



REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

BISHOP BURTON COLLEGE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

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 2021/22:

William S Meredith – Principal and CEO; Accounting Officer
Kirsti Lord – Deputy Chief Executive and Deputy Principal Curriculum & Quality (with effect from 1 August 2022)
Stephen Kelly – Chief Financial Officer (title change with effect from 1 April 2022)
Kate Calvert – Deputy Principal IIR and Organisational Services
Rachel Ellis-Jones – Deputy Principal Curriculum and Quality (left 5 June 2022)
Abi Smith – Assistant Principal Riseholme (with effect from 1 September 2022) (Interim Assistant Principal Bishop Burton with effect from January 2022-August 2022)
Andrew Black – Assistant Principal Business Development
Andrew Tan – Director of MIS
Ann Paling – Assistant Principal Safeguarding and Residential Services (title change with effect from 1 September 2021)
Damien Blackburn – Director of IT and Learning Resources (title change with effect from 1 August 2022)
Daniel Brett – Vice Principal (left 31 January 2022)
Daniel Metters – Vice Principal (left 16 June 2022)
Jane Chapman – Director of Marketing (with effect from 14 November 2022)
Kirstie Cawley – Director of Marketing (left 14 September 2022)
Mel Watson – Head of Higher Education Faculty (Interim member of College Leadership Team with effect from 1 September 2021 until 31 August 2022)
Michaela Ginn – Assistant Principal Quality and Exams
Rachael Fell-Chambers – Assistant Principal Higher Education (with effect from 12 September 2022)
Sarah Milton – Director of Sport & Sports Partnerships
Sharon Kirby – Interim Assistant Principal Riseholme (16 May 2022 – 31 August 2022)

Board of Governors

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

Professional advisers

Financial statements auditors and reporting accountants:

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

Internal auditors

Wylie Bissett LLP
168 Bank Street
Glasgow G2 4TP

Bankers

Lloyds Bank PLC
14 Church Street
Sheffield

Solicitors

Rollits LLP
Citadel House
58 High Street
Hull HU1 1QE

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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 2022.

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”.

Public Benefit

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

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

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

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

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

Implementation of strategic plan

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

The College has a history of strong financial performance, delivering 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.

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REPORT OF THE GOVERNING BODY

Implementation of strategic plan (continued)

The College continues to benefit from significant investment in its campuses in recent years. The £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 and universities, we have successfully built two Institutes of Technology at both Bishop Burton and Riseholme Showground campuses, together with equipment to deliver the very latest precision agriculture technology. The Institutes of Technology are delivering higher technical skills training, and conducting related research.

The College Mission is “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 2021/22 were to:

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

As a major employer and provider, we have a significant economic impact in the region and deliver a huge range of qualifications, from Entry to Masters Levels, including employer-responsive provision for apprenticeships and the unemployed. Our further education student destination rates to employment, or higher-level study, are some of the best in the country at 98%. Our 2021/22 results continue to support the profile of a high achieving college.

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

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

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

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

	2019 / 20	2020 / 21	2021/22
FE 16-18	1665	1816	2066
FE Adult	253	341	225
HE	610	613	486
Work-based	450	404	367

Student numbers continue to show overall growth.

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REPORT OF THE GOVERNING BODY

Implementation of strategic plan (continued)

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

16-18 Further Education learner recruitment has again been positive, with an increase of 22 students on the previous year. Comparing the student population against the Index of Multiple Deprivation, 36% of our FE students fall into Quintile 1 and 2 and 36% of our HE student population come from the most deprived areas. It is a distinctive feature of the College, its commitment to widening participation, and its activities to engage and recruit students from deprived areas across the region with a significant number of these living in the city of Hull. The College runs a comprehensive free bus system, serving students throughout the sub-region including those from disadvantaged areas and isolated rural communities. The college met most of its widening participation targets detailed in the college Access and Participation plan and continues to work to remove any attainment gaps.

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

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

The College regularly hosts regional, national and international events such as the Bishop Burton Horse Trials, Lincolnshire Horse Trials, British Dressage Winter Regionals Northern Finals and countless grassroots equestrian competitions across all disciplines. The summer of 2022 saw the College host and successfully deliver the International Youth Championships in which the best youth athletes from across the UK compete.

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.

2021/22 saw a 32% increase in the number of both FE and HE students that were recruited through the sport academies (164% 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 16 athletes on the Diploma in Sporting Excellence (DiSE) programme, which recognises talented athletes with national potential. 2022/23 will also see an additional five places allocated by the RFU and rolled out to female students.

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 secured the position of Yorkshire RFU's Girls U18s Centre of Excellence, which started on 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.

The sports academies across rugby, football and netball continue to go from strength to strength, offering our students an unrivalled performance sport experience with competitive fixtures in local, regional and national leagues and cup competitions. April 2022 saw Bishop Burton's 1st Football Team play South Devon College in the Association of Colleges National Final. Despite the defeat (2-1), it has secured the College's position as number 1 in the north and midlands. Furthermore, Netball finished in the top 5 in the country, Boys Rugby retained their status as National 7s champions and the Girls Rugby Team also won their place in the televised final of the Rosslyn Park International 7s competition.

There have also been a wide variety of practical sport development 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.

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Implementation of strategic plan (continued)

The College is the official host site of the Hull City Tigers Academy and a new contract with the Club was signed in April 2022. 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. Ongoing close partnership working supports the exploration of other opportunities and initiatives to the benefit of both parties.

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. However there was an operating deficit of £1,802,000. Liquidity also exceeded target at 82 days with the current ratio being 2.2.

