



Report and Financial Statements for
the year ended 31 July 2025

BURTON AND SOUTH DERBYSHIRE COLLEGE

CONTENTS FOR THE YEAR ENDED 31 JULY 2025

CONTENTS	Page Number
Strategic Report	2
Professional advisers	17
Statement of Corporate Governance and Internal Control	18
Governing Body's statement on the College's regularity, propriety and compliance with Funding body terms and conditions of funding	26
Statement of Responsibilities of the Members of the Corporation	27
Independent Auditors' Report on the Financial Statements	29
Independent Reporting Accountant's Report on Regularity	33
Consolidated Statement of Comprehensive Income and Expenditure	35
Consolidated and Corporation Statement of Changes in Reserves	36
Consolidated Balance Sheet	37
College Balance Sheet	39
Consolidated and College Statement of Cash Flows	41
Notes to the Financial Statements	42

BURTON AND SOUTH DERBYSHIRE COLLEGE

FOR THE YEAR ENDED 31 JULY 2025

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**STRATEGIC REPORT
FOR THE YEAR ENDED 31 JULY 2025**

Nature, Objectives and Strategies

The members present their report and the audited financial statements 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 delivering education under the brand, Burton and South Derbyshire College. The College is an exempt charity for the purposes of Part 3 of the Charities Act 2011. The College was granted consent to change its name to Burton and South Derbyshire College on 1 April 2011 by the Secretary of State, in order to represent the broader population served by the College.

Mission

Governors reviewed the College's mission as part of the updating of their 'Adaptive Plan' in 2022 and in doing so agreed to continue to adopt the following mission statement:

"Inspiring and motivating all to achieve their maximum potential"

Public Benefit

Burton and South Derbyshire College is an exempt charity under Part 3 of the Charities Act 2011 and following the Machinery of Government changes in July 2016 is regulated by the Secretary of State for Education. The members of the Governing Body, trustees of the charity, are disclosed on page 18.

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

- High-quality teaching
- Widening participation and tackling social exclusion
- Excellent employment record for learners
- Strong learner support systems
- Links with employers, industry and commerce
- Links with other key local stakeholders, including the newly formed East Midlands County Combined Authority, Employer Representative Bodies, Local and County Authorities and other interested and linked organisations

Strategic Framework

During the 24/25 academic year a complete review and refresh of our Adaptive plan took place. This process included the engagement of all staff and key stakeholders; informed by skills related policy and the current and future context of our locality including future forecasts for our key demography and customer base.

The result of this work has been a strategic document that was approved by the board in September 2025, and which considers the world up to 2035 supported by strategies that will help us achieve four core areas of focus which are:

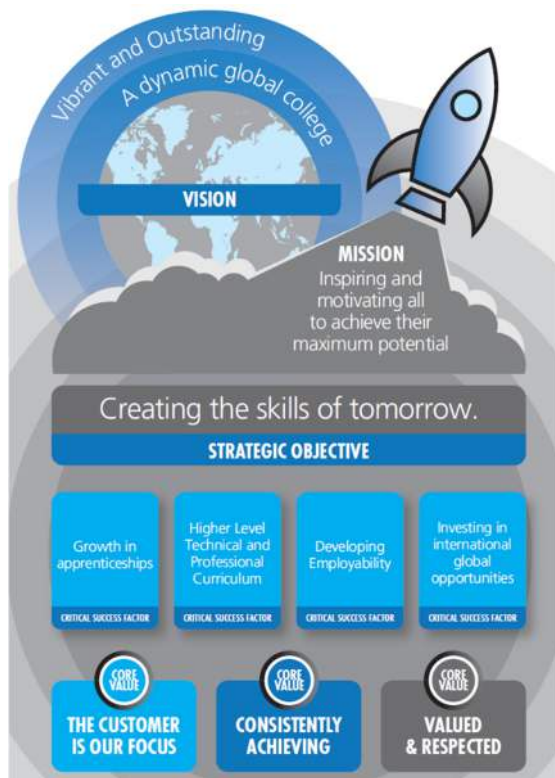
1. Secure Opportunities for Growth.
2. A technical and Professional Curriculum that Exceeds Industry Expectations
3. Globalisation
4. Be sustainable in all we do

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 JULY 2025**

The plan also demonstrates the changing nature of technology, altering the way we live, work and interact. Our learners (Gen Z) are now firmly established in the workplace, comprising over one fifth of its members, with Generation Alpha (2010 onwards) fast moving through education in a world shaped by artificial intelligence, augmented reality and hyper-connectivity. This is changing the nature of the world from a demographic, technological and cultural perspective.

This new Adaptive plan also drive a refinement of the key Critical Success Factors that will drive achievement of the plans objectives. These CSFs are monitored regularly by the board with performance against these objectives continually updated by the senior leadership team.

Our plan and milestone CSFs clearly align our College mission and purpose to the global, national and regional context in which we operate providing line of sight between government policy and College strategy at a national level. At a regional level, we are committed to navigating and shaping the skills landscape through close collaboration with devolved authorities and locally commissioned skills initiative. By engaging with labour market intelligence, employer-led initiatives, and local growth strategies, we ensure our curriculum remains responsive, inclusive, and future-focused. This dual alignment national and regional positions BSDC as a dynamic global college, delivering high-impact provision.



Each area of performance encompasses a range of indicators which measure the progress being made against the aims and objectives set out in the strategy and enable the College to understand the extent to which it is continuously improving by monitoring these performance trends over time.

The shared values provide a touchstone for how members of the College serve learners, employers and colleagues; how team members are recruited; how managers lead and develop their staff; and how teachers inspire, motivate and develop the College's learners and prospective students. The core college values are summarised as:

- 1) The customer is our focus
- 2) Consistently achieving
- 3) Valued and respected

From the above, the following element of the strategic process provides us with an Adaptive framework in which our accounts summary and context can sit.

The College will strive to deliver outstanding financial health. This will be achieved through the development of financial plans and objectives and strong managerial control. The emphasis on contribution, robust audit systems, risk management and our ability to generate cash for re-investment will continue to be developed. A constant review of costs and contribution will continue through the developed performance management review process. Clear financial targets are cascaded throughout the organisation, and all income streams are measured. The clear drive for income diversification will

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 JULY 2025**

form part of the target setting process, and we will utilise project funding to meet broader strategic objectives and build new capacity.

Financial objectives

The College's financial objectives are:

- To remain financially sound, to protect itself from unforeseen adverse changes in FE/HE/ER enrolments and funding; and generate sufficient income to enable the investment in improving its accommodation and equipment.
- The College wishes to maintain the confidence of funders, suppliers, bankers and auditors.
- The College wishes to raise the awareness of college staff of the financial environment under which it operates.
- To maintain and maximise returns with the College's short-term liquidity
- To achieve an annual operating surplus

A series of critical success factors and performance indicators have been agreed to monitor the successful implementation of the policies.

