</i>

BISHOP BURTON COLLEGE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

Corporation Performance (continued)

At the time of the Report, it was noted that the College had moved from the Carver Model to a traditional committee structure which had been in operation for circa eighteen months. In summary it was identified, within the Report, that the committee structure should now be developed further and take into consideration the findings of the Report as whole alongside implementing the primary actions noted above.

In addition, evaluation of the effectiveness of the Corporation, is supported by an internal framework of self-review including reviewing adherence to the AoC Code of Good Governance and the undertaking an Annual Corporation Self-Assessment. These works have been commenced over the Relevant Period and will be evaluated, reported and monitored in conjunction with the recommendations and action plan detailed in the Report. All such works, actions and recommendations will be included as part of an overarching Corporation Development Plan.

During 2022/23 the Corporation convened a total of six Corporation Meetings. In addition, members of the Corporation also attended two Strategic/Training Events.

Appointments to the Corporation

All appointments are considered by the Corporation as a whole. The Corporation has a Governance & Search Committee comprised of a minimum of five members of the Corporation. This Committee and its appointed Members are responsible for considering and recommending any Member candidate to the Corporation for its consideration and approval. It is also the delegated responsibility of the Governance and Search Committee to approve policies and procedures for the induction and continuing professional development of Members and review the programme for members' training and development which is approved by the Corporation as a whole.

As a result of the recommendations and the action plan derived from the Report (noted above), the Corporation reviewed its Instrument and Articles of Government, Standing Orders and Terms of Reference which has resulted, inter alia, a revision to the duration of the length of any newly appointed External Member's Term of Office.

At its Meeting held on 11 July 2023, the Corporation considered and resolved to reduce its Term of Office from four years to three years with a possible reappointment to a further two terms of office (a maximum of nine years). All appointments as an External Member, from that point in time, have been on that basis.

Committee Structure

The Corporation has structured its Committees as follows:

Curriculum & Quality Enhancement Committee

The Curriculum & Quality Enhancement Committee advises and assures the Corporation on the effectiveness of the College quality strategy and monitoring performance and advising on strategies to:

- foster exceptional teaching and learning;
- ensure effective underpinning policies and systems, which facilitate the student voice;
- meet its statutory responsibilities for equality and diversity;
- be responsive to workforce trends by adopting a range of strategies for engaging with employers and other stakeholders.

Finance & Resources Committee

The Finance and Resources Committee considers, advises and assures the Corporation on the aspects of the current strategic plan. The Corporation must:

- adopt a financial strategy and funding plans, which are compatible with the duty to ensure the sustainability and solvency of the college; and
- ensure that effective control and due diligence takes place in relation to all matters including acquisitions, subcontracting and partnership activity.

It is the role and responsibility of the Finance and Resources Committee to support the Corporation through its consideration, review and monitoring of regular financial performance reporting including [performance against funding targets, proposed capital expenditure] as well as human resource, operational organisation and personnel-related matters such as health and safety and all matters connected with staffing policy.

BISHOP BURTON COLLEGE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

Governance and Search Committee

The role and responsibilities of the Governance and Search Committee are summarised above.

Remuneration Committee

The Remuneration Committee is comprised of a minimum of five Members of the Corporation. The Committee's responsibilities are to make recommendations to the Corporation on the remuneration and conditions of service of the Accounting Officer and other senior post-holders.

In December 2020, the Corporation undertook a review of the AoC Senior Staff Remuneration Code and confirmed that the Code would be adopted in full.

Details of remuneration for the year ended 31 July 2023 are set out in note 7 to the financial statements.

Audit Committee

The Audit Committee is comprised of a minimum of four external members of the Corporation (excluding the Accounting Officer) and includes the appointment of a co-opted member. The Committee operates in accordance with the requirements of the ESFA's Post 16 Audit Code of Practice and conducts a review of compliance against the Code, which was reviewed by the Audit Committee at its Meeting in December 2023.

The Audit Committee meets four times a year and provides a forum for reporting by the College's internal, regularity and financial statements auditors, who have access to the committee for independent discussion, without the presence of College management. The Committee also receives and considers reports from the FE funding body, as they affect the College's business.

The College's internal auditors review 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 audit undertakes periodic follow-up reviews to ensure such recommendations have been implemented.

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

The Audit Committee met 4 times in the year to 31 July 2023. The members of the committee and their attendance records are shown below:

Name	Attendance
Ms E Milson	3/3
Ms A Moran	4/4
Mr P Phythian	3/3
Mr M Thomas	3/4
Mr J Wells	2/2
Ms C Walters (Co-Opted)	3/4

Internal Control

Scope of responsibility

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

BISHOP BURTON COLLEGE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

Internal Control (continued)

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

The purpose of the system of internal control

The system of internal control is 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 the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Bishop Burton College for the year ended 31 July 2023 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Corporation has reviewed the key risks to which the College is exposed, together with the operating, financial and compliance controls and arrangements for compliance with legal and regulatory matters including those relating to the regularity and propriety of the use of public funding that have been implemented to mitigate those risks. The Corporation is of the view that there is a formal on-going process for identifying, evaluating and managing the College's significant risks that has been in place for the period ending 31 July 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Corporation.

The risk and control framework

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

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

The College has an internal audit service (IAS), which operates in accordance with the requirements of the ESFA's Post 16 *Audit Code of Practice*. The work of the IAS is informed by an analysis of the risks to which the College is exposed, and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the Corporation on the recommendation of the audit committee. At minimum annually, the Head of Internal Audit (HIA) provides the governing body with a report on internal audit activity in the College. The report includes the HIA's independent opinion on the adequacy and effectiveness of the College's system of risk management, controls and governance processes.

Risks faced by the Corporation

Responsibilities under funding agreements

The College governors confirm their understanding that they have met all conditions under the funding agreement so far as they are aware.

BISHOP BURTON COLLEGE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

Statement from the Audit Committee

Through reports presented by the IAS and Financial Statements Auditor, and from college management, the Audit Committee considers that the College systems of internal control are adequate and effective and that it seeks to secure value for money. Risk Management arrangements are in place to provide the Audit Committee with assurance and are in the process of being further developed.

Through reports presented by the IAS and Financial Statements Auditor, and from college management, the Audit Committee considers that the College systems of internal control are adequate and effective and that it seeks to secure value for money. Risk Management arrangements are in place to provide the Audit Committee with assurance and are in the process of being further developed.

The specific areas of work undertaken by the audit committee in 2022/23 and up to the date of the approval of the financial statements are:

- Staff Utilisation – Substantial Level of Assurance - 2 Recommendations received.
- Safeguarding – Strong Level of Assurance - 0 Recommendations received.
- Business Continuity Planning Report – Strong Level of Assurance – 2 Recommendations received
- Data Quality – MS System – Strong Level of Assurance – 0 Recommendations received
- Transport Department – Substantial Level of Assurance – 4 Recommendations received
- IT Equipment Stock – Strong Level of Assurance – 0 Recommendations received
- Apprentices – Substantial Level of Assurance – 2 Recommendations received

The IT Equipment Stock and Apprentices audits were undertaken as part of the 2022 to 2023 Internal Audit Plan. The Reports were circulated to the Committee in August 2023.

