

# Consolidated Financial Statements for the year ended 31 July 2025



## Bishop Auckland College Group

Annual Report and Consolidated Financial Statements  
for the year ended 31 July 2025

# Bishop Auckland College Group

## CONTENTS

	<b>Page number</b>
Reference and administrative details	1
Strategic Report	3
Statement of Corporate Governance and Internal Control	18
Statement of Regularity, Propriety and Compliance	28
Statement of Responsibilities of the Members of the Corporation	29
Independent Auditor's Report to the Corporation of Bishop Auckland College	30
Independent Reporting Accountant's Report of Regularity	35
Consolidated Statement of Comprehensive Income and Expenditure	37
Consolidated and College Statement of Changes in Reserves	38
Balance Sheet	40
Consolidated Statement of Cash Flows	41
Notes to the Financial Statements	42

# Consolidated Financial Statements for the year ended 31 July 2025

## Reference and Administrative Details

### Board of Governors

Shaun Hope  
Mo Dixon (Chair)  
C Hutchinson (Vice Chair)  
K Ivory  
K Nielsen  
D Raymont  
J Allen  
M Andelin  
G McIntyre  
P Brennan  
S Harris  
P Lonergan (Chair) – resigned 13/12/2024  
M Hedley (student member)  
S Robson – resigned 30/11/2024  
S Peacock – resigned 31/10/2024  
M Dilukshan – resigned 14/02/2025  
P Topping – resigned 16/01/2025  
E Perry – resigned 21/03/2025  
P Petty – resigned 26/11/2025

### Clerk

Marie Nigrelli - from January 2025  
Ann Robinson Ruddock – resigned 31/12/2024

### Senior management team

Shaun Hope	-	Principal and Chief Executive
J Layfield	-	Vice Principal, Curriculum & Quality
L Heighton	-	Assistant Principal, Finance & Resources
A Chiswell	-	Assistant Principal, Business & Community

**Principal and registered office** – Woodhouse Lane, Bishop Auckland, County Durham, DL14 6JZ

# **Bishop Auckland College Group**

## **Professional advisors**

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

Armstrong Watson  
One Strawberry Lane  
Newcastle upon Tyne  
NE1 4BX

### Internal auditors:

Wbg  
168 Bath Street  
Glasgow  
G2 4TP

### Bankers:

Barclays Bank plc  
PO Box 378  
71 Grey Street  
Newcastle  
NE99 1JP

### Solicitors:

Muckle LLP  
Time Central  
32 Gallowgate  
Newcastle upon Tyne  
NE1 4BF

# Bishop Auckland College Group

## Bishop Auckland College Group

### Strategic report

#### OBJECTIVES AND STRATEGY

The Governing Body presents their annual report together with the financial statements and auditor's report for Bishop Auckland College for the year ended 31 July 2025.

#### Legal status

The Corporation was established under the Further and Higher Education Act 1992 for the purpose of governing Bishop Auckland College. The College is an exempt charity for the purposes of Part 3 of the Charities Act 2011. The annual report and financial statements represent the consolidated accounts of the Bishop Auckland College Group. The Group comprises the College and South West Durham Training, which is a wholly owned subsidiary of the College. The College registered with the Office for Students for the delivery of higher education on 10 June 2019.

#### Corporate Strategy 2024-2027

In the academic year 2024/25 the board continued to evolve to meet the changing demands of the college group, the further education sector and the wider community of south Durham. Vacancies on the board were filled by experts with background in human resources and community leadership, respectively – addressing areas of development from the annual skills matrix assessment. The vice-chair replaced the outgoing chairman with the board's longest-serving member assuming the role of vice-chair, demonstrating strength and continuity. All board members attended a variety of strategic updates led by the Principal, the Chair and external bodies on devolution, skills strategy and local and regional developments

In September 2024, a governor-led corporate strategy was launched that set the vision for the college group over the next three years. Focused on the 5 Ps of People, Place, Partnerships, Performance and Pounds, the strategy sets ambitious but achievable objectives across all aspects of the college group. The launch was followed by a series of internal and external events that detailed the role key stakeholders would play in the future of the group. At the July 2025 board meeting, Governors heard of the progress against the plan and the many successes that had been achieved such as the opening of a new part to the college estate the McIntyre Centre, the sale of unused assets and, most importantly, the many successes that students had achieved in their performance.

#### The Mission, Vision, Strategy and Objectives

The college mission is **Creating positive change through education and learning**. This is brought to life through a series of strategies, sub-strategies and robust processes of monitoring, review and development.

# Bishop Auckland College Group

## Strategic planning

### Corporate Strategy

Strategic Lead: Principal & CEO | Monitored by: Corporation Board | Review cycle: Annually

The Corporate Strategy is much more than a document, it is a vision for the longer-term future of the college group. The strategy sets clear intentions of what the college group aims to achieve (mission) and how it will get there (strategic priorities) whilst measuring the key indicators that will ensure that success (strategic results). Set, initially, for three years this strategy could be mistaken for 'moment in time' view of the future of the group. However, its relationship with the specialist sub-strategies and an ongoing ambition for improvement through regular monitoring and evaluation ensure the corporate strategy evolves to meet the demands and exploit the opportunities of an ever-changing sector.

### Specialist Sub-Strategies

Strategic Lead: Executive | Monitored by: Board committees | Review cycle: Annually

There are 5 key sub-strategies: Curriculum & Skills, Teaching, Learning & Assessment, Estates & Sustainability and Workforce Development. These sub-strategies complement the breadth of work across the whole group, whilst the final sub-strategy: South West Durham Training focuses on the unique challenges and opportunities in the group's specialist engineering and manufacturing training centre.

Each of the five specialist sub-strategies are aligned to the corporate strategy's key areas: people, place, partnerships, performance and pounds.

### Strategic review

Annual Strategic Plan & Annual Impact Report

Strategic Lead: Executive | Monitored by: Corporation Board | Review cycle: Annually

Whilst the 3-year strategies set a vision for the college group and their respective specialisms the annual strategic plan (see appendix 1) brings these together into a more detailed 12 month focus on the expected objectives and key results (OKRs).

Throughout each academic year, the corporation board receive termly updates on performance against key performance indicators (KPIs) that culminate in an annual impact report to evidence progress and provide an interim evaluation tool for future strategic planning.

### The 5 key themes

We navigate our own complex, ever-changing sector whilst serving the education and skills needs of a multitude of other complex sectors. Therefore, we could be forgiven for being caught up in these complexities when specialising to improve. However, it is essential we remain focused on what is most important. We do that through our 5Ps of people, place, partnerships, performance and pounds. More specifically, if we focus our inputs on the people, place and partnerships we will achieve the outputs of performance and pounds.

# Bishop Auckland College Group

## Strategic Priorities

### People

To invest and develop a high-quality workforce for now and the future.

### Place

To be the destination of choice for the people of south Durham. Creating a safe, inclusive environment that makes a positive impact to our planet.

### Partnerships

To work collaboratively with organisations, communities and industries to deliver an employer led, learner centred curriculum that creates transformational opportunities.

## Strategic Results

### Performance

To deliver outstanding teaching, learning and assessment that enables positive progression for all learners.

### Pounds

To be financially sustainable to drive investment in our staff and our facilities.

## Resources

The Group has various resources that it can deploy in pursuit of its mission and strategic objectives. The Group employs 198 people (expressed as full-time equivalents), of whom 155 are teaching staff.

The Group enrolled approximately 2220 students. The Group's student population includes 48 direct funded 14-16-year-old students, 818 16-18-year-old students, 98 new apprentices, 196 higher education students.

The Group has £5.338m of net assets (and £98k of pension liability) and no long-term debt. Tangible resources include the main college site and South West Durham Training in Newton Aycliffe and £3.971m held in current assets.

The Group continues to build a good reputation locally and regionally, as demonstrated by positive feedback from stakeholders. Maintaining a quality brand is essential for the Group's success at attracting students and maintaining positive and productive relationships with a range of external stakeholders.

## Stakeholders

The College has many stakeholders including:

- its current, future and former students
- its staff and recognised trade unions
- the employers and employer bodies it works with
- the professional organisations in relevant industry sectors
- its partner schools and universities
- the wider community

## Bishop Auckland College Group

- Local authority influence, Durham County Council. DCC leads the County Durham Inclusive Economic Strategy 2022-2025, shaping the local economy, investment and education alignment,
- Regional influences, the North East Combined Authority (NECA) – role of regional governance partnership, coordinating strategic economic development and transport planning. NECA works with government on devolution deals and regional funding streams.
- Other regional influences:
  - Local Strategic Improvement Plan (LSIP), set the roadmap for aligning education provision with regional employer needs. North East Combined Authority (NECA)
- Organisations engaged in the regeneration of Bishop Auckland, including Durham County Council, The Auckland Project (TAP) and Stronger Towns Board and NECA

The Bishop Auckland College Group is an outward-facing organisation that recognises the critical importance of collaboration. Business planning is strongly influenced by our connections with Durham County Council at the local authority level and NECA at the regional and government agencies such as DfE and DWP at national level. Employer engagement lies at the heart of our work and each year the Bishop Auckland College Group works with around 300+ employers, both large employers and SMEs. We are particularly proud of our role as a key partner in the regeneration of Bishop Auckland and south Durham, and here our relationships with business and community organisations are fundamental in helping to leverage the benefits of our collective work.

### Public Benefit

Bishop Auckland 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 serve as trustees of the charity, are listed on page 1. In setting and reviewing the Group's strategic objectives, the Governing Body has had due regard to the Charity Commission's guidance on public benefit, particularly its supplementary guidance on the advancement of education.

In 2024/25, the College Group delivered clear public benefit through the advancement of education to over 2000 students, including 55 with high needs. The College provides free courses to young people, unemployed adults, and those studying English and Maths. It also delivered training to 146 apprentices, aligning its curriculum with the needs of local employers. The Group is committed to inclusive education, offering tailored information, advice, and guidance to help students access suitable courses regardless of their background.

The College's mission extends beyond education to broader social and economic impact. It works with over 300 employers annually—ranging from SMEs to large organisations—ensuring that its provision supports workforce development and regional growth. Employer engagement is central to its planning and delivery.

Through these efforts, Bishop Auckland College continues to deliver meaningful public benefit—advancing education, supporting economic inclusion, and strengthening its community.

### Developments and Performance

The Bishop Auckland College Group has delivered a year of strategic progress and financial consolidation, underpinned by key developments and a robust planning framework.

# Bishop Auckland College Group

## Financial Review

In 2024/25 the Group generated a pre-pension deficit of £426,106 and a post pension deficit before other gains and losses of £101,917 (2023/24: £1.152m losses), with total comprehensive income of £709k. These results reflect both operational performance and the impact of significant one-off events. Notably, the sale of the Spennymoor Campus in December 2024 to Durham County Council for £4.75m (plus £750k overage) triggered an impairment charge of £666k, recognised in the 2023/24 accounts. Additionally, the repayment of the College's commercial loan in January 2025—totalling £4.084m - marked a major milestone, leaving the Group loan and covenant free. The board took the difficult decision to close the College Nursery after a period of sustained losses and significant decline in use by students.

## Strategic Decisions and Financial Sustainability

Over the past two financial years, Bishop Auckland College Group has taken decisive action to strengthen its financial position and secure a stable foundation for future growth. These strategic decisions include:

- A targeted organisational restructure to improve efficiency and align resources with core priorities
- The sale of the Spennymoor Campus to Durham County Council, releasing capital for reinvestment
- The full repayment of the commercial loan, removing debt obligations and covenant restrictions
- The closure of the College nursery, following a thorough consultation process, to refocus resources on core educational delivery

Together, these measures have significantly improved the Group's financial resilience. By reducing liabilities, streamlining operations, and unlocking capital, the College is now better positioned to invest in its strategic priorities—supporting student success, staff development, and sustainable growth. These decisions reflect a commitment to long-term stability and ensure that Bishop Auckland College can continue to deliver high-quality education while adapting to future opportunities and challenges.

A key development in 2024/25 was the opening of the McIntyre Centre, a Stronger Towns Funded facility in the town centre. This hub delivers adult education in English, maths, ESOL, and digital skills, alongside a hospitality and tourism offer in its café/restaurant. The Centre is closely aligned with the regeneration of Bishop Auckland and the growth of the local visitor economy, led by strategic partner The Auckland Project

## Reserves

The Group has accumulated reserves of £5.338m and cash and short-term investment balances of £2.347m. The Group wishes to continue to accumulate reserves and cash balances in order to create a contingency fund to meet future capital requirements and investment in growth strategies.