Performance indicators

The college follows the Department for Education (DfE) college accounts direction, the college financial planning handbook and the CFFR when reviewing best practice KPIs. Financial performance is assessed by the following local and sector measures:

Key performance Indicator	Measure/Target	Actual for 2024/25
Sector EBITDA as a % of income Surplus before Interest, Tax, Depreciation & Amortisation adjusted for non-operational items [release of capital grants, FRS102 pension costs, movement in holiday accrual]	>6%	2.73%
Debt Service Cover Ratio Cashflow from operating activities divided by interest paid, interest elements of finance leases, repayment of borrowed and capital element of finance leases	>2	N/A
Adjusted Cash Days in Hand Cash and investments expressed against adjusted operating costs	>40 (all months)	189
Adjusted Current Ratio Current assets expressed against current liabilities	>1.4	4.32
Pay Costs (as a % of income) Staff costs adjusted for restructuring and pensions expressed against adjusted income	<65%	66.8%
Financial Health Grade As defined by the Department for Education	Good	Good

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 JULY 2025**

The College is committed to observing the importance of sector measures and indicators and uses the DfE and FE commissioners' guidance on best practice KPIs to monitor the performance. The College is required to complete the annual college financial record for the year alongside the audited annual reports as per the Department for Education ("DfE") stipulations. The College is assessed by the DfE as having a "Good" measure of financial health grading, demonstrating the maintenance of a strong balance sheet and careful resource management processes, alongside an improved in-year EBITDA performance.

FINANCIAL POSITION**Financial results**

The Group generated a deficit before other gains and losses in the year of £214k and the College a surplus of £6k (2023/24 Group deficit of £2,563k, College deficit of £247k) with total income of £24,381k, for the Group and £24,381k for the College (2023/24 £21,119k for the Group and £22,245k for the College). The total comprehensive income is stated after actuarial loss in respect of pension schemes of £285k (2023/24 loss of £596k).

Financial Health

In terms of financial health, the College and Group has assessed its financial health as "Good". This is based on the DfE financial health score, for the three ratios of Adjusted Current Ratio, EBITDA as a % of total income and borrowing as a % of total income, totaling 220 points. The Current Ratio is 4.3 scoring 100 points, EBITDA is 2.7%, scoring 20 points and Borrowing as a percentage of income is 0%, scoring 100 points.

The Group has accumulated available reserves of £24,559k of which £11,463k is cash and cash equivalents (2023/24 £24,827k of which £11,470k is cash and cash equivalents). The College wishes to continue to accumulate reserves and cash balances to create funds for its investment in non-current assets and adaptive plan.

Group Tangible and Intangible fixed asset additions during the year amounted to £3,345k (2023/24 £4,324k). There were no land additions in the year, with the expenditure on additions relating to Building Software and Equipment to support Curriculum developments and College priorities.

The College has significant reliance on the education sector funding bodies for its principal funding source, largely from recurrent grants. In 2024/25 the FE funding bodies provided 75% of the College's total income (2023/24 at 76%).

As part of the College's income diversification strategy, the College continues to manage and operate its subsidiary company, Highbury Burton Saudi Arabia Limited (HBSA) incorporated in Saudi Arabia for the purpose of delivering education in Saudi Arabia. HBSA is a 100% owned subsidiary company managed by the Governing Body at BSDC and fully complies with the managing public money regulations. On 22 June 2023 HBSA and the College of Excellence finalised the termination of the operation and maintenance agreement, which represented the main source of the Company's revenue. In addition, the College has yet to secure any new contracts to generate revenue, with HBSA continuing to operate at a deficit during 24/25 pending new contracts expected to be awarded in early 2026 for September start. As not to lose the associated infrastructure and skills that would be needed to remobilize the company should any new contract be awarded, the group has continued to support reduced operations with the

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 JULY 2025**

subsidiary whilst this is ongoing. HBSA remains a going concern whilst exploring new contract opportunities. If a contract is not awarded following the launch of similar Colleges of Excellence, there is material uncertainty in relation to ongoing operations.

Treasury policies and objectives

Treasury management is the management of the College's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks. In April 2021 the College entered a long-term investment with Barclays to maximise the returns of surplus cash and as at 31st July 25 the investment is showing returns of £814k.

The college has sought to further maximise available funds and during 2024/25 entered 2 long-term maturity market equities with a capital investment of £0.5m into each. These are due to mature in 2031 and are earning steady returns balancing the volatility with interest rates within the current economic climate.

The College has a separate treasury management policy in place. In line with the policy the College has invested surplus funds with major institutions on a short-term basis.

Short-term borrowing for temporary revenue purposes is authorised by the Accounting Officer. All other borrowing requires the authorisation of the Department for Education and shall comply with the requirements of the Financial Memorandum/Funding Agreement. The College maintained no borrowings at 31 July 2025.

Cash flows

The net cash flow from group operating activities was £2,974k (2023/24 £5,084k).

Liquidity

The Group has retained cash reserves of £11.5m (2023/24 £11.5 million) with access to an additional £5 million in the Barclays investment portfolio.

Reserves Policy

The Corporation approved a reserves policy in September 2023 that sets out the objectives, level of available reserves for investment opportunities, the target reserve levels, controls over these reserves and frequency of when the policy will be reviewed. As at the balance sheet date, the Income and Expenditure reserve stands at £23,173k (2024: £23,267k).

CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE

Learner numbers

During 2024/25 the College's total enrolments by the number of qualifications aims undertaken was approximately 6,000, producing £16,162,000 total income (2023/24—£15,070,000), which equates to c85% of total funding grant income (2023/24, 74%) being via public funded grants and 15% (2023/24, 26%) through non-funded activities.

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 JULY 2025**

Learner & Apprenticeship Achievement Rates

The College's headline classroom-based achievement rate for 2024/25 for its technical and vocational curriculum is 89.7% (this excludes literacy and numeracy qualifications). Overall, outcomes for learners are exceptional, 3.0% above the prevailing national rate. Outcomes are not only high, but they are also consistent across its provision with the majority of curriculum department's outcomes judged to be at least good and in many instances these are outstanding. The College's apprenticeship achievement rates are also judged as good at 62.1%, above the prevailing national rate (+0.3%) but below the DfE target. This judgment recognises the anticipated and isolated performance dip from the previous year's historical highs.

Quality of Education & Learner Experience

A culture of learning permeates throughout the College promoted by leaders, managers, and staff. Most learners and apprentices aspire to do their best and make rapid and sustained progress. The College has taken significant steps to drive forwards innovation within the quality of teaching, learning and assessment. As a result of measures taken, the overall quality of teaching, learning and assessment continues an upward trajectory and is judged to be outstanding.

BSDC prides itself on the behaviour and conduct of its learners with well-established and long-held core values which ensure learners and apprentices are provided with exceptional welfare and support, enabling them to develop not only the skills and vocational training required for progression, but also develop the wider softer skills required to be effective citizens within a global economy. The College and its staff provide a truly learner centered approach which results in a welcoming, friendly, and purposeful environment for learning, and judges' behaviours and attitudes to be outstanding.

BSDC has truly placed personal development at the center of its educational goals and judges the personal development of its learners to be outstanding. The College has been innovative in its programme design and approaches, successfully implementing its Skills Promise which is vital to ensuring that learners recognise, understand, and articulate the whole package of skills and attributes and that they are able to demonstrate and evidence them in practice.

As a fundamental part of all BSDC programmes learners develop high levels of maturity and interpersonal skills in their learning which prepares them extremely well for life after college, in addition to vastly improving their social and economic wellbeing through active involvement in an extensive breadth of enrichment opportunities. The College strives to ensure that it is heavily involved with every aspect of its community and, as a result, learners' contributions permeate all aspects of the local Burton and South Derbyshire communities, through a wide and effective range of support, volunteering and competitive activities, which alongside exceptional outcomes contributes towards high and positive longitudinal destination results (92%).

The College's most recent Ofsted inspection in October 2024 was rated 'Outstanding' in all inspection aspects with strong judgement for meeting skills needs.

