



**REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JULY 2021**

# BISHOP BURTON COLLEGE

## FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2021

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### 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 2020/21:

William S Meredith – Principal and CEO; Accounting Officer  
Stephen Kelly – Finance Director  
Kate Calvert – Deputy Principal HR and Organisational Services  
Rachel Ellis-Jones – Deputy Principal Curriculum and Quality  
Andrew Black – Assistant Principal Business Development  
Damien Blackburn – Director of IT and Information Systems  
Daniel Brett – Assistant Principal Bishop Burton - Vice Principal with effect from 1 August 2021  
Kirstie Cawley – Director of Marketing  
Michaela Ginn – Director of Quality and Standards - Assistant Principal Quality and Exams with effect from 1 August 2021  
Andrew Tan – Director of MIS  
Daniel Metters – Assistant Principal Riseholme - Vice Principal with effect from 1 August 2021  
Helen Molton – Assistant Principal Higher Education - resigned 30 October 2020  
Sarah Milton – Director of Sport & Sports Partnerships  
Ann Paling – Assistant Principal Safeguarding and Residential Services with effect from 1 September 2021  
Mel Watson – Head of HE Faculty with effect from 1 September 2021

#### Board of Governors

A full list of Governors is given on pages 15 and 16 of these financial statements.

Mark Honeywell acted as Clerk to the Corporation to 31 August 2020.

Catherine Sykes, Clerk with effect from 1 September 2020.

#### Professional advisers

##### Financial statements auditors and reporting accountants:

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

##### Internal auditors (to 31 July 2021)

Mazars LLP  
Mazars House  
Gelderd Road  
Leeds  
LS27 7JN

##### Bankers

Lloyds Bank PLC  
14 Church Street  
Sheffield

##### Solicitors

Rollits LLP  
Citadel House  
58 High Street  
Hull  
HU1 1QE

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**FOR THE YEAR ENDED 31 JULY 2021**

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# BISHOP BURTON COLLEGE

## FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 JULY 2021

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## 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 2021.

### 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:

“To provide students with the skills and knowledge needed to secure rewarding careers in the industries and communities we serve”.

In January 2021 Colleges were again instructed to stop classroom delivery other than for vulnerable young people and dependents of key workers. Bishop Burton used its online resources to continue to successfully deliver education and care to its students. This impacted on the College's financial position although some of this was already included in the budget for the year. As in the previous year, savings were sought to fully offset against the loss of commercial and full cost income. This together with the underlying strength of the College's cash position and the growth of our FE student numbers ensured it maintained its overall financial strength.

### 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 15 and 16.

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)

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

### Implementation of strategic plan

Bishop Burton College is a highly successful specialist land-based and sports college. 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 an operating financial surplus year on year. This supports the continued delivery of outstanding specialist provision on a sustainable basis. 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

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FOR THE YEAR ENDED 31 JULY 2021

### REPORT OF THE GOVERNING BODY

#### Implementation of strategic plan (continued)

The facilities at the College's Riseholme campuses are now comparable, with the continued development of the Riseholme Showground Campus and major new investment in the agriculture and equine facilities at Riseholme Park campus, provided by the University of Lincoln under a deed of agreement for lease.

The College continues to benefit from significant investment in its campuses in recent years. The second phase of the £25million 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, we have successfully gained funding for two Institutes of Technology. This includes new recently opened buildings at both Bishop Burton and Riseholme Showground campuses, together with equipment to deliver the very latest precision agriculture technology. The new institutes will deliver higher technical skills training.

The College Mission is "to provide students with the skills and knowledge needed to secure rewarding careers in the industries and communities we serve". 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 2020/21 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. Our 2020/21 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 unrivalled equine, animal and sports facilities.

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

The College is currently rated as 'good' overall, following its last full inspection in February 2017. 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 was recently 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.

	2018 / 19	2019 / 20	2020 / 21
FE 16-18	1571	1577	1816
FE Adult	403	253	341
HE	646	610	613
Work-based	389	450	404

Student numbers continue to show overall growth.

# BISHOP BURTON COLLEGE

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## REPORT OF THE GOVERNING BODY

### Implementation of strategic plan (continued)

Outcomes for learners remain positive at 95% securing employment or moving to a higher level of study within six months of completing their course. Bishop Burton was recognised as being in the top 5% of colleges nationally across all Level 3 qualifications for 16 to 18-year olds, in April 2020. (National achievement rates tables March 2020).

The Department for Education (DfE) rated the College as one of England's highest achieving providers for the academic year 2018-19, positioning it as the number one ranked college within Yorkshire and the Humber region. FE Student satisfaction remained high at 97%.

This success is reflected in individual achievements such as medals of excellence and regional, as well as national, award winner. In 2020/21 students took part in Skill Build competition managed by the Construction Industry Training Board in collaboration with World Skills and were finalists. Two College teams were also finalists at the Institute of Agricultural Managers Farm Planner of the Year awards. One of the College's Foundation Degree Agriculture Students was a finalist in the Farmers Guardian Student of the Year Award, another was shortlisted for Yorkshire Post Young Farmer of the year, a level 3 student was second at Horse of the year show and an Animal Management student became the BTEC Land Based Learner of the year.

Bishop Burton College is a values-driven organisation and these values and culture were instrumental in the organisation achieving Investors in People Gold accreditation.

16-18 Further Education learner recruitment has again been positive, with an increase of 239 students on the previous year. Comparing the student population against the Index of Multiple Deprivation, 38% of our FE students fall into Quintile 1 and 2 and 35% of our HE student population come from the most deprived areas. It is 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. In addition, we have successfully delivered the Government pilot for extended work experience, with students benefiting from 315 hours of exposure to the workplace. The College also over-achieved the target set by the DfE for work experience. The College is unusual in offering work experience to all its learners. In 2020/21 all our Further Education students and a substantial number of our higher education students were offered a high-quality work experience placement. COVID-19 had an impact on the number of placements that the students were able to attend. This is part of the colleges strategic drivers 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.

The College regularly hosts regional, national and international events such as the annual FEI CPEDI Para Dressage Championships, twice yearly Bishop Burton Horse Trials, Lincolnshire Horse Trials, British Dressage Winter Regionals Northern Finals and countless grassroots equestrian competitions across all disciplines. However this year, due to the COVID-19 lockdown, the FEI CPEDI event, the May Horse Trials and other equestrian competitions had to be cancelled.

In addition to its land-based provision, the College has become a nationally significant centre of excellence for sport. The provision across all campuses has been developed and enhanced through investment in outstanding facilities and innovative partnership working with professional clubs and governing bodies.

2020/21 saw a 35% increase in the number of both FE and HE students that were recruited through the sport academies (100% increase since 2018/19). Our coaching programmes, targeted recruitment approach, performance in sporting leagues, partnership working, pre-season camps, trial and assessment days have been key in our continued successful growth.

The College has also supported 18 athletes on the Diploma in Sporting Excellence (DiSE) programme, which recognises talented athletes with national potential.

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FOR THE YEAR ENDED 31 JULY 2021

### REPORT OF THE GOVERNING BODY

#### Implementation of strategic plan (continued)

In Rugby Union, the College has continued to build on its successful partnership with Yorkshire Rugby (RFU Yorkshire Academy license holder). The College works closely with Yorkshire Rugby who publicly endorse our excellent Academy performance programme to all who are recognised as 'talented' by the RFU in the county.

Additionally, the College have secured the position of Yorkshire RFU's Girls U18s Centre of Excellence, starting 1 August 2021. This is a feeder programme for the England pathway. There are only 10 centres across the country and the College is unique in that it is the only Centre not attached to a Premier 15 club. This demonstrates the College's strong reputation for performance delivery and player development.