All planned audits for the year have been completed. There were no fundamental recommendations in any of the reports. All outstanding recommendations are reported to Audit Committee.

Responsibilities under funding agreement

The Department for Education and Education and Skills Funding Agency introduced new controls for the college on 29 November 2022 on the day that the Office for National Statistics reclassified colleges as public sector organisations in the national accounts. The ESFA chief executive communicated these changes to all college accounting officers and explained plans to introduce a college financial handbook in 2024. The college has reviewed its policies, procedures and approval processes in line with these new requirements and updated them to ensure compliance with the new requirements. The college is establishing systems and processes to identify and handle any transactions for which DfE approval is required.

Review of effectiveness

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

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

The Accounting Officer has been advised on the implications of the result of his review of the effectiveness of the system of internal control by the audit committee which oversees the work of the internal auditor and other sources of assurance, 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 their 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 and other sources of assurance, which include recommendations for improvement.

BISHOP BURTON COLLEGE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

Review of effectiveness (continued)

The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Corporation's agenda includes a regular item for consideration of risk and control and receives reports thereon from the senior management team and the audit committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its December 2023 meeting, the Corporation carried out the annual assessment for the year ended 31 July 2023 by considering documentation from the senior management team and internal audit and taking account of events since 31 July 2023.

Based on the advice of the Audit Committee and the Accounting Officer, the Corporation 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*".

Approved by order of the members of the Corporation on 19 December 2023 and signed on its behalf by:



.....
Signed
I Sackree
Chair



.....
Signed
W S Meredith
Accounting Officer

BISHOP BURTON COLLEGE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

STATEMENT ON THE COLLEGE'S REGULARITY, PROPRIETY AND COMPLIANCE

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

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

I confirm that the following instances of material irregularity, impropriety, funding non-compliance, or non-compliance with the framework of authorities have been discovered and have been notified to ESFA. If any further instances are identified after the date of this statement, these will be notified to ESFA:

Matters arising

During the financial year ended 31 July 2023 the College made a non contractual termination payment to an employee in excess of the delegated authority given to the College under the subsequently published ESFA's bite sized guide "college requirements for special payments, including severance, compensation and ex-gratia payments. The amount of the non contractual special payment that required ESFA consent was £15,636, above the delegated authority (equivalent of 3 months gross salary).

On 31 August 2023 the College made a non contractual termination payment to an employee in excess of the delegated authority given to the college under the ESFA's bite sized guide "college requirements for special payments, including severance, compensation and ex-gratia payments. The amount of the non contractual special payment that required ESFA consent was £12,430 above the delegated authority (equivalent of 3 months gross salary).

The College has applied for retrospective approval from the ESFA for both cases and await their response.



W S Meredith
Accounting Officer
19 December 2023

Statement of the chair of governors

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



I Sackree
Chair of Governors
19 December 2023

BISHOP BURTON COLLEGE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

STATEMENT OF RESPONSIBILITIES OF THE MEMBERS OF THE CORPORATION

The members of the corporation are required to present audited financial statements for each financial year. Within the terms and conditions of the corporation's grant funding agreements and contracts with ESFA, the corporation is required to prepare financial statements which give a true and fair view of the financial performance and position of the corporation for the relevant period. Corporations must also prepare a strategic report which includes an operating and financial review for the year. The bases for the preparation of the financial statements and strategic report are the Statement of Recommended Practice – Accounting for Further and Higher Education, ESFA's College Accounts Direction, Accounts Direction issued by the Office for Students and the UK's Generally Accepted Accounting Practice. In preparing the financial statements, the corporation is required to:

- select suitable accounting policies and apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- assess whether the corporation is a going concern, noting the key supporting assumptions, qualifications or mitigating actions, as appropriate (which must be consistent with other disclosures in the accounts and auditor's report)
- prepare financial statements on the going concern basis unless it is inappropriate to assume that the corporation will continue in operation

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

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

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

Members of the corporation are responsible for ensuring that expenditure and income are applied for the purposes intended and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from ESFA, and any other public funds, are used only in accordance with ESFA's grant funding agreements and contracts and any other conditions, that may be prescribed from time to time by ESFA, or any other public funder, including that any transactions entered into by the corporation are within the delegated authorities set out in the "Dear accounting officer" letter of 29 November 2022 and ESFA's bite size guides. Members of the corporation must ensure that there are appropriate financial and management controls in place to safeguard public and other funds and ensure they are used properly. In addition, members of the corporation are responsible for securing economic, efficient and effective management of the corporation's resources and expenditure so that the benefits that should be derived from the application of public funds from ESFA and other public bodies are not put at risk.

Approved by order of the members of the corporation on 19 December 2023 and signed on its behalf by:



I Sackree
Chair of Governors

INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF BISHOP BURTON COLLEGE

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and 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.

Material uncertainty related to going concern

We draw attention to note 1 in the financial statements, which indicates that the College is forecasting loan covenant breaches for the year ended 31 July 2024 and 2025, for which the College's Bankers have not issued waiver letters in advance. As stated in note 1, these events or conditions, along with the other matters as set out in note 1, indicate that a material uncertainty exists which may cast significant doubt about the College's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

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

Other information

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

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF BISHOP BURTON COLLEGE

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

In our opinion, in all material respects:

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

Matters on which we are required to report by exception

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

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

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

- the College's grant and fee income, as disclosed in the note 4 to the financial statements, has been materially misstated.
- the College's expenditure on access and participation activities for the financial year has been materially misstated.

Responsibilities of the Corporation of Bishop Burton College

As explained more fully in the Statement of the Corporation's Responsibilities set out on page 24, the Corporation is responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Corporation determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Corporation is responsible for assessing the Group's and 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 Group or the College or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF BISHOP BURTON COLLEGE

The extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

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

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

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

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

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

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

The Group audit engagement team identified the risk of management override of controls and revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates and performing tests of detail on a sample of revenue transactions together with performing a review of the appropriate application of the Group and College's revenue recognition policy.

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

Use of our report

This report is made solely to the Corporation, as a body, in accordance with the Funding Agreement published by the Education and Skills Funding Agency and our engagement letter dated 29 October 2021. Our audit work has been undertaken so that we might state to the Corporation, as a body, those matters we are engaged to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Corporation, as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

RSM UK AUDIT LLP
Chartered Accountants
Two Humber Quays
Wellington Street West
Hull
HU1 2BN

20 December 2023

BISHOP BURTON COLLEGE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

CONSOLIDATED AND COLLEGE STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2023