Curriculum Developments

BSDCs curriculum intentions are judged to be mature, clearly defined and highly effective. BSDC's curriculum offers learners and apprenticeships the knowledge and skills that reflect the needs of the local and regional context, and the curriculum intent considers the needs of learners, employers, and the local,

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 JULY 2025**

regional, and national economy, as necessary. This is evident in the College's longstanding use of a range of market intelligence to inform its curriculum planning, utilising employment trends to outline areas of skills shortages and replacement demand to ensure the College's curriculum is fit for purpose and helps drive economic growth. Over the past year, BSDC's curriculum intent and analysis has been combined to form its own local skills improvement plan which has been endorsed by its local Chamber.

Following the College's successful Government's towns fund bid, alongside East Staffordshire Borough Council the College was able to see the realisation of significant aspects of the College's adaptive plan to support the development of higher-level technical skills, which included a health and social care realistic working environment, a mechatronics suite, cyber security lab, a creative digital learning hub, and expanding our capacity within games development.

In 2025, BSDC celebrated the launch of two flagship facilities, the Advanced Automotive Training Centre (AATC) and the Green Skills Centre at SBCA, marking a transformative step in our commitment to sustainability, innovation, and employer-led curriculum development. The AATC delivers advanced training in hybrid and electric vehicle technologies, ADAS, and hydrogen systems, supporting the decarbonisation of the motor vehicle industry and aligning with national green transport priorities. Meanwhile, the Green Skills Centre has become a cornerstone of our green curriculum, offering retrofit and renewables qualifications, industry CPD, and employer engagement through initiatives like the SDF and LSIF programmes. Both centers are now embedded within our Curriculum enhancing provision and contributing to our carbon-neutral goals.

The College's commitment to reviewing and refreshing the curriculum remains a steadfast part of the strategic paradigm with the ultimate aim of providing excellent, research informed, learning opportunities and services, underpinned by best practice, which are efficient, effective, meet employers' needs and are easy to access and provide opportunities for progression to further or higher levels of study or employment.

In line with national reforms to technical education, the College has successfully introduced T Levels across multiple curriculum areas, including Engineering, Manufacturing, Education & Childcare, and Onsite Construction. The College's strategic implementation, mapped against its Adaptive Plan

Working with Partners

We continue to develop strategic relationships with a number of key local employers. Our work with Toyota Manufacturing UK continues to go from strength to strength training hundreds of Apprentices for their factory in Burnaston and for members of their supply chain. We are the Further Education partner for St George's park (home to all of the national England football teams) giving our sports and associated learners access to world class sports facilities and our relationship with Hilton Hotels is a unique example of how our College is supporting the Hospitality industry in ensuring they have access to a pipeline of talent that can add value to their business operations.

Since the ending of our contract in the Kingdom of Saudi Arabia we have maintained a much-reduced operation in the country so that we can capitalise on future contracts under the Colleges of Excellence scheme. We are confident that new contracts will be awarded during 25/26 with a significantly longer duration than previously and are excited to capitalise on this opportunity to demonstrate the exporting credentials of UK Further Education.

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 JULY 2025**

Our collaborative work across all stakeholders remains a constant focus and is essential to the economic development of the regions we serve. Work with devolved, county and local authorities, other Colleges, employer representative bodies and schools, which are an essential ingredient in our College's success and ensures we are effectively positioned to work in partnership to the benefit of all within our local communities.

Finally, our partnerships across international markets are strong seeing not only learners from across South East Asia and the USA come and study at BSDC, but we have also continued to secure contracts under the Government's Turing scheme for our domestic learners to undertake work placement opportunities in France, Spain, Italy, South Korea, Japan and Malta. Feedback from this has been excellent with outbound international activity being the part of our Globalisation strategy. This will have an increased focus, as the benefits to our domestic learners are incredible.

Payment Performance

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or the date on which the invoice was received. The target set by the Treasury for payment to suppliers within 30 days is 95 per cent. During the accounting period 1 August 2024 to 31 July 2025 the College paid 96% of its invoices within 30 days (2023/24 c.90%). The College incurred no interest charges in respect of late payments for this period.

Events after the end of the reporting period

There are no known events to report.

Future Prospects

The College continues to focus on sustainable growth and has seen increases in both young people and apprenticeship recruitment. This is allowing the College to improve productivity whilst also attracting a different profile of learners. We will continue to focus on the decarbonization of our estate so that this brings efficiencies in energy consumption and so that the College moves closer to its net zero ambitions. We will continue to be a responsible organization locally supporting a range of partners achieve their objectives through the provision of highly skills people of all ages who can contribute positively to our local and regional economy and support economic growth.

Going concern

After making appropriate enquiries, the Corporation considers that the College has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going-concern basis in preparing the financial statements.

The College has received additional in-year income from the DfE arising from over performance, delivered efficiencies and value-for-money recognising savings where appropriate, alongside managing overseas income and full cost activity. The College has produced a forecast cash flow statement through to August 2026, 12-month post accounts, modelling the financial effects of these assumptions, which forecasts a closing surplus cash and short-term investments balance of £17.2m.

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 JULY 2025**

Level of reserves

At the 31 July 2025, BSDC Group had general reserves of £24,559k, (2024 £24,827k), which demonstrate available reserves to total income of 101% compared to a national benchmark of 52%.

Current assets of £13.2m, including cash and cash equivalents at 31 July 2025 of £11.5m, resulting in a current ratio of 4.3 to 1 compared to a national benchmark of 1.4, with cash days in hand of 189 compared to a national benchmark of 40.

In our opinion, the College is implementing a prudent and realistic financial strategy that effectively manages operating costs, maintains healthy reserves and cash balances, and supports capital investment across the estate. This approach also accommodates learner volume growth within a challenging operating environment, while ensuring appropriate contingencies are in place to manage potential fluctuations in income and expenditure. As reflected in the DfE's financial health assessment of 'Good', the College is in a strong financial position to sustain its operations into the foreseeable future. Our strategic focus on the preparation of a college with a continued ability to adapt and a long-term focus on what the world will look like in 2028 will see us moving our curriculum more to on-line and cloud-based content. It will see us continue to expand our global reach and develop skills provision that is adaptable to the major economies of the future and will see us transform our interaction with future generations of young people, who have a radically different view and expectation for their career choices and future aspirations.

We will continually review our estate and infrastructure to meet with these changing expectations and will ensure that our people, our most important assets, continue to develop the skills, knowledge and expertise to deliver excellence in this future world.

We will continue to diversify our income and through being commercial in our approach, developing and growing strategic partnerships, product diversification and international collaboration whilst maintaining a strong focus on the bottom line so that we can invest, adapt and invigorate this exciting future offer.

RESOURCES:

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

Tangible resources include the main site, in East Staffordshire including the University Centre and the Engineering Academy and the Stephen Burke Construction Academy in South Derbyshire.

Financial

The College has £24.5m and Group £24.6m of net assets (including a £0 pension obligation), cash and reserves of £11.5 million and £5.8 million they can access in long-term investments.

People

The College employs 337 (324 23/24) people (expressed as full time equivalents) of whom 156 (159 23/24) are teaching / delivery staff and 182 (164 23/24) support staff.

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 JULY 2025**

Reputation

The College has a good reputation locally, nationally and internationally. Maintaining a quality brand is essential for the College's success for attracting students and external relationships. Growth in Apprenticeships, maintaining market share in heavily competitive markets and the diversification of our income are all indicators of the College's healthy reputation locally, regionally and nationally.

PRINCIPAL RISKS AND UNCERTAINTIES:

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

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

A risk register is maintained at college level which is reviewed termly by the Audit Committee and more frequently where necessary. 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.