Despite COVID-19 and the regulations placed upon training and games, the sports academies across rugby, football and netball continue to go from strength to strength, offering our students an unrivalled performance sport experience. Competitive fixtures were limited due to the suspension of activity, however the College Football 1st Team were able to play competitively and secured 1st place in the regional premier league. All coaching teams also secured high profile friendly fixtures (i.e. Hull City Academy U18s, Lincoln City Academy U18s, Gosforth Rugby Academy) to ensure students had access to high-level competitive performance sport. At the end of the summer term 2020/21, the Academy students rated their academy experience an average of 4.5 out of 5 which reflects on the high standards and excellent delivery of the programmes (coaching quality, training schedule, playing opportunities, player development plans, standards and support).

There have also been a wide variety of practical and workshop initiatives to engage all learners throughout both Bishop Burton and Riseholme in physical and mental health activity. These initiatives have been geared towards all-round student wellbeing and enriching their time at the College and have included clay pigeon shooting, yoga, dodgeball, lacrosse, health and wellbeing workshops, volunteering and ambassador programmes among many others.

The College is the official host site of the Hull City Tigers Academy and a new contract with the Club was signed in June 2021. The partnership with Lincoln City Football Club, sees the club's academy based at the Riseholme Showground Campus as well as their Shadow Academy recruiting 43 students to the College. The partnership agreement has been refreshed to take effect from 1 August 2021 to also include and support the transition of Shadow Academy students from FE to HE.

Bishop Burton is now firmly established as a focal point for sport locally, regionally and nationally and we have continued our partnerships with both professional and amateur clubs alike.

#### Financial objectives

The financial viability and strength of the College has been maintained. This included achieving an operating surplus of £36,000. Liquidity exceeded target at 57 days and a current ratio of 1.0.

#### Performance indicators

Key performance indicator	Measure / Target	Actual for 2020/21
Operating surplus as % of income	-1%	0%
EBITDA as % of income	10%	11%
Staff costs as % of income	52%	57%
Cash days in hand	25	57
Liquidity (current ratio)	1.1	1.0
Borrowing as % of income	43%	32%
Reliance on ESFA income	57%	62%
<b>Financial Health Score</b>	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 Finance Record for the Education and Skills Funding Agency (ESFA). The College is assessed by the ESFA and has a 'Good' financial health grading.

# BISHOP BURTON COLLEGE

## FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 JULY 2021

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## REPORT OF THE GOVERNING BODY

### Further Education achievement rates

Bishop Burton College enrolled over 3,150 students from Hull, the East Riding of Yorkshire, Lincolnshire and beyond during 2020/21; studying both on College campuses, and via workplace learning and community programmes. As part of our commitment to meeting individual students' needs, 764 FE students and 96 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		
2018/19	2019/20	2020/21	2018/19	2019/20	2020/21
7,140	6,641	7,420	91%	89.4%	91.2%

### Student destinations

The Graduate Outcomes survey for 2018/19 graduates showed a 90% positive progression rate. The internal survey of Further Education leavers gave a 95% positive destination for those completing their studies in 2019/20.

### Student satisfaction

Student satisfaction remains high with an overall satisfaction rating of 98% (entry& induction), 96% (on programme) and 96% (exit survey). Due to the unprecedented year the college also carried out remote learning survey with an overall satisfaction rating of 96% to reflect online delivery taking place during lockdown period. 98% of learners agree that tutors encourage them to work hard and achieve their best. 96.6% of learners agreed the online learning platforms were user friendly. Learners agreed (95%) they were receiving regular support from tutors when they required it. *Source: College surveys 2021*

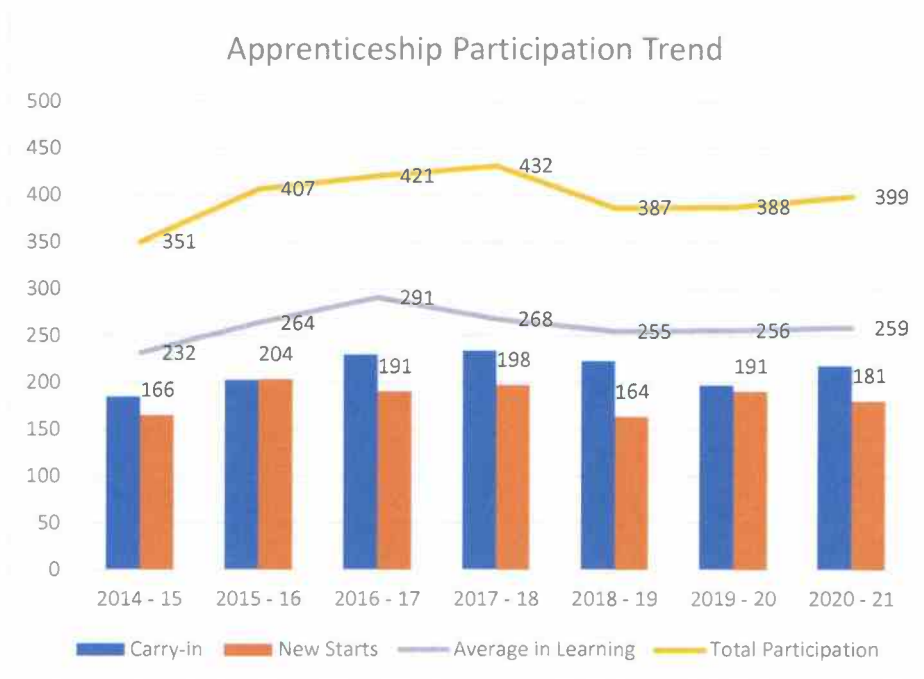
### Apprenticeships

Throughout the turbulent times of COVID-19 and Brexit impacts, the College continues to deliver apprenticeships across a number of Local Enterprise Partnership (LEP) priority sectors, predominantly in Food and the Land-based, offering young people alternative career pathways. In contrast to many other providers, we have continued to deliver consistent volumes of apprenticeships within these sectors, with the numbers holding through the pandemic.

We have fully implemented the Government reform strategy and now 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 have seen feeder routes removed at level 2 and a hard split between Arable and Livestock farming practices. To address this, a new Mixed Farming apprenticeship has been released for September 2021 and this may assist recruitment moving forward. Equally, we have experienced delays with End Point Assessment (EPA) availability across most of the provision with apprentices running past their expected end dates.

**REPORT OF THE GOVERNING BODY**

**Apprenticeships (continued)**



The College has an excellent track record of delivering apprenticeship provision. We continue working with industry to meet the growing skills shortages within the local economy and to encourage up-skilling in the region's growth sectors.

During the recent months of uncertainty due to the COVID-19 pandemic, we have continued remote delivery and successfully retained that vast majority of our Apprentices. Working alongside levy employer partners in the Food sector, we have also been able to start new provision and fulfil industry needs. We are trying hard to support our industries recovery through the labour shortages following Brexit. This remains one of the key issues moving forward.

Achievement rates have been negatively impacted through the closure of the apprenticeship frameworks and the transition into New Standards. Delayed End Point Assessment has been problematic and hindered learners' completion. Equally, the COVID-19 pandemic has caused unforeseen delays and changes for apprenticeships.

**Employer satisfaction**

We have no published survey data for employer satisfaction due to COVID-19. 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 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 2021

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#### REPORT OF THE GOVERNING BODY

##### Financial position

##### Financial results

The Group generated an operating surplus before other gains and losses in the year of £36,000 (2019/20: £722,000).

The Group has accumulated reserves of £35,647,000 and cash and deposit balances of £4,047,000.

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 is non-trading. Bishop Burton Riseholme Limited is a development company primarily involved in the development of the new Showground Campus in Lincolnshire.

Tangible fixed asset additions during the year amounted to £5,838,000.

The College has significant reliance on the funding bodies for its principal funding source, largely from recurrent grants. In 2020/21 the ESFA funding bodies provided 59% of the College's total income.

COVID-19 had a significant impact on the College's financial position of just under £1m for the year. However, the overall impact was fully mitigated due to savings on commercial and project activities, transport and from the physical lockdown of many of the College's buildings on its three campuses.