	Notes	2023		2022	
		Group £'000	College £'000	Group £'000	College £'000
INCOME					
Funding body grants	3	19,766	19,766	17,580	17,580
Tuition fees and education contracts	4	4,495	4,495	4,200	4,200
Other income	5	6,376	5,417	5,846	5,074
Investment income	6	107	443	1	262
Total income		30,744	30,121	27,627	27,116
EXPENDITURE					
Staff costs	7	16,822	16,387	16,861	16,479
Restructuring costs	7	41	41	41	41
Other operating expenses	8	10,767	10,579	9,392	9,262
Depreciation	12	2,684	2,684	2,475	2,475
Profit on disposal of fixed assets		-	-	(1)	(1)
Interest and other finance costs	9	470	470	661	661
Total expenditure		30,784	30,161	29,429	28,917
(Deficit) before other gains and losses		(40)	(40)	(1,802)	(1,801)
(Deficit) before tax		(40)	(40)	(1,802)	(1,801)
Taxation	10	-	-	-	-
(Deficit) for the year		(40)	(40)	(1,802)	(1,801)
Remeasurement of defined benefit pension net asset	21	(1,687)	(1,687)	18,341	18,341
Other comprehensive income for the year		(1,687)	(1,687)	18,341	18,341
Total comprehensive income for the year		(1,727)	(1,727)	16,539	16,540
(Deficit) for the year attributable to the Corporation of the College		(40)	(40)	(1,802)	(1,801)
Total comprehensive income for the year attributable to Corporation of the College		(1,687)	(1,687)	16,539	16,540

BISHOP BURTON COLLEGE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

CONSOLIDATED AND COLLEGE BALANCE SHEETS
AS AT 31 JULY 2023

	Notes	2023		2022	
		Group £'000	College £'000	Group £'000	College £'000
Fixed assets					
Intangible assets	11	-	-	-	-
Tangible assets	12	81,000	81,583	82,200	82,783
Investments	13	-	-	-	-
		<u>81,000</u>	<u>81,583</u>	<u>82,200</u>	<u>82,783</u>
Current assets					
Agricultural assets and other stock	14	608	608	612	612
Debtors	15	1,393	1,408	932	947
Cash at bank and in hand		<u>7,343</u>	<u>7,333</u>	<u>6,236</u>	<u>6,226</u>
		<u>9,344</u>	<u>9,349</u>	<u>7,780</u>	<u>7,785</u>
Current liabilities					
Creditors – amounts falling due within one year	16	<u>(6,447)</u>	<u>(6,447)</u>	<u>(5,498)</u>	<u>(5,498)</u>
Net current assets		<u>2,897</u>	<u>2,902</u>	<u>2,282</u>	<u>2,287</u>
Total assets less current liabilities		<u>83,897</u>	<u>84,485</u>	<u>84,482</u>	<u>85,070</u>
Creditors – amounts falling due after more than one year	17	<u>(33,420)</u>	<u>(33,420)</u>	<u>(34,052)</u>	<u>(34,052)</u>
Provisions for liabilities					
Defined benefit pension scheme asset/(liability)	21	-	-	1,777	1,777
Other provisions	19	<u>(18)</u>	<u>(18)</u>	<u>(21)</u>	<u>(21)</u>
Total net assets		<u>50,459</u>	<u>51,047</u>	<u>52,186</u>	<u>52,774</u>
Unrestricted Reserves					
Income and expenditure reserve		25,548	26,136	27,182	27,770
Revaluation reserve		<u>24,911</u>	<u>24,911</u>	<u>25,004</u>	<u>25,004</u>
Attributable to the College Corporation and total unrestricted reserves		<u>50,459</u>	<u>51,047</u>	<u>52,186</u>	<u>52,774</u>

The financial statements on pages 28 to 54 were approved and authorised for issue by the Corporation on 19 December 2023 and were signed on its behalf on that date by:



I Sackree
Chair



W S Meredith
Accounting Officer

BISHOP BURTON COLLEGE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

CONSOLIDATED AND COLLEGE STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 JULY 2023

	Income and Expenditure reserve £'000	Revaluation reserve £'000	Total £'000
Group			
Balance at 1 August 2021	10,550	25,097	35,647
Deficit for the year	(1,802)	-	(1,802)
Other comprehensive income	18,341	-	18,341
Transfers between Revaluation and Income and Expenditure reserves	93	(93)	-
Total comprehensive income for the year	27,182	25,004	52,186
Balance at 31 July 2022	27,182	25,004	52,186
Deficit for the year	(40)	-	(40)
Other comprehensive income	(1,687)	-	(1,687)
Transfers between Revaluation and Income and Expenditure reserves	93	(93)	-
Total comprehensive income for the year	(1,634)	(93)	(1,727)
Balance at 31 July 2023	25,548	24,911	50,459
	Income and Expenditure reserve £'000	Revaluation reserve £'000	Total £'000
College			
Balance at 1 August 2021	11,137	25,097	36,234
Deficit for the year	(1,801)	-	(1,801)
Other comprehensive income	18,341	-	18,341
Transfers between Revaluation and Income and Expenditure reserves	93	(93)	-
Total comprehensive income for the year	27,770	25,004	52,774
Balance at 31 July 2022	27,770	25,004	52,774
Deficit for the year	(40)	-	(40)
Other comprehensive income	(1,687)	-	(1,687)
Transfers between Revaluation and Income and Expenditure reserves	93	(93)	-
Total comprehensive income for the year	(1,634)	(93)	(1,727)
Balance at 31 July 2023	26,136	24,911	51,047

BISHOP BURTON COLLEGE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JULY 2023

	Notes	2023 £'000	2022 £'000
Operating activities			
Cash generated from operations	20	3,848	2,457
Taxation paid		-	-
Net cash from operating activities		<u>3,848</u>	<u>2,457</u>
Investing activities			
Investment income		47	1
Proceeds on disposal of tangible fixed assets		-	1
Purchase of tangible fixed assets		(1,484)	(1,510)
		<u>(1,437)</u>	<u>(1,508)</u>
Financing activities			
Interest paid		(470)	(414)
Proceeds of new bank loans		-	2,400
Repayments of borrowings		(834)	(746)
		<u>(1,304)</u>	<u>1,240</u>
Increase in cash and cash equivalents in the year		<u>1,107</u>	<u>2,189</u>
Cash and cash equivalents at beginning of the year		<u>6,236</u>	<u>4,047</u>
Cash and cash equivalents at end of the year		<u>7,343</u>	<u>6,236</u>
Cash and cash equivalents comprise:			
Cash at bank and in hand		<u>7,343</u>	<u>6,236</u>

BISHOP BURTON COLLEGE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

General information

Bishop Burton College is a corporation established under the Further and Higher Education Act 1992 as an English general college of further education. The address of the College's principal place of business is given on page 16. The nature of the College's operations are set out in the Report of the Governing Body.

Basis of accounting

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

The principal accounting policies and estimates applied in the preparation of these consolidated and separate financial statements are set out below. These policies and estimates have been consistently applied to all the years presented, unless otherwise stated.

The consolidated financial statements are presented in sterling which is also the functional currency of the College.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

Reduced disclosures

In accordance with the F & E HE SORP, the College in its separate financial statements, which are presented alongside the consolidated financial statements, has taken advantage of the disclosure exemptions available to it in respect of presentation of a cash flow statement and financial instruments.

Basis of consolidation

The consolidated financial statements include the College and its subsidiaries, Bishop Burton Riseholme Limited, Bishop Burton Farm Enterprises Limited and Bishop Burton Farm Limited, controlled by the Group. Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The results of subsidiaries acquired or sold are consolidated using the purchase method for the periods from or to the date that control passes. In accordance with FRS 102, the activities of the student union have not been consolidated because the College does not control those activities. All financial statements are made up to 31 July 2023.