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

1. Government funding

The College has considerable reliance on continued government funding through the education sector funding bodies and through OfS. In 2024/25, 75% of the College's revenue was ultimately public funded and this level of requirement is expected to continue. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

The College is aware of several issues which may impact future funding, including apprenticeship reforms and the devolution of the adult education budget. The College, in conjunction with its key stakeholders, is developing a strategy for growth in response to the devolution agenda and to the apprenticeships reform. The full impact of the introduction of the Apprenticeship Levy is not yet known as government policy continues to develop.

This risk is mitigated in a number of ways:

- Funding is derived through a number of direct and indirect contractual arrangements.
 - By ensuring the College is rigorous in delivering high quality education and training.
 - Considerable focus and investment is placed on maintaining and managing key relationships with the various funding bodies.
 - Ensuring the College is focused on those priority sectors which will continue to benefit from public funding.
 - Regular dialogue with funding bodies.
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**STRATEGIC REPORT
FOR THE YEAR ENDED 31 JULY 2025**

2. Tuition fee policy

In line with many other colleges, Burton and South Derbyshire College will seek to increase tuition fees in accordance with the rising fee assumptions. The risk for the College is that demand falls off as fees increase which is likely to impact on the growth strategy of the College.

This risk is mitigated in a number of ways:

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

3. Failure to maintain the financial viability of the College

The College's current financial health grade is classified as "Good" as described above. Notwithstanding that, the continuing challenge to the College's financial position remains the constraint on further education funding arising from the ongoing cuts in public sector spending whilst maintaining the student experience.

This risk is mitigated in a number of ways:

- By rigorous budget setting procedures and sensitivity analysis.
- Regular in year budget monitoring.
- Robust financial controls.
- Exploring ongoing procurement efficiencies.

4. Accommodation strategies

The College has an accommodation strategy to achieve a vibrant and outstanding campus in a financially challenging environment. The deficits between 2012/13 to 2023/24 have challenged the College's affordability and timescales for the delivery of this strategy whilst ensuring sound financial health and stability is maintained for the future.

This risk is mitigated in a number of ways:

- By closely monitoring the affordability of capital projects over the life of the project.
- Planning for managed moves into new accommodation in advance and delivering effective communication to learners, staff and stakeholders
- Successfully bidding for Stronger Towns Funds to improve the College estate and equipment
- Successful receipt of ESFA energy efficiency grant towards improving College estate
- Reclassification grant to improve College estate
- FE Capital transformation fund grant
- FE Capital allocation grant
- Bidding for financial support from Salix for carbon reduction initiatives such as LED and sensor lighting units, new boilers, replacement windows, site zoning and heating system.
- Others include safeguarding, business continuity (IT, Data, fire & theft) and Education quality.

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 JULY 2025**

5. Safeguarding

The College has as a number one priority ensuring the learning and working environment at the College is a safe and secure place for both students and staff at all times.

This risk is mitigated in a number of ways:

- Effective safeguarding processes for recording and investigating all incidents
- All students and new staff are made aware of College safeguarding policies during their induction week in particular preventing radicalisation and terrorism
- Annual refresher training for all staff and Governors on College safeguarding policies
- Installation of access barriers, at all campuses, to prevent intruders entering the College
- Appointment of student liaison officers outside all entrances

6. Business continuity

The College needs to have robust systems, processes and documented plans in place to respond to a major incident such as significant data breach, IT systems failure, health and safety, fire, theft and an act of terrorism that could affect the business operations at the College.

This risk is mitigated in a number of ways:

- A Business Continuity Plan (BCP) covering all functional areas of the College that has been communicated and shared with the key members of the disaster recovery team
- Annual simulation days, involving the disaster recovery team, where the BCP is tested to ensure the robustness of the recovery and response processes within the BCP and where appropriate revision
- Independent review of the BCP by internal audit on a regular basis to provide Governors with reassurance
- Insurance cover for all key areas such as cyber security, fire and theft to ensure swift reinstatement of services
- Back up of all College data is kept secure and there is compliance with statutory and regulatory legislation around security and recovery.

7. Education quality

The quality of teaching and learning is a key strategic priority for the College. It is essential that learners and apprentices make rapid and sustained progress in their studies, reaching their full potential and sustain positive purposeful progression.

How is this risk mitigated:

- By innovative quality assurance, quality improvement and performance management measures to ensure the quality of education and learning experience meets or exceeds expectations.
- By ensuring high-quality education and learner experience through a team of dedicated coaching and mentoring staff to support tutors, trainers and learner facing personnel.
- Regular, robust and concise reporting of key qualitative and quantitative performance indicators is undertaken for audiences ranging from Quality & Performance, College Management Team (CMT), Senior Leadership Team (SLT) and members of the Governing Body.
- By completing thorough and impartial self-assessment reviews (SARs) which not only identify areas of strength and good practice but identify and focus areas for development.

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 JULY 2025**

- By completing dynamic organisational quality improvement plans (QIPs) to address identified areas of underperformance and to continuously improve the quality of education and learner experience.

Impacts:

- BSDC was awarded 'Outstanding' in all judgements following an Ofsted inspection in 2024.
- BSDC was awarded 'Strong' for meeting skills needs judgement following an Ofsted inspection in 2024

STAKEHOLDER RELATIONSHIPS

In line with other colleges and with universities, Burton and South Derbyshire College has many stakeholders and recognises the importance of these relationships by engaging in regular communication through the College internet site and by meetings. These include but not limited to:

- Learners
- Education sector funding bodies
- FE Commissioner
- Staff
- Local employers (with specific links)
- Local Authorities
- Employer Representative Bodies
- Mayors and Devolved County Authorities
- The local community
- Other FE institutions
- Trade unions
- Professional bodies

Equality

Burton and South Derbyshire College believe that all those who shape our community (learners, staff, governors, employers, visitors and wider stakeholders) have a right to be valued and respected equally and to be provided with equal opportunity in all that they do. The College is fully committed to actively promoting shared values that include equality, diversity and social inclusion, actively involving our community and valuing their contribution to the delivery of our Strategy, demonstrating care and respect for others and applying honesty and fairness in everything we do. The delivery and active promotion of equality of opportunity underpins the College's mission and Strategic Framework. The College's Single Equality Scheme is published on the College's Website.

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

The College is a 'Positive about Disabled' employer and has committed to the principles and objectives of the Positive about Disabled standard. The College considers all employment applications from people with impairments, bearing in mind the attitudes of the individuals concerned and the requirements of the role. Where an existing employee becomes impaired, every effort is made to ensure that employment with the College continues and to make all reasonable adjustments to ensure this. The College's policy

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 JULY 2025**

is to provide training, career development and opportunities for promotion, which are, as far as possible, identical to those for other employees.

The College has committed to the 'Mindful Employer' initiative to assist the mental health wellbeing of staff. The College has also implemented an updated Equality & Diversity training programme to Level 2 which all staff are required to complete. Refresher training and training for new starters is carried out on an on-going basis.

Disability statement

The College seeks to achieve the objectives set in the Disability Discrimination Act 1995, with amendments by the Special Education Needs and Disability Acts 2001 and 2005.

- a) As part of its accommodation strategy the College updated its access audit. The College makes continual improvements to improve access for learners.
- b) The College has an Additional Learning Support (ALS) Co-ordinator, who provides information, advice and arranges support where it is necessary for learners with disabilities.
- c) There is a list of specialist equipment, such as radio aids, which the College can make available for use by learners and a range of assistive technology is available.
- d) The admissions policy for all learners is described in the College charter. Appeals against a decision not to offer a place are dealt with under the complaints policy.
- e) The College has made a significant investment in the appointment of specialist staff to support learners with learning difficulties and/or disabilities. There are a number of learner support assistants who can 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 learners who have learning difficulties and/or disabilities.
- f) Specialist programmes are described in college prospectuses, and achievements and destinations are recorded and published in the standard college format.
- g) Counselling and welfare services are described in the College Learner Guide, which is issued to learners together with the Complaints and Disciplinary Procedure leaflets at induction.