##### 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.

The Group has a Treasury Management Policy in place.

Short-term borrowing for temporary revenue purposes is authorised by the Accounting Officer. All other borrowing requires the authorisation of the Corporation.

##### Cash flows and liquidity

The College had cash flow from operating activities of £8,185,000. There was a net cash outflow of £5,838,000 from investing activities. Net cash outflow was through repayment of borrowings of £664,000 and interest paid of £420,000. Overall, there was an increase in cash and cash equivalents for the year of £1,263,000.

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.

The cashflow impact of COVID-19 was managed by focusing on the overall cashflow forecast and by reviewing its capital budget for the year and deferring projects as necessary. Through this targeted approach, cash levels were maintained throughout the year.

# BISHOP BURTON COLLEGE

## FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 JULY 2021

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## REPORT OF THE GOVERNING BODY

### Financial position (continued)

#### 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 £10,550,000 (2019/20: £10,304,000). 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.

Through continuing good financial management this has not been impacted by COVID-19.

### Current and Future Development and Performance

#### Student numbers and achievements

The continued growth in ESFA-funded Further Education 16-18 student numbers is essential 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 2020/21 student recruitment for Further Education has increased, which has resulted in an increase on the ESFA allocation for 2021/22.

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 University Lincoln. The College began teaching out Royal Agricultural University validated provision. The College will review 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.

# BISHOP BURTON COLLEGE

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## REPORT OF THE GOVERNING BODY

### Academic and curriculum developments (continued)

The College carried out a full curriculum review in 2019/20 the project 'Curriculum Transformation' involved all stakeholders and employers. The response from employers was particularly heartening with substantial and positive engagement. Events were very well attended, with employers making considerable contributions. All our curriculum areas had employer representation. Employer representatives included ASOS, Agrii, Chandlers Farm Equipment, JSR, Cranswick Country Foods, NFU Mutual, Hobson & Porter, Humberside Police. The College continues to reflect on, and develop this curriculum plan, with regular updates provided to the Corporation.

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. A Foundation Degree in Equine Nutrition and a suite of higher national qualifications were launched in 2019/20 to support part time engagement with higher education and to offer stepping stones to full time provision.

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. The College continues to have a productive relation with the RAU but as the College shared a campus (Riseholme Parks) with the University of Lincoln and both are members of the Lincolnshire IoT it became strategically advantageous to work more closely with University of Lincoln, securing progression routes and working in closure collaboration.

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. The COVID-19 pandemic forced the College to move to on-line delivery during lockdown. The College was successful in securing such a shift and maintained reaching throughout the lockdown period, many lessons being learnt for 2020/21. This success would not have been possible had the College not previously invested its IT infrastructure.

The College has continued its digital enhancement, employing a digital technologist in 2020/21 to continue to lead innovation. Many lessons were learnt during the COVID-19 pandemic that the College wishes to continue to deploy, such as digitally enhanced learning and blended delivery. With the arrival of new technology on the College farm associated with the IOT's the College became more interested in data management and handling and how best the College could use this information to support strategic decision making.

The College embraces and activity 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 unique selling point. Last year the College was gifted refurbished property worth £1.7 million on a 99 year lease. These buildings significantly enhance the College estate at its Lincolnshire Campuses.

### Events after the end of the reporting period

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

# BISHOP BURTON COLLEGE

## FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 JULY 2021

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## REPORT OF THE GOVERNING BODY

### Future prospects

The College 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. An example of this is the continuing development of the Riseholme Showground Campus, including laboratories, kitchens and other specialist resources required to deliver new curriculum designed to meet the needs of the Agri-Food and Health sector in Lincolnshire. During the year, work was completed on the new student accommodation block on the Riseholme Showground campus. This was funded from a £2.4 million bank loan which is due to be drawn down in December 2021. The bank has taken a charge on the new accommodation block. Student residences are a key requirement for the College with the new block replacing facilities on the existing Riseholme Park site.

The College was also last year gifted two newly refurbished buildings on the Riseholme Park site to support the continuing delivery of equine, engineering and agriculture on that campus. These buildings are now being successfully utilised.

The College was successful with two bids to establish Institutes of Technology (IoT) on its Bishop Burton and Showground Campuses. These specialise in delivering the higher level technical skills that employers need. The two new IoT buildings have been constructed and became operational at the end of 2020/21.

There has been a considerable growth in Further Education student numbers for 2020/21 which highlights the successful direction the College is moving and will result in a significant increase in funding next year.

Covid-19 is mainly impacting on the College's commercial activities, some of which such as conferencing, may take considerable time to recover.

### Resources

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

#### *Financial*

The Group has £35.6 million of net assets after accounting for £14.6 million pension liability, and loans of £8.0 million. It also holds £4.0 million in cash. It has fixed assets of £83.2 million spread over three campuses Bishop Burton, Riseholme Showground and Riseholme Park.

#### *People*

The Group employs 478 people, 196 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.

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. COVID-19

The continuing impact of COVID-19 on College operations, financial position and health and safety have to be managed to provide a safe environment for its students and staff and to continue to provide a quality teaching and learning experience for all.

# BISHOP BURTON COLLEGE

## FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2021

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### REPORT OF THE GOVERNING BODY

#### Principal risks and uncertainties (continued)

2. Government funding

The College relies on continued government funding through the Further Education sector funding and Office for Students. In 2020/21 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.

3. OfS potential changes to Higher Education

Throughout 2020/21, the Government put out for consultation several key documents that may have considerable impact on the delivery of higher education. The long-awaited Auger report included a number of recommendations for major reform. Considerations regarding student number control reintroduction, minimum levels of performance and the impact of the Skills Bill are all anticipated but unclear. All are factored into the Colleges High Level Risk Register.

4. Tuition fee policy

In line with the majority of other colleges, Bishop Burton College will seek to grow 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.

5. Maintain adequate funding of pension liabilities

The financial statements report the share of the pension scheme deficit on the College's balance sheet in line with the requirements of FRS 102.

The risk is mitigated by an agreed deficit recovery plan with the East Riding Pension Fund.

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 the constraint on Further Education funding arising from the on-going cuts in public sector spending whilst maintaining the student experience.

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.

## **REPORT OF THE GOVERNING BODY**

### **Principal risks and uncertainties (continued)**

#### **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.

#### **Customers**

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. In addition, there are student representatives on key College committees and curriculum team meetings. The College has an active Student Association that meets weekly with a Strategic Leadership Group representative, and the Chair of the Association has regular one to one meetings with the Principal. The Chair is a member of the Corporation.

#### **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. Training for the unemployed and its Jobcentre Plus provision has been hailed as some of the most effective in the region and has had a positive impact on the local workforce. However, due to low volume of referrals from the regional Job Centres and the direct employment opportunities, without formal qualification requirements, into the Health and Social Care sector has closed this provision.

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.

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.

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.

# BISHOP BURTON COLLEGE

## FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 JULY 2021

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## REPORT OF THE GOVERNING BODY

### Employers (continued)

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. 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, as far as possible, provide identical opportunities to those of non-disabled employees.

# BISHOP BURTON COLLEGE

## FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 JULY 2021

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## 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. Taking all the known risks and uncertainties of the Further Education sector into account including the impact of COVID-19 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.

Going forward in 2021/22 there has been a considerable growth in Further Education student numbers which will result in a significant increase in grant funding and a further strengthening of the College's overall financial position, including its cash holdings. Its cash position will also be strengthened by the drawing down, in December 2021, of a new £2.4m term loan facility to support the College's capital programme. This is reflected in the cashflow forecast for that year and ensures its full compliance with all its loan covenants going forward.

After making appropriate enquiries, the Board considers that the College has adequate resources to continue in operational existence for the foreseeable future to at least 31 July 2023 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 14 December 2021 and signed on its behalf by:



Alan Menzies  
Chair

# BISHOP BURTON COLLEGE

## FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2021

### 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 2020 to 31 July 2021 and up to the date of approval of the report and financial statements.