All intra-group transactions, balances and unrealised gains on transactions between group entities are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

BISHOP BURTON COLLEGE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1 Accounting policies (continued)

Going concern

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

The College currently has £8.8m of loans outstanding with bankers on terms negotiated in 2008, 2013, 2016 and 2022. Bank loans are secured by a charge on certain freehold properties of the College. The terms of the existing agreements were for 5 to 20 years.

The balance sheet as at 31 July 2023 shows net current assets of £2.9m for the Group (2022: £2.3m) and £2.9m for the College (2022: £2.3m).

The College's forecasts and financial projections to 31 July 2025 indicate a significant deficit budget position for both 2024 and 2025. These deficits will be funded using the College's cash reserves. Thereafter, the College expects to return to a growth position, delivering financial surpluses.

The deficits will result in a breach of its loan covenants. Positive discussions are ongoing with its loan providers to issue waiver letters or to amend the covenants to reflect the College's strong cash position. However, until this is agreed, the College does need support from the bank in respect of the covenant breaches and has a reasonable expectation of receiving, however, this does represent the existence of a material uncertainty which may cast significant doubt about the College's ability to continue as a going concern.

Going forward, following reclassification, the College has a reasonable expectation that it will be able to refinance its loans using the DfE loan scheme. Accordingly, therefore, the College has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future to at least 31 July 2025 with sensitivity analysis performed to assess short term cash demands, and for this reason will continue to adopt the going concern basis in the preparation of its Financial Statements.

Recognition of income

Grants – government and non-government

Government revenue grants are accounted for under the accrual model and are recognised where a reliable estimate of the fair value of the asset received or receivable can be made on a systematic basis over the periods in which the related costs for which the grant compensates are recognised.

Funding body recurrent grants are measured in line with best estimates for the year of what is receivable and depend on the particular income stream involved. Any under achievement of the Adult Education Budget, outside of permitted tolerance levels, is adjusted for and reflected in the level of recurrent grant recognised in the Statement of Comprehensive Income. The final grant income is normally determined with the conclusion of the year end reconciliation process with the funding body following the year end.

16-18 learner-responsive funding is not normally subject to reconciliation and is therefore not subject to contract adjustments and is recognised when receivable.

The recurrent grant from Office for Students represents the funding allocations attributable to the current financial year and is recognised when received or receivable.

Grants from non-government sources, including grants relating to assets, are recognised in income when the College has met the performance-related conditions and the grant will be received. Income received in advance of performance related conditions being met is recognised as a liability.

Government capital grants for assets, other than land, are accounted for under the accrual model. The grant income received or receivable will be recognised over the expected useful life of the asset, with any amount of the asset-related grant that is deferred being recognised as deferred income. The deferred income is allocated between creditors due within one year and those due after more than one year. Government capital grants for land are accounted for under the performance model and are recognised in income when the College has met the performance – related conditions and the grant will be received.

Other income

Income from the supply of services is recognised at fair value of the consideration received or receivable and represents the value of services to the extent there is a right to consideration.

Income from tuition fees is recognised over the period for which it is received.

All income from short-term deposits is accrued in the period in which it is earned on a receivable basis.

BISHOP BURTON COLLEGE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1 Accounting policies (continued)

Retirement benefits

Retirement benefits to employees of the College are principally provided by Teachers' Pensions Scheme (TPS) and the East Riding Pension Fund (ERPF), which are multi-employer defined benefit plans. These are defined benefit plans, which are externally funded and contracted out of the State Second Pension.

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 the Government Actuary on the basis of valuations using a projected unit method. The TPS is a multi-employer scheme but sufficient information is not available to use defined benefit accounting and therefore it is accounted for as a defined contribution scheme, with the amount charged to the statement of comprehensive income being the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

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

The ERPF assets are managed by the scheme trustees at scheme level, and the determination / allocation of assets to each individual employer in the scheme is managed by the scheme actuary. The assets are allocated to each employer for accounting purposes based on the valuation of the assets at the latest triennial valuation as adjusted for subsequent contributions received from the employer, asset returns and benefit payments made (either on a cash basis or actuarial basis).

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

Short term Employment benefits

Short term employment benefits such as salaries and compensated absences (holiday pay) are recognised as an expense in the year in which the employees render service to the College. The cost of any unused holiday entitlement the College expects to pay in future periods is recognised in the period the employees' services are rendered.

Enhanced Pensions

The actual cost of any enhanced on-going 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 on-going pension of a former member of staff is charged in full to comprehensive income in the year that the member of staff retires. In subsequent years a charge is made to provisions in the balance sheet using the enhanced pension spreadsheet provided by the funding body.

Fixed asset investments

College

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses in the separate financial statements of the college. Interests in subsidiaries are assessed for impairment at each reporting date. Any impairments losses or reversals of impairment losses are recognised immediately in comprehensive income.

Jointly controlled entities

Entities in which the Group has a long-term interest and shares control under a contractual arrangement are classified as jointly controlled entities. Jointly controlled entities are accounted for using the equity method, (being the Group's share of the results, other comprehensive income and equity of associates are accounted for using the equity method based on the associate's financial statements).

BISHOP BURTON COLLEGE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1 Accounting policies (continued)

Fixed asset investments (continued)

Other investments

Investments comprising unquoted equity instruments whose fair values cannot be measured reliably are measured at cost less impairment.

Tangible fixed assets

Tangible fixed assets are stated at deemed cost less accumulated depreciation and accumulated impairment losses.

Land and buildings are stated at cost (or deemed cost for land and buildings held at valuation/revalued, as at the date of transition to FRS 102) less accumulated depreciation and accumulated impairment losses.

Assets under construction

Assets under construction are accounted for at cost, based on the value of architect's certificates and other direct costs incurred to 31 July 2023. Cost includes professional fees and other directly attributable costs that are necessary to bring the property to operating condition. They are not depreciated until they are brought into use.

Equipment

Equipment costing less than £1,000 per individual item or set of items acquired together is recognised as expenditure in the period of acquisition. All other equipment is capitalised and recognised at cost less accumulated depreciation and accumulated impairment losses.

Where equipment is acquired with the aid of specific grants they are capitalised and depreciated as above. The related grants are credited to a deferred capital grant account and are released to statement of comprehensive income as stated in the revenue recognition policy above.

Depreciation and residual values

Freehold land is not depreciated as it is considered to have an infinite useful life. Depreciation on other assets is calculated, using the straight line basis, to write off the cost of each asset to its estimated residual value over its expected useful lives, as follows:

- Long leasehold land is depreciated over the term of the lease
- Freehold buildings – over periods up to 60 years
- Leasehold buildings – over periods up to 99 years
- Motor vehicles and general equipment – over periods up to 40 years
- Computer equipment - 3 years

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

Subsequent expenditure on existing fixed assets

Subsequent costs, including replacement parts, are only capitalised when it is probable that such costs will generate future economic benefits. Any replaced parts are then derecognised. All other costs of repairs and maintenance are expenses as incurred.

Intangible assets

Intangible assets are initially recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised to profit or loss on a straight-line basis over their useful lives.