Performance indicators

Key performance indicator	Measure / Target	Actual for 2021/22
Operating surplus as % of income	2%	1%
EBITDA as % of income	12%	11%
Staff costs as % of income	55%	55%
Cash days in hand	25	82
Liquidity (current ratio)	1.3	2.2
Borrowing as % of income	36%	35%
Reliance on ESFA income	61%	61%
Financial Health Score	Good	Good

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

Further Education achievement rates

Bishop Burton College enrolled almost 3,150 students from Hull, the East Riding of Yorkshire, Lincolnshire and beyond during 2021/22; studying both on College campuses, and via workplace learning and community programmes. As part of our commitment to meeting individual students' needs, 725 FE students and 165 HE students received support for a range of difficulties including dyslexia, physical disabilities, and visual or hearing impairment. The College achievement rates are highlighted in the table below:

All Enrolments			FE Achievement Rates		
2019/20	2020/21	2021/22	2019/20	2020/21	2021/22
6,641	7,420	7,581	89.4%	91.2%	81.2%

Student destinations

The Graduate Outcomes survey for 2019/20 graduates showed a 90% positive progression rate. The internal survey of Further Education leavers gave a 98% positive destination for those completing their studies in 2021/22.

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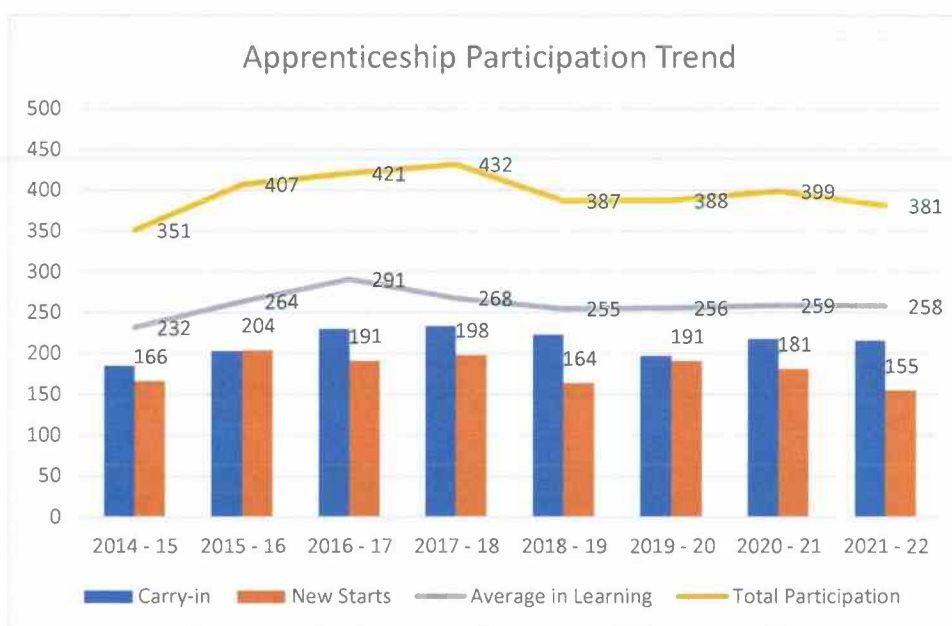
Student satisfaction

Student satisfaction remains high with an overall satisfaction rating of 98% (entry & induction), 93% (on programme) and 94% (exit survey). 98% of learners agree that tutors encourage them to work hard and achieve their best. 95% of learners agreed they are encouraged to use technology and online resources to support their learning. Learners agreed (95%) work experience/ industry placements have helped them build a range of skills to help gain employment. *Source: College surveys 2021*

Apprenticeships

The College continues to deliver apprenticeships across a number of Local Enterprise Partnership (LEP) priority sectors, predominantly in Food and the Land-based, offering young people alternative career pathways. We have continued to maintain and deliver consistent volumes of apprenticeships within these sectors. We have seen a slight fall in new starts which is partly due to the roll out of the Apprenticeship Service Employer Accounts, this has predominantly effected July starts where employer accounts have not been set up in a timely manner and the complexities of the auditable documentation necessary to create new starts. Our average in learning remains stable and applications for 2022-23 are promising.

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, we have engaged with a new Mixed Farming apprenticeship which has not yet seen its full potential and is extremely poorly funded. We continue to experience delays with End Point Assessment (EPA) availability across most of the provision with apprentices running past their expected end dates.



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. We have introduced new standards for Countryside Worker L2 and Ranger L4 to meet regional needs.

Following the COVID-19 pandemic, we continued remote delivery and successfully retained that vast majority of our Apprentices which have now mostly completed. We continue to support our industries recovery through the labour shortages following Brexit and disruptions of Covid. Recruiting new apprentices into the industries we serve remains one of the key priorities moving forward.

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Apprenticeships (continued)

Achievement rates have improved in 2021-22 and we continue to strive for excellence for all of our apprentices.

Employer satisfaction

We have no published data for employer satisfaction as the survey has yet to be reinstated following the pandemic. 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.

Financial position

Financial results

The Group generated an operating deficit before other gains and losses in the year of £1,802,000 (2020/21: £36,000 surplus).

The Group has accumulated reserves of £52,186,000 and cash and deposit balances of £6,236,000.

The College had three subsidiary companies during the year; Bishop Burton Farm Enterprises Limited, Bishop Burton Farm Limited and Bishop Burton Riseholme Limited. The principal activity of Bishop Burton Farm Enterprises Limited is commercial enterprise and the rental of property. Bishop Burton Farm Limited 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 £1,510,000.

The College has significant reliance on the funding bodies for its principal funding source, largely from recurrent grants. In 2021/22 the ESFA funding bodies provided 61% of the College's total income.

Treasury policies and objectives

Treasury management is the management of the College's cash flows, its banking, money market and capital market transactions, the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks. The Group has a Treasury Management Policy in place. All other borrowing requires the authorisation of the Corporation.

Cash flows and liquidity

The College had cash flow from operating activities of £2,457,000. There was a net cash outflow of £1,508,000 from investing activities. Net cash inflow from financing activities flow was through proceeds from the new Santander loan facility of £2,400,000, repayment of borrowings of £746,000 and interest paid of £414,000. Overall, there was an increase in cash and cash equivalents for the year of £2,189,000.