BURTON AND SOUTH DERBYSHIRE COLLEGE

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 JULY 2025**

Trade union facility time

The Trade Union (Facility Time Publication Requirements) Regulations 2018 require the College to publish information on facility time arrangements for trade union officials at the College.

Numbers of employees who were relevant union officials during the relevant period	FTE employee number
5	3.5

Percentage of time	Number of employees
0%	0
1-50%	5
51-99%	0
100%	0

Total cost of facility time	£1039.01
Total pay bill	£14,772k
Percentage of total bill spent on facility time	0.007%

Time spent on paid trade union activities as a percentage of total paid facility time	100%
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Going concern

After making appropriate enquiries, the corporation considers that the college has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going-concern basis in preparing the financial statements.

Disclosure of information to auditors

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

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

Signed  _____
Rajinder Mann, Chair

Date: 29.01.2026

BURTON AND SOUTH DERBYSHIRE COLLEGE

**PROFESSIONAL ADVISERS
FOR THE YEAR ENDED 31 JULY 2025**

Professional advisers

Financial statements auditor and regularity independent reporting accountant:

MHA

Rutland House

148 Edmund Street

Birmingham

B3 2FD

Internal auditors:

Validera

30 Camp Road

Farnborough

GU14 6EW

Bankers:

Barclays Bank plc

22-23 High Street

Burton on Trent

Staffordshire

DE14 1HU

Solicitors:

Browne Jacobson LLP

Mowbray House

Castle Meadow Road

Nottingham

NG2 1BJ

**STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL
FOR THE YEAR ENDED 31 JULY 2025**

Statement of Corporate Governance and Internal Control

The following statement is provided to enable readers of the annual report and accounts of the College to obtain a better understanding of its governance and legal structure. This statement covers the period from 1 August 2024 to 31 July 2025 and up to the date of approval of the annual report and financial statements.

The College endeavours to conduct its business:

- In accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership);
- in full accordance with the guidance to colleges from the Association of Colleges in The English Colleges' Foundation Code of Governance ("the Foundation Code"); and
- having due regard to the UK Corporate Governance Code ("the Code") insofar as it is applicable to the further education sector.

In the opinion of the Governors, the College complies with the provisions of the Code, and it has complied throughout the year ended 31 July 2025. 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 March 2015, which it formally adopted on 28 April 2015.

The College is an exempt charity within the meaning of Part 3 of the Charities Act 2011. The Governors, who are also the Trustees for the purposes of the Charities Act 2011, confirm that they have had due regard for the Charity Commission's guidance on public benefit and that the required statements appear elsewhere in these financial statements.

The Corporation

During the 24/25 operating financial year, the college and its subsidiary were overseen by the Principal and Chief Executive, John Beaty.

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

Governors serving on the College Corporation and its Committees during 2024/2025 (this information includes attendance at two Governors' Development Days)

BURTON AND SOUTH DERBYSHIRE COLLEGE

**STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL
FOR THE YEAR ENDED 31 JULY 2025**

Name	Date of Appointment	Term of office	Date of resignation	Status of appointment	Committees served	Overall Attendance	Audit Attendance
Mrs U Bennion	05/06/2024	4 years		Independent member		7/10 (70%)	
Mr E Burke	6/7/2011; Reappointed: 9 July 2015 08/07/2019 07/07/2023	4 years		Independent member	Vice - Chair of Corporation Remuneration Audit (joined in December)	16/16 (100%)	3/3 (100%) (joined November 2024)
Mr J Beaty	01/08/2024			Principal & CEO	Remuneration Search	12/12 (100%)	
Ms K Broomfield	09/06/2021 Reappointed: 07/06/2023	2 years	31/08/2024	Staff member		8/10 (80%)	
Ms R Mann	15/10/2009 Reappointed: 15/10/2013 05/07/2017 01/07/2021 09/07/2025	4 years		Independent member	Chair of Corporation Remuneration Search	13/13 (100%)	
Ms S Marshall	09/12/2020 Reappointed: 10/12/2024	4 years		Independent member	Search	9/10 (90%)	
Mr F McArdle	08/06/2022	4 years		Independent member	Remuneration	10/13 (77%)	
Mr C Modiga	06/11/2023 Reappointed: 25/06/2024	1 year	09/12/2024	Student member		1/3 (33%)	
MS H Gazzard	22/01/2025			Student member		6/7 (86%)	
Mr C Prosser	20/09/2017 Reappointed: 07/07/2021	4 years		Independent member	Search;	9/14 (64%)	4/4 (100%)
Mr D Rosser	24/01/2024	4 years		Independent member	Audit	13/14 (93%)	3/4 (75%)
Mr J Keller	11/12/2024	4 years		Independent member		4/8 (50%)	

Ms L Gouldthorp served as co-opted member of the Audit Committee 3/4 (75%)

Mr K Buckley served as co-opted member of the Audit Committee 3/4 (75%)

Mrs Y Orton as Deputy Clerk (resigned 6 September 2024), Mrs J Hutyan-Szekely as Governance Professional (started on 10 Oct 2024)

BURTON AND SOUTH DERBYSHIRE COLLEGE

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL FOR THE YEAR ENDED 31 JULY 2025

It is the Corporation's responsibility to bring independent judgement to bear 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 capital expenditure, quality matters and personnel related matters such as health and safety and environmental issues. The Corporation meets each month.

The Corporation conducts its business through a number of committees. Each committee has terms of reference, which have been approved by the Corporation. These committees are Remuneration, Audit and Search and Governance. Full minutes of all meetings, except those deemed to be confidential by the Corporation, are available on the College's website at www.bsdc.ac.uk or from the Clerk to the Corporation at:

Burton and South Derbyshire College
Lichfield Street
Burton upon Trent
Staffordshire
DE14 3RL

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

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

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

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

There is a clear division of responsibility in that the roles of the Chairman and Chief Executive/Principal are separate.

Appointments to the Corporation

Any new appointments to the Corporation are a matter for consideration of the Corporation as a whole. The Corporation has a search committee, consisting of five members of the Corporation, which is responsible for the selection and nomination of any new member for the Corporation's consideration. The Corporation is responsible for ensuring that appropriate training is provided as required.

Members of the Corporation are appointed for a term of office not exceeding four years.

**STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL
FOR THE YEAR ENDED 31 JULY 2025**

Corporation performance

The Corporation met eight times during the year and have overseen a variety of complex issues such as the completion of several grants during the year, the approval of the Public Sector Decarbonisation Scheme Grant agreement and the extension of the HBSA contract in Saudi Arabia. In addition to the Corporation meetings the Governors also met for two development days where they discussed future strategy and policy for the College. The Corporation has contributed to the strategy document that will take the College forward to 2035. As part of this, the Corporation regularly reviews a set of agreed Critical Success Factors (CSF's) and KPIs to assess the performance of the College.

The Corporation has considered the Post-16 Audit Code of Practice, a document that allows the Corporation to annually self-assess its performance against key requirements. Completion of this self-assessment has not identified any areas for which the Corporation has not met the requirements of the code.