## Sources of income

The group has significant reliance on the education sector funding bodies for its principal funding source, largely from recurrent grants. In 2024/25, DfE provided 51% of the group's total income.

## Group companies

## Bishop Auckland College Group

South West Durham Training Limited (SWDT) is a wholly owned subsidiary of Bishop Auckland College. The main business of all elements of the Bishop Auckland Group is the provision of education. The accounts for SWDT are consolidated into the Group accounts and in the 2024/25 year achieved a deficit of £84k (2023/24: £43k).

All expenditure incurred during the year was through activity carried out by Group's employees or procured through the Group's normal business.

### Future Prospects

Bishop Auckland College Group enters the 2025/26 financial year with a clear strategic focus and a robust three-year financial plan designed to support long-term academic and business objectives. The plan is built on curriculum-led growth, confirmed funding allocations, and a commitment to financial sustainability.

Student recruitment remains a key priority, with projected growth in 16–18 study programmes, HE programmes and apprenticeships. While funding for 16–18 growth may be deferred due to Department for Education payment structures, apprenticeship and HE growth is uncapped, allowing for immediate financial recognition and supporting in-year performance. The College continues to refine its curriculum offer to respond to employer demand, qualification reform, and regional skills priorities.

The Group's financial strategy is shaped by a complex and evolving funding landscape. Flat-cash allocations, rising inflation since 2021, and increased staffing costs—including national insurance and wage pressures—present ongoing challenges. In addition, competition for students and lower-than-expected recruitment in key subject areas require agile planning and targeted marketing efforts.

While the 2024/25 financial results may benefit from short-term savings due to staff vacancies and early capital grant payments, the 2025/26 budget reflects a more cautious outlook. Key risks include:

- Funding volatility, particularly delayed payments for 16–18 growth and changes to adult skills budgets
- Economic pressures, including inflation and operational cost increases
- Workforce planning, in response to rising staff turnover and pay-related costs
- Infrastructure demands, with continued investment needed in aging buildings

To mitigate these risks, the College Group will maintain financial flexibility, pursue cost efficiencies, and invest strategically in high-growth areas such as apprenticeships and digital innovation. The capital investment strategy will continue to prioritise resource optimisation and accommodation enhancements to support curriculum delivery and future expansion.

The College's Corporate Strategy—anchored in People, Place, and Partnership—provides a strong foundation for managed growth. By aligning financial planning with strategic priorities, Bishop Auckland College is well-positioned to navigate sector challenges, deliver high-quality education, and create lasting impact for learners, employers, and the wider community.

### Future Developments

Bishop Auckland College is entering 2025/26 with strong momentum and a clear strategy for growth, resilience, and regional impact. The College Group's three-year financial plan, underpinned by the Q3 forecast presented to the Board in June 2025, provides a structured framework for sustainability and expansion. With key funding sources confirmed, the plan offers greater income assurance and supports strategic investment in curriculum development, apprenticeships, and digital innovation.

## Bishop Auckland College Group

Applications for 2025/26 are strong, with assured growth across young people, adults, apprenticeships, and higher education. This follows a successful 2024/25 year in which education funding streams were re-based to the College's core business, and project-funded programmes concluded. The College increased its market share of young learners and secured in-year growth funding, while both higher education and apprenticeships saw notable expansion.

The College's Curriculum and Skills Strategy remain tightly aligned to local, regional, and national priorities. Health, manufacturing and engineering, and construction continue to be the principal employment sectors in the area, and they represent the largest proportion of enrolments across a wide range of qualifications—from foundation level to master's degrees. Achievement rates are among the best nationally for apprenticeships, and a high proportion of HE students graduate with first-class honours.

Following the devolution of adult skills funding to the North East Combined Authority (NECA), the College worked collaboratively to co-design and deliver employer-responsive programmes with significant success. NECA continues to be a strong supporter of the College Group's work. The College also received a full Ofsted inspection in December 2024, confirming its self-assessment and awarding a Good overall judgement, with Outstanding ratings for High Needs and Personal Development. The relentless focus on improving teaching, learning, and assessment remains central to the College's mission.

Looking ahead, the College's growth strategy is built on four key priorities:

- Expanding Apprenticeships, Higher Education, and Employer-Led Curriculum
- Building Strategic Employer Partnerships
- Supporting Regional Economic Priorities
- Strengthening Community Connections

These priorities are supported by deepening relationships with schools, Jobcentre Plus, and community organisations to widen participation and reach those most in need of skills support. The McIntyre Centre plays a pivotal role in this outreach.

Despite a positive outlook, the College remains vigilant in managing key risks, including:

- Funding uncertainties and delayed payments for 16–18 growth
- Inflation and rising operational costs
- Staffing pressures, including turnover and wage inflation
- Infrastructure demands requiring ongoing investment

To mitigate these challenges, the College will maintain financial flexibility, optimise resources, and invest strategically in high-growth areas. The capital investment strategy ensures accommodation and resources are aligned with future expansion needs.

Through proactive planning, strong partnerships, and a commitment to excellence, Bishop Auckland College is well-positioned to deliver on its strategic priorities and remain a leading provider in the region.

# Bishop Auckland College Group

## Capital Planning

Bishop Auckland College continues to take a strategic and forward-looking approach to capital investment, ensuring that facilities and infrastructure are aligned with current growth and future expansion.

In 2024/25, the College commissioned a specialist company to develop a comprehensive Estates Master Plan, which is now in place and ready to guide future developments as additional capital grant funding becomes available. This plan provides a structured framework for prioritising investment, enhancing learning environments, and supporting long-term strategic objectives.

The College currently holds capital grant funding, which is being actively invested in key areas. This includes the development and expansion of the canteen, designed to accommodate increased learner numbers and future-proof the space for continued growth. Additionally, the main entrance is undergoing modernisation, with the installation of a new barrier system to enhance safety and safeguarding for students, staff, and visitors.

Significant capital investment has also been made in curriculum areas, with upgrades and enhancements across construction, esports, and hair & beauty. These developments support the delivery of high-quality, industry-relevant education and ensure that learners have access to modern, well-equipped facilities.

Through careful planning and targeted investment, Bishop Auckland College is building the capacity and infrastructure needed to support its strategic priorities, improve learner experience, and remain responsive to regional skills needs.

## Financial plan

The 2024/25 financial plan was based on the Q3 forecast approved by the Corporate board at the June 2025 meeting. The 2025/26 projection builds on curriculum planning informed by confirmed funding allocations and the Group's business strategy, providing greater income assurance. Growth in 16–18 study programmes and apprenticeships is central to the plan. While funding for 16–18 growth may be deferred due to DfE payment structures, in-year apprenticeship growth is uncapped, allowing for immediate financial recognition.

This three-year financial plan is critical to ensuring stability, sustainability, and long-term growth. It outlines clear financial projections, strategic priorities, and funding expectations, serving as a framework for responsible budgeting and investment. It supports key initiatives including curriculum development, apprenticeships, and digital innovation.

## Treasury policies and objectives

The College has treasury management arrangements in place to manage cash flows, banking arrangements and the risks associated with those activities. All borrowing requires the authorisation of the DfE and Corporation.

## Reserves

The organisation will maintain a level of reserves that:

- Provides financial stability and operational continuity

## Bishop Auckland College Group

- Enables investment in strategic priorities
- Protects against fluctuations in funding or learner numbers
- Supports compliance with legal and regulatory obligations

The Group 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 Group's core activities. As at the balance sheet date the Income and Expenditure reserve stands at £3,155 (2024: £2.138m). It is the Corporation's intention to increase reserves over the life of the strategic plan through the generation of annual operating surpluses.

### Principle Risks and Uncertainties

#### Risk management

The College has well developed strategies for managing risk and strives to embed risk management in all that it does. Risk management processes are designed to protect its assets, reputation and financial stability. The Governing Body has overall responsibility for risk management and its approach to managing risks and internal controls is explained in the Statement on Corporate Governance.

A risk register is maintained at the College level which is reviewed termly by the Audit Committee. 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.

There are 5 main risk factors which are outlined below that are affecting the College Group along with the action taken to minimise the most critical. Not all the factors are within the College's control.

# Bishop Auckland College Group

Strategic Priority	Risk	Consequences of risk occurring
Pounds	College Group entities fail to meet recruitment, income and contribution levels agreed at business planning stage annually and respond to the changing academic and economic environment. 1) SWDT, 2) Durham Gateway, 3) Nursery, 4) McIntyres, 5) BAC	<ul style="list-style-type: none"> <li>* Recruitment and funding targets not achieved resulting in reduced income</li> <li>* Reduced offer for students</li> <li>* Risk to financial health</li> <li>* Risk of job loss</li> <li>* Threat to continuation of business</li> <li>* Failure to serve the needs of students, employers and other stakeholders</li> <li>* Adverse financial impact</li> <li>* Reputational damage</li> <li>* Loss of confidence by bank and funding bodies</li> <li>* Risk of take over</li> <li>*Growth expectations not achieved</li> </ul>
Performance	The quality of education including achievement rates and behaviour and attitudes for all student types does not meet either the College standards or those set out by external assurance bodies adversely affecting reputation and recruitment	<ul style="list-style-type: none"> <li>* Poor Ofsted grading</li> <li>* Inadequate employability prospects</li> <li>* Would lead to budgetary constraints and possible re-structure of staffing</li> <li>* Negative impact on recruitment</li> <li>* Declining funding</li> <li>*Restriction in accessing specific funding streams</li> <li>*Reputational damage</li> <li>*Non-achievement of financial targets</li> <li>*Students develop knowledge, skills and behaviours which impacts on their future progression</li> </ul>
People	Failure to create a highly satisfied staff and student body. Failure to invest in human resources lead to difficulties in recruiting and retaining both staff and students Failure to comply with statutory obligations for safeguarding, GDPR etc which lead to reputational damage and possible legal action	<ul style="list-style-type: none"> <li>*Reduction of quality of service in support areas</li> <li>*Inability to deliver some qualifications</li> <li>*Inability to provide consistently high levels of service throughout the year</li> <li>*Increased cost of training</li> <li>* Poor reputation</li> <li>*Could lead to potential physical or mental harm to students and staff</li> <li>*Reduction of Quality of Teaching</li>   <li>*Intervention by regulatory bodies</li> <li>*Subsequent criminal / legal implications</li> <li>* Financial Penalties</li>   <li>* Loss of trust from customers</li> <li>* Loss of business</li> <li>* Enforcement action from the ICO</li> <li>* Risk to the individuals rights and freedoms of the data subject</li> <li>* Data loss</li> <li>* Not able to operate as viable business</li> </ul>
Partnerships	Failure to respond to and anticipate local stakeholder and partnership needs may result in a curriculum that is not fit for purpose. Failure to work collaboratively with stakeholders may negatively impact growth, reputation and development opportunities	<ul style="list-style-type: none"> <li>* Failure to provide a curriculum that meets skills needs</li> <li>*Failure to meet growth targets</li> <li>*Reputational damage</li> <li>*Failure to meet income targets</li> </ul>
Place	Failure to invest in physical resources adhere to group policies and codes of practice may lead to increased financial burden, non-compliance, risk to life and difficulty to compete with other providers; failure to invest and innovate IT may result in vulnerability to cyber attacks and technology which doesn't compare well with competitors and industry standards	<ul style="list-style-type: none"> <li>* Loss or failure of business critical IT applications/ systems</li> <li>* Negative impact on College reputation</li> <li>* Loss of data or data breach</li> <li>* Failure to comply with statutory obligations leading to breach of contracts</li> <li>*College Group unable to carry out business as usual</li> <li>* Financial Penalties</li> <li>* Reputational damage</li> <li>* Loss of trust from customers</li> <li>* Loss of business</li> <li>* Enforcement action from the ICO</li> <li>* Risk to the individuals rights and freedoms of the data subject</li> <li>* Not able to operate as viable business</li> <li>* Risk to life</li> <li>* Risk to premises and equipment</li> <li>*Enforcement action from HSE for H&amp;S/compliance</li> </ul>

# Bishop Auckland College Group

## Key Performance Indicators

The College key performance indicators, targets and results are set out below.

Key Performance Indicator	Measure/Target	Actual for 2024/25
16-18 Student number targets	681	749
Employer Satisfaction	95% +	98%
Ofsted rating	Good	Good
Staff satisfaction (via survey)	99%	99%
EBITDA	=>4%	1%
Surplus	>3% of income	-2.79%
Financial health score	Good or better	Good

The college is committed to benchmarking its performance against a range of sector measures and indicators. National benchmarking information such as the FE choices data available on the gov.uk website, and also Department for Education college performance data, is referenced extensively in order to underpin judgements about the performance of the College and to inform future plans. The college is required to complete the annual finance record for the Department for Education (DfE). The college is assessed by the DfE as having “Good” financial health grading.