BISHOP BURTON COLLEGE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1 Accounting policies (continued)

Impairments of fixed assets

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, an estimate is made of the recoverable amount of the asset or, for goodwill, the recoverable amount of the cash-generating unit to which the goodwill belongs.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairment of revalued assets, are treated as a revaluation loss. All other impairment losses are recognised in comprehensive income.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in comprehensive income or, for revalued assets, as a revaluation gain. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

Borrowing costs

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

Leased assets

Operating leases

All leases are operating leases and annual rents are charged to comprehensive income on a straight line basis over the lease term.

Agricultural assets and other stocks

Agricultural assets are valued at fair value less costs to sell. Changes in fair values are recognised in profit or loss.

Other stock is valued at the lower of cost and estimated selling prices less costs to sell. Where necessary, provision is made for obsolete, slow-moving and defective items.

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 Instruments

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

Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets measured at fair value through the profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless arrangement constitutes a financing transaction. A financial asset or financial liability that is payable or receivable in one year is measured at the undiscounted amount expected to be received or paid net of impairment, unless it is a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

BISHOP BURTON COLLEGE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1 Accounting policies (continued)

Financial Instruments (continued)

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

Derecognition of financial assets and liabilities

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

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 part of the VAT charged on its inputs. Irrecoverable VAT on inputs is included in the costs of such inputs 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 companies are 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 the amount of the obligation can be reliably measured.

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 that reflects the risks specific to the liability. The unwinding of the discount is recognised as a finance cost in the statement of comprehensive income in the period it arises.

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

Agency arrangements

The College acts as an agent in distributing certain discretionary support funds. Payments received from the funding bodies and subsequent disbursements to students are excluded from the income and expenditure of the College where the College does not have control of the economic benefit related to the transaction.

BISHOP BURTON COLLEGE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical areas of judgement

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

- Determine whether leases entered into by the College either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determining the existence of a minimum funding requirement for the East Riding Pension Scheme to be included in the asset ceiling in measuring and recognising a surplus in the scheme. This judgement is based on an assessment of the nature of the scheme as a statutory scheme and its inherent implied continuance as well as the operation of the primary and secondary contributions.

Critical accounting estimates and assumptions

- Tangible fixed assets - Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, maintenance programmes, economic utilisation and physical condition of the assets are taken into account. Residual value assessments consider issues such as future market conditions and the remaining life of the asset.
- Impairment of fixed assets - The College considers whether tangible fixed assets are impaired. Where an indication of impairment is identified the estimation of the recoverable amount of the asset or the recoverable amount of the cash-generating unit is required. These will require an estimation of the future cash flow and selection of appropriate discount rates in order to calculate the net present value of those cash flows.
- East Riding Pension Scheme - The present value of the East Riding Pension Scheme defined benefit obligation depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions obligation at 31 July 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3 Funding body grants

	2023		2022	
	Group £'000	College £'000	Group £'000	College £'000
Recurring grants				
Education and Skills Funding Agency – Adult	356	356	466	466
Education and Skills Funding Agency – Apprenticeships	1,218	1,218	1,093	1,093
Education and Skills Funding Agency – 16-19	16,005	16,005	14,169	14,169
Office for Students	587	587	642	642
Specific grants				
Teacher Pension Scheme contribution grant	361	361	292	292
Release of government capital grants	1,239	1,239	907	907
Disability support grant	-	-	11	11
Total	19,766	19,766	17,580	17,580

BISHOP BURTON COLLEGE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 Tuition fees and education contracts

	2023		2022	
	Group £'000	College £'000	Group £'000	College £'000
Tuition fees	3,916	3,916	4,076	4,076
Education contracts	579	579	124	124
Total	4,495	4,495	4,200	4,200

Details of grant and fee income

	2023		2022	
	Group £000	College £000	Group £000	College £000
Grant income from the Office for Students	587	587	642	642
Grant income from other bodies	19,179	19,179	16,938	16,938
Total grants	19,766	19,766	17,580	17,580
Fee income from non-qualifying courses (exclusive of VAT)	4,495	4,495	4,200	4,200
Total grant and fee income	24,261	24,261	21,780	21,780

5 Other income

	2023		2022	
	Group £'000	College £'000	Group £'000	College £'000
Residencies, catering and conferences	2,860	2,501	2,479	2,267
Other income generating activities	1,538	938	1,161	601
Non-funding body capital grants	159	159	142	142
Other income	1,386	1,386	1,678	1,678
Farming activities	433	433	386	386
Total	6,376	5,417	5,846	5,074

6 Investment income

	2023		2022	
	Group £'000	College £'000	Group £'000	College £'000
Gift aid from subsidiaries	-	336	-	261
Net interest on defined pension liability (note 21)	60	60	-	-
Other interest receivable	47	47	1	1
Total	107	443	1	262

BISHOP BURTON COLLEGE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 Staff costs and key management personnel remuneration

The average number of persons (including key management personnel) employed by the College during the year, disclosed on an average headcount basis, was:

	Group and College	
	2023	2022
	No.	No.
Teaching staff	201	173
Non-teaching staff	355	310
	<u>556</u>	<u>483</u>

Staff costs for the above persons

	2023		2022	
	Group £'000	College £'000	Group £'000	College £'000
Wages and salaries	11,566	11,209	10,942	10,635
Social security costs	1,028	1,008	921	903
Other pension costs	3,253	3,195	4,039	3,982
Payroll sub-total	15,847	15,412	15,902	15,520
Contracted-out staff	975	975	959	959
	<u>16,822</u>	<u>16,387</u>	<u>16,861</u>	<u>16,479</u>
Restructuring costs - contractual	8	8	28	28
- non-contractual	33	33	13	13
Total staff costs	16,863	16,428	16,902	16,520

Severance payments

The group paid 4 severance payments in the year, disclosed in the following bands:

0- £25,000	4
------------	---

Included in staff restructuring costs are special severance payments totalling £33,136 (2022- £13,000). Individually, the payments were: £2,500, £3,500 and £11,500 paid pre 29 November 2022 and £15,636 paid post 29 November 2022.

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College and are represented by the College Senior Leadership Group which comprises the Principal and CEO, Chief Financial Officer, Deputy Principal HR and Organisational Services, Deputy Principal Curriculum and Quality, Assistant Principal Business Development, Director of IT and Learning Resources, Assistant Principal Higher Education, Assistant Principal Bishop Burton, Director of Marketing, Assistant Principal of Quality and Exams, Director of MIS, Assistant Principal Riseholme, Assistant Principal Safeguarding and Residential Services and Director of Sport & Sports Partnerships. In the previous year staff costs included compensation paid to key management personnel for loss of office.