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. having due regard to the UK Corporate Governance Code 2018 insofar as it is applicable to the further education sector.

In the opinion of the Governors, the College complies with all provisions of the Code and it has complied throughout the year ended 31 July 2021. This opinion is based on an internal review of compliance with the Code reported to the board on 14 December 2021.

The College is committed to exhibiting best practice in all aspects of corporate governance. We have not adopted and therefore do not apply the UK Corporate Governance Code 2018. However, we have reported on our Corporate Governance arrangements by drawing upon best practice available, including those aspects of the UK Corporate Governance Code 2018 we consider to be 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.

#### 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	N/A
Mr R Ellison	19 April 2016 Re-appointed 17 July 2018	2.34 years 3 years	31 Aug 2021	External	Governance & Search, Remuneration	7/8
Dr S Hamer	18 Feb 2020	3.5 years		External	Curriculum & Quality Enhancement	7/7
Mr J Hurst	17 July 2018 1 Sept 2021	3.2 years 3 years		External	Remuneration	5/5
Mr K Kendall (Vice-Chair as of 1 Sept 2018)	10 April 2018 1 Sept 2021	3.33 years 3 years		External	Governance and Search Curriculum & Quality Enhancement	10/10
Ms S Kirby	1 Sept 2021	3 years		Staff	Finance & Resources	N/A

# BISHOP BURTON COLLEGE

## FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2021

### STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

Mr M Lucid	9 April 2019	2.33 years	31 Aug 2021	Staff	Curriculum & Quality Enhancement	5/7
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		External	Finance & Resources, Governance & Search, Remuneration	12/12
Mr W Meredith	22 Oct 2017	Ex officio		Principal	Governance & Search, Finance & Resources, Curriculum & Quality Enhancement	14/14
Mr A Milner	1 Sept 2020	3 years		External	Curriculum & Quality Enhancement	5/7
Ms K Moore	18 Feb 2020	3.5 years		External	Finance & Resources	5/8
Ms A Moran	6 Feb 2018 1 Sept 2021	3.5 years 3 years		External	Audit	7/7
Mr I Sackree	11 Dec 2018	3.67 years		External	Finance & Resources	8/8
Ms V Shannon	10 Dec 2019	3.5 years		External	Finance & Resources	8/8
Mr A Silvester	11 Dec 2018	2.67 years	31 Aug 2021	Staff		3/4
Mr M Thomas	23 Oct 2018 1 Sept 2021	2.83 years 3 years		External	Audit	8/8
Mr D Waxman	18/09/2018	3 years	31 Aug 2021	External	Governance & Search, Remuneration	8/8
Mr J Wells	1 Sept 2021	3 years		External	Audit	N/A
Ms C Sykes was Clerk						
Ms K Magum was Deputy Clerk						

All Members other than the Principal, Staff and Student Members were designated External Members following the revision of the Instrument and Articles of Government which came into force on 1 January 2008.

The following persons also acted as directors of the College's wholly owned subsidiaries: Mr W Meredith, Mr K Kendall, Mr A Menzies.

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

The Corporation adopts a Committee Governance Structure with effect from September 2020 after a review of the Carver Model in July 2019. To strengthen the Corporation further, 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.

# BISHOP BURTON COLLEGE

## FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2021

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### STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

#### Curriculum & Quality Enhancement Committee

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

- Foster exceptional teaching and learning
- Ensure effective underpinning policies and systems, which facilitate the student voice
- Meet and aim 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
- Ensure that effective control and due diligence takes place in relation to all matters including acquisitions, subcontracting and partnership activity

The Corporation is provided with regular and timely information on the overall financial performance of the College together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel-related matters such as health and safety and environmental issues. During 2020/21 the Corporation met 4 times during the year with the support of Audit, Curriculum & Quality Enhancement, Finance & Resources, Remuneration and Search Committees.

The Corporation conducts part of its business through a number of committees. Each committee has terms of reference, which have been approved by the Corporation. Full minutes of all meetings except those deemed to be confidential by the Corporation are available on the College's website at [www.bishopburton.ac.uk](http://www.bishopburton.ac.uk) or from the Clerk to the Corporation at:

Bishop Burton College  
Bishop Burton  
Beverley  
HU17 8QG

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

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

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

The Corporation has a strong and independent non-executive element and no individual or group dominates its decision-making process. The Corporation considers that each of its non-executive members is independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement.

There is a clear division of responsibility in that roles of the Chairman and Accounting Officer are separate.

All Corporation, and the majority of associated Committee meetings, are being held virtually, using Teams or Zoom, as they have been since the initial lockdown period.

**BISHOP BURTON COLLEGE**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2021**

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**STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL**  
**(CONTINUED)**

**Appointments to the Corporation**

Any new appointments to the Corporation are a matter for the consideration of the Corporation as a whole. The Corporation has a Governance & Search Committee, consisting of five members of the Corporation, which is responsible for the selection and nomination of any new member for the Corporation's consideration. The Corporation is responsible for ensuring that appropriate training is provided as required. Members of the Corporation are appointed for a term of office not exceeding four years. Members of the Corporation are appointed for a maximum of two terms of office not exceeding four years, except where as a new or more senior role, for example as chair.

**Corporation Performance**

Following the completion of a self-assessment exercise and considering Corporation's performance against its own key performance indicators over the previous financial year, the Members have agreed that their performance over the last year should be rated as "Outstanding".

**Remuneration Committee**

Throughout the year ending 31 July 2021, the College's Remuneration Committee comprised four members of the Corporation. The Committee's responsibilities are to make recommendations to the Board on the remuneration and benefits of the 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 2021 are set out in note 7 to the financial statements.

**Audit Committee**

The Audit Committee comprises two members of the Corporation (excluding the Accounting Officer) plus 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 on 25 November 2021.

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 four times in the year to 31 July 2021. The members of the committee and their attendance records are shown below:

<b>Name</b>	<b>Attendance</b>
Ms A Moran	4/4
Mr M Thomas	4/4
Mr J Wells	4/4

# BISHOP BURTON COLLEGE

## FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 JULY 2021

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## STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

### Internal Control

#### *Scope of responsibility*

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

The Corporation has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives, whilst safeguarding the public funds and assets for which he is personally responsible, in accordance with the responsibilities assigned to him in the 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 2021 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 2021 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, which operates in accordance with the requirements of the ESFA's Post 16 *Audit Code of Practice*. The work of the internal audit service is informed by an analysis of the risks to which the College is exposed, and annual internal audit plans are based on this analysis. The 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.

# BISHOP BURTON COLLEGE

## FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2021

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### STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

#### Internal Control (continued)

##### *Statement from the Audit Committee*

The Audit Committee has advised the Board of Governors that the Corporation has an effective framework for governance and risk management in place. The Audit Committee believes the Corporation has effective internal controls in place.

The specific areas of work undertaken by the audit committee in 2020/21 and up to the date of the approval of the financial statements are:

- Financial Planning and Budgetary Control – Substantial Level of Assurance – 0 Recommendations received
- Risk Management – Substantial Level of Assurance – 2 Recommendations received
- Governance – Substantial Level of Assurance – 1 Recommendations received
- GDPR – Adequate Level of Assurance – 4 Recommendations received
- Sport / Kennels / Equine – Substantial Level of Assurance – 2 Recommendations received
- Capital Projects – Substantial Level of Assurance – 1 Recommendations received

Despite COVID-19 impacting on working practices, 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.

##### *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.

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 2021 meeting, the Corporation carried out the annual assessment for the year ended 31 July 2021 by considering documentation from the senior management team and internal audit and taking account of events since 31 July 2021.