## Student achievements

Students continue to prosper at the College. Headline classroom learning achievement rates at 85.6% for young people and 93.1% for adults. For SWDT there was a slight decline to 87.1% in 2024/25 from 96.9% in 2023/24. Apprenticeship achievement rates have remained strong for the College, with an overall achievement rate of 78.9% (2023/24 73.5%). SWDT apprenticeship headline achievement rates increased to 62.7% following the impact of apprentices losing their jobs during the pandemic. The College underwent a full Ofsted inspection in November 2024 and was graded ‘Good’. SWDT underwent a full Ofsted inspection in March 2023 and was graded ‘Good’.

## Payment Performance

The Late Payment of Commercial Debts (Interest) Act 1998, in the absence of agreement to the contrary, requires organisations to make payments within 30 days. During the accounting period 1 August 2024 to 31 July 2025, the College paid 99.5 per cent of its invoices within 30 days. The College incurred no interest charges in respect of late payment for this period.

## Streamlined Energy and Carbon Reporting

The Group is committed to reducing its carbon emissions and has taken the following measures in the year to improve energy efficiency.

- The installation of solar panels in February 2024 on the main campus.
- Installation of LED and emergency lighting at BAC and SWDT sites.
- Negotiations with food suppliers re: sustainable options
- Rewilding of areas of college estate to increase biodiversity

## Bishop Auckland College Group

- Further development of gardens for horticulture curriculum (high needs) – intention to supply products to catering service
- Development of a Forrest School for Early Years curriculum and Nursery.

The Group’s greenhouse gas emissions and energy use for the period calculated in line with the 2019 HM Government Environmental Reporting Guidelines, the GHG Reporting Protocols – Corporate Standard and 2025 UK Government’s Conversion Factors for Company Reporting are as follows:

<b>UK Greenhouse gas emissions and energy use data</b>	<b>2024 -5</b>
Energy consumption used to calculate emissions (kWh)	£460k
<u>Scope 1 emissions in metric tonnes CO2e</u>	
Gas consumption	297
Owned transport	Not known
Total	297
<u>Scope 2 emissions in metric tonnes CO2e</u>	
Purchased electricity	149.8

### 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.

Numbers of employees who were relevant period		FTE employee number
2		1.6
Percentage of time	Number of employees	
0%		
1-50%	2	
51-99%		
100%		
Total cost of facility time		£1.9
Total pay bill		£9.2m
Percentage of total bill spent on facility		0.02%
Time spent on paid trade union activities as a percentage of total paid facility time		10%

### Equality & Diversity

#### Equality, Diversity and Inclusion Statement

The Bishop Auckland College Group is committed to fostering an inclusive, equitable and respectful environment for all learners, staff, and stakeholders. This commitment is embedded in our mission, vision and values, and underpins every aspect of our work.

We celebrate and positively value diversity across all protected characteristics, including age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief,

## Bishop Auckland College Group

sex, and sexual orientation. We also recognise intersectionality and the importance of creating a culture where everyone feels they belong.

We actively challenge discrimination, remove barriers to participation and success, and promote equity through inclusive practices, policies and curriculum design. We believe that diversity enriches our community and strengthens our ability to prepare learners for life and work in a diverse society.

### **Governance and Accountability**

The Group's Equality, Diversity and Inclusion Policy is published on our website and is resourced, implemented and reviewed annually.

The Single Equality Scheme and associated Annual Action Plan guide our strategic approach to EDI and are monitored by the Equality, Diversity and Inclusion Working Group, with oversight from the Corporate Board.

The Principal/Chief Executive holds overall responsibility for ensuring the effective implementation of EDI across the Group, including our subsidiary, South West Durham Training.

### **Equality Objectives**

Aligned with the AoC Equity, Diversity and Inclusion Charter, our current objectives are:

#### Embed EDI into Leadership and Governance

- Monitor progress against objectives and publish annual impact reports

#### Empower Staff to Champion EDI

- Deliver mandatory and specialist CPD covering topics such as anti-racism, antisemitism, neurodiversity, mental health, and inclusive teaching
- Promote inclusive recruitment and progression practices

#### Create an Inclusive Learning Environment

- Provide safe spaces and support networks, including for LGBTQI+ students
- Revise curriculum pathways for high needs learners, with investment in practical learning environments such as horticulture

#### Advance Equity in Learner Outcomes

- Continue to monitor representation, retention and achievement across learner groups
- Continue with targeted interventions through the Student Progression Team, especially for disadvantaged learners and those with EHCPs

#### Challenge Stereotypes and Promote Representation

- Develop inclusive marketing materials and outreach programmes
- Promote gender diversity in STEM and vocational sectors through school partnerships

#### Engage Stakeholders in EDI Planning

- Consult learners, staff and community partners to shape priorities
- Conduct equality impact assessments on all new and existing policies

#### Support Disability Inclusion

- Maintain our status as a 'Disability Confident' employer
- Ensure reasonable adjustments, inclusive recruitment, and career development for disabled staff

# Bishop Auckland College Group

## Reporting and Compliance

- The Group publishes an Annual EDI Report in line with the Equality Act 2010 and the Public Sector Equality Duty.
- We undertake Equality Impact Assessments on all new policies and prioritised reviews of existing procedures.
- We track and report progress against our objectives and share outcomes with stakeholders

## Gender pay gap reporting

	Year ending 31 March 2025
Mean gender pay gap	6.4%
Median gender pay gap	5.7%
Mean bonus gender pay gap	0%
Median gender bonus gap	0%
Proportion of males/females receiving a bonus	0%

The proportion of males and females in each quartile of the pay distribution are:

	Males	Females
1 - Lower quartile	21%	79%
2	30%	70%
3	37%	63%
4 – Upper quartile	31%	69%

The college publishes its annual gender pay gap report on its website.

## Disability statement

The Group seeks to achieve the objectives set down in the Equality Act 2010:

- As part of its accommodation strategy the College updated its access audit. Experts in this field conducted a full access audit during 2008/09, and the results of this formed the basis of funding capital projects aimed at improving access. This has since been reviewed and further work carried out.
- The Group has a Learning Support Co-ordinator, who provides information, advice and arranges support where necessary for students with disabilities.
- The Group has specialist equipment to help students with disabilities.
- The Group has an admissions policy for all students. Appeals against a decision not to offer a place are dealt with under the complaints policy.
- The Group has study support tutors to support students with learning difficulties and/or disabilities. The team of Learning Support Assistants 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.
- Group courses are described in group prospectuses and are available in various formats. Achievements and destinations are recorded and analysed in relation to all students.
- Counselling & welfare services are described in the Group Student Handbook, which is held on the virtual learning platform, Moodle and discussed with students at induction.

# Bishop Auckland College Group

## Going concern

The Bishop Auckland College Group has prepared and submitted its three-year financial plan to the Department for Education (DfE) as part of the College Financial Forecast Return (CFFR), covering the years 2024/25 to 2026/27. This plan includes detailed projections of income and expenditure, balance sheets, capital investment, and cash flow, and is aligned with the Group's strategic priorities and curriculum planning.

The 2024/25 forecast was based on the Q3 position presented to the Board in June 2025, with subsequent years informed by confirmed funding allocations and strategic growth in 16–18 study programmes and apprenticeships. While funding for 16–18 growth may be deferred due to DfE payment structures, apprenticeship growth is uncapped and provides immediate financial benefit.

The Group has taken significant steps to strengthen its financial position, including the sale of the Spennymoor Campus in December 2024 and full repayment of its commercial loan in January 2025. These actions have removed covenant obligations and improved liquidity. The Group made the difficult decision to close the College Nursery after a period of consultation.

Despite a forecast deficit of (£447,079) for 2024/25—largely due to delayed growth funding and increased staffing costs—the Group projects surpluses of £272,588 in 2025/26 and £479,662 in 2026/27. The financial plan supports continued investment in curriculum development, infrastructure, and learner progression, with capital strategies aligned to long-term sustainability.

Key risks include funding volatility, inflationary pressures, rising staffing costs, and infrastructure demands. These are actively mitigated through financial flexibility, cost efficiency reviews, and targeted investment in high-growth areas.

Based on current forecasts, strategic planning, and risk management, the Corporate Board is satisfied that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

## Events After the Reporting Period

There were no significant post balance sheet events.

## 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 4<sup>th</sup> December and signed on its behalf by:



Mo Dixon  
Chair

# Bishop Auckland College Group

## 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<sup>st</sup> August 2024 to 31<sup>st</sup> July 2025 and up to the date of approval of the annual report and financial statements.

The College endeavours to conduct its business:

1. in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership);
2. in full accordance with the guidance to colleges from the FE code of good governance (“the Code”).

In the opinion of the Governors, the Group complies with all the provisions of the Code, and it has complied throughout the year ended 31 July 2025. This opinion is based on an internal review of compliance with the Code/Governance Evaluation reported to the Board in December 2025. This external review was undertaken by Wbg. The Governing Body recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times. In carrying out its responsibilities, it takes full account of The Code of Good Governance for English Colleges issued by the Association of Colleges in 2023, which it formally adopted in December 2024

In carrying out its responsibilities, the Governing Body takes full account of The Code of Good Governance for English Colleges issued by the Association of Colleges, which it formally adopted on 13 July 2015. In the opinion of the Governors, the College complies with the provisions of the current Code, and it has complied throughout the year ended 31 July 2025. This opinion is based on regular internal reviews of compliance with the Code.

### The Corporation

The members who served on the Corporation during the year and up to the date of signature of this report were as listed in the table below.

	Date of appointment/ re-election	Term of office (years)	Date of resignation /end of service	Status of appointment	Committees served	Attendance in 2024/25 - %
Christopher Hutchinson	09/12/2019 10/12/2023	4 4	N/A	Independent member	Vice Chair of Corporation Search & Governance Resources Remuneration	100%
Patrick Lonergan	13/07/2021	4	13/12/2024	Independent member	Chair of Corporation	100%

## Bishop Auckland College Group

					Chair of Search & Governance Remuneration	
Steven Robson	30/11/2020	4	30/11/2024	Independent member	Search & Governance Audit (interim)	N/A
Simon Peacock	01/11/2022 01/11/2023	1 1	31/10/2024	Student Member	N/A	N/A
Keith Ivory	08/10/2021	4	N/A	Independent member	SWDT (Chair)	100%
Kim Nielsen	12/12/2022	4	N/A	Independent member	Search & Governance Remuneration Audit	100%
Manohoran Dilukshan	09/11/2023	4	14/02/2025	Independent member	Audit Resources Curriculum & Quality	17%
Shaun Hope	05/02/2024	N/A	N/A	Principal/Chief Executive	Resources Search & Governance Curriculum & Quality SWDT Exec Council	100%
Mo Dixon	20/02/2024	4	N/A	Independent Member	Chair of Corporation Audit Search & Governance (Chair) Curriculum & Quality (Chair) Remuneration	100%
Peter Topping	04/03/2024	4	16/01/2025	Independent Member	Resources (Chair) Audit	50%

## Bishop Auckland College Group

Edward Perry	13/02/2024	4	21/03/2025	Independent Member	Audit Remuneration	100%
Dominic Raymont	27/03/2024	4	N/A	Independent Member	Audit (Chair) Search & Governance Remuneration (Chair)	100%
Joy Allen	27/02/2024	4	N/A	Independent Member	Curriculum & Quality Resource	50%
Michelle Andelin	11/03/2024	2	N/A	Staff member	Curriculum & Quality Resources – temporary	100%
Pamela Petty	11/10/2023	N/A	N/A	Interim Independent Member	Resources	58%
Gavin McIntyre	09/08/2024	4	N/A	Independent Member	Curriculum & Quality	100%
Matthew Hedley	01/11/2024	2	N/A	Student Member	Curriculum & Quality Resources – temporary	75%
Paul Brennan	09/07/2025	4	N/A	Independent Member	N/A	100%
Sarah Harris	09/07/2025	4	N/A	Independent Member	N/A	100%
<b>Clerk to Corporation (not member)</b>						
Marie Nigrelli	06/01/2025	N/A	N/A	N/A	N/A	N/A

### The governance framework

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

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

## **Bishop Auckland College Group**

capital expenditure; quality matters; environmental issues; and personnel-related matters such as staff turnover and health and safety. The Corporation meets at least once each term. In 2024/25 there were 4 Board meetings plus one Board strategic planning day that took place ahead of the year commencing.