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

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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 £27,182,000 (2020/21: £10,550,000). The College is committed to making an operating surplus on its activities to ensure funds and reserves are available for reinvestment in the College and ensure it achieves its objectives included in the strategic plan.

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

Current and Future Development and Performance

Student numbers and achievements

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

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

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

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

Academic and curriculum developments

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

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

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

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Academic and curriculum developments (continued)

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

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

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

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

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

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

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

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

Property

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

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

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REPORT OF THE GOVERNING BODY

Events after the end of the reporting period

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

Future prospects

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

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

There has been a considerable growth in Further Education student numbers for 2021/22 which highlights the successful direction the College is moving. Going forward, overall capacity needs increasing to accommodate this growth. The introduction of T Levels also requires some new facilities at the College. Next year capital funding bids will be made to try and gain funding for these projects.

Covid-19 continues to impact 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 £52.2 million of net assets after accounting for £1.8 million pension asset, and loans of £9.7 million. It also holds £6.2 million in cash. It has fixed assets of £82.2 million spread over three campuses Bishop Burton, Riseholme Showground and Riseholme Park.

People

The Group employs 483 people, 173 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.

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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 2021/22 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. Higher Education

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

4. Tuition fee policy

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

This risk is mitigated in a number of ways:

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

5. Staff Recruitment

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

6. Cost of living crisis

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

7. 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.

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.

BISHOP BURTON COLLEGE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

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.

Students

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

Staff

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

Employers

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

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

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

BISHOP BURTON COLLEGE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

REPORT OF THE GOVERNING BODY

Employers (continued)

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

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

External Agencies

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

Partners

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

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

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

Equality and employment of disabled persons

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

Equality and Diversity

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

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

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

BISHOP BURTON COLLEGE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

REPORT OF THE GOVERNING BODY

Equality and Diversity (continued)

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.

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 the cost of living and energy increases, and comparing these against the many opportunities that are emerging, underpinned by the strength of the College Balance Sheet and its ability to make sound strategic decisions and adapt accordingly, the College is satisfied that it continues as a going concern. This is supported by producing high quality and regular management information including monthly accounts and updated cashflow forecasts.

Going forward in 2022/23 the previous considerable growth in Further Education student numbers has resulted in a significant increase in grant funding and a strengthening of the College's overall financial position, including its cash holdings. Its cash position has also been further strengthened by the drawing down, in January 2022 of a new £2.4m term loan facility to support the College's capital programme. This strong position will be maintained throughout 2022/23 and is reflected in the cashflow forecast for that year and shows 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 2024 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 13 December 2022 and signed on its behalf by:



Alan Menzies
Chair

BISHOP BURTON COLLEGE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

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 2021 to 31 July 2022 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 whilst not having adopted the UK Corporate Governance Code 2018, the corporation has due regard to its principles and guidance'

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 2022. This opinion is based on an internal review of compliance with the Code reported to the board on 18 October 2022. Following an update to the AoC Code of Good Governance, the Corporation approved a review of compliance and action plan on 13 December 2022.

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
Mr J Bowler	14 Dec 2021	0.5 years	June 2022	Student	N/A	0/2
Ms R Brassington	1 Sept 2021	3 years		Staff	Curriculum & Quality Enhancement	7/8
Dr S Hamer	18 Feb 2020	3.5 years		External	Curriculum & Quality Enhancement	9/9
Mr J Hurst	17 July 2018 1 Sept 2021	3.2 years 3 years		External	Remuneration	5/7
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 Remuneration	11/13

BISHOP BURTON COLLEGE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

Ms S Kirby	1 Sept 2021	3 years		Staff	Finance & Resources	9/9
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	14/14
Mr W Meredith	22 Oct 2017	Ex officio		Principal	Governance & Search, Finance & Resources, Curriculum & Quality Enhancement	16/16
Mr A Milner	1 Sept 2020	3 years		External	Curriculum & Quality Enhancement	7/9
Ms K Moore	18 Feb 2020	3.5 years		External	Audit	3/10
Ms A Moran	6 Feb 2018 1 Sept 2021	3.5 years 3 years		External	Audit	11/13
Ms J Pattison	14 Dec 2021	0.5 years	June 2022	Student	N/A	1/2
Mr I Sackree	11 Dec 2018	3.67 years		External	Finance & Resources Governance & Search Remuneration	14/14
Ms V Shannon	10 Dec 2019	3.5 years		External	Finance & Resources	8/10
Mr M Thomas	23 Oct 2018 1 Sept 2021	2.83 years 3 years		External	Audit	8/10
Mr J Wells	1 Sept 2021	3 years		External	Audit	8/10
Ms C Walters	1 Sept 2021 1 Sept 2022	1 year 1 year		Co-Opted	Audit	4/4
Ms C Sykes was Clerk						
Ms K Magurn was Deputy Clerk						

BISHOP BURTON COLLEGE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

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.

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 2021/22 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 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.

BISHOP BURTON COLLEGE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

Finance & Resources Committee (continued)

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.

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 "Good".

The Search & Governance Committee considered, at its meeting held June 2022, the requirement for a 3-yearly external board review. The Committee concluded that, subject to Corporation approval, that an external board review will be commissioned for the spring term 2022-23, beginning in April 2023. The Clerk to the Corporation is currently receiving quotes and scopes of work for the review in line with the College's financial regulations and will present a full proposal to the Corporation in December 2022.

Remuneration Committee

Throughout the year ending 31 July 2022, 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 2022 are set out in note 7 to the financial statements.

Audit Committee

The Audit Committee comprises four 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 24 November 2022.