The Corporation carries out an annual skills audit to ensure that serving Governors have the breadth of management experience. The most recent skills audit supports the self-assessment of 'Good' which was also supported by the most recent Ofsted review. The annual skills audit is undertaken in November of each calendar year to ensure the breadth and depth of the Board remains.

Remuneration Committee

Throughout the year ending 31 July 2025, the College's Remuneration Committee comprised four members of the Corporation. The Committee's responsibilities are to make recommendations to the Board on the remuneration and benefits of the Chief Executive / Principal 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.

Audit committee

The Audit Committee comprises three members of the Corporation (excluding the Chief Executive / Principal) and one co-opted member. The committee operates in accordance with written terms of reference approved by the Corporation.

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

The College's internal auditors monitor 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 are responsible for the implementation of agreed audit recommendations and internal audit undertake periodic follow-up reviews to ensure such recommendations have been implemented.

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

**STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL
FOR THE YEAR ENDED 31 JULY 2025**

Internal control

Scope of responsibility

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

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

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risks 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 Burton and South Derbyshire College for the year ended 31 July 2025 and up to the date of approval of the annual reports 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 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; and
- the adoption of formal project management disciplines, where appropriate

**STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL
FOR THE YEAR ENDED 31 JULY 2025**

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

Risks Faced by the Corporation

Validera provided the Internal Audit Service for the College. During 2024/25. It was judged to have overall adequacy and effectiveness of the organisation's risk management, control and governance processes. Responsibilities under funding agreements.

The College governors confirm that they have met all conditions under the funding agreement. The Department for Education and the former Education and Skills Funding Agency introduced new controls for the college on 29 November 2022 on the day that the Office for National Statistics reclassified colleges as public sector organisations in the national accounts. The then ESFA chief executive communicated these changes to all college accounting officers and introduced a college financial handbook in March 2024. The college has reviewed its policies, procedures and approval processes in line with these requirements 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 must advise the Corporation on the adequacy and effectiveness of the Corporation's assurance framework. The audit committee must play a robust role in good stewardship and risk management and may refer to the DfE's guidance on the scope of work of audit committees and internal auditors in college Corporations. In addition, the Audit Committee advises and supports the Corporation in explaining, in its annual accounts, the measures taken to ensure it has fulfilled its statutory and regulatory responsibilities. The College Accounts Direction sets out the DfE's specific requirements including the required format of the corporation's statement of corporate governance and internal control.

The Audit Committee has increased flexibilities and freedoms as to how it can obtain the assurances required to prepare and advise the Corporation on the adequacy and effectiveness of the College's framework of governance, risk management and internal controls. The Audit Committee Annual Report draws together a range of assurances from several key assurance providers in order to form and provide an opinion as outlined above. Its annual report is set out by initially providing the Annual Opinion of the Audit Committee, with subsequent sections documenting the sources and strength of assurances provided during the year.

The sections are broken down as follows:

1. Corporate Governance
2. Value for Money Statement
3. Risk Management, and
4. Internal Control.

**STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL
FOR THE YEAR ENDED 31 JULY 2025**

On the basis of the independent audit reports received and the assurances provided throughout the academic year by management, the Committee's opinion is that the College does have in place an adequate and effective assurance framework. As a result of the assurances received throughout the academic year, the Committee can confirm that the College has in place adequate and effective audit arrangements. It is the Committee's opinion that the framework of governance, risk management and control, and processes for the effective and efficient use of resources, the solvency of the institution and the safeguarding of its assets are sufficiently robust to provide a reasonable opinion.

Review of effectiveness

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

- the work of the internal auditors
- the work of the executive managers within the College who have responsibility for the development and maintenance of the internal control framework
- comments made by the College's financial statements, auditors, the reporting accountant and the appointed funding auditors in their management letters and other reports

The Principal & Chief Executive has been advised on the implications of the result of his review of the effectiveness of the system of internal control by the Audit Committee which oversees the work of the internal auditor and other sources of assurance and a plan to address weaknesses and ensure continuous improvement of the system in place.

The Principal and Chief Executive and senior leadership 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 Principal and Chief Executive, senior leadership 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 leadership 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 meeting, the Corporation carried out the annual assessment for the year ended 31 July 2025 by considering documentation from the senior leadership team and internal audit and taking account of events since 31 July 2025.

Based on the advice of the Audit Committee and the Chief Executive and Principal, the Corporation is of the opinion that the College has an adequate and effective framework for governance, risk management and control, and has fulfilled its statutory responsibility for "the effective and efficient use of resources, the solvency of the institution and the safeguarding of their assets".

**STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL
FOR THE YEAR ENDED 31 JULY 2025**

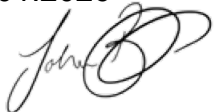
Assessment

In our opinion, the prudent and realistic financial strategy to reduce costs, increase reserves and cash balances has been successful. Our approach is based on the very challenging operating environment coupled with sound financial planning, for the next two years, that has contingencies for any potential adverse fluctuations in income and expenditure which puts the College in a strong financial position to continue its operation for the foreseeable future as demonstrated in the DfE financial health assessment which is 'Good'.

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


Signed _____
Rajinder Mann, Chair

Date: 29.01.2026


Signed _____
John Beaty, Principal and Chief Executive

Date: 29.01.2026

**STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 JULY 2025**

Statement of regularity, propriety and compliance

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

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

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



Signed _____
John Beaty, Principal & Chief Executive, & Accounting Officer

Date: 29.01.2026

Statement of the Chair of Governors

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



Signed _____
Rajinder Mann, Chair

Date: 29.01.2026

**STATEMENT OF RESPONSIBILITIES OF THE MEMBERS OF THE CORPORATION
FOR THE YEAR ENDED 31 JULY 2025**

The members of the Corporation are required to present audited financial statements for each financial year.

Within the terms and conditions of the corporation's grant funding agreements and contracts with the DfE, the corporation, through its Accounting Officer, is required to prepare financial statements and an operating and financial review for each financial year in accordance with the Statement of Recommended Practice – Accounting for Further and Higher Education, the DfE's college accounts direction and the UK's Generally Accepted Accounting Practice, and which give a true and fair view of the state of affairs of the corporation and its 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 Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- assess whether the corporation is a going concern, noting the key supporting assumptions, qualifications or mitigating actions as appropriate
- prepare financial statements on the going concern basis, unless it is inappropriate to assume that the College will continue in operation.

The corporation is also required to prepare a Members' Report which describes what it is trying to do and how it is going about it, including information about the legal and administrative status of the corporation. The corporation is responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the College and which enable it to ensure that the financial statements are prepared in accordance with relevant legislation including the Further and Higher Education Act 1992 and Charities Act 2011, and relevant accounting standards. It is responsible for taking steps that are reasonably open to it to safeguard its assets and to prevent and detect fraud and other irregularities.

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

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

BURTON AND SOUTH DERBYSHIRE COLLEGE

**STATEMENT OF RESPONSIBILITIES OF THE MEMBERS OF THE CORPORATION
FOR THE YEAR ENDED 31 JULY 2025**

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



Signed _____
Rajinder Mann, Chair
Date: 29.01.2026

**INDEPENDENT AUDITOR'S REPORT TO THE GOVERNORS OF THE CORPORATION
FOR THE YEAR ENDED 31 JULY 2025**

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNORS OF THE CORPORATION

We have audited the financial statements of the Corporation of Burton and South Derbyshire College (the 'College') and its subsidiary (the 'Group') for the year ended 31 July 2025 which comprise the Consolidated and College Statements of Comprehensive Income, the Consolidated and College Statements of Changes in Reserves, the Group and College Balance Sheets, the Consolidated Statement of Cash Flows, the principal accounting policies, and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the Group's and of the College's affairs as at 31 July 2025 the Group's and College's income over expenditure for the year then ended; and
- have been properly prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education, UK GAAP and the current College Accounts Direction.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Governing Body'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 Group and College's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The governors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or

**INDEPENDENT AUDITOR'S REPORT TO THE GOVERNORS OF THE CORPORATION
FOR THE YEAR ENDED 31 JULY 2025**

apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report on in this regard.