# BISHOP BURTON COLLEGE

## FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2021

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### STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

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 14 December 2021 and signed on its behalf by:



.....  
Signed  
A Menzies  
Chair



.....  
Signed  
W S Meredith  
Accounting Officer

# BISHOP BURTON COLLEGE

## FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2021

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### STATEMENT ON THE COLLEGE'S REGULARITY, PROPRIETY AND COMPLIANCE

The Corporation has considered its responsibility to notify the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of funding under the College's grant funding agreements and contracts with the ESFA. As part of our consideration we have had due regard to the requirements of the grant funding agreements and contracts with the ESFA.

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

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



.....  
Signed  
A Menzies  
Chair

14 December 2021



.....  
Signed  
W S Meredith  
Accounting Officer

# BISHOP BURTON COLLEGE

## FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 JULY 2021

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#### 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 conditions of funding with the ESFA and any relevant funding bodies, the Corporation, through its Accounting Officer, is required to prepare financial statements for each financial year in accordance with the *Statement of Recommended Practice – Accounting for Further and Higher Education F & E HE SORP* and with the *College Accounts Direction 2020 to 2021* issued by the ESFA, and which give a true and fair view of the state of affairs of the Corporation and the result for that year.

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 Accounting Standards have been followed, subject to any material departure 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; and
- 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 Report of the Governing Body which describes what it is trying to do and how it is going about it, including 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 the 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 in order to safeguard assets of the Corporation and to prevent and detect fraud and other irregularities.

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

Members of the Corporation are responsible for ensuring that expenditure and income are applied for the purposes intended by Parliament and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from the ESFA and any other public funds are used only in accordance with ESFA'S grant funding agreements and any other conditions that may be prescribed from time to time by the ESFA or any other public funder. Members of the Corporation must ensure that there are appropriate financial and management controls in place sufficient to safeguard public and other funds and ensure they are used properly. In addition, members of the Corporation are responsible for securing economical, 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 member of the Corporation on 14 December 2021 and signed on its behalf by:



A Menzies  
Chair

# **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 2021 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).

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 2021 and of the Group's and the College's surplus of income over expenditure for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

## **Basis for opinion**

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

## **Conclusions relating to going concern**

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

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

Our responsibilities and the responsibilities of the 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 (CONTINUED)**

### **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 2020 to 2021 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 23, 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 (CONTINUED)

### 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 as the area 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.

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

16/12/2021

# BISHOP BURTON COLLEGE

## FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2021

### CONSOLIDATED AND COLLEGE STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 JULY 2021

	Notes	2021		2020	
		Group	College	Group	College
		£'000	£'000	£'000	£'000
<b>INCOME</b>					
Funding body grants	3	16,140	16,140	14,001	14,001
Tuition fees and education contracts	4	4,811	4,811	5,008	5,008
Other income	5	4,807	4,220	6,290	5,616
Investment income	6	-	175	19	183
<b>Total income</b>		<b>25,758</b>	<b>25,346</b>	<b>25,318</b>	<b>24,808</b>
<b>EXPENDITURE</b>					
Staff costs	7	14,858	14,489	13,887	13,605
Restructuring costs	7	45	45	22	22
Other operating expenses	8	7,892	7,844	7,625	7,432
Depreciation	12	2,312	2,312	2,448	2,448
Interest and other finance costs	9	615	615	614	614
<b>Total expenditure</b>		<b>25,722</b>	<b>25,305</b>	<b>24,596</b>	<b>24,121</b>
<b>Surplus before other gains and losses</b>		<b>36</b>	<b>41</b>	<b>722</b>	<b>687</b>
<b>Surplus before tax</b>		<b>36</b>	<b>41</b>	<b>722</b>	<b>687</b>
Taxation	10	-	-	(82)	-
<b>Surplus for the year</b>		<b>36</b>	<b>41</b>	<b>640</b>	<b>687</b>
Remeasurement of defined benefit pension net liability	21	117	117	(4,473)	(4,473)
<b>Other comprehensive income for the year</b>		<b>117</b>	<b>117</b>	<b>(4,473)</b>	<b>(4,473)</b>
<b>Total comprehensive income for the year</b>		<b>153</b>	<b>158</b>	<b>(3,833)</b>	<b>(3,786)</b>
<b>Surplus for the year attributable to the Corporation of the College</b>		<b>36</b>	<b>41</b>	<b>640</b>	<b>687</b>
<b>Total comprehensive income for the year attributable to Corporation of the College</b>		<b>153</b>	<b>158</b>	<b>(3,833)</b>	<b>(3,786)</b>

# BISHOP BURTON COLLEGE

## FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2021

### CONSOLIDATED AND COLLEGE BALANCE SHEETS AS AT 31 JULY 2021

	Notes	2021		2020	
		Group £'000	College £'000	Group £'000	College £'000
<b>Fixed assets</b>					
Intangible assets	11	-	-	-	-
Tangible assets	12	83,165	83,699	79,639	80,173
Investments	13	-	-	-	-
		83,165	83,699	79,639	80,173
<b>Current assets</b>					
Agricultural assets and other stock	14	554	554	473	473
Debtors	15	813	951	743	772
Cash at bank and in hand		4,047	3,962	2,784	2,723
		5,414	5,467	4,000	3,968
<b>Current liabilities</b>					
Creditors – amounts falling due within one year	16	(5,586)	(5,586)	(3,767)	(3,687)
<b>Net current (liabilities)/assets</b>		(172)	(119)	233	281
<b>Total assets less current liabilities</b>		82,993	83,580	79,872	80,454
Creditors – amounts falling due after more than one year	17	(32,740)	(32,740)	(30,929)	(30,929)
<b>Provisions for liabilities</b>					
Defined benefit pension scheme	21	(14,582)	(14,582)	(13,398)	(13,398)
Other provisions	19	(24)	(24)	(51)	(51)
<b>Total net assets</b>		35,647	36,234	35,494	36,076
<b>Unrestricted Reserves</b>					
Income and expenditure reserve		10,550	11,137	10,304	10,886
Revaluation reserve		25,097	25,097	25,190	25,190
<b>Attributable to the College Corporation and total unrestricted reserves</b>		35,647	36,234	35,494	36,076

The financial statements on pages 27 to 53 were approved and authorised for issue by the Corporation on 14 December 2021 and were signed on its behalf on that date by:



A Menzies  
Chair




W S Meredith  
Accounting Officer

# BISHOP BURTON COLLEGE

## FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2021

### CONSOLIDATED AND COLLEGE STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED 31 JULY 2021

	Income and Expenditure reserve £'000	Revaluation reserve £'000	Total £'000
<b>Group</b>			
<b>Balance at 1 August 2019</b>	14,044	25,283	39,327
Surplus for the year	640	-	640
Other comprehensive income	(4,473)	-	(4,473)
Transfers between Revaluation and Income and Expenditure reserves	93	(93)	-
<b>Total comprehensive income for the year</b>	<b>(3,740)</b>	<b>(93)</b>	<b>(3,833)</b>
<b>Balance at 31 July 2020</b>	10,304	25,190	35,494
Surplus for the year	36	-	36
Other comprehensive income	117	-	117
Transfers between Revaluation and Income and Expenditure reserves	93	(93)	-
<b>Total comprehensive income for the year</b>	<b>246</b>	<b>(93)</b>	<b>153</b>
<b>Balance at 31 July 2021</b>	<b>10,550</b>	<b>25,097</b>	<b>35,647</b>
	Income and Expenditure reserve £'000	Revaluation reserve £'000	Total £'000
<b>College</b>			
<b>Balance at 1 August 2019</b>	14,579	25,283	39,862
Surplus for the year	687	-	687
Other comprehensive income	(4,473)	-	(4,473)
Transfers between Revaluation and Income and Expenditure reserves	93	(93)	-
<b>Total comprehensive income for the year</b>	<b>(3,693)</b>	<b>(93)</b>	<b>(3,786)</b>
<b>Balance at 31 July 2020</b>	10,886	25,190	36,076
Surplus for the year	41	-	41
Other comprehensive income	117	-	117
Transfers between Revaluation and Income and Expenditure reserves	93	(93)	-
<b>Total comprehensive income for the year</b>	<b>251</b>	<b>(93)</b>	<b>158</b>
<b>Balance at 31 July 2021</b>	<b>11,137</b>	<b>25,097</b>	<b>36,234</b>