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

	Group and College	
	2023	2022
	No.	No.
The number of key management personnel including the Accounting Officer was:	13	13

BISHOP BURTON COLLEGE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 Staff costs and key management personnel remuneration (continued)

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

	Group and College	
	2023	2022
	No.	No.
£60,001 - £65,000	3	3
£65,001 - £70,000	-	2
£70,001 - £75,000	-	-
£75,001 - £80,000	1	-
£85,001 - £90,000	-	1
£90,001 - £95,000	1	-
£95,001 - £100,000	1	-
£100,001 - £105,000	-	1
£135,001 - £140,000	-	1
£145,001 - £150,000	1	-
	<u>7</u>	<u>8</u>

Key management personnel (including the Accounting Officer) total compensation is made up as follows:

	Group and College	
	2023	2022
	£'000	£'000
Salaries	791	811
Invoiced costs	-	66
Benefits in kind	7	5
National insurance	97	99
	<u>895</u>	<u>981</u>
Pension contributions	165	160
Total emoluments	<u>1,060</u>	<u>1,141</u>

There were no amounts due to key management personnel that were waived in the year, nor any salary sacrifice arrangements in place. The above emoluments include amounts payable to the Accounting Officers (who were also the highest paid of key management personnel) of:

	Group and College	
	2023	2022
	£'000	£'000
Salaries	144	135
Benefits in kind	2	2
	<u>146</u>	<u>137</u>
Pension contributions	<u>11</u>	<u>-</u>

BISHOP BURTON COLLEGE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 Staff costs and key management personnel remuneration (continued)

The remuneration of the accounting officer for 2022-23 was determined on 29 March 2022 by Corporation. The accounting officer was not involved in setting his remuneration. The factors taken into account by Corporation in determining the accounting officer's remuneration for the year to 31 July 2023 was based upon his job description, including the delivery of the College strategic objectives, and also pay increases awarded to other staff.

The remuneration of all senior post holders was also determined by the College's Corporation after taking into account the performance delivered and pay increases awarded to other staff. Other key management personnel increases in remuneration were approved by the Board as part of the 3% overall increase awarded to staff for the year.

The Corporation has adopted the principles of the AoC Senior Staff Remuneration Code and applied these principles when assessing the pay of Senior Post Holders.

The relationship between the accounting officer's emoluments, expressed as a multiple of all other employees based on full-time equivalents, is set out below for both basic salary and total remuneration.

	2023	2022
	No	No
Basic salary as a multiple of median basic salary of staff	5.15	5.0
Total remuneration as a multiple of median total remuneration of staff	4.68	4.6

Governors' remuneration

The Accounting Officers and the staff member only receive remuneration in respect of services they provide undertaking their roles of Principal and staff members under contracts of employment and not in respect of their roles as governors. The other members of the Corporation did not receive any payments from the College in respect of their roles as governors.

The total expenses paid to or on behalf of the Governors during the year was £1,678 to 4 governors (2022: £362 to 3 governors). This represents travel and subsistence expenses and other out of pocket expenses incurred in attending Governor meetings and charity events in their official capacity. No Governor has received any remuneration or waived payments from the College or its subsidiaries during the year (2022: None).

BISHOP BURTON COLLEGE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8 Other operating expenses

	2023		2022	
	Group £'000	College £'000	Group £'000	College £'000
Teaching costs	1,800	1,800	1,532	1,477
Non-teaching costs	5,465	5,326	4,952	4,872
Premises costs	3,502	3,453	2,908	2,913
Total	10,767	10,579	9,392	9,262

(Deficit)/surplus before other gains and losses is stated after charging:

	2023		2022	
	Group £'000	College £'000	Group £'000	College £'000
Auditors' remuneration, excluding VAT:				
Financial statements audit	59	53	48	44
Other services provided by Financial statements auditors	24	19	26	21
Internal audit	19	19	18	18
Operating lease rentals – land and buildings	36	36	19	19
Operating lease rentals – plant and equipment	246	246	245	245

* The financial statements audit fee for the College is £53,000 (2022: £44,000).

Included within expenditure are the following transactions, individual transactions exceeding £5,000 are identified separately:

	Total £'000	Individual items above £5,000	
		Amount £'000	Reason
Compensation payments	-	-	
Write off and losses	13	5	Uneconomical to chase and due to age of debt and health status of client
		6	Company in liquidation and unlikely college will receive dividend.
Guarantees, letters of comfort and indemnities	-	-	
Ex-Gratia payments	-	-	

9 Interest and other finance costs

	Group and College	
	2023 £'000	2022 £'000
Bank loans	470	414
Net interest on defined pension liability (note 21)	-	247
Total	470	661

BISHOP BURTON COLLEGE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10 Taxation

	2023		2022	
	Group £'000	Group £'000	Group £'000	College £'000
UK corporation tax at 19% (2022 - 19%) for subsidiary undertakings	-	-	-	-
Total taxation on surplus	-	-	-	-

11 Intangible fixed assets

Group and College

	Goodwill £'000	Total £'000
Cost		
At 1 August 2022 and 31 July 2023	814	814
Amortisation		
At 1 August 2022 and 31 July 2023	814	814
Carrying amount at 31 July 2023	-	-
Carrying amount at 31 July 2022	-	-

Goodwill representing the excess of the consideration arising on the transfer of FE provision at Riseholme College compared with the fair value of the net assets acquired.

12 Tangible fixed assets

Group

	Long leasehold land £'000	Long leasehold buildings £'000	Freehold land and buildings £'000	Assets under construction £'000	Equipment £'000	Total £'000
Cost or valuation						
At 1 August 2022	2,739	1,735	99,135	700	9,954	114,263
Additions	-	-	-	1,484	-	1,484
Transfer	-	-	20	(1,427)	1,407	-
At 31 July 2023	2,739	1,735	99,155	757	11,361	115,747
Depreciation						
At 1 August 2022	154	90	24,420	-	7,399	32,063
Charge for the year	22	90	1,825	-	747	2,684
At 31 July 2023	176	180	26,245	-	8,146	34,747
Net book value						
At 31 July 2023	2,563	1,555	72,910	757	3,215	81,000
At 31 July 2022	2,585	1,645	74,715	700	2,555	82,200

BISHOP BURTON COLLEGE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12 Tangible fixed assets (continued)

College

	Long leasehold land £'000	Long leasehold buildings £'000	Freehold land and buildings £'000	Assets under construction £'000	Equipment £'000	Total £'000
Cost or valuation						
At 1 August 2022	2,739	1,735	99,285	700	9,954	114,413
Additions	-	-	-	1,484	-	1,484
Transfer	-	-	20	(1,427)	1,407	-
At 31 July 2023	2,739	1,735	99,305	757	11,361	115,897
Depreciation						
At 1 August 2022	154	90	23,987	-	7,399	31,630
Charge for the year	22	90	1,825	-	747	2,684
At 31 July 2023	176	180	25,812	-	8,146	34,314
Net book value						
At 31 July 2023	2,563	1,555	73,493	757	3,215	81,583
At 31 July 2022	2,585	1,645	75,298	700	2,555	82,783

Group and College

Freehold land was valued at 1 August 2014 at existing use replacement value by a firm of independent chartered surveyors. Freehold buildings were valued in 1993 at depreciated replacement cost by a firm of independent chartered surveyors. Other tangible fixed assets inherited from the LEA at incorporation have been valued by the college on a depreciated replacement cost basis with the assistance of independent professional advice.

Freehold land and buildings includes land valued at £24,075,000 (2022: £24,075,000) which is not depreciated as it is considered to have an infinite useful life.