The Corporation conducts its business through a number of committees. Each committee has terms of reference, which have been approved by the Corporation. The regular committees are Audit, Search & Governance, Resources and Curriculum & Quality. In addition, meetings of the Remuneration, Appeals, Appointments and Special Committees are called as required. Full minutes of all meetings, except those deemed to be confidential by the Corporation, are available from the Clerk to the Corporation at the College's registered address.

The Clerk to the Corporation maintains a register of financial and personal interests of the governors. The register is available for inspection at Bishop Auckland College, Woodhouse Lane, Bishop Auckland, DL14 6JZ.

All governors are able to take independent professional advice in furtherance of their duties, at the College's expense. Governors 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. Additional briefings are 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 the roles of the Chair and Accounting Officer are separate.

### **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 Search & Governance Committee, consisting of four 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. In accordance with the recommendation in the AOC FE code of good governance, no more than two terms of four years of office (or eight years) are normally served by members.

### **Corporation performance**

The Corporation was subject to a full External Governance Review at the end of 2023 into Spring of 2024 conducted by Chris Jones, who is a former member of the FE Commissioner's team, as well as a former principal and finance director within FE. The review included this included observation of the

## Bishop Auckland College Group

October-23 Resources Committee and December-23 Board meeting. All recommendations put forward by the review have been actioned and are either complete or part-complete.

An internal audit of the Corporate Board by Wpg took place in July 2024 and the outcome was “Strong”, the highest score which can be achieved. The minor recommendations resulting from this review were acted upon and will be completed during Autumn Term 2024.

Board development activities (including clerk) during the 2024/25 year included pre-meeting training sessions. In addition, a strategy day in October 2025 included a range of external speakers such as:

- Policy and funding updates from the Association of Colleges

A further strategic planning day is scheduled for October 2024 in preparation for the launch of the College Group’s new three-year strategic plan due to be launched in early November.

Consideration has also been given to the extent to which committees have met their terms of reference and remain fit for purpose. The Resources Committee and Curriculum and Quality Committee were re-introduced from the start of the 2019/20 academic year. The rationale for this change was to facilitate an increased focus on both the financial performance of the College and quality improvement. In practice, governors have found that the new model allows more extensive time for in-depth discussion, scrutiny and challenge of all aspects of College activity, and also that they are able to build expertise in their committee remits. It is the view of Corporate Board that both of the new committees continue to be effective in discharging their duties.

### **Remuneration Committee**

Throughout the year ending 31 July 2025 the College’s Remuneration Committee comprised three members of the Corporation; 1 meeting was held. 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.

Details of remuneration for the year ended 31 July 2025 are set out in note 8 to the financial statements.

### **Search & Governance Committee**

Throughout the year ended 31 July 2025, the Search & Governance Committee comprised 5 members of the Corporation and 3 Meetings were held.

The Search and Governance Committee performs the key role of promoting interest in governance positions and considering applications for membership. Applications are sourced either via responses to open advertisements (e.g. via local newspapers, social media and the College website), using the DfE service for recruiting Board Members or through a search for specific skill-sets where the skills audit identifies either present or emerging skills gaps (i.e. succession planning). Key priorities for the Search and Governance Committee are: to ensure that Board appointments are made in accordance with the College’s equality, diversity and inclusion policy; that the Board is appropriately skilled; and that its profile is representative of the College’s student and staff bodies.

The Search & Governance Committee is also responsible for considering and reporting to the Board, as appropriate, other governance matters including: the skills audit of the Board and its committees;

## Bishop Auckland College Group

monitoring governor attendance; reviewing the Instrument & Articles of Association; and monitoring the actions and resolutions register.

### Audit Committee

The Audit Committee met four times in the year to 31 July 2025.

The members of the committee and their attendance records are shown below

Committee member	Meeting attendance
Edward Perry	1 (joined Dec 24 left March 25)
Kim Nielson	2 (joined March 25)
Mo Dixon	3 (joined Dec 24)
Manohoran Dilukshan	0 (left Feb 25)
Peter Topping	0 (left Jan 25)
Dominic Raymont	3

The Audit Committee comprises at least two members of the Corporation (excluding the Accounting Officer and Chair) and allows for 5 members. The Committee operates in accordance with written terms of reference approved by the Corporation.

The Audit Committee meets on at least a termly basis and provides a forum for reporting by the College's internal, reporting auditors and financial statements auditors; both of these have access to the Committee for independent discussion, without the presence of College management. The Committee also receives and considers reports from the main FE funding bodies as they affect the Group's business and reports.

The Group'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, reporting auditors and financial statements auditors, and their remuneration for audit and non-audit work as well as reporting annually to the Corporation.

### Internal control

#### *Scope of responsibility*

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

## **Bishop Auckland College Group**

The Corporation has delegated the day-to-day responsibility to the Principal/CEO, as Accounting Officer, for maintaining a sound system of internal control. This must support the achievement of the College's policies, aims and objectives, whilst safeguarding the public funds and assets for which they are personally responsible, in accordance with the responsibilities assigned to them in the Financial Memorandum/Financial Agreement between Bishop Auckland College and the funding bodies. They are 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 ongoing 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 Auckland College for the year ended 31 July 2025 and up to the date of approval of the annual report and accounts.

### ***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 regularity 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 ongoing process for identifying, evaluating and managing the College's significant risks that has been in place for the period ending 31 July 2025 and up to the date of approval of the annual report and accounts. 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
- the adoption of formal project management disciplines, where appropriate.

The Group has an internal audit service, which operates in accordance with the requirements of the DfE's College Handbook. 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

## **Bishop Auckland College Group**

Committee. At minimum, annually, the Head of Internal Audit (HIA) provides the governing body with a report on internal audit activity in the Group. The report includes the HIA's independent opinion on the adequacy and effectiveness of the Group's system of risk management, controls and governance processes.

### ***Risks faced by the College***

The key risks faced by the College are identified in the strategic report. The College has a well-developed strategy for managing risk. The Audit Committee bases its annual plan of work on the Board's own assessment of priorities. The risk monitoring process is iterative and ongoing as the findings of the plan of work will inform the risk register and vice versa.

A risk-based approach is taken when planning the work of the Audit Committee. The board is ultimately accountable for the work carried out. The Board delegates aspects of the planning to the Audit Committee, with input from senior executive management and, where applicable, the internal auditor.

### ***Control weakness identified***

The Audit Committee must provide independent assurance to the Board that its financial and non-financial controls, and risk management procedures, are operating effectively. The work of internal auditors is key to identifying and making recommendations for the control of weaknesses identified. Where control weakness is identified, the Audit Committee oversees the implementation of recommendations and regularly reviews the progress of these recommendations, ensuring control weaknesses are dealt with in a timely and effective way.

### ***Responsibilities under funding agreements***

The audit committee provides assurance to the corporation that the college has met its contractual responsibilities under its funding agreements and contracts with DfE by:

- The Audit Committee must provide the Board with an opinion on the adequacy and effectiveness of the Corporation's assurance arrangements, frameworks of governance, risk management and control processes for the effective and efficient use of resources, solvency and the safeguarding of assets.
- The Corporation must submit annual reports to the DfE summarising the areas reviewed, key findings, recommendations and conclusions of the Audit Committee and management action taken by 31 December each year.
- The Audit Committee must advise the Corporation on the appointment, reappointment, dismissal and remuneration of the external auditors.
- The Audit Committee should also assess the expertise and resources, effectiveness and independence of the external auditors regularly.
- The Audit Committee must conduct regular reviews of periodic and annual financial reports which indicate financial performance against forecast.
- The internal auditors must provide the Audit Committee with an annual report, drawing on the reports produced throughout the year. This report enables the Audit Committee to form a holistic view. It also provides the Accounting Officer with key evidence to enable them to sign off their statement on regularity, propriety and compliance, and provide the Board with information for its statement of responsibilities of the members of the Corporation. All reports are submitted to the DfE with the audited accounts.

## Bishop Auckland College Group

The college has reviewed its policies, procedures and approval processes in line with the 2024-5 college finance handbook and its accountability agreement with DfE to ensure there are systems in place to identify and handle any transactions for which DfE approval is required.

### **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 2024/25 and up to the date of the approval of the financial statements are:

- Review of risk register and key risks
- Review of financial statements 2025
- Review of regularity assurance report 2025
- Review of actions register
- Approval of internal audit plan
- Approval of external audit plan
- Review of annual Audit Committee programme
- Review of Audit Code of Practice
- Review of internal audit reports:

Report	Grading	No. of Recommendations:		
		High	Medium	Low
Risk Management	Strong	-	-	2
Procurement & Accounts Payable	Substantial	-	-	4
Fixed Assets	Strong	-	-	3
Follow Up	Substantial	-	2	3
Audit Management		N/A	N/A	N/A
<b>Total</b>		<b>0</b>	<b>2</b>	<b>12</b>

The Audit Committee receives risk management updates at every meeting. The identification, assessment, management, and mitigation of risks are important to the efficient and effective operation of the College. During the year a thorough review of risk areas has been conducted by the College, with a focus on those considered to be key to the efficient and effective operation of the College. The Audit Committee considered, questioned and challenged the revisions to the risk register during the course of this process and are satisfied with the resultant risk register.

There were no reported cases of fraud, irregularity or whistleblowing during the year ending 31 July 2025.

# Bishop Auckland College Group

## Review of effectiveness

As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. Their 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 Group who have responsibility for the development and maintenance of the internal control framework
- comments made by the Group's financial statements auditors, the reporting accountant for regularity assurance in their management letters and other reports.
- The regularity self assessment questionnaire.

The Accounting Officer has been advised on the implications of the result of their 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 November 2025 Audit Committee meeting, the Corporation carried out the annual assessment for the year ended 31 July 2025 by considering documentation from the senior management team and internal audit, and taking account of events since 31 July 2025.

Based on the advice of the Audit Committee and the Accounting Officer, the Corporation is of the opinion that the Group 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 the 4<sup>th</sup> December 2025 and signed on its behalf by:

Signed



Mo Dixon  
Chair

Signed



Shaun Hope  
Accounting Officer

# Bishop Auckland College Group

## Statement of Regularity, Propriety and Compliance

As accounting officer of the Corporation of The Bishop Auckland College Group, I confirm that I have had due regard to the framework of authorities governing regularity, propriety and compliance, including the College's accountability agreement with DfE, and the requirements of the College Financial Handbook. I have also considered my responsibility to notify the Corporation's board of governors and DfE of material irregularity, impropriety and noncompliance with terms and conditions of all funding. I confirm that I, and the Board of governors, are able to identify any material irregular or improper use of all funds by the Corporation, or material non-compliance with the framework of authorities.

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

Signed



Shaun Hope  
Accounting Officer  
Date : 5<sup>th</sup> December 2025

Signed



Mo Dixon  
Chair of Governors  
Date : 5<sup>th</sup> December 2025

# Bishop Auckland College Group

## Statement of Responsibilities of the Members of the Corporation

The members of the Corporation (who act as trustees for the charitable activities of the College and are also the directors of the college for the purposes of company law) are required to present audited financial statements for each financial year.

The law applicable to charities in England and the terms and conditions of the Funding Agreement between the Education and Skills Funding Agency and the Corporation of the College, requires the corporation of the college to prepare financial statements and the Operating and Financial Review for each financial year in accordance with the Statement of Recommended Practice, Accounting for Further and Higher Education Institutions the annual Accounts Direction issued by the Education and Skills Funding Agency, Accounts Direction issued by the Office for Students and in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law which give a true and fair view of the state of affairs of the College and of the College's surplus/deficit of income over expenditure for that period.

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
- prepare financial statements on the going concern basis, unless it is inappropriate to assume that the College will continue in operation.

The Corporation is responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the College, and enable it to ensure that the financial statements are prepared in accordance with the Charities Act 2011 and other relevant accounting standards. It is responsible for taking steps in order to safeguard the assets of the College and to prevent and detect fraud and other irregularities.

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

Members of the Corporation are responsible for ensuring that funds from the Education and Skills Funding Agency are used only in accordance with the authorities that govern them as defined by and in accordance with Further & Higher Education Act 1992, subsequent legislation and related regulations and the Funding Agreement with the Education and Skills Funding Agency and any other conditions that may be prescribed from time to time. They are also responsible for ensuring funds from Office for Students or other sources are properly applied for the purposes for which they have been given and in accordance with relevant legislation or terms and conditions attached to them.