Matters on which we are required to report by exception

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

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

Opinions on other matters prescribed in the Office for Students' Accounts Direction (OfS 2019.41)

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, if relevant, managed in accordance with relevant legislation.
- funds provided by the Office for Students and the Education and Skills Funding Agency have been applied in accordance with the relevant terms and conditions.
- The requirements of the Office for Students' accounts direction for the relevant year's financial statements have been met.

Under the Office for Students' Accounts Direction, we are required to report to you if we have anything to report in respect of the following matters:

- The College's grant and fee income, as disclosed in note number 4 to 5 to the financial statements, has been materially misstated; or
- The College's expenditure on access and participation activities for the financial year, as disclosed in note number 9 to the financial statements, has been materially misstated

We have no matters to report arising from this responsibility.

Responsibilities of the Governing Body

As explained more fully in the Statement of Corporation Responsibilities, the Members of the Governing Body are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governing Body 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 Governing Body 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 Governing Body either intends to liquidate the Group or the College or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITOR'S REPORT TO THE GOVERNORS OF THE CORPORATION
FOR THE YEAR ENDED 31 JULY 2025**

Auditor 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 it 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:

- Obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the Group operates in and how the Group is complying with the legal and regulatory frameworks;
- Enquiry of management and those charged with governance to identify any instances of known or suspected instances of fraud;
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of College staff in compliance functions to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness;
- Evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.
- Reviewing minutes of meetings of those charged with governance;
- Reviewing internal audit reports;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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. This description forms part of our auditor's report.

BURTON AND SOUTH DERBYSHIRE COLLEGE

**INDEPENDENT AUDITOR'S REPORT TO THE GOVERNORS OF THE CORPORATION
FOR THE YEAR ENDED 31 JULY 2025**

Use of our report

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



MHA
Chartered Accountants and Registered Auditor
Birmingham, United Kingdom

Date: 30/01/2026

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY
FOR THE YEAR ENDED 31 JULY 2025**

To: The corporation of Burton and South Derbyshire College and Secretary of State for Education, acting through the Department for Education (DfE)

In accordance with the terms of our engagement letter dated 20 May 2025 and further to the requirements and conditions of funding in DfE's grant funding agreements and contracts, or those of any other public funder, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by Burton and South Derbyshire College during the period 1 August 2024 to 31 July 2025 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

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

This report is made solely to the corporation of Burton and South Derbyshire College and the DfE in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the corporation of Burton and South Derbyshire College and the DfE 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 Burton and South Derbyshire College and the DfE for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Burton and South Derbyshire College and the reporting accountant

The corporation of Burton and South Derbyshire College is responsible, under the requirements of the Further & Higher Education Act 1992, subsequent legislation and related regulations and guidance, for ensuring that expenditure disbursed, and income received, are applied for the purposes intended by Parliament, and the financial transactions conform to the authorities that 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 Code. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received, during the period 1 August 2024 to 31 July 2025 have not been applied to 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 Code issued by the DfE. We performed a limited assurance engagement as defined in that framework.

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.

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY
FOR THE YEAR ENDED 31 JULY 2025**

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 and propriety of the corporation's income and expenditure.

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material irregularity and impropriety across all of the College's activities;
- Further testing and review of self-assessment questionnaire including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

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, that the financial transactions do not conform to the authorities that govern them.



MHA
Chartered Accountants and Registered Auditor
Birmingham, United Kingdom

Date: 30/01/2026

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

BURTON AND SOUTH DERBYSHIRE COLLEGE

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 JULY 2025**

	Note	Year ended 31 July 2025		Year ended 31 July 2024	
		Group £000	College £000	Group £000	College £000
Income from:					
Funding body grants	4	19,000	19,000	15,919	15,919
Tuition fees and educational contracts	5	3,738	3,738	3,332	3,332
Investment income	6	371	371	654	1,700
Other income	7	1,272	1,272	1,214	1,294
Total income		24,381	24,381	21,119	22,245
Expenditure on:					
Staff costs	8	14,804	14,772	13,692	13,544
Other operating expenses	9	7,046	6,876	7,609	6,952
Depreciation	12,13	2,745	2,727	2,119	2,090
Interest and other finance costs	10	-	-	1	1
Total expenditure		24,595	24,375	23,421	22,587
Net income / (expenditure) before surplus on disposal of assets		(214)	6	(2,302)	(342)
Surplus on disposal of assets		-	-	95	95
Net income / (expenditure) before taxation		(214)	6	(2,207)	(247)
Taxation		-	-	(356)	-
Surplus/(deficit) for the year		(214)	6	(2,563)	(247)
Other recognised gains/(losses):					
Actuarial (losses)/gains on defined benefit pension schemes	18	(285)	(285)	(596)	(596)
Gain/(loss) on fixed asset investments		276	165	404	(2,378)
Loss on retranslation of subsidiary		(45)	-	(40)	-
Total comprehensive income for the year		(268)	(114)	(2,795)	(3,221)
Represented by:					
Total funds brought forward		24,827	24,673	27,622	27,894
Net movement in funds		(268)	(114)	(2,795)	(3,221)
Total funds carried forward		24,559	24,559	24,827	24,673

All items of income and expenditure relate to continuing activities.

The Notes on pages 40 to 72 form part of these financial statements

BURTON AND SOUTH DERBYSHIRE COLLEGE

**CONSOLIDATED AND COLLEGE STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 JULY 2025**

	Income and Expenditure account	Revaluation reserve	Total
	£'000	£'000	£'000
Group			
Balance at 1st August 2023	25,888	1,734	27,622
Comprehensive income for the year			
Surplus from the income and expenditure account	(2,563)	-	(2,563)
Other comprehensive income for the year			
Other comprehensive income	(232)	-	(232)
Transfers between revaluation and income expenditure reserves	174	(174)	-
Balance at 31st July 2024	23,267	1,560	24,827
Balance at 1st August 2024	23,267	1,560	24,827
Comprehensive income for the year			
Surplus from the income and expenditure account	(214)	-	(214)
Other comprehensive income for the year			
Other comprehensive income	(54)	-	(54)
Transfers between revaluation and income expenditure reserves	174	(174)	-
Balance at 31st July 2025	23,173	1,386	24,559
College			
Balance at 1st August 2023	26,160	1,734	27,894
Comprehensive income for the year			
Surplus from the income and expenditure account	(247)	-	(247)
Other comprehensive income for the year			
Other comprehensive income	(2,974)	-	(2,974)
Transfers between revaluation and income expenditure reserves	174	(174)	-
Balance at 31st July 2024	23,113	1,560	24,673
Balance at 1st August 2024	23,113	1,560	24,673
Comprehensive income for the year			
Surplus from the income and expenditure account	6	-	6
Other comprehensive income for the year			
Other comprehensive income	(120)	-	(120)
Transfers between revaluation and income expenditure reserves	174	(174)	-
Balance at 31st July 2025	23,173	1,386	24,559

The accompanying notes form part of the financial statements.