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 received training through attendance at the AoC Workshop titled: What Makes an Effective Audit Committee in September 2021, this was further enhanced by a training session delivered by the Internal Audit Service on "The effective Audit Committee". The committee also received regular relevant sector updates from the Internal Audit Service, and the Financial Statements Auditor.

The Audit Committee met four times in the year to 31 July 2022. The members of the committee and their attendance records are shown below:

BISHOP BURTON COLLEGE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL
(CONTINUED)

Name	Attendance
Ms K Moore	1/4
Ms A Moran	4/4
Mr M Thomas	3/4
Mr J Wells	4/4
Ms C Walters (Co-Opted)	4/4

Continuous Professional Development

Corporation Members

The Members participated in a “Governor Link Programme” throughout the year, with each Member assigned to link up with a co-ordinating senior member of staff to explore different areas of the College business and present a report to Corporation. This programme is established annually with Members allocated to different areas of the business from time to time to learn about different areas of the College’s operations. The governor link for Careers participated in the webinar series entitled “Developing a whole college approach to careers education”

Members attended the AoC Northern Governance Conference in November 2021 & February 2022 and the AoC Governor Summit in February 2022. Members attended a number of Governor Workshops including “Understanding sector, policy and inspection” and “Effective Board Behaviours”. Members completed the ETF Safeguarding in FE 2021 training in November 2021. In addition, members also received additional Safeguarding & Prevent Training from the Designated Safeguarding Lead (DSL) in October 2021.

Members attended a full day training day on 17 May 2022 which included:

- Environmental Sustainability and the Green College Commitment; presented by Steve Frampton, FE/HE Climate Commissioner, Association of Colleges.
- The Student Journey from Applicant to Achievement – presented by Ms A Paling & Ms K Langfield.
- Maximising your impact: managing risks and building resilience; presented by RSM (Financial Statements Auditors).
- The role of governance in college collaboration, LSIPs and meeting local needs; presented by Tom Morrison and Louise Castle from Stone King LLP.

Throughout the year the Members received sector updates from the Principal as part of the Principal’s presentation to the Members and through the monthly briefings from the Clerk to the Corporation on nation and local sector changes.

Members attended training in other relevant areas, a log of individuals’ training is held by the Clerk.

- Safer Recruitment.
- GDPR EU: Refresher.
- Equality and Diversity.
- Cyber Security Awareness.

The College purchased a subscription to the ETF Governance Development Programme which includes modules across all areas of Governors to undertake their own governance development.

Clerk to the Corporation

The Clerk engaged in regular training and development opportunities throughout the year ended 31st July 2022. Including:

- Attendance at four AoC Northern Governance Professionals Group Meetings.
- Attendance at the AoC Northern Governance Conference in November 2021 & February 2022 and the AoC Governor Summit in February 2022.
- Attendance at the three Governance Professionals Development Workshops in September, November and January.
- Attendance at the AoC Governance Professionals Conference in April 2022.
- Coaching for Governance Professionals.
- Webinars on “Board Evaluation”, “Exploring the Complexities of College Governance”.

BISHOP BURTON COLLEGE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

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 2022 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 2022 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 2022

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 2021/22 and up to the date of the approval of the financial statements are:

- Cyber Security – Strong Level of Assurance – 0 Recommendations received.
- VFM Catering & Hospitality – Substantial Level of Assurance – 4 Recommendations received.
- Strategic Planning – Strong Level of Assurance – 3 Recommendations received.
- Higher Education Recruitment – Strong Level of Assurance – 1 Recommendation received.
- Learner Records – Strong Level of Assurance – 0 Recommendations received.
- Procurement – Substantial Level of Assurance – 5 Recommendations received.

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 2022 meeting, the Corporation carried out the annual assessment for the year ended 31 July 2022 by considering documentation from the senior management team and internal audit and taking account of events since 31 July 2022.

Learning & Development

Member's of the Audit Committee received relevant development opportunities throughout the year from a range of sources, including from Wylie & Bisset and RSM, at meetings throughout the year and as part of the Corporations wider training strategy. These activities include:

- AoC/RSM Regional Governors Workshop - What Makes an Effective Audit Committee (September 2021).
- RSM Funding / ILR Lessons Learnt (October 2021).
- RSM Emerging Issues (FE) (December 2021).
- Wylie & Bisset – The effective Audit Committee (February 2022).
- RSM – Risk Management Training (Governor away day) (May 2022).
- RSM Emerging Issues (FE) (June 2022).
- Clerk Update - Updated Guidance College oversight: support and intervention (July 2022).

BISHOP BURTON COLLEGE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

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 13 December 2022 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 2022

STATEMENT ON THE COLLEGE'S REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



W S Meredith
Accounting officer

13/12/2022

Statement of the chair of governors

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



A Menzies
Chair of Governors

13/12/2022

BISHOP BURTON COLLEGE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

STATEMENT OF RESPONSIBILITIES OF THE MEMBERS OF THE CORPORATION

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

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

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

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

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

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

Approved by order of the members of the corporation on 13 December 2022 and signed on its behalf by:



A Menzies
Chair of Governors

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

Opinion

We have audited the financial statements of Bishop Burton College (the "College") and its subsidiaries (the "Group") for the year ended 31 July 2022 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 2022 and of the Group's and the College's deficit of income over expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

Basis for opinion

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

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.

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.

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

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 2021 to 2022 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.

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.