Approved by order of the members of the Corporation on 5<sup>th</sup> December 2025 and signed on its behalf by:

Mo Dixon  
Chair



# Bishop Auckland College Group

## INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF BISHOP AUCKLAND COLLEGE

### OPINION

We have audited the financial statements of BISHOP AUCKLAND COLLEGE (the "College") and its subsidiaries (the "Group") for the year ended 31 July 2025 which comprise the consolidated and College Statement of comprehensive income, the consolidated Statement of changes in reserves, the consolidated and College Balance sheets, the consolidated Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Statement of Recommended Practice: Accounting for Further and Higher Education and the DfE College Accounts Direction 2024 to 2025.

In our opinion the financial statements:

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the Group's and the College's affairs as at 31 July 2025 and of the Group's and the College's total comprehensive surplus of income over expenditure for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Statement of Recommended Practice: Accounting for Further and Higher Education and the College Accounts Direction issued by the Office for Students and the College Accounts Direction 2024 to 2025 issued by the DfE.

### BASIS OF OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the college in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Corporation's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Corporation'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 Members of the Corporation with respect to going concern are described in the relevant sections of this report.

# Bishop Auckland College Group

## **INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF THE BISHOP AUCKLAND COLLEGE (CONTINUED)**

### **OTHER INFORMATION**

*The Members of the Corporation are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.*

*In connection with our audit of the financial statements, 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 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 or a material misstatement of the other information. 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 Department for Education have been applied in accordance with the relevant terms and conditions; and*
- *the requirements of the Office for Students' Accounts Direction for the relevant year's financial statements have been met.*

### **MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

*In the light of our knowledge and understanding of the Group and the College and its environment obtained in the course of the audit, we have not identified material misstatements in the Corporation's report including the Strategic report.*

*We have nothing to report in respect of the following matters in relation to which the Framework and Guide for External Auditors and Reporting Accountants of College issued by the Department for Education requires us to report to you if, in our opinion:*

- *the College has not kept adequate accounting records; or*
- *the College financial statements are not in agreement with the accounting records and returns; or*
- *all the information and explanations required for the audit were not received; or*
- *the going concern basis of accounting and disclosure of material uncertainties is appropriate.*

# Bishop Auckland College Group

## **INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF THE BISHOP AUCKLAND COLLEGE (CONTINUED)**

### **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 notes to the accounts, has been materially misstated.*
- *the College's expenditure on access and participation activities for the financial year has been materially misstated.*

### **RESPONSIBILITIES OF MEMBERS OF THE CORPORATION**

*As explained more fully in the Statement of responsibilities of the Members of the Corporation, the Corporation is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and for such internal control as the Corporation members 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.*

*Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.*

*Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:*

- *the responsible individual ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;*
- *we identified the laws and regulations applicable to the Corporation through discussions with the Corporation and other management;*
- *we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operation of the company*
- *we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management;*

# Bishop Auckland College Group

## **INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF THE BISHOP AUCKLAND COLLEGE (CONTINUED)**

- *identified laws and regulations were communicated within the audit team regularly and the team; and*
- *remained alert to instances of non-compliance throughout the audit.*

*We assessed the susceptibility of the Corporation's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:*

- *making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and*
- *considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.*

*To address the risk of fraud through management bias and override of controls, we:*

- *performed analytical procedures as a risk assessment tool to identify any unusual or unexpected relationships;*
- *tested journal entries to identify unusual transactions;*
- *tested the operating effectiveness of key controls over purchase cycles on a sample basis; and*
- *reviewed the application of accounting policies including the application of capitalisation of tangible assets, and timing of recognition of grant income; and*
- *Considered during our work on regularity, propriety and compliance.*

*In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:*

- *agreeing financial statement disclosures to underlying supporting documentation;*
- *reading the minutes of meetings of those charged with governances; and*
- *enquiring of management as to actual and potential litigation and claims.*

*There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.*

*A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). The 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 Department for Education and our engagement letter dated 31 August 2022. 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.*

# Bishop Auckland College Group

  
Simon Turner (Dec 19, 2025 08:26:34 GMT)

*Armstrong Watson Audit Limited*  
*Chartered Accountants & Statutory Auditors*  
*Newcastle*

*Date: 19/12/2025*

# Bishop Auckland College Group

## *INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON REGULARITY TO THE CORPORATION OF BISHOP AUCKLAND COLLEGE AND SECRETARY OF STATE FOR EDUCATION )*

*In accordance with the terms of our engagement letter dated 31 August 2022 and further to the requirements of Department of Education (DfE), as included in the extant Framework and Guide for External Auditors and Reporting Accountants of Colleges, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest that in all material respects, the expenditure disbursed and income received by Bishop Auckland College during the period 1 August 2024 to 31 July 2025 have not been applied to the purposes identified by Parliament or the financial transactions do not conform to the authorities which govern them.*

*This report is made solely to the Corporation of The Bishop Auckland College and the Secretary of State for Education in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Corporation of Bishop Auckland College and the Secretary of State 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 Auckland College and the Secretary of State for Education for our work, for this report, or for the conclusion we have formed.*

### **Respective responsibilities of the Accounting Officer of BISHOP AUCKLAND COLLEGE and the Reporting Accountant**

*The Accounting Officer is responsible, under the requirements of the Corporation's accountability agreement with the Secretary of State for Education and the College Financial Handbook, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and that the financial transactions conform to the authorities which govern them.*

*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 extant Framework and Guide for External Auditors and Reporting Accountants of Colleges. We report to you whether anything has come to our attention in carrying out our work, which suggests that in all material respects, expenditure discussed and income received during the period 1 August 2024 to 31 July 2025 have not been applied for the purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.*

### **Approach**

*We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Colleges issued by DfE which requires a limited assurance engagement as set out in our engagement letter. 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 consequently 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.*

*Our engagement includes examination, on a test basis, of evidence relevant to the regularity of the Group and College's income and expenditure.*

*The work undertaken to draw our conclusion includes:*

## Bishop Auckland College Group

- *A review of the accuracy of the Corporation's self-assessment of compliance with regularity and propriety requirements and review of appropriate evidence and documentation.*
- *Review of expenditure systems for compliance with corporation policy and scheme of delegation.*
- *Consideration of staff expense claims in line with policy*
- *Review of procedures in respect of government procurement cards.*
- *Review of Corporation minutes.*
- *Consideration of advisory matters from internal auditors reports.*

### **Conclusion**

*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 2024 to 31 July 2025 has not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.*



**Simon Turner**

*Armstrong Watson Audit Limited*

*Chartered Accountants & Statutory Auditors  
Newcastle*

19/12/2025

# Bishop Auckland College Group

## Consolidated Statement of Comprehensive Income and Expenditure

	Notes	Year Ended		Year Ended	
		31-July-2025		31-July-2024	
		Group	College	Group	College
		£'000	£'000	£'000	£'000
<b>INCOME</b>					
Government Grants	2	11,226	10,800	11,005	9,806
Tuition fees and education contracts	3	2,545	1,687	1,657	1,619
Other grants and contracts	4	945	931	771	712
Other income	5	577	662	681	793
Investment income	6	40	26	31	18
<b>Total Income</b>		<b>15,333</b>	<b>14,106</b>	<b>14,145</b>	<b>12,947</b>
<b>EXPENDITURE</b>					
Staff costs	7	9,081	8,436	8,279	7,698
Restructure Costs	7	150	154	138	125
Other operating costs	9	4,794	4,389	4,749	4,322
Depreciation	14	1,311	1,110	1,304	1,149
Impairment loss	13	-	-	667	667
Interest and other finance costs	11	97	97	160	160
<b>Total expenditure</b>		<b>15,433</b>	<b>14,186</b>	<b>15,297</b>	<b>14,120</b>
<b>Deficit before other gains and losses</b>		<b>(100)</b>	<b>(80)</b>	<b>(1,152)</b>	<b>(1,173)</b>
Gain on disposal of assets		1,230	1,228	-	-
<b>Surplus/(Deficit) before tax</b>		<b>1,130</b>	<b>1,148</b>	<b>(1,152)</b>	<b>(1,173)</b>
Taxation	12	-	-	-	-
<b>Surplus/(Deficit) for the year</b>		<b>1,130</b>	<b>1,148</b>	<b>(1,152)</b>	<b>(1,173)</b>
Remeasurement of net defined benefit pension liability	21	(421)	(421)	(77)	(77)
<b>Total Comprehensive Income for the year</b>		<b>709</b>	<b>727</b>	<b>(1,229)</b>	<b>(1,250)</b>
<b>Represented by:</b>					
<b>Restricted comprehensive income</b>					
<b>Unrestricted comprehensive income</b>		<b>709</b>	<b>727</b>	<b>(1,229)</b>	<b>(1,250)</b>
		<b>709</b>	<b>727</b>	<b>(1,229)</b>	<b>(1,250)</b>

The statement of comprehensive income is in response of continuing activities

# Bishop Auckland College Group

## Consolidated and College Statement of Changes in Reserves

	Income and expenditure account	Revaluation reserve	Total
	£'000	£'000	£'000
<b>Group</b>			
<b>Balance at 1-August-2023</b>	<b>3,367</b>	<b>2,393</b>	<b>5,760</b>
Deficit from income and expenditure account	(1,152)	-	(1,152)
Other comprehensive income	-	-	-
Actuarial gain	(77)	-	(77)
<b>Total comprehensive income in the year</b>	<b>(1,229)</b>	<b>2,393</b>	<b>(1,229)</b>
<b>Balance at 31-Jul-2024</b>	<b>2,138</b>	<b>2,393</b>	<b>4,531</b>
Surplus/(Deficit) from income and expenditure account	1,129	-	1,129
Other comprehensive income	-	-	-
Actuarial gain	(421)	-	(421)
Transfers between revaluation and income and expenditure reserves	210	(210)	-
<b>Total comprehensive income the year</b>	<b>918</b>	<b>(210)</b>	<b>708</b>
<b>Balance at 31-July-2025</b>	<b>3,056</b>	<b>2,183</b>	<b>5,239</b>
	Income and expenditure account	Revaluation reserve	Total
	£'000	£'000	£'000
<b>College</b>			
<b>Balance at 1-August-2023</b>	<b>3,062</b>	<b>2,242</b>	<b>5,304</b>
Deficit from income and expenditure account	(1,173)	-	(1,173)
Other comprehensive income	-	-	-
Actuarial gain	(77)	-	(77)
<b>Total comprehensive income in the year</b>	<b>(1,250)</b>	<b>2,242</b>	<b>(1,250)</b>
<b>Balance at 31-Jul-2024</b>	<b>1,812</b>	<b>2,242</b>	<b>4,054</b>
Deficit from income and expenditure account	1,148	-	1,148
Other comprehensive income	-	-	-
Actuarial gain	(421)	-	(421)

## Bishop Auckland College Group

Transfers between revaluation and income and expenditure reserves

	210	(210)	-
<b>Total comprehensive income the year</b>	<b>937</b>	<b>(210)</b>	<b>727</b>
<b>Balance at 31-July-2025</b>	<b>2,749</b>	<b>2,032</b>	<b>4,781</b>

# Bishop Auckland College Group

## Balance sheet as at 31 July 2025

	Notes	Group 2025 £'000	College 2025 £'000	Group 2024 £'000	College 2024 £'000
<b>Fixed assets</b>					
Tangible Fixed Assets	12	27,396	25,193	32,346	30,021
<b>Total fixed assets</b>		<b>27,396</b>	<b>25,193</b>	<b>32,346</b>	<b>30,021</b>
<b>Current assets</b>					
Debtors	15	1,624	1,378	2,003	1,672
Cash at bank and in hand	21	2,347	1,637	3,264	2,579
<b>Total current assets</b>		<b>3,971</b>	<b>3,015</b>	<b>5,267</b>	<b>4,251</b>
Less: Creditors – amounts falling due within on year	16	(2,715)	(2,503)	(4,765)	(4,502)
<b>Net current assets</b>		<b>1,256</b>	<b>512</b>	<b>502</b>	<b>(251)</b>
<b>Total assets less current liabilities</b>		<b>28,652</b>	<b>25,704</b>	<b>32,848</b>	<b>29,770</b>
Less: Creditors amounts falling due after more than one year	17	(23,315)	(20,824)	(28,202)	(25,600)
Provision for liabilities	20	(98)	(98)	(115)	(115)
<b>Total net assets</b>		<b>5,240</b>	<b>4,781</b>	<b>4,531</b>	<b>4,054</b>
<b>Unrestricted reserves</b>					
Income and expenditure account		3,057	2,749	2,138	1,812
Revaluation reserve		2,183	2,032	2,393	2,242
<b>Total unrestricted reserves</b>		<b>5,240</b>	<b>4,781</b>	<b>4,531</b>	<b>4,054</b>