# BISHOP BURTON COLLEGE

## FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2021

### CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JULY 2021

	Notes	2021 £'000	2020 £'000
<b>Operating activities</b>			
Cash generated from operations	20	8,267	1,541
Taxation paid		(82)	-
<b>Net cash from operating activities</b>		<b>8,185</b>	<b>1,541</b>
<b>Investing activities</b>			
Investment income		-	19
Purchase of tangible fixed assets		(5,838)	(1,059)
		<b>(5,838)</b>	<b>(1,040)</b>
<b>Financing activities</b>			
Interest paid		(420)	(439)
Repayments of borrowings		(664)	(639)
		<b>(1,084)</b>	<b>(1,078)</b>
<b>Increase/(decrease) in cash and cash equivalents in the year</b>		<b>1,263</b>	<b>(577)</b>
<b>Cash and cash equivalents at beginning of the year</b>		<b>2,784</b>	<b>3,361</b>
<b>Cash and cash equivalents at end of the year</b>		<b>4,047</b>	<b>2,784</b>
Cash and cash equivalents comprise:			
Cash at bank and in hand		4,047	2,784

# BISHOP BURTON COLLEGE

## FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 JULY 2021

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## 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 17. 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 2020 to 2021, 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 applied 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 2019 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 2021.

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 2021

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## 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 £8.0m of loans outstanding with bankers on terms negotiated in 2009, 2014 and 2016. Bank loans are secured by a charge on certain freehold properties of the College. The terms of the existing agreements were for 15 to 20 years.

The balance sheet as at 31 July 2021 shows net current liabilities of £172k for the Group (2020: £233k net current assets) and £119k for the College (2020: £281k net current assets).

The College's forecasts and financial projections to 31 July 2023 indicate that it will be able to operate within this existing facility and covenants for the foreseeable future to at least 31 July 2023. Its cash position will also be strengthened by the drawing down, in December 2021, of a new £2.4m term loan facility to support the College's capital programme. This is reflected in the cashflow forecast for that year and ensures its full compliance with all its loan covenants going forward. This includes taking account of the continuing impact of COVID-19.

Accordingly, 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 2023 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 2021

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## 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 is 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 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.

#### **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 a 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).

##### *Other investments*

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

# BISHOP BURTON COLLEGE

## FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 JULY 2021

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#### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 1 Accounting policies (continued)

##### **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 2021. 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 2021**

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**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 2021

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## 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.

### 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.

**BISHOP BURTON COLLEGE**  
**FINANCIAL STATEMENTS**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**2 Critical accounting judgements and estimation uncertainty (continued)**

**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.

**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 an 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 liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed 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 2019 has been used by the actuary in valuing the pensions liability at 31 July 2021. 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**

	2021		2020	
	Group	College	Group	College
	£'000	£'000	£'000	£'000
<b>Recurring grants</b>				
Education and Skills Funding Agency – adult	534	534	639	639
Education and Skills Funding Agency – Apprenticeships	1,083	1,083	975	975
Education and Skills Funding Agency – 16-19	12,741	12,741	10,602	10,602
Office for Students	664	664	743	743
<b>Specific grants</b>				
Teacher Pension Scheme contribution grant	322	322	269	269
Releases of government capital grants	784	784	773	773
Disability support grant	12	12	-	-
<b>Total</b>	<b>16,140</b>	<b>16,140</b>	<b>14,001</b>	<b>14,001</b>

**BISHOP BURTON COLLEGE**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**4 Tuition fees and education contracts**

	2021		2020	
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Tuition fees	4,733	4,733	4,940	4,940
Education contracts	78	78	68	68
<b>Total</b>	<b>4,811</b>	<b>4,811</b>	<b>5,008</b>	<b>5,008</b>

**Details of grant and fee income**

	2021		2020	
	Group	College	Group	College
	£000	£000	£000	£000
Grant income from the Office for Students	664	664	743	743
Grant income from other bodies	15,476	15,476	13,258	13,258
<b>Total grants</b>	<b>16,140</b>	<b>16,140</b>	<b>14,001</b>	<b>14,001</b>
Fee income from non-qualifying courses (exclusive of VAT)	4,811	4,811	5,008	5,008
<b>Total grant and fee income</b>	<b>20,951</b>	<b>20,951</b>	<b>19,009</b>	<b>19,009</b>

**5 Other income**

	2021		2020	
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Residencies, catering and conferences	1,698	1,541	1,946	1,662
Other income generating activities	879	449	769	439
Non-funding body capital grants	19	19	18	18
Other income	1,578	1,578	912	852
Fixed asset donation	-	-	1,735	1,735
Coronavirus Job Retention Scheme grant	169	169	299	299
Farming activities	464	464	611	611
<b>Total</b>	<b>4,807</b>	<b>4,220</b>	<b>6,290</b>	<b>5,616</b>

The corporation has been eligible to claim additional funding in year from government support schemes in response the coronavirus outbreak.

The funding received for the Coronavirus Job Retention Scheme covered costs of £169k (2020: £299k).

In 2020 fixed asset donations included leasehold buildings gifted to the College with a fair value for the right to use of £1,735k. These assets were included as leasehold buildings additions in 2020 and brought forward in 2021 within the tangible fixed assets (note 12).

**BISHOP BURTON COLLEGE**  
**FINANCIAL STATEMENTS**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**6 Investment income**

	2021		2020	
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Gift aid from subsidiaries	-	175	-	164
Other interest receivable	-	-	19	19
<b>Total</b>	-	175	19	183

**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	
	2021	2020
	No.	No.
Teaching staff	196	176
Non-teaching staff	282	248
	478	424

**Staff costs for the above persons**

	2021		2020	
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Wages and salaries	10,051	9,753	9,390	9,108
Social security costs	811	795	755	755
Other pension costs	3,288	3,233	2,897	2,897
<b>Payroll sub-total</b>	14,150	13,781	13,042	12,760
Contracted-out staff	708	708	845	845
	14,858	14,489	13,887	13,605
Restructuring costs - contractual	28	28	22	22
- non-contractual	17	17	-	-
<b>Total staff costs</b>	14,903	14,534	13,909	13,627

The staff restructuring costs were approved by the Corporation.

	2021		2020	
	Group	College	Group	College
	£000	£000	£000	£000
<b>Compensation for loss of office paid to former member of the senior management team</b>				
Compensation paid to 1 former post-holder - Contractual	21	21	-	-
- Non contractual	16	16	-	-
<b>Total staff costs</b>	37	37	-	-

**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, Finance Director, Deputy Principal HR and Organisational Services, Deputy Principal Curriculum and Quality, Assistant Principal Business Development, Director of IT and Information Systems, Assistant Principal Bishop Burton, Director of Marketing, Director of Quality and Standards, Director of MIS, Assistant Principal Riseholme, Assistant Principal Higher Education, Assistant Principal Campus and Residential Services and Director of Sport & Sports Partnerships. Staff costs include compensation paid to key management personnel for loss of office.

**BISHOP BURTON COLLEGE**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2021**

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**7 Staff costs and key management personnel remuneration (continued)**

**Key management personnel (continued)**

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

	<b>Group and College</b>	
	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>
The number of key management personnel including the Accounting Officer was:	14	15

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

	<b>Group and College</b>	
	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>
£40,001 - £45,000	2	2
£45,001 - £50,000	2	3
£50,001 - £55,000	2	1
£60,001 - £65,000	4	4
£65,001 - £70,000	-	1
£70,001 - £75,000	1	1
£75,001 - £80,000	1	-
£80,001 - £85,000	-	2
£85,001 - £90,000	1	-
£125,001 - £130,000	1	1
	14	15

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

	<b>Group and College</b>	
	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Salaries	894	777
Benefits in kind	5	5
National insurance	105	104
	1,004	886
Pension contributions	174	170
<b>Total emoluments</b>	<b>1,178</b>	<b>1,056</b>

# BISHOP BURTON COLLEGE

## FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2021

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 7 Staff costs and key management personnel remuneration (continued)

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:

	Current Accounting Officer Group and College	
	2021 £'000	2020 £'000
Salaries	128	127
Benefits in kind	2	-
	130	127
Pension contributions	-	7

The remuneration of the accounting officer for 2020-21 was determined on 10 December 2020 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 2021 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 1% 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.