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

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

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

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

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

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

Use of our report

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

RSM UK Audit LLP

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

15/12/2022

BISHOP BURTON COLLEGE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

CONSOLIDATED AND COLLEGE STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2022

	Notes	2022		2021	
		Group	College	Group	College
		£'000	£'000	£'000	£'000
INCOME					
Funding body grants	3	17,580	17,580	16,140	16,140
Tuition fees and education contracts	4	4,200	4,200	4,811	4,811
Other income	5	5,846	5,074	4,807	4,220
Investment income	6	1	262	-	175
Total income		27,627	27,116	25,758	25,346
EXPENDITURE					
Staff costs	7	16,861	16,479	14,858	14,489
Restructuring costs	7	41	41	45	45
Other operating expenses	8	9,392	9,262	7,892	7,844
Depreciation	12	2,475	2,475	2,312	2,312
Profit on disposal of fixed assets		(1)	(1)	-	-
Interest and other finance costs	9	661	661	615	615
Total expenditure		29,429	28,917	25,722	25,305
(Deficit)/surplus before other gains and losses		(1,802)	(1,801)	36	41
(Deficit)/surplus before tax		(1,802)	(1,801)	36	41
Taxation	10	-	-	-	-
(Deficit)/surplus for the year		(1,802)	(1,801)	36	41
Remeasurement of defined benefit pension net asset	21	18,341	18,341	117	117
Other comprehensive income for the year		18,341	18,341	117	117
Total comprehensive income for the year		16,539	16,540	153	158
(Deficit)/surplus for the year attributable to the Corporation of the College		(1,802)	(1,801)	36	41
Total comprehensive income for the year attributable to Corporation of the College		16,539	16,540	153	158

BISHOP BURTON COLLEGE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

CONSOLIDATED AND COLLEGE BALANCE SHEETS
AS AT 31 JULY 2022

	Notes	2022		2021	
		Group £'000	College £'000	Group £'000	College £'000
Fixed assets					
Intangible assets	11	-	-	-	-
Tangible assets	12	82,200	82,783	83,165	83,699
Investments	13	-	-	-	-
		82,200	82,783	83,165	83,699
Current assets					
Agricultural assets and other stock	14	612	612	554	554
Debtors	15	932	947	813	951
Cash at bank and in hand		6,236	6,226	4,047	3,962
		7,780	7,785	5,414	5,467
Current liabilities					
Creditors – amounts falling due within one year	16	(5,498)	(5,498)	(5,586)	(5,586)
Net current assets/(liabilities)		2,282	2,287	(172)	(119)
Total assets less current liabilities		84,482	85,070	82,993	83,580
Creditors – amounts falling due after more than one year	17	(34,052)	(34,052)	(32,740)	(32,740)
Provisions for liabilities					
Defined benefit pension scheme asset/(liability)	21	1,777	1,777	(14,582)	(14,582)
Other provisions	19	(21)	(21)	(24)	(24)
Total net assets		52,186	52,774	35,647	36,234
Unrestricted Reserves					
Income and expenditure reserve		27,182	27,770	10,550	11,137
Revaluation reserve		25,004	25,004	25,097	25,097
Attributable to the College Corporation and total unrestricted reserves		52,186	52,774	35,647	36,234

The financial statements on pages 27 to 53 were approved and authorised for issue by the Corporation on 13 December 2022 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 2022

CONSOLIDATED AND COLLEGE STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED 31 JULY 2022

	Income and Expenditure reserve £'000	Revaluation reserve £'000	Total £'000
Group			
Balance at 1 August 2020	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)	-
Total comprehensive income for the year	246	(93)	153
Balance at 31 July 2021	10,550	25,097	35,647
Deficit for the year	(1,802)	-	(1,802)
Other comprehensive income	18,341	-	18,341
Transfers between Revaluation and Income and Expenditure reserves	93	(93)	-
Total comprehensive income for the year	16,632	(93)	16,539
Balance at 31 July 2022	27,182	25,004	52,186
	Income and Expenditure reserve £'000	Revaluation reserve £'000	Total £'000
College			
Balance at 1 August 2020	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)	-
Total comprehensive income for the year	251	(93)	158
Balance at 31 July 2021	11,137	25,097	36,234
Deficit for the year	(1,801)	-	(1,801)
Other comprehensive income	18,341	-	18,341
Transfers between Revaluation and Income and Expenditure reserves	93	(93)	-
Total comprehensive income for the year	16,633	(93)	16,540
Balance at 31 July 2022	27,770	25,004	52,770

BISHOP BURTON COLLEGE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JULY 2022

	Notes	2022 £'000	2021 £'000
Operating activities			
Cash generated from operations	20	2,457	8,267
Taxation paid		-	(82)
Net cash from operating activities		2,457	8,185
Investing activities			
Investment income		1	-
Proceeds on disposal of tangible fixed assets		1	-
Purchase of tangible fixed assets		(1,510)	(5,838)
		(1,508)	(5,838)
Financing activities			
Interest paid		(414)	(420)
Proceeds of new bank loans		2,400	-
Repayments of borrowings		(746)	(664)
		1,240	(1,084)
Increase in cash and cash equivalents in the year		2,189	1,263
Cash and cash equivalents at beginning of the year		4,047	2,784
Cash and cash equivalents at end of the year		6,236	4,047
Cash and cash equivalents comprise:			
Cash at bank and in hand		6,236	4,047

BISHOP BURTON COLLEGE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

General information

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

Basis of accounting

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (F & HE SORP 2019), the College Accounts Direction for 2021 to 2022, 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 F & 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 2022.

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 2022

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 £9.7m of loans outstanding with bankers on terms negotiated in 2009, 2014, 2016 and 2022. Bank loans are secured by a charge on certain freehold properties of the College. The terms of the existing agreements were for 15 to 20 years.

The balance sheet as at 31 July 2022 shows net current assets of £2,282k for the Group (2021: £172k net current liabilities) and £2,287k for the College (2021: £119k net current liabilities).