The financial statements on pages 34 to 65 were approved and authorised for issue by the Corporation on the 4<sup>th</sup> December 2025 and were signed on its behalf on that date by:

**Mo Dixon**  
Chair

**Shaun Hope**  
Principal

# Bishop Auckland College Group

## Consolidated Statement of Cash Flows

		Notes		
			2025	2024
			£'000	£'000
<b>Cash flow from operating activities</b>				
	Deficit for the year		(1,129)	(1,152)
<b>Adjustment for non cash items</b>				
	Depreciation		1,311	1,304
	Impairment loss		-	667
	(Increase)Decrease in debtors		379	61
	Increase/(Decrease) in creditors due within one year		(1,737)	(430)
	Decrease/(Increase in creditors due after on year		(1,181)	1,045
	Decrease/(Increase) in provision		(425)	(170)
	Pensions costs less contributions payable		-	99
	Capital grants		(3,400)	(1,126)
<b>Adjustment for investing or financing activities</b>				
	Investment income		(40)	(31)
	Interest payable		106	225
	Gain on sale of fixed assets		(1,230)	-
	<b>Net cash flow from operating activities</b>		<b>(5,089)</b>	<b>652</b>
<b>Cash flows from financing activities</b>				
	Proceeds from sale of fixed assets		4,000	-
	Investment income		40	31
	Capital grants received		3,400	1,126
	Payments made to acquire fixed assets		(2,246)	(2,367)
			<u>5,194</u>	<u>(1,211)</u>
<b>Cash flows from financing activities</b>				
	Interest paid		(106)	(225)
	Repayments of amounts borrowed			(339)
			<u>(106)</u>	<u>(564)</u>
	<b>Increase in cash and cash equivalents</b>	<b>20</b>	<b>(917)</b>	<b>(1,123)</b>
	Cash and cash equivalents at the beginning of the year		3,264	4,387
	Cash and cash equivalents at the end of the year	20	<u>2,347</u>	<u>3,264</u>

# Bishop Auckland College Group

## Notes to the Consolidated Financial statements

### 1 STATEMENT OF ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

#### General Information

Bishop Auckland 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 Group's principle place of business is given on page 1. The nature of the Group's operations is set out in the Strategic Report.

#### Basis of accounting

These financial statements have been prepared in accordance with the *Statement of Recommended Practice: Accounting for Further and Higher Education 2015* (the 2015 FE HE SORP), the *College Accounts Direction for 2022 to 2023* and in accordance with Financial Reporting Standard 102 – “*The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland*” (FRS 102). The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

The principle accounting policies applied in the preparation of these financial statements are set out below:

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the College's accounting policies.

The financial statements are prepared in accordance with the historical cost convention. 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.

The College has taken advantage of the exemptions provided in FRS 102 1.12 and the 2015 FE HE SORP 3.3, and has not included a separate statement of its own cash flows. These cash flows are included within the Consolidated Statement of Cash Flows, and the College balance sheet discloses cash at both the current and preceding reporting dates.

Lease incentives – the College has continued to recognise the residual benefits associated with lease incentives on the same basis as that applied at the date of transition.

# Bishop Auckland College Group

## **Basis of consolidation**

The consolidated financial statements include the College and its subsidiary SW Durham Training 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 disposed of during the period are included in the consolidated income and expenditure account from the date of acquisition or up to the date of disposal. Intra-group sales and profits are eliminated fully on consolidation. In accordance with FRS 102, the activities of the student union have not been consolidated because the Group does not control those activities. All financial statements are made up to 31 July 2025.

## **Going concern**

The activities of the Group, together with the factors likely to affect its future development and performance, are set out in the Strategy Report.

The financial position of the Group, including its cash flow and liquidity, is presented in the Financial Statements and accompanying Notes. The Group no longer has any outstanding loan facilities, having repaid the £4.013m Barclays Bank loan in full in January 2025.

The Group's forecasts and financial projections indicate that it will continue to operate effectively within its available resources during the 2025/26 financial year. The repayment of the loan has strengthened the Group's financial position, reducing ongoing financing costs and providing greater flexibility in managing cash reserves and future investment.

A robust set of financial models have been applied to the college's forecasts and financial projections (including stress testing on the cashflow position) for the 12 months succeeding the approval of these financial statements. Which show that the group would be able to meet its financial liabilities as they fall due. No overdraft is forecast to be required for the coming year.

Accordingly, the Group has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future and can continue on a going concern basis during 2025/26 and for 12 months from sign off of the financial statements. For this reason, the group will continue to adopt the going concern basis in the preparation of the Financial Statements.

## **Recognition of income**

### **Revenue grant funding**

Funding body income represents the funding allocations attributable to the current financial year and is credited direct to the income and expenditure account. Funding body recurrent grants are recognised in line with best estimates for the period of what is receivable and depend on the particular income stream involved. Any under achievement of the Adult Skills Budget is adjusted for and reflected in the level of recurrent grant recognised in the income and expenditure account. The final grant income is normally determined with the conclusion of the year end reconciliation process with the funding body at the end of November following the year ends.

16-18 learner-responsive funding is not normally subject to reconciliation and is therefore not subject to contract adjustments; the income recognised is the allocation for the year.

## Bishop Auckland College Group

Non-recurrent grants from the funding bodies or other bodies received in respect of the acquisition of fixed assets are treated as deferred capital grants and amortised in line with depreciation over the life of the assets.

### **Other income**

Income from tuition fees is recognised in the period for which it is received and includes all fees payable by students or their sponsors.

Income from grants, contracts and other services rendered is included to the extent the conditions of the funding have been met or the extent of the completion of the contract or service concerned.

All income from short-term deposits is credited to the income and expenditure account in the period in which it is earned.

### **Retirement**

Retirement benefits to employees of the College are provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). These are defined benefit schemes, which are externally funded and contracted out of the State Earnings-Related Pension Scheme (SERPS) and the assets are held separately from those of the college.

The TPS is an unfunded scheme and contributions 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 quinquennial valuations using a prospective benefit method. As stated in Note 22, the TPS is a multi-employer scheme and the College is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the college in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the income and expenditure account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

# Bishop Auckland College Group

## 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 Group. Any unused benefits are accrued and measured as the additional amount the Group expects to pay as a result of the unused entitlement.

## 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 the college's income and expenditure account 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 bodies.

## Intangible fixed assets

All intangible assets are fully amortised.

## Tangible fixed assets

### *Land and buildings*

Land and buildings inherited from the Local Education Authority are stated in the balance sheet at valuation on the basis of depreciated replacement cost as the open market value for existing use is not readily obtainable. The associated credit is included in the revaluation reserve. The difference between depreciation charged on the historic cost of assets and the actual charge for the year calculated on the revalued amount is released to the income and expenditure account reserve on an annual basis. Building improvements made since incorporation are included in the balance sheet at cost. Freehold land is not depreciated. Freehold and Leasehold buildings are depreciated over their expected useful economic life to the College of 50 years. If the duration of the lease is shorted then this determines the period of depreciation. The College has a policy of depreciating major adaptations to buildings over the period of their useful economic life of 50 years.

Where land and buildings are 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 the income and expenditure account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy. Finance costs, which are directly attributable to the construction of land and buildings, are not capitalised as part of the cost of those assets.

## Bishop Auckland College Group

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the income and expenditure account.

On adoption of FRS 102, the College followed the transitional provision to revalue the book value of land and buildings, which were revalued in 2014, but not to adopt a policy of revaluations of these properties in the future.

### *Subsequent expenditure on existing fixed assets*

Where significant expenditure is incurred on tangible fixed assets it is charged to the income and expenditure account in the period it is incurred, unless it meets one of the following criteria, in which case it is capitalised and depreciated on the relevant basis:

- Asset capacity increases.
- Substantial improvement in the quality of output or reduction in operating costs.
- Significant extension of the asset's life beyond that conferred by repairs and maintenance.

### *Buildings owned by third parties*

Where the College enjoys the use of an asset which it does not own and for which no rental or a nominal rental is paid, if practicable, a value is attributed to this benefit and capitalised, with a corresponding credit to deferred capital grants which are subsequently released to the income and expenditure account over the useful economic life of the asset at the same rate as the depreciation charge on the related asset(s).

### *Equipment*

Equipment costing less than £1,000 per individual item is written off to the income and expenditure account in the period of acquisition. All other equipment is capitalised at cost. Equipment inherited from the local education authority is included in the balance sheet at valuation.

Inherited equipment has been depreciated on a straight-line basis over its remaining useful economic life to the College of between one and three years from incorporation and is now fully depreciated. All other equipment is depreciated over its useful economic life as follows:

- Accommodation improvements – 10 years on a straight-line basis
- Motor vehicles – 5 years on a straight-line basis
- Computer equipment – 5 years on a straight-line basis
- Furniture, fixtures and fittings – 5 years on a straight-line basis.

Where equipment is acquired with the aid of specific grants, it is capitalised and depreciated in accordance with the above policy, with the related grant being credited to a deferred capital grant account and released to the income and expenditure account over the expected useful economic life of the related equipment.

# Bishop Auckland College Group

## Leased assets

Costs in respect of operating leases are charged on a straight-line basis over the lease term to the Statement of Comprehensive Income and Expenditure.

Leasing agreements which transfer to the College substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright and are capitalised at their fair value at the inception of the lease and depreciated over the shorter of the lease term or the useful economic lives of equivalently owned assets. The capital element outstanding is shown as obligations under finance leases.

The finance charges are allocated over the period of the lease in proportion to the capital element outstanding. Where finance lease payments are funded in full from funding council capital equipment grants, the associated assets are designated as grant-funded assets.

## Investments

Listed investments held as fixed assets are stated at market value. Current asset investments, which may include listed investments, are stated at the lower of their cost and net realisable value.

Investments in subsidiaries are accounted at cost less impairment in the individual subsidiaries.

## Cash and cash equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. An investment qualifies as a cash equivalent when it has maturity of 3 months or less from the date of acquisition.

## Financial liabilities and equity

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 loans, investments and short-term deposits held by the Group are classified as basic financial instruments in accordance with FRS 102. These instruments are initially recorded at the transaction price less any transaction costs (historical cost). FRS 102 requires that basic financial instruments are subsequently measured at amortised cost; however, the Group has calculated that the difference between the historical cost and amortised cost basis is not material and so these financial instruments are stated on the balance sheet at historical cost. Loans and investments that are payable or receivable within one year are not discounted.

# Bishop Auckland College Group

## 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 to 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 a minor element of 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.

## Provisions and contingent liabilities

Provisions are recognised when the College has a present legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in the statement of comprehensive income in the period it arises.

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 measured reliably.

Contingent liabilities are not recognised in the balance sheet but are disclosed in the notes to the financial statements.

## Critical accounting judgement and estimation uncertainty

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.
- Determine whether there are indicators of impairment of the group's tangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- Tangible fixed assets  
Tangible fixed assets, other than investment properties, 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-

## Bishop Auckland College Group

assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- **Local Government Pension Scheme**

The present value of the Local Government Pension Scheme defined benefit position 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 22, will impact the carrying amount of the pension liability. The actuary has used a roll forward approach which projects results from the latest full actuarial valuation performed at 31 July 2025 to value the pensions position at 31 July 2025. 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 non-recognised asset.

### **Agency arrangements**

The Group acts as an agent in the collection and payment of discretionary support funds from the funding bodies. Related payments received from the funding bodies and subsequent disbursements to students are excluded from the Income and Expenditure account, on the basis that the group does not have control of the economic benefit related to the transaction and are shown separately in Note 26, except for the 5 per cent of the grant received which is available to the Group to cover administration costs relating to the grant. The College employs one member of staff dedicated to the administration of Discretionary Support Fund applications and payments.