	2021	2020
	No	No
Basic salary as a multiple of median basic salary of staff	4.3	5.0
Total remuneration as a multiple of median total remuneration of staff	4.0	4.5

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**7 Staff costs and key management personnel remuneration (continued)**

**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 £85 to 1 governor (2020: £251 to 1 governor). 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 (2020: None).

**8 Other operating expenses**

	2021		2020	
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Teaching costs	1,379	1,415	1,060	1,060
Non-teaching costs	3,986	3,920	4,319	4,126
Premises costs	2,527	2,509	2,246	2,246
<b>Total</b>	<b>7,892</b>	<b>7,844</b>	<b>7,625</b>	<b>7,432</b>

**Surplus before other gains and losses is stated after charging:**

	2021		2020	
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Auditors' remuneration, excluding VAT:				
Financial statements audit	40	36	41	41
Other services provided by Financial statements auditors	11	7	12	12
Internal audit	12	12	28	28
Operating lease rentals – land and buildings	17	17	118	118
Operating lease rentals – plant and equipment	238	238	341	341

\* The financial statements audit fee for the College is £30,000 (2020: £34,000).

**9 Interest and other finance costs**

	Group and College	
	2021	2020
	£'000	£'000
Bank loans	420	439
Net interest on defined pension liability (note 21)	195	175
<b>Total</b>	<b>615</b>	<b>614</b>

**10 Taxation**

	2021		2020	
	Group	Group	Group	College
	£'000	£'000	£'000	£'000
UK corporation tax at 19% (2020 - 19%) for subsidiary undertakings	-	-	82	-
<b>Total taxation on surplus</b>	<b>-</b>	<b>-</b>	<b>82</b>	<b>-</b>

**BISHOP BURTON COLLEGE**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**11 Intangible fixed assets**

**Group and College**

	<b>Goodwill £'000</b>	<b>Total £'000</b>
<b>Cost</b>		
At 1 August 2020 and 31 July 2021	814	814
<b>Amortisation</b>		
At 1 August 2020 and 31 July 2021	814	814
<b>Carrying amount at 31 July 2021</b>	-	-
<b>Carrying amount at 31 July 2020</b>	-	-

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**

	<b>Long leasehold land £'000</b>	<b>Long leasehold buildings £'000</b>	<b>Freehold land and buildings £'000</b>	<b>Assets under construction £'000</b>	<b>Equipment £'000</b>	<b>Total £'000</b>
<b>Cost or valuation</b>						
At 1 August 2020	2,739	1,735	93,158	1,420	7,870	106,922
Additions	-	-	-	5,838	-	5,838
Transfer	-	-	5,897	(6,694)	797	-
At 31 July 2021	2,739	1,735	99,055	564	8,667	112,760
<b>Depreciation</b>						
At 1 August 2020	110	-	20,712	-	6,461	27,283
Charge for the year	22	45	1,811	-	434	2,312
At 31 July 2021	132	45	22,523	-	6,895	29,595
<b>Net book value</b>						
At 31 July 2021	2,607	1,690	76,532	564	1,772	83,165
At 31 July 2020	2,629	1,735	72,446	1,420	1,409	79,639

**BISHOP BURTON COLLEGE**  
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**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
<b>Cost or valuation</b>						
At 1 August 2020	2,739	1,735	93,308	1,412	7,829	107,023
Additions	-	-	-	5,838	-	5,838
Transfer	-	-	5,897	(6,694)	797	-
At 31 July 2021	2,739	1,735	99,205	556	8,626	112,861
<b>Depreciation</b>						
At 1 August 2020	110	-	20,279	-	6,461	26,850
Charge for the year	22	45	1,811	-	434	2,312
At 31 July 2021	132	45	22,090	-	6,895	29,162
<b>Net book value</b>						
At 31 July 2021	2,607	1,690	77,115	556	1,731	83,699
At 31 July 2020	2,629	1,735	73,029	1,412	1,368	80,173

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 (2020: £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 2021 is £19,543,000 (2020: £19,927,000). The depreciation charge for the year on these buildings is £384,000 (2020: £384,000).

# BISHOP BURTON COLLEGE

## FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2021

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 13 Investments

	2021		2020	
	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	Development Services	Ordinary £1

The College owned 20% of the ordinary share capital of Cultiva Limited, a company incorporated in England and Wales. The company was a joint venture with Hartpury College, Myerscough College, Sparsholt College and Moulton College. This company was dissolved on 22 September 2020.

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

	2021		2020	
	Group £'000	College £'000	Group £'000	College £'000
Livestock and related other farm stocks	475	475	416	416
Other stocks	79	79	57	57
<b>Total</b>	<b>554</b>	<b>554</b>	<b>473</b>	<b>473</b>

##### *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 2020	416
Increase from purchases	366
Decrease from sales	(344)
Changes in fair value of agricultural assets	37
<b>Valuation at 31 July 2021</b>	<b>475</b>

**BISHOP BURTON COLLEGE**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**15 Debtors**

Amounts falling due within one year:

	2021		2020	
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Trade debtors	86	86	48	48
Other debtors	52	52	250	250
Amounts owed by group undertakings	-	138	-	29
Prepayments and accrued income	588	588	392	392
Amounts owed by the ESFA	87	87	53	53
<b>Total</b>	<b>813</b>	<b>951</b>	<b>743</b>	<b>772</b>

Trade debtors are stated inclusive of a bad debt provision of £276,000 (2020: £239,000).

**16 Creditors: amounts falling due within one year**

	2021		2020	
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Bank loans	687	687	663	663
Trade creditors	1,504	1,504	694	694
Other creditors	638	638	270	270
Other taxation and social security	243	243	182	182
Corporation tax payable	-	-	82	-
Accruals and deferred income	1,499	1,499	1,059	1,061
Government capital grants	1,015	1,015	817	817
<b>Total</b>	<b>5,586</b>	<b>5,586</b>	<b>3,767</b>	<b>3,687</b>

**17 Creditors: amounts falling due after more than one year**

	2021		2020	
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Bank loans	7,343	7,343	8,031	8,031
Government capital grants	25,397	25,397	22,898	22,898
<b>Total</b>	<b>32,740</b>	<b>32,740</b>	<b>30,929</b>	<b>30,929</b>

**BISHOP BURTON COLLEGE**  
**FINANCIAL STATEMENTS**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**18 Maturity of debt**

**Bank loans**

Bank loans are repayable as follows:

	<b>2021</b>		<b>2020</b>	
	<b>Group</b>	<b>College</b>	<b>Group</b>	<b>College</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
In one year or less	687	687	663	663
Between one and two years	714	714	687	687
Between two and five years	4,006	4,006	4,387	4,387
In five years or more	2,623	2,623	2,956	2,956
<b>Total</b>	<b>8,030</b>	<b>8,030</b>	<b>8,693</b>	<b>8,693</b>

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%.