The College's forecasts and financial projections to 31 July 2024 indicate that it will be able to operate within this existing facility and covenants for the foreseeable future to at least 31 July 2024. Its cash position has also been strengthened by the drawing down, in January 2022, of a new £2.4m term loan facility to support the College's capital programme. This strong position will be maintained throughout 2022/23 and is reflected in the cashflow forecast for the year and shows 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 2024 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 2022

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 2022

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 2022. 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 2022

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 2022

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
FOR THE YEAR ENDED 31 JULY 2022

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 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 2022. 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

	2022		2021	
	Group £'000	College £'000	Group £'000	College £'000
Recurring grants				
Education and Skills Funding Agency – Adult	466	466	534	534
Education and Skills Funding Agency – Apprenticeships	1,093	1,093	1,083	1,083
Education and Skills Funding Agency – 16-19	14,169	14,169	12,741	12,741
Office for Students	642	642	664	664
Specific grants				
Teacher Pension Scheme contribution grant	292	292	322	322
Releases of government capital grants	907	907	784	784
Disability support grant	11	11	12	12
Total	17,580	17,580	16,140	16,140

BISHOP BURTON COLLEGE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 Tuition fees and education contracts

	2022		2021	
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Tuition fees	4,076	4,076	4,733	4,733
Education contracts	124	124	78	78
Total	4,200	4,200	4,811	4,811

Details of grant and fee income

	2022		2021	
	Group	College	Group	College
	£000	£000	£000	£000
Grant income from the Office for Students	642	642	664	664
Grant income from other bodies	16,938	16,938	15,476	15,476
Total grants	17,580	17,580	16,140	16,140
Fee income from non-qualifying courses (exclusive of VAT)	4,200	4,200	4,811	4,811
Total grant and fee income	21,780	21,780	20,951	20,951

5 Other income

	2022		2021	
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Residencies, catering and conferences	2,479	2,267	1,698	1,541
Other income generating activities	1,161	601	879	449
Non-funding body capital grants	142	142	19	19
Other income	1,678	1,678	1,578	1,578
Coronavirus Job Retention Scheme grant	-	-	169	169
Farming activities	386	386	464	464
Total	5,846	5,074	4,807	4,220

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 £nil (2021: £169k).

BISHOP BURTON COLLEGE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 Investment income

	2022		2021	
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Gift aid from subsidiaries	-	261	-	175
Other interest receivable	1	1	-	-
Total	1	262	-	175

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	
	2022	2021
	No.	No.
Teaching staff	173	196
Non-teaching staff	310	282
	483	478

Staff costs for the above persons

	2022		2021	
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Wages and salaries	10,942	10,635	10,051	9,753
Social security costs	921	903	811	795
Other pension costs	4,039	3,982	3,288	3,233
Payroll sub-total	15,902	15,520	14,150	13,781
Contracted-out staff	959	959	708	708
	16,861	16,479	14,858	14,489
Restructuring costs - contractual	28	28	28	28
- non-contractual	13	13	17	17
Total staff costs	16,902	16,520	14,903	14,534

The staff restructuring costs were approved by the Corporation.

	2022		2021	
	Group	College	Group	College
	£000	£000	£000	£000
Compensation for loss of office paid to former member of the senior management team				
Compensation paid to 1 former post-holder - Contractual	-	-	21	21
- Non contractual	-	-	16	16
Total staff costs	-	-	37	37

BISHOP BURTON COLLEGE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 Staff costs and key management personnel remuneration (continued)

Key management personnel

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

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

	Group and College	
	2022	2021
	No.	No.
The number of key management personnel including the Accounting Officer was:	13	14

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:

	Group and College	
	2022	2021
	No.	No.
£40,001 - £45,000	-	2
£45,001 - £50,000	5	2
£50,001 - £55,000	-	2
£60,001 - £65,000	3	4
£65,001 - £70,000	2	-
£70,001 - £75,000	-	1
£75,001 - £80,000	-	1
£85,001 - £90,000	1	1
£100,001 - £105,000	1	-
£125,001 - £130,000	-	1
£135,001 - £140,000	1	-
	13	14

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

	Group and College	
	2022	2021
	£'000	£'000
Salaries	811	894
Invoiced costs	66	-
Benefits in kind	5	5
National insurance	99	105
	981	1,004
Pension contributions	160	174
Total emoluments	1,141	1,178

BISHOP BURTON COLLEGE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

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	
	2022	2021
	£'000	£'000
Salaries	135	128
Benefits in kind	2	2
	<hr/>	<hr/>
	137	130
	<hr/>	<hr/>
Pension contributions	-	-
	<hr/>	<hr/>

The remuneration of the accounting officer for 2021-22 was determined on 10 December 2021 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 2022 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.

	2022	2021
	No	No
Basic salary as a multiple of median basic salary of staff	5.0	4.3
Total remuneration as a multiple of median total remuneration of staff	4.6	4.0

BISHOP BURTON COLLEGE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

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 £362 to 3 governors (2021: £85 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 (2021: None).

8 Other operating expenses

	2022		2021	
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Teaching costs	1,532	1,477	1,379	1,415
Non-teaching costs	4,952	4,872	3,986	3,920
Premises costs	2,908	2,913	2,527	2,509
Total	9,392	9,262	7,892	7,844

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

	2022		2021	
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Auditors' remuneration, excluding VAT:				
Financial statements audit	48	44	40	36
Other services provided by Financial statements auditors	26	21	11	7
Internal audit	18	18	12	12
Operating lease rentals – land and buildings	19	19	17	17
Operating lease rentals – plant and equipment	245	245	238	238

* The financial statements audit fee for the College is £44,000 (2021: £30,000).