## Bishop Auckland College Group

2	Government Grants	Group	College	Group	College
		2025	2025	2024	2024
		£'000	£'000	£'000	£'000
<b>Recurrent grants</b>					
	DfE 16-18	6,053	5,668	5,299	4,992
	DfE adult skills fund	123	114	2,156	2,156
	Devolved adult skills fund	2,704	2,704	250	250
	Office for students	1,146	1,146	860	860
<b>Specific grants</b>					
	Teachers Pension Scheme contribution grant	398	398	306	306
	Post 16 National insurance grant	55	55		
	Release of government grants	686	651	634	609
	OfS Specific grant	64	64	55	55
	16-18 Tuition fund	(3)	-	139	136
	<b>Total</b>	<b>11,226</b>	<b>10,800</b>	<b>11,005</b>	<b>9,805</b>
<b>3 Tuition Fees and Education Contracts</b>					
		<b>Group</b>	<b>College</b>	<b>Group</b>	<b>College</b>
		<b>2025</b>	<b>2025</b>	<b>2024</b>	<b>2024</b>
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
	Adult education fees	59	41	67	61
	DfE Apprenticeships	1,257	465	1,305	441
	Apprenticeship fees & contracts	6	1	11	4
	Fees for FE loan supported courses	168	168	339	339
	Fees for HE loan supported courses	158	115	128	102
	<b>Total tuition fees</b>	<b>1,648</b>	<b>790</b>	<b>1,850</b>	<b>947</b>
	Education contracts	897	897	1,112	1,112
	<b>Total</b>	<b>2,545</b>	<b>1,687</b>	<b>2,962</b>	<b>2,059</b>
<b>4 Other Grants and Contract</b>					
		<b>Group</b>	<b>College</b>	<b>Group</b>	<b>College</b>
		<b>2025</b>	<b>2025</b>	<b>2024</b>	<b>2024</b>
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
	Other grants	945	931	771	712
	<b>Total</b>	<b>945</b>	<b>931</b>	<b>1,001</b>	<b>872</b>

## Bishop Auckland College Group

5 Other Income	Group	College	Group	College
	2025	2025	2024	2024
	£'000	£'000	£'000	£'000
Catering operations	1	1	1	1
Release of deferred capital grants	234	151	230	160
Other income generating activities	172	340	219	401
Nursery operations	170	170	231	231
<b>Total</b>	<b>577</b>	<b>662</b>	<b>681</b>	<b>793</b>

6 Investment Income	Group	College	Group	College
	2025	2025	2024	2024
	£'000	£'000	£'000	£'000
Interest received	40	26	31	18
<b>Total</b>	<b>40</b>	<b>26</b>	<b>31</b>	<b>18</b>

### 7 Staff Costs - Group and College

The average number of persons, including key management personnel, employed by the Group during the year :

	2025	2024
	No	No
Teaching staff	120	110
Non-teaching staff	164	201
<b>Total</b>	<b>284</b>	<b>311</b>

### Staff costs for the above

	Group	College	Group	College
	2025	2025	2024	2024
	£'000	£'000	£'000	£'000
Wages and salaries	7,074	6,554	6,420	5,945
Social security costs	704	650	552	508
Pension costs (including LGPS adjustments of £210 (2024 : £11))	1,303	1,232	1,307	1,245
<b>Payroll sub total</b>	<b>9,081</b>	<b>8,436</b>	<b>8,279</b>	<b>7,698</b>
Contracted out staffing services	31	31	-	-
Restructuring costs – contractual	119	123	112	100
Restructuring costs – non contractual	-	-	26	25
<b>Total staff costs</b>	<b>9,231</b>	<b>8,590</b>	<b>8,416</b>	<b>7,823</b>

# Bishop Auckland College Group

## 8 KEY MANAGEMENT PERSONNEL

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group and are represented by the College Leadership Team which comprises the Principal, Vice Principal and Assistant Principal of the College and the senior management of SW Durham Training Limited Governor expenses are disclosed at note 25.

	<b>2025</b>	<b>2024</b>
	<b>No.</b>	<b>No.</b>
The number of key management personnel including the Accounting Officer was:	5	5

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

	<b>Key management personnel</b>		<b>Other staff</b>	
	<b>2024</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>
£ 5,001 to £10,000 p.a.	-	-	-	-
£10,001 to £20,000 p.a.	-	1	-	-
£20,001 to £30,000 p.a.	1	-	-	-
£30,001 to £40,000 p.a.	-	-	-	-
£40,001 to £50,000 p.a.	-	-	-	-
£50,001 to £60,000 p.a.	-	-	-	-
£60,001 to £65,000 p.a.	1	-	-	-
£65,001 to £70,000 p.a.	-	1	-	-
£70,001 to £75,000 p.a.	-	2	-	-
£75,001 to £85,000 p.a.	-	1	-	-
£85,001 to £95,000 p.a.	-	-	-	1
£95,001 to £100,000 p.a.	1	-	-	-
£100,001 to £105,000 p.a.	1	-	-	-
£155,001 to £160,000 p.a.	1	-	-	-
	<b>5</b>	<b>5</b>	<b>-</b>	<b>1</b>

Key management personnel compensation is made up as follows:

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Salaries	324	290
Employers National Insurance	41	34
Benefits in kind	-	-
	<b>365</b>	<b>324</b>
Pension contributions	84	61
Total key management personnel compensation	<b>449</b>	<b>385</b>

## Bishop Auckland College Group

There were no amounts due to key management personnel that were waived in the year, nor any salary sacrifice arrangements in place.

The above compensation includes amounts payable to the Accounting Officer (who is also the highest paid officer) of:

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Salaries	110	71
Benefits in kind	-	-
	<b>110</b>	<b>71</b>
Pension contributions	15	9
Total	<u>125</u>	<u>80</u>

The basic salary of the accounting officer for 2024/25 has not increased. The accounting officer is not involved in setting their remuneration. The factors taken into account by the Committee when determining the accounting officer's remuneration include: previous increases; components of pay in prior year; CPI; pay increases for other staff; performance against personal objectives; performance of the organisation; sector data on pay of accounting officers and benchmarking or other means of comparison to the broader market.

A similar approach was used to determine the remuneration of other key management personnel. 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.

	<b>2025</b>	<b>2024</b>
	<b>No</b>	<b>No</b>
Basic salary as a multiple of median basic salary of staff	3.9	3.0
Total remuneration as a multiple of median total remuneration of	8.8	8.0

*Calculation included all staff (excluding agency staff) based on full earning for the entire financial year.*

### 9 Other Operating Expenses

	<b>Group</b>	<b>College</b>	<b>Group</b>	<b>College</b>
	<b>2025</b>	<b>2025</b>	<b>2024</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Teaching Costs	2,278	2,253	2,285	2,186
Non teaching costs	1,241	1,054	1,217	1,054
Estates costs	1,275	1,082	1,247	1,082
	<b><u>4,794</u></b>	<b><u>4,389</u></b>	<b><u>4,749</u></b>	<b><u>4,322</u></b>

## Bishop Auckland College Group

### Other operating expenses include:

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Auditors' remunerations:		
Financial statements Auditors	28	55
Internal auditors	6	19
Hire of plant and machinery – operating lease	82	71
Gain/(loss) on disposal of fixed assets	1,230	-
Payment to partners for subcontracted provision	414	437

### 10 Access & Participation

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Access investment	45	57
Financial support for students	64	52
Disability support	-	-
Research and evaluation (relating to access and participation)	20	3
<b>Total</b>	<b>129</b>	<b>112</b>

### 11 Interest and Other Finance Costs

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
On bank loans, overdrafts and other loans:		
Repayable wholly or partly in more than five years	212	225
	<b>212</b>	<b>225</b>
Net pension finance costs (note 22)	(110)	(60)
Interest on enhanced pension provisions	(5)	(5)
<b>Total</b>	<b>97</b>	<b>160</b>

### 12 Taxation

The members do not believe the Group was liable for corporation tax arising out of its activities.

### 13 Intangible Assets

None

## Bishop Auckland College Group

### 14 Tangible Fixed Assets – Group

	Land and Buildings		Plant, Machinery, Fixtures & Equipment	Total
	Freehold	Long leasehold		
<b>Cost or valuation</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
At 1-August-2024	47,712	195	7,735	55,642
Additions	1,838	-	464	2,302
Disposals	(8,695)	-	(578)	(9,273)
<b>At 31-July-2025</b>	<b>40,855</b>	<b>195</b>	<b>7,621</b>	<b>48,671</b>
<b>Depreciation</b>				
At 1-August-2024	16,960	195	6,131	23,287
Charge for the year	538	-	773	1,311
Elimination in respect of disposals	(2,744)	-	(578)	(3,322)
<b>At 31-July-2025</b>	<b>14,755</b>	<b>195</b>	<b>6,326</b>	<b>21,275</b>
<b>Net book value at 31-July-2025</b>	<b>26,091</b>	<b>-</b>	<b>1,295</b>	<b>27,396</b>
Net book value at 31-July-2024	30,741	-	1,604	32,345

No depreciation has been charged on revalued freehold land.

### 14 Tangible Fixed Assets – College

	Land and Buildings		Plant, Machinery, Fixtures & Equipment	Total
	Freehold	Long leasehold		
<b>Cost or valuation</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
At 1-August-2024	42,898	195	3,101	46,194
Additions	1,838	-	397	2,235
Disposals	(8,695)	-	(574)	(9,269)
<b>At 31-July-2025</b>	<b>36,041</b>	<b>195</b>	<b>2,924</b>	<b>39,160</b>
<b>Depreciation</b>				
At 1-August-2024	13,595	195	2,385	16,175
Charge for the year	455	-	655	1,110

## Bishop Auckland College Group

Elimination in respect of disposals	(2,744)	-	(574)	(3,318)
<b>At 31-July-2025</b>	<b>11,306</b>	<b>195</b>	<b>2,465</b>	<b>13,967</b>
<b>Net book value at 31-July-2025</b>	<b>24,735</b>	<b>-</b>	<b>459</b>	<b>25,193</b>
Net book value at 31-July-2024	29,303	-	717	30,020

As stated in the policy note, the College carries inherited assets which had an original inherited valuation of £1.110m. These land and buildings were first valued in 1994 for the purpose of the financial statements at depreciated replacement cost by the District Valuer and Valuation Officer, in accordance with the RICS Statement of Asset Valuation Practice and Guidance Notes. The historic cost of these assets is nil. The most recent revaluation was undertaken as at 31 July 2014, giving a value of £2.182m.

Group land with a net book value of £2.393m has been funded from local education authority sources. In addition, certain land and buildings have been partly financed by exchequer funds, for example through the receipt of capital grants. In line with current funding agreements, should these assets be sold the College would be required either to surrender the sale proceeds or to apply them in accordance with the terms of the financial memorandum with the relevant funding body (formerly the Skills Funding Agency, now the Department for Education).

The College intends to keep its asset valuations under periodic review to ensure they remain accurate and reflective of current market conditions. This approach will support transparent reporting, effective financial planning, and compliance with funding body requirements.

Included within group freehold land and buildings is land valued at £2.393m which is not depreciated.

The Spennymoor Campus was sold on the 19<sup>th</sup> December 2024.

### 15 Debtors

	<b>Group</b>	<b>College</b>	<b>Group</b>	<b>College</b>
	<b>2025</b>	<b>2025</b>	<b>2024</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Amounts falling due within on year:				
Trade debtors	14	13	703	696
Prepayments and accrued income	1610	1307	1,299	936
Amounts owed by subsidiaries	-	58	-	41
<b>Total</b>	<b>1,624</b>	<b>1,378</b>	<b>2,003</b>	<b>1,672</b>

## Bishop Auckland College Group

### 16 Creditors: Amounts falling due within one year

	Group	College	Group	College
	2025	2025	2024	2024
	£'000	£'000	£'000	£'000
Bank loans and overdrafts	-	-	307	307
Other loan	-	-	5	5
Payments received in advance	37	34	99	99
Trade creditors	364	359	369	355
Other Creditors	6	6	460	433
Other taxation and social security	356	345	1,320	1,298
Accruals	797	761	1,100	1,034
Amounts owed to funding bodies	252	197	244	202
Deferred grants	903	802	860	769
Amounts owed to subsidiaries	-	-	-	-
<b>Total</b>	<b>2,715</b>	<b>2,504</b>	<b>4,765</b>	<b>4,502</b>

### 17 Creditors: Amounts falling due after one year

	Group	College	Group	College
	2025	2025	2024	2024
	£'000	£'000	£'000	£'000
Bank loans	-	-	3,707	3,707
Deferred grants	23,315	20,824	24,497	21,893
<b>Total</b>	<b>23,315</b>	<b>20,824</b>	<b>28,204</b>	<b>25,600</b>

The college is a member of a VAT group with its subsidiary S W Durham Training Limited.

### 18 Maturity of debt

	Group	College	Group	College
	2025	2025	2024	2024
	£'000	£'000	£'000	£'000
In one year or less	-	-	358	358
Between one and two years	-	-	308	308
Between two and five years	-	-	1,259	1,259
In five years or more	-	-	2,088	2,088
<b>Total</b>			<b>4,013</b>	<b>4,013</b>

## Bishop Auckland College Group

The 25-year fixed term commercial mortgage secured on freehold land and buildings at Woodhouse Lane Bishop Auckland and South Durham Way Newton Aycliffe commenced on 31 July 2008 with repayments of interest and capital on a quarterly basis. The interest rate is fixed at 5.3% for the full term of the loan. The loan was paid off in full on the 19<sup>th</sup> December 2024.