The College has entered into a 125 year lease for land, on which the Riseholme campus is built. The carrying amount of these buildings at 31 July 2023 is £18,775,000 (2022: £19,159,000). The depreciation charge for the year on these buildings is £384,000 (2022: £384,000).

BISHOP BURTON COLLEGE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13 Investments

	2023		2022	
	Group £'000	College £'000	Group £'000	College £'000
Shares in subsidiary undertakings less provision for diminution	-	-	-	-
Other unquoted investments at cost	-	-	-	-
	-	-	-	-

The College owns 100 per cent of the issued ordinary shares of the following subsidiary undertakings all of which are registered in England and Wales.

	Principal activity	Class of shares held
Bishop Burton Farm Limited	Dormant	Ordinary £1
Bishop Burton Farm Enterprises Limited	Provision of training facilities	Ordinary £1
Bishop Burton Riseholme Limited	Dormant	Ordinary £1

The trade in Bishop Burton Riseholme Limited ceased during the prior year.

The College is a member of Yorkshire and Humber Institute of Technology Limited and Lincolnshire Institute of Technology, both are companies limited by guarantee.

14 Agricultural assets and other stocks

	2023		2022	
	Group £'000	College £'000	Group £'000	College £'000
Livestock and related other farm stocks	581	581	575	575
Other stocks	27	27	37	37
Total	608	608	612	612

Livestock and related other farm stocks

Livestock is valued in accordance with the current RICS Valuation Standards (Global and UK) by a valuer who conforms to the requirements of the above mentioned statements and also in accordance with the Central Association of Agricultural Valuers "Guidance Notes on Agricultural Stock Valuations for Tax Purposes". HMRC Helpsheet HS232 "Farm Stock Valuations" (previously BEN 19) and the requirements of FRS 102 section 34.

Reconciliation of the movement in valuation in the year:

	Group and College £'000
Valuation at 1 August 2022	575
Increase from purchases	26
Decrease from sales	(414)
Changes in fair value of agricultural assets	394
Valuation at 31 July 2023	581

BISHOP BURTON COLLEGE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 Debtors

Amounts falling due within one year:

	2023		2022	
	Group £'000	College £'000	Group £'000	College £'000
Trade debtors	675	675	299	299
Other debtors	86	86	12	12
Amounts owed by group undertakings	-	15	-	15
Prepayments and accrued income	500	500	520	520
Amounts owed by the ESFA	132	132	101	101
Total	1,393	1,408	932	947

Trade debtors are stated inclusive of a bad debt provision of £416,000 (2022: £269,000).

16 Creditors: amounts falling due within one year

	2023		2022	
	Group £'000	College £'000	Group £'000	College £'000
Bank loans	860	860	834	834
Trade creditors	807	807	1,189	1,189
Other creditors	550	550	470	470
Other taxation and social security	308	308	300	300
Accruals and deferred income	2,546	2,546	1,549	1,549
Amounts owed to the ESFA	93	93	81	81
Government capital grants	1,283	1,283	1,075	1,075
Total	6,447	6,447	5,498	5,498

17 Creditors: amounts falling due after more than one year

	2023		2022	
	Group £'000	College £'000	Group £'000	College £'000
Bank loans	7,990	7,990	8,850	8,850
Government capital grants	25,430	25,430	25,202	25,202
Total	33,420	33,420	34,052	34,052

BISHOP BURTON COLLEGE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18 Maturity of debt

Bank loans

Bank loans are repayable as follows:

	2023		2022	
	Group £'000	College £'000	Group £'000	College £'000
In one year or less	860	860	834	834
Between one and two years	3,054	3,054	860	860
Between two and five years	3,002	3,002	5,708	5,708
In five years or more	1,934	1,934	2,282	2,282
Total	8,850	8,850	9,684	9,684

Bank loans are repayable and are charged interest as follows:

- £1,427,000, repayable in instalments due between August 2018 and November 2029. This is at a fixed rate of interest of 4.94%.
- £4,820,000, repayable by instalments falling due between August 2018 and September 2024. This is at a fixed rate of interest of 5.41%.
- £3,700,000, repayable by instalments falling due between August 2018 and November 2031. This is at a rate of interest fixed at 2.55% plus the margin of 1.5%.
- £2,400,000 repayable by instalments falling due between October 2022 and January 2027. This is at a variable rate of interest calculated using the Bank of England Sterling Overnight Index Average rate

Some bank loans are secured by a charge on certain freehold properties of the College.

19 Provisions for liabilities

Group and College

	Enhanced pension entitlements £'000	Total £'000
At 1 August 2022	21	21
Amounts utilised	(3)	(3)
Amounts in year credited to the Statement of Comprehensive Income	-	-
At 31 July 2023	18	18

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

The principal assumptions for this calculation are:

	2023	2022
	%	%
Price inflation	5.0	3.3
Discount rate	2.8	2.9

BISHOP BURTON COLLEGE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20 (a) Note to Statement of Cash Flows

	Group	
	2023	2022
	£'000	£'000
Deficit after tax for the year	(40)	(1,802)
Adjustments for:		
Depreciation	2,684	2,475
Investment income	(107)	(1)
Interest payable	470	661
Profit on disposal of tangible fixed assets	-	(1)
Decrease in provisions	(3)	(3)
Pension costs less contributions payable	150	1,735
Operating cash flow before movements in working capital	3,154	3,064
Decrease/(increase) in agricultural assets and other stocks	4	(58)
(Increase) in debtors	(461)	(119)
Increase/(decrease) in creditors	1,151	(430)
Cash generated from operations	3,848	2,457

(b) Analysis of changes in net debt

	At 1 August	Cash	At 31 July
	2022	flows	2023
	£000	£000	£000
Cash	6,236	1,107	7,343
Loans falling due within one year	(834)	(26)	(860)
Loans falling due after more than one year	(8,850)	860	(7,990)
Total	(3,448)	1,941	(1,507)

BISHOP BURTON COLLEGE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21 Retirement benefits

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

Total pension cost for the year

	Group			
	2023	2022		
	£'000	£'000	£'000	£'000
Teachers' Pension Scheme: contributions paid		1,527		912
East Riding Pension Fund:				
Contributions paid	1,528		1,327	
Deficit funding	48		65	
FRS 102 (28) charge	150		1,735	
Charge to the Statement of Comprehensive Income		1,726		3,127
Enhanced pension (credit)/charge to Statement of Comprehensive Income		-		-
Total Pension Cost for year within staff costs		<u>3,253</u>		<u>4,039</u>

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of the TPS was 31 March 2020 and of the LGPS 31 March 2022.

Contributions amounting to £296,000 (2022: £255,000) were payable to the schemes at 31 July and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. 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. The TPS is a multi-employer pension plan and there is insufficient information to account for the scheme on as a defined benefit plan so it is accounted for as a defined contribution plan.

BISHOP BURTON COLLEGE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21 Retirement benefits (continued)

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

The latest actuarial valuation was carried out as at 31 March 2020 and in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2023 and the Employer Contribution Rate was assessed using agreed assumptions in line with the Directions and was accepted at the original assessed rate as there was no cost control mechanism breach.