9 Interest and other finance costs

	Group and College	
	2022	2021
	£'000	£'000
Bank loans	414	420
Net interest on defined pension liability (note 21)	247	195
Total	661	615

10 Taxation

	2022		2021	
	Group	Group	Group	College
	£'000	£'000	£'000	£'000
UK corporation tax at 19% (2021 - 19%) for subsidiary undertakings	-	-	-	-
Total taxation on surplus	-	-	-	-

BISHOP BURTON COLLEGE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11 Intangible fixed assets

Group and College

	Goodwill £'000	Total £'000
Cost		
At 1 August 2021 and 31 July 2022	814	814
Amortisation		
At 1 August 2021 and 31 July 2022	814	814
Carrying amount at 31 July 2022	-	-
Carrying amount at 31 July 2021	-	-

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

12 Tangible fixed assets

Group

	Long leasehold land £'000	Long leasehold buildings £'000	Freehold land and buildings £'000	Assets under construction £'000	Equipment £'000	Total £'000
Cost or valuation						
At 1 August 2021	2,739	1,735	99,055	564	8,667	112,760
Additions	-	-	-	1,510	-	1,510
Transfer	-	-	80	(1,374)	1,294	-
Disposals	-	-	-	-	(7)	(7)
At 31 July 2022	2,739	1,735	99,135	700	9,954	114,263
Depreciation						
At 1 August 2021	132	45	22,523	-	6,895	29,595
Charge for the year	22	45	1,897	-	511	2,475
On disposals	-	-	-	-	(7)	(7)
At 31 July 2022	154	90	24,420	-	7,399	32,063
Net book value						
At 31 July 2022	2,585	1,645	74,715	700	2,555	82,200
At 31 July 2021	2,607	1,690	76,532	564	1,772	83,165

BISHOP BURTON COLLEGE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12 Tangible fixed assets (continued)

College

	Long leasehold land £'000	Long leasehold buildings £'000	Freehold land and buildings £'000	Assets under construction £'000	Equipment £'000	Total £'000
Cost or valuation						
At 1 August 2021	2,739	1,735	99,205	556	8,626	112,861
Additions	-	-	-	1,559	-	1,559
Transfer	-	-	80	(1,415)	1,335	-
Disposals	-	-	-	-	(7)	(7)
At 31 July 2022	2,739	1,735	99,285	700	9,954	114,413
Depreciation						
At 1 August 2021	132	45	22,090	-	6,895	29,162
Charge for the year	22	45	1,897	-	511	2,475
On disposals	-	-	-	-	(7)	(7)
At 31 July 2022	154	90	23,987	-	7,399	31,630
Net book value						
At 31 July 2022	2,585	1,645	75,298	700	2,555	82,783
At 31 July 2021	2,607	1,690	77,115	556	1,731	83,699

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 (2021: £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 2022 is £19,159,000 (2021: £19,543,000). The depreciation charge for the year on these buildings is £384,000 (2021: £384,000).

BISHOP BURTON COLLEGE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13 Investments

	2022		2021	
	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 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

	2022		2021	
	Group £'000	College £'000	Group £'000	College £'000
Livestock and related other farm stocks	575	575	475	475
Other stocks	37	37	79	79
Total	612	612	554	554

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 2021	475
Increase from purchases	47
Decrease from sales	(342)
Changes in fair value of agricultural assets	395
Valuation at 31 July 2022	575

BISHOP BURTON COLLEGE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 Debtors

Amounts falling due within one year:

	2022		2021	
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Trade debtors	299	299	86	86
Other debtors	12	12	52	52
Amounts owed by group undertakings	-	15	-	138
Prepayments and accrued income	520	520	588	588
Amounts owed by the ESFA	101	101	87	87
Total	932	947	813	951

Trade debtors are stated inclusive of a bad debt provision of £269,000 (2021: £276,000).

16 Creditors: amounts falling due within one year

	2022		2021	
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Bank loans	834	834	687	687
Trade creditors	1,189	1,189	1,504	1,504
Other creditors	470	470	638	638
Other taxation and social security	300	300	243	243
Accruals and deferred income	1,549	1,549	1,499	1,499
Amounts owed to the ESFA	81	81	-	-
Government capital grants	1,075	1,075	1,015	1,015
Total	5,498	5,498	5,586	5,586

17 Creditors: amounts falling due after more than one year

	2022		2021	
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Bank loans	8,850	8,850	7,343	7,343
Government capital grants	25,202	25,202	25,397	25,397
Total	34,052	34,052	32,740	32,740

BISHOP BURTON COLLEGE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18 Maturity of debt

Bank loans

Bank loans are repayable as follows:

	2022		2021	
	Group	College	Group	College
	£'000	£'000	£'000	£'000
In one year or less	834	834	687	687
Between one and two years	860	860	714	714
Between two and five years	5,708	5,708	4,006	4,006
In five years or more	2,282	2,282	2,623	2,623
Total	9,684	9,684	8,030	8,030

Bank loans are repayable and are charged interest as follows:

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

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

19 Provisions for liabilities

Group and College

	Enhanced pension entitlements £'000	Total £'000
At 1 August 2021	24	24
Amounts utilised	(3)	(3)
Amounts in year credited to the Statement of Comprehensive Income	-	-
At 31 July 2022	21	21

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

The principal assumptions for this calculation are:

	2022	2021
	%	%
Price inflation	3.3	2.60
Discount rate	2.9	1.60

BISHOP BURTON COLLEGE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20 (a) Note to Statement of Cash Flows

	Group	
	2022	2021
	£'000	£'000
(Deficit)/surplus after tax for the year	(1,802)	36
Adjustments for:		
Depreciation	2,475	2,312
Investment income	(1)	-
Interest payable	661	615
Profit on disposal of tangible fixed assets	(1)	-
Decrease in provisions	(3)	(27)
Pension costs less contributions payable	1,735	1,106
Operating cash flow before movements in working capital	3,064	4,042
Increase in agricultural assets and other stocks	(58)	(81)
Increase in debtors	(119)	(70)
(Decrease)/increase in creditors	(430)	4,376
Cash generated from operations	2,457	8,267

(b) Analysis of changes in net debt

	At 1 August	Cash	At 31 July
	2021	flows	2022
	£000	£000	£000
Cash	4,047	2,189	6,236
Loans falling due within one year	(687)	(147)	(834)
Loans falling due after more than one year	(7,343)	(1,507)	(8,850)
Total	(3,983)	535	(3,448)

BISHOP BURTON COLLEGE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

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

	2022		2021	
	£'000	£'000	£'000	£'000
Teachers' Pension Scheme: contributions paid		912		935
East Riding Pension Fund:				
Contributions paid	1,327		1,203	
Deficit funding	65		68	
FRS 102 (28) charge	1,735		1,106	
Charge to the Statement of Comprehensive Income		3,127		2,377
Enhanced pension (credit)/charge to Statement of Comprehensive Income		-		(24)
Total Pension Cost for year within staff costs		4,039		3,288

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 £255,000 (2021: £243,000) 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 2022

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 2021-22 academic year, and currently through to July 2023.