### 19 Contingency Liability

#### European Social Fund

The College has been in receipt of significant income from the European Social Fund (ESF) in previous years. The College took all reasonable steps to ensure it complied with the terms attaching to the receipt of all ESF income. However, the College recognises that this is a complex area and there is risk that some funding could become repayable as a result of a possible inspection by the funding provider or the ESF Verification and Audit Section. It is not possible to estimate the value or timing of any such repayments.

### 20 Provisions

	Group and College				Total
	Defined Benefit Obligation	Restructuring	Enhanced Pension	Other Changes	
At 1 August 2024	-	-	115	-	115
Expenditure in the year	(419)	-	(12)	(5)	(436)
Additions in year	(3,300)	-	-	-	(3,300)
Interest	-	-	6	-	6
Actuarial gain(loss)	-	-	(11)	-	(11)
Effect of non-recognition of net defined benefit asset	3,719	-	-	5	3,724
At 31 July 2025	-	-	98	-	98

Defined benefit obligations relate to the liabilities under the College's membership of the Local Government Pension Scheme. Further details are given in Note 22.

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

This provision has been calculated in accordance with guidance issued by the funding bodies. The principle assumptions for this calculation are:

	2025	2024
CPI Rate	2.5%	2.6%
Discount rate	5.8%	5.0%

## Bishop Auckland College Group

### 21 Analysis of Cash and Cash Equivalents

	At 1 August 2024 £'000	Cash flows £'000	Other changes £'000	At 31 July 2025 £'000
Cash in hand and at bank	3,233	(926)	-	2,307
Investments	31	9	-	40
<b>Total</b>	<b>3,264</b>	<b>(917)</b>	<b>-</b>	<b>2,347</b>

### 22 Defined Benefit Obligations

The College's employees belong to two principle pension schemes: The Teachers' Pensions Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Durham County Council. Both are defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2016 and of the LGPS 31 March 2022.

<b>Total pension cost for the year</b>	<b>2025 £000</b>	<b>2024 £000</b>
Teachers' Pensions Scheme: contributions paid	850	670
Local Government Pension Scheme:		
Contributions paid	730	587
Past Service Costs – Adjusted for 23/24	(100)	
FRS102 (28) charge	(210)	(11)
Charge to the Income and Expenditure Account (staff costs)	420	576
Other pension costs	(20)	3
SWDT contributions	74	58
<b>Total Pension Cost for Year</b>	<b>1,324</b>	<b>1,307</b>

Included above are pension contributions paid by SW Durham Training Limited of £73,592 (2024: £57,592).

Contributions amounting to £166,966 (2024: £644,577) were payable to the scheme at 31 July 2025 and are included within creditors.

## Bishop Auckland College Group

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

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

Under the definitions set out in FRS 102 (28.11), the TPS is a multi-employer pension plan. The college is unable to identify its share of the underlying assets and liabilities of the plan. Accordingly, the college has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The college has set out above the information available on the plan and the implications for the college in terms of the anticipated contribution rates.

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

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

As a result of the valuation, new employer contribution rates rose to 28.68% from April 2024 (compared to 23.68% during 2018/9).

The employer pension costs paid to TPS in the year amounted to £850,309.09 (2024: £669,591).

### Local Government Pension Scheme

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by Durham County Council Local Authority.

#### LGPS Guarantee

**Purpose of the Guarantee:** The DfE introduced this guarantee to ensure that FE colleges are not treated as "high-risk" employers by LGPS pension fund managers. This helps colleges access the scheme on equitable terms with other public sector bodies.

**Coverage:** The guarantee applies to FE corporations, sixth-form college corporations, and designated institutions established under the Further and Higher Education Act 1992. It ensures that if an FE body closes, any outstanding LGPS liabilities will not revert to the pension fund. Instead, the DfE will cover any shortfall after the FE body's assets have been used.

## Bishop Auckland College Group

**Impact on Pension Fund Contributions:** By reducing the perceived risk associated with FE colleges, the guarantee can lead to lower employer contribution rates, potentially saving colleges significant amounts of money.

**Financial Security for Employees:** The guarantee provides reassurance to non-teaching staff who are members of the LGPS, ensuring their pension benefits are secure even in the event of a college closure.

**Restructuring and Mergers:** In cases of mergers or restructuring, LGPS liabilities are typically transferred to the acquiring institution, meaning the guarantee is not required. However, in cases where no transfer occurs, the guarantee ensures that liabilities are covered.

This guarantee underscores the DfE's commitment to supporting FE colleges and maintaining the financial stability of the LGPS. It provides confidence to both employees and pension fund managers, fostering a more secure and equitable system.

From the 1<sup>st</sup> April 2025 a reduction was applied to the contributions % from 19.4% to 18%.

The total contributions made for the year ended 31 July 2025 were £799,485.77, of which employer's contributions totalled £607,698.43 and employees' contributions totalled £191,787.34. The agreed contribution rates for future years are 18% for employers and range from 5.5% to 7.5% for employees, depending on salary.

### Enhanced Pensions – Teachers

The College has the liability for the enhanced element of teachers' pensions who have been granted voluntary early retirement. The College administers the payment of the enhanced element of the pensions direct to the retired teacher. The College financial statements include the initial and continuing costs of the enhancement under FRS 102.

### Analysis of the amount charged to income and expenditure account (Teachers)

	Year Ended July 2025 £'000	Year Ended July 2024 £'000
Service cost	-	-
Negative past service cost	-	-
Total operating gain	-	-

### Analysis of pension finance (costs)

Expected return on pension scheme assets	-	-
Interest on pension liabilities	(6)	(7)
<b>Pension finance costs</b>	<b>(6)</b>	<b>(7)</b>

### Amounts recognised in the statement of comprehensive income

Actual return less expected return on pension scheme assets	-	-
Experience gains and losses arising on the scheme liabilities	-	-
Change in financial and demographic assumptions underlying the scheme liabilities	11	12

## Bishop Auckland College Group

<b>Actuarial gain (loss) recognised in SOCI</b>	<u><b>11</b></u>	<u><b>12</b></u>
<b>Movement in surplus during year</b>		
Deficit in scheme at 1 August	(115)	(128)
Current service credit	12	8
Net (interest) on assets	(6)	(7)
Actuarial (loss) or gain	11	12
<b>Deficit in scheme at 31 July</b>	<u><b>(98)</b></u>	<u><b>(115)</b></u>

# Bishop Auckland College Group

## Local Government Pension Scheme

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by Durham County Council. The total contributions made for the year ended 31 July 2021 were £610,000, of which employer's contributions totalled £430,000 and employees' contributions totalled £180,000. The agreed contribution rates for future years are 19.3 % for employers and range from 5.5 % to 12.5 % for employees, depending on salary.

## Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2022 updated to 31 July 2025 by a qualified independent actuary:

	<b>At 31 July 2025</b>	<b>At 31 July 2024</b>
Discount rate	5.80%	5.00%
CPI inflation	2.50%	2.60%
Pension increases	2.50%	2.60%
Pension accounts revaluation rate	2.50%	2.60%
Salary increases	3.50%	3.60%

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	<b>At 31 July 2025</b>	<b>At 31 July 2024</b>
<i>Males</i>		
Member aged 65 at accounting date	21.6	21.5
Member aged 45 at accounting date	22.5	22.4
<i>Females</i>		
Member aged 65 at accounting date	23.9	23.8
Member aged 45 at accounting date	24.7	24.6

## Bishop Auckland College Group

The College's share of the assets in the scheme were:

	Fair Value at 31 July 2025 £'000	Fair Value at 31 July 2025 %	Fair Value at 31 July 2024 £'000	Fair Value at 31 July 2024 %
Equities	12,640	56.1%	11,750	55.1%
Property	1,710	7.6%	1,370	6.4%
Government bond	2,360	10.5%	2,150	10.1%
Corporate bonds	1,960	8.7%	2,050	9.6%
Multi Asset Credit	3,420	15.2%	3,260	15.3%
Cash	180	0.8%	410	1.9%
Other	250	1.1%	340	1.6%
	22,520	100%	21,330	100%

### Reconciliation of funded status to balance sheet:

	2025 £'000	2024 £'000
Fair value of assets	22,520	21,330
Present value of funded defined benefit obligation	(17,030)	(19,360)
<b>Funded status</b>	5,490	1,970
Unrecognised asset	(5,490)	(1,970)
<b>Liability recognised on the balance sheet</b>	-	-

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

	2025 £'000	2024 £'000
<b>Operating cost</b>		
Current service cost	520	500
Past service costs	10	99
Curtailment costs	-	-
<b>Financing cost</b>		
Net interest cost	(350)	(170)
<b>Total</b>	<b>180</b>	<b>231</b>

## Bishop Auckland College Group

### Amounts recognised in other comprehensive Income

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Asset gains arising during the year	260	510
Liability gains/(losses) during the period	2,440	1,013
Effect of non-recognition of net defined benefit asset	(2,190)	(1,120)
<b>Amount recognised in other comprehensive income</b>	<b>(510)</b>	<b>(403)</b>

### Movements in the present value of defined benefit obligations were as follows:

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Liabilities at start of period	19,360	18,760
Current service cost	520	500
Interest expense on defined benefit obligation	950	910
Contributions by participants	190	180
Actuarial (gains)/losses due to liability experience	150	-
Actuarial (gains)/losses on liabilities	(3,190)	(530)
Net benefits paid out	(1,050)	(550)
Curtailment cost	-	-
Past Service Costs	100	90
<b>Liabilities at end of period</b>	<b>(17,030)</b>	<b>(19,360)</b>

### Movements in the fair value of college's share of scheme assets:

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Assets at start of period	19,360	18,760
Interest income on assets	1,060	970
Remeasurement gains/losses on assets	260	510
Contributions by the employer	730	610
Contributions by participants	190	180
Benefits paid	(1,050)	(550)
Derecognition of asset	(2,190)	(1,120)
<b>Assets at end of period</b>	<b>(18,360)</b>	<b>(19,360)</b>

## Bishop Auckland College Group

### Actual Return on Assets

	<b>2025</b> <b>£'000</b>	<b>2024</b> <b>£'000</b>
Interest income on assets	1,060	970
Gain/loss on assets	<u>260</u>	<u>510</u>
	<u><u>1,320</u></u>	<u><u>1,480</u></u>

In determining the carrying value of the defined benefit pension scheme, management judgment has been utilised to determine that no defined benefit asset should be recognised. The actuarial valuation determined a net asset of £21,330 against a liability in 2024 of £19,360k. The definitions of an asset and contingent asset require probable future economic benefits, which are not considered to exist given the nature of the fund, the volatile economic circumstances and inconsistencies with the near and medium term past which raises doubts about the likely continuation of the asset position. The asset position does not directly drive the deficit contribution calculation at the triennial review and therefore a direct flow through to reduced contribution rates cannot be expected. Given that the opinion of the expert is such that it is possible that there is no liability however, the Group have recognised a £nil defined benefit liability, through reducing the gain recognised in other comprehensive income.

### 23 Capital Commitments

	<b>2025</b> <b>£'000</b>	<b>2024</b> <b>£'000</b>
Commitments contracted for at 31 July	<u>-</u>	<u>-</u>

### 24 Lease Obligations

At 31 July the Group had annual commitments under non-cancellable operating leases as follows:

	<b>2025</b> <b>£'000</b>	<b>2024</b> <b>£'000</b>
Plant and Equipment:		
Expiring within one year	62	32
Expiring within two and five years inclusive	71	39
Expiring in over five years	<u>-</u>	<u>-</u>
	<u><u>133</u></u>	<u><u>71</u></u>

# Bishop Auckland College Group

## 25 Related Party Transactions

Owing to the nature of the College's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the College's financial regulations and normal procurement procedures.

No governors have claimed expenses in the year. (2025: £0).

Transactions with the funding bodies and HEFCE are detailed in notes 2, 3, 8, 10 and 16.

## 26 Amounts Dispersed as Agent

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Funding body grants	446	526
Other Funding body grants	-	-
Interest earned	-	-
	<hr/>	<hr/>
	446	526
Disbursed to students	(425)	(313)
Administration costs	(21)	(16)
	<hr/>	<hr/>
<b>Balance underspent (overspent) as at 31 July</b>	<b>0</b>	<b>(197)</b>

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

## 27 Events after the reporting period

None