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

**19 Provisions for liabilities**

**Group and College**

	<b>Enhanced pension entitlements</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>
At 1 August 2020	51	51
Amounts utilised	(3)	(3)
Amounts in year credited to the Statement of Comprehensive Income	(24)	(24)
<b>At 31 July 2021</b>	<b>24</b>	<b>24</b>

The enhanced pension provision relates to the cost of staff that has already left the College's employ 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:

	<b>2021</b>	<b>2020</b>
	<b>%</b>	<b>%</b>
Price inflation	2.60	2.20
Discount rate	1.60	1.30

**BISHOP BURTON COLLEGE**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**20 (a) Note to Statement of Cash Flows**

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<b>Surplus after tax for the year</b>	36	640
Adjustments for:		
Taxation payable	-	82
Depreciation	2,312	2,448
Investment income	-	(19)
Interest payable	615	614
Tangible fixed assets donated	-	(1,735)
(Decrease)/increase in provisions	(27)	2
Pension costs less contributions payable	1,106	919
Operating cash flow before movements in working capital	4,042	2,951
Increase in agricultural assets and other stocks	(81)	(157)
(Increase)/decrease in debtors	(70)	537
Increase/(decrease) in creditors	4,376	(1,790)
<b>Cash generated from operations</b>	<b>8,267</b>	<b>1,541</b>

**(b) Analysis of changes in net debt**

	<b>At 1 August</b>	<b>Cash</b>	<b>At 31 July</b>
	<b>2020</b>	<b>flows</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Cash	2,784	1,263	4,047
Loans falling due within one year	(663)	(24)	(687)
Loans falling due after more than one year	(8,031)	688	(7,343)
<b>Total</b>	<b>(5,910)</b>	<b>1,927</b>	<b>(3,983)</b>

**BISHOP BURTON COLLEGE**  
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**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**

	<b>2021</b>		<b>2020</b>	
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Teachers' Pension Scheme: contributions paid		935		787
East Riding Pension Fund:				
Contributions paid	1,203		1,184	
Deficit funding	68		-	
FRS 102 (28) charge	1,106		919	
Charge to the Statement of Comprehensive Income		2,377		2,103
Enhanced pension (credit)/charge to Statement of Comprehensive Income		(24)		7
<b>Total Pension Cost for year within staff costs</b>		<b>3,288</b>		<b>2,897</b>

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 2016 and of the LGPS 31 March 2019.

Contributions amounting to £243,000 (2020: £226,000) 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 2021

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## 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 2016 and in accordance with The Public Service Pensions (Valuation and Employer Cost Cap) Directions 2014 except it has been prepared following the Government's decision to pause the operation of the cost control mechanisms at the time when legal challenges were still pending.

#### Valuation of the Teachers' Pension Scheme

The valuation report was published in April 2019. The key results of the valuation and subsequent consultation are:

- Total scheme liabilities for service (pensions currently payable and the estimated cost of future benefits) of £218 billion
- Value of notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) of £196 billion
- Notional past service deficit of £22 billion
- Discount rate is 2.4% in excess of CPI.

As a result of the valuation, new employer contributions rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2019/20). DfE has agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2020-21 academic year, and currently through to March 2022.

The pension costs paid to TPS in the year amounted to £935,000 (2020: £787,000).

The next valuation result is due to be implemented from 1 April 2023.

#### 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 2021 were £1,576,000, of which employer's contributions totalled £1,271,000 and employees' contributions totalled £305,000. 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. Additional deficit funding of £71,000 has been agreed for the year ended 31 July 2022.

#### Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2019 updated to 31 July 2021 by a qualified independent actuary.

	At 31 July 2021	At 31 July 2020
	%	%
Rate of increase in salaries	1.6	1.6
Rate of increase for pensions in payment/inflation	2.8	2.1
Discount rate for scheme liabilities	1.6	1.4
Inflation assumption (CPI)	2.8	2.1
Expected return on scheme assets at 31 July	2.1	2.1

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

Salary increases assumption of 1% until 31 July 2022 reverting to long term assumption of 2% thereafter (2018 – 1% until 31 July 2020 reverting to long term assumption thereafter).

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**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:

		<b>At 31 July 2021</b>	<b>At 31 July 2020</b>
<i>Retiring today</i>	Males	21.0 years	20.9 years
	Females	23.7 years	23.3 years
<i>Retiring in 20 years</i>	Males	22.2 years	21.8 years
	Females	25.5 years	24.8 years

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

	<b>Fair Value at 31 July 2021 £'000</b>	<b>Fair Value at 31 July 2020 £'000</b>
Equity instruments	23,831	18,706
Debt instruments	6,659	4,892
Property	3,855	3,453
Cash	701	1,727
<b>Total fair value of plan assets</b>	<b>35,046</b>	<b>28,778</b>
<b>Actual return on plan assets</b>	<b>5,349</b>	<b>(1,947)</b>

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

	<b>2021 £'000</b>	<b>2020 £'000</b>
Fair value of plan assets	35,046	28,778
Present value of plan liabilities	(49,581)	(42,131)
Present value of unfunded liabilities	(47)	(45)
<b>Net pension liability</b>	<b>(14,582)</b>	<b>(13,398)</b>

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

	<b>2021 £'000</b>	<b>2020 £'000</b>
<b>Amounts included in staff costs</b>		
Current service cost	(2,377)	(2,103)
Net interest on the net defined benefit pension liability	(195)	(175)
<b>Total</b>	<b>(2,572)</b>	<b>(2,278)</b>

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**21 Retirement benefits (continued)**

**Changes in the present value of defined benefit obligations**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<b>Defined benefit obligations at start of period</b>	42,176	37,766
Current service cost	2,377	2,103
Interest cost	604	813
Contributions by scheme participants	305	287
Actuarial losses	4,823	1,888
Benefits paid	(657)	(681)
<b>Defined benefit obligations at the end of period</b>	<b>49,628</b>	<b>42,176</b>

**Changes in fair value of plan assets**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<b>Fair value of plan assets at start of period</b>	28,778	29,935
Interest income	409	638
Return on plan assets (excluding net interest on the net defined benefit liability)	4,940	(2,585)
Employer contributions	1,271	1,184
Contributions by scheme participants	305	287
Benefits paid	(657)	(681)
<b>Fair value of plan assets at end of period</b>	<b>35,046</b>	<b>28,778</b>

**22 Amounts disbursed as an agent**

**Leaner Support Funds**

	<b>Group and College</b>	
	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Amounts brought forward	(72)	(14)
Funding body grants – hardship support	314	233
Funding body grants – residential bursaries	328	316
	<b>570</b>	<b>535</b>
Disbursed to students	(539)	(577)
Administration costs	(30)	(30)
<b>Balance unspent / (overspent)</b>	<b>1</b>	<b>(72)</b>

Funding body grants are available solely for students. In the majority of instances, the College only acts as a paying agent. In these circumstances, the grants and related disbursements are therefore excluded from the Statement of Comprehensive Income.

**BISHOP BURTON COLLEGE**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**23 Capital commitments**

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

	<b>2021</b>		<b>2020</b>	
	<b>Group</b>	<b>College</b>	<b>Group</b>	<b>College</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Commitments contracted for at 31 July	21	21	-	-

**24 Commitments under operating leases**

**Group and College**

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

	<b>Land &amp; Buildings</b>		<b>Other</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Not later than one year	6	-	150	196
Later than one year and not later than five years	92	-	91	87
Later than 5 years	72	-	-	-
	170	-	241	283

**25 Access and participation expenditure – Group and College**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Access investment	43	46
Financial support provided to students	116	77
Support for disabled students	75	62
Research and evaluation related to access and participation	20	21
Total access and participation expenditure	254	206

The College's access and participation plan is available on the College's website at [www.bishopburton.ac.uk](http://www.bishopburton.ac.uk).

**26 Related party transactions**

Key management compensation disclosure is given in note 7.

# **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 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 2020 to 31 July 2021 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, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 August 2020 to 31 July 2021 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

## **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. In line with this framework, our work has specifically not considered income received from the main funding grants generated through the Individualised Learner Record (ILR) data returns, for which the ESFA has other assurance arrangements in place.

We are independent of the Bishop Burton College in accordance with the ethical requirements that are applicable to this engagement and we have fulfilled our ethical requirements in accordance with these requirements. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion

## **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 2020 to 31 July 2021 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)**

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 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**

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Date

16/12/2021