The pension costs paid to TPS in the year amounted to £912,000 (2021: £935,000).

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

Local Government Pension Scheme

The ERPF is a funded defined-benefit plan, with the assets held in separate funds administered by Hymans Robertson LLP. The total contributions made for the year ended 31 July 2022 were £1,729,000, of which employer's contributions totalled £1,392,000 and employees' contributions totalled £337,000. 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 £73,000 has been agreed for the year ended 31 March 2023.

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2019 updated to 31 July 2022 by a qualified independent actuary.

	At 31 July 2022	At 31 July 2021
	%	%
Rate of increase in salaries	1.65	1.6
Rate of increase for pensions in payment/inflation**	2.7	2.8
Discount rate for scheme liabilities	3.5	1.6
Inflation assumption (CPI)**	2.7	2.8
Expected return on scheme assets at 31 July	4.0	2.1

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

** Includes current CPI experiences of 9.9%

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

BISHOP BURTON COLLEGE
FINANCIAL STATEMENTS
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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:

		At 31 July 2022	At 31 July 2021
<i>Retiring today</i>	Males	20.8 years	21.0 years
	Females	23.5 years	23.7 years
<i>Retiring in 20 years</i>	Males	22.0 years	22.2 years
	Females	25.3 years	25.5 years

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

	Fair Value at 31 July 2022 £'000	Fair Value at 31 July 2021 £'000
Equity instruments	27,357	23,831
Debt instruments	5,996	6,659
Property	3,747	3,855
Cash	375	701
Total fair value of plan assets	37,475	35,046
Actual return on plan assets	1,407	5,349

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

	2022 £'000	2021 £'000
Fair value of plan assets	37,475	35,046
Present value of plan liabilities	(35,659)	(49,581)
Present value of unfunded liabilities	(39)	(47)
Net pension liability	1,777	(14,582)

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

	2022 £'000	2021 £'000
Amounts included in staff costs		
Current service cost	(3,127)	(2,377)
Net interest on the net defined benefit pension liability	(247)	(195)
Total	(3,374)	(2,572)

BISHOP BURTON COLLEGE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21 Retirement benefits (continued)

Changes in the present value of defined benefit obligations

	2022	2021
	£'000	£'000
Defined benefit obligations at start of period	49,628	42,176
Current service cost	3,127	2,377
Interest cost	815	604
Contributions by scheme participants	337	305
Actuarial (gains)/losses	(17,502)	4,823
Benefits paid	(707)	(657)
Defined benefit obligations at the end of period	35,698	49,628

Changes in fair value of plan assets

	2022	2021
	£'000	£'000
Fair value of plan assets at start of period	35,046	28,778
Interest income	568	409
Return on plan assets (excluding net interest on the net defined benefit liability)	839	4,940
Employer contributions	1,392	1,271
Contributions by scheme participants	337	305
Benefits paid	(707)	(657)
Fair value of plan assets at end of period	37,475	35,046

22 Amounts disbursed as an agent

Leaner Support Funds

	Group and College	
	2022	2021
	£'000	£'000
Amounts brought forward	1	(72)
Funding body grants – hardship support	291	314
Funding body grants – residential bursaries	326	328
	618	570
Disbursed to students	(530)	(539)
Administration costs	(30)	(30)
Balance unspent / (overspent)	58	1

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.

23 Capital commitments

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

	2022		2021	
	Group	College	Group	College
	£'000	£'000	£'000	£'000
Commitments contracted for at 31 July	-	-	21	21

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

24 Commitments under operating leases

Group and College

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

	Land & Buildings		Other	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Not later than one year	36	6	208	150
Later than one year and not later than five years	134	92	316	91
Later than 5 years	67	72	-	-
	237	170	524	241

25 Access and participation expenditure – Group and College

	2022	2021
	£'000	£'000
Access investment	43	43
Financial support provided to students	103	116
Support for disabled students	58	75
Research and evaluation related to access and participation	20	20
Total access and participation expenditure	224	254

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

26 Related party transactions

Key management compensation disclosure is given in note 7.

Transactions with subsidiary

During the year the College purchased goods of £50,000 (2021 – £nil) from its subsidiaries. Gift aid of £261,000 (2021: £175,000) is due from its subsidiaries. There were amounts £15,000 (2021 – £138,000) owed by the subsidiaries at the reporting date.

27 Events after the reporting date

On 29 November 2022 the Office for National Statistics published its decision to reclassify the statutory further education sector into the central government sector. The government have confirmed that colleges will retain their surpluses and be able to carry them over from one year to the next, but the transfer to the public sector will mean that colleges will be subject to the public sector framework for financial management as set out in the Managing Public Money document published by HM Treasury. Under this framework the College will be unable to commercially refinance its debt due September 2024 amounting to £2.6m. The College will raise this debt issue with the DfE at the earliest opportunity.

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 2021 to 31 July 2022 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 2021 to 31 July 2022 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.

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 2021 to 31 July 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

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.

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)

Use of our report

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

RSM UK Audit LLP

RSM UK AUDIT LLP

Chartered Accountants

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Hull

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Date

15/12/2022