Valuation of the Teachers' Pension Scheme

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

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

As a result of the valuation, new employer contribution rates have been set at 28.6% of pensionable pay from 1 April 2024 until 31 March 2027 (compared to 23.68% under the previous valuation including a 0.08% administration levy). DfE agreed to pay a Teachers Pensions employer contribution grant to cover the additional costs during the 2021-22 academic year, and currently through to July 2024.

The pension costs paid to TPS in the year amounted to £1,527,000 (2022: £912,000).

The next valuation result is due to be implemented from 1 April 2024.

Local Government Pension Scheme

The ERPF is a funded defined-benefit plan, with the assets held in separate funds administered by Hymans Robertson LLP. The total contributions made for the year ended 31 July 2023 were £1,944,000, of which employer's contributions totalled £1,576,000 and employees' contributions totalled £368,000. The agreed contribution rates for future years are 20.9% for employers and range from 5.5% to 14.8% for employees, depending on salary.

Principal Actuarial Assumptions

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

	At 31 July 2023	At 31 July 2022
	%	%
Rate of increase in salaries	3.00	1.65
Rate of increase for pensions in payment/inflation**	3.00	2.70
Discount rate for scheme liabilities	5.05	3.50
Inflation assumption (CPI)**	3.00	2.70
Expected return on scheme assets at 31 July	4.50	4.00

* 30% for pre-April 2008 service and 65% for post-April 2008 service.

** Includes current CPI experiences of 9.9%

Salary increases assumption of 1% pa for 3 years until 31 July 2025 reverting to long term assumption of 2% thereafter (2018 – 1% until 31 July 2022 reverting to long term assumption of 2% thereafter).

BISHOP BURTON COLLEGE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21 Retirement benefits (continued)

Principal Actuarial Assumptions (continued)

The average life expectancy for a pensioner retiring at 65 on the reporting date is:

		At 31 July 2023	At 31 July 2022
<i>Retiring today</i>	Males	21.1 years	20.8 years
	Females	24.0 years	23.5 years
<i>Retiring in 20 years</i>	Males	21.9 years	22.0 years
	Females	25.5 years	25.3 years

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

	Fair Value at 31 July 2023 £'000	Fair Value at 31 July 2022 £'000
Equity instruments	28,119	27,357
Debt instruments	6,639	5,996
Property	3,515	3,747
Cash	781	375
Total fair value of plan assets	39,054	37,475
Actual return on plan assets	700	1,407

The amount included in the balance sheet in respect of the defined benefit pension plan is as follows:

	2023 £'000	2022 £'000
Present value of plan liabilities	(31,075)	(35,659)
Present value of unfunded liabilities	(37)	(39)
Fair value of plan assets	39,054	37,475
Net asset	7,942	1,777
Restriction to level of asset ceiling	(7,942)	-
Net asset recognised in the balance sheet	-	1,777

The value of the college's share of net assets has been restricted due to the effect of the asset ceiling being the maximum value of the present of the economic benefits available in the form of the unconditional right to reduced contributions from the plan. A corresponding charge has been made to other comprehensive income in the period.

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

	2023 £'000	2022 £'000
Amounts included in staff costs		
Current service cost	(1,726)	(3,127)
Net interest on the net defined benefit pension asset	60	(247)
Total	(1,666)	(3,374)

BISHOP BURTON COLLEGE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21 Retirement benefits (continued)

Changes in the present value of defined benefit obligations

	2023 £'000	2022 £'000
Defined benefit obligations at start of period	35,698	49,628
Current service cost	1,726	3,127
Interest cost	1,270	815
Contributions by scheme participants	368	337
Actuarial gains	(7,100)	(17,502)
Benefits paid	(850)	(707)
Defined benefit obligations at the end of period	<u>31,112</u>	<u>35,698</u>

Changes in fair value of plan assets

	2023 £'000	2022 £'000
Fair value of plan assets at start of period	37,475	35,046
Interest income	1,330	568
Return on plan assets (excluding net interest on the net defined benefit scheme)	(845)	839
Employer contributions	1,576	1,392
Contributions by scheme participants	368	337
Benefits paid	(850)	(707)
Fair value of plan assets at end of period	<u>39,054</u>	<u>37,475</u>

22 Capital commitments

Capital commitments at the end of the financial year for which no provision has been made:

	2023		2022	
	Group £'000	College £'000	Group £'000	College £'000
Commitments contracted for at 31 July	138	138	-	-

BISHOP BURTON COLLEGE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

23 Commitments under operating leases

Group and College

The total future minimum lease payments due under non-cancellable operating leases as follows:

	Land & Buildings		Other	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Not later than one year	261	36	36	208
Later than one year and not later than five years	391	134	100	316
Later than 5 years	-	67	64	-
	652	237	200	524

24 Access and participation expenditure – Group and College

	2023	2022
	£'000	£'000
Access investment	43	43
Financial support provided to students	89	103
Support for disabled students	58	58
Research and evaluation related to access and participation	20	20
Total access and participation expenditure	210	224

The College's access and participation plan is available on the College's website at www.bishopburton.ac.uk.

25 Related party transactions

Key management compensation disclosure is given in note 7.

Transactions with subsidiary

During the year the College purchased goods of £nil (2022 – £50,000) from its subsidiaries. Gift aid of £336,000 (2022: £261,000) is due from its subsidiaries. There were amounts £15,000 (2022 – £15,000) owed by the subsidiaries at the reporting date.

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON REGULARITY TO THE CORPORATION OF BISHOP BURTON COLLEGE AND THE SECRETARY OF STATE FOR EDUCATION ACTING THROUGH THE EDUCATION AND SKILLS FUNDING AGENCY

Conclusion

We have carried out an engagement, in accordance with the terms of our engagement letter dated 29 October 2021 and further to the requirements of the grant funding agreements and contracts with the Education and Skills Funding Agency (the "ESFA") or those of any other public funder, to obtain limited assurance about whether the expenditure disbursed and income received by Bishop Burton College during the period 1 August 2022 to 31 July 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Matters arising

During the financial year ended 31 July 2023 the college made a non contractual termination payment to an employee in excess of the delegated authority given to the college under the ESFA's bite sized guide "college requirements for special payments, including severance, compensation and ex-gratia payments. The amount of the non contractual special payment that required ESFA consent was £15,636, which was greater than the equivalent to 3 months gross salary.

Basis for conclusion

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

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

Responsibilities of Corporation of Bishop Burton College for regularity

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

Reporting accountant's responsibilities for reporting on regularity

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

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

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

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON REGULARITY TO THE CORPORATION OF BISHOP BURTON COLLEGE AND THE SECRETARY OF STATE FOR EDUCATION ACTING THROUGH THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

Reporting accountant's responsibilities for reporting on regularity (continued)

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

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

Use of our report

This report is made solely to the Corporation of Bishop Burton College and the Secretary of State for Education acting through the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Corporation of Bishop Burton College and the Secretary of State for Education acting through the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Corporation of Bishop Burton College and the Secretary of State for Education acting through the ESFA for our work, for this report, or for the conclusion we have formed.

RSM UK Audit LLP

RSM UK AUDIT LLP

Chartered Accountants
First Floor
Two Humber Quays
Wellington Street West
Hull
HU1 2BN

Date 20 December 2023