BURTON AND SOUTH DERBYSHIRE COLLEGE

**CONSOLIDATED BALANCE SHEET
AS AT 31 JULY 2025**

	Note	2025 £000	2025 £000	2024 £000	2024 £000
Fixed assets					
Intangible assets	12		28		43
Tangible assets	13		22,583		21,968
Investments	14		5,815		5,539
			<u>28,426</u>		<u>27,550</u>
Current assets					
Stocks		42		32	
Trade and other receivables	15	1,680		1,269	
Cash and cash equivalents		11,463		11,470	
		<u>13,185</u>		<u>12,771</u>	
Creditors: Amounts falling due within one year	16	(4,692)		(3,555)	
			<u>8,493</u>		<u>9,216</u>
Net current assets					
			<u>36,919</u>		<u>36,766</u>
Total assets less current liabilities					
Creditors: Amounts falling due after more than one year	17		(12,360)		(11,939)
Defined benefit obligations	18		-		-
			<u>24,559</u>		<u>24,827</u>
Total net assets					
Unrestricted funds					
Income and expenditure account			23,173		23,267
Revaluation reserve			1,386		1,560
			<u>24,559</u>		<u>24,827</u>
Total unrestricted funds			<u>24,559</u>		<u>24,827</u>
			<u>24,559</u>		<u>24,827</u>
Total funds					

BURTON AND SOUTH DERBYSHIRE COLLEGE

**CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 JULY 2025**

The financial statements were approved and authorised for issue by the Governors and signed on their behalf by:



.....
Rajinder Mann
Chair
Date: 29.01.2026



.....
John Beaty
Chief Executive, Principal and Accounting Officer

The notes on pages 42 to 73 form part of these financial statements.

BURTON AND SOUTH DERBYSHIRE COLLEGE

**COLLEGE BALANCE SHEET
AS AT 31 JULY 2025**

	Note	2025 £000	2025 £000	2024 £000	2024 £000
Fixed assets					
Intangible assets	12		28		43
Tangible assets	13		22,565		21,932
Investments	14		7,246		7,081
			<u>29,839</u>		<u>29,056</u>
Current assets					
Stocks		42		32	
Trade and other receivables	15	1,533		1,196	
Cash and cash equivalents		10,149		9,799	
		<u>11,724</u>		<u>11,027</u>	
Creditors: Amounts falling due within one year	16	(4,680)		(3,489)	
			<u>7,044</u>		<u>7,538</u>
Net current assets					
			<u>36,883</u>		<u>36,594</u>
Total assets less current liabilities					
Creditors: Amounts falling due after more than one year	17		(12,324)		(11,921)
Net assets excluding pension asset / (liability)			<u>24,559</u>		<u>24,673</u>
Defined benefit obligations	18		-		-
			<u>24,559</u>		<u>24,673</u>
Total net assets					
Unrestricted reserves					
Income and expenditure account			23,173		23,113
Revaluation reserve			1,386		1,560
			<u>24,559</u>		<u>24,673</u>
Unrestricted funds			24,559		24,673
			<u>24,559</u>		<u>24,673</u>
Total funds					
			<u>24,559</u>		<u>24,673</u>

BURTON AND SOUTH DERBYSHIRE COLLEGE

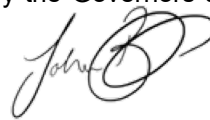
**COLLEGE BALANCE SHEET (CONTINUED)
AS AT 31 JULY 2025**

The Governors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Governors and signed on their behalf by:



.....
Rajinder Mann
Chair of the Governors
Date: 29.01.2026



.....
John Beaty
Chief Executive and Principal

The notes on pages 42 to 73 form part of these financial statements.

BURTON AND SOUTH DERBYSHIRE COLLEGE

**CONSOLIDATED AND COLLEGE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2025**

	Note	Year ended 31 July 2025		Year ended 31 July 2024	
		Group £000	College £000	Group £000	College £000
Cash flow from operating activities					
Surplus/(deficit) for the year		(214)	6	(2,563)	(247)
Adjustment for non-cash items					
Depreciation	12,13	2,745	2,727	2,119	2,091
(Increase)/decrease in inventories		(10)	(10)	2	2
(Increase)/decrease in debtors	15	(411)	(337)	947	352
Increase/(decrease) in creditors due within one year	16	1,137	1,191	39	61
Increase/(decrease) in creditors due after one year	17	421	403	5,034	5,126
Pensions costs less contributions payable	18	(285)	(285)	(254)	(254)
Taxation charge	11	-	-	356	-
Exchange gain on operating items		-	-	(53)	-
Impact of prior year restatement		-	-	142	142
Adjustment for investing or financing activities					
Investment return	14	-	-	(337)	(337)
Dividend receivable from subsidiary		-	-	-	(1,045)
Investment income	6	(364)	(364)	(254)	(254)
Interest payable	10	-	-	1	1
(Profit)/loss on sale of fixed assets	12,13	-	-	(95)	(95)
Net cash flow from operating activities		3,019	3,331	5,084	5,543
Cash flows from investing activities					
Tax paid	11	-	-	(356)	-
Investment income	6	364	364	306	307
Dividends		-	-	-	1,045
Payments made to acquire fixed assets	13	(3,345)	(3,345)	(4,580)	(4,545)
Proceeds on disposal of assets	12,13	-	-	120	120
Net cash from investing activities		(2,981)	(2,981)	(4,510)	(3,073)
Cash flows from financing activities					
Interest paid	10	-	-	(1)	(1)
Net cash flows from financing activities		-	-	(1)	(1)
Increase/(decrease) in cash and cash equivalents in the year		38	350	573	2,469
Cash and cash equivalents at the beginning of the year		11,470	9,799	10,853	7,330
Exchange gains on cash and cash equivalents		(45)	-	44	-
Cash and cash equivalents at the end of the year		11,463	10,149	11,470	9,799

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

1. General information

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

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The financial statements are presented in sterling which is the functional currency of the Corporation and rounded to the nearest thousand pound.

The financial statements are prepared in accordance with the historical cost convention as modified by the use of previous valuations as deemed cost at transition for certain non-current assets.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the College and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

2.2 Basis of consolidation

The Corporation has one wholly owned subsidiary; the subsidiary is material to the Corporation's financial statements and have therefore been consolidated. The subsidiary, Highbury & Burton Saudi Arabia Limited, is 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. Under the purchase method of accounting, the results of subsidiary and associated undertakings acquired or disposed of during the year are included in the consolidated income and expenditure account from or up to the date on which control of the undertaking passes.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

2. Accounting policies (continued)

2.3 Going concern

The activities of the College, together with the factors likely to affect its future development and performance are set out in the Member's Report. The College has considered the consequences other events and conditions, and it has determined that they do not create a material uncertainty that casts significant doubt upon the entity's ability to continue as a going concern.

The financial position of the College, its cash flow, liquidity and borrowings are presented in the Financial Statements and accompanying Notes. As noted in the members report, a subsidiary of the group Highbury Burton Saudi Arabia Limited (HBSA) incorporated in Saudi Arabia had an operating contract to operate a female only College in Jeddah, Saudi Arabia (International Technical Female College at Jeddah). However on 22 June 2023 HBSA and the College of Excellence finalised the termination of the operation and maintenance agreement, which represented the main source of the Company's revenue. In addition, the College did not sign any new contracts to generate revenue, as a result, there is a material uncertainty over the going concern of the subsidiary. HBSA is currently in negotiations to sign a new agreement and therefore is hopeful this operation will continue, the outcome of these negotiations will not have an impact on the wider going concern assumption of the College group.

Accordingly, the College has a reasonable expectation that it has more than adequate resources to continue in operational existence for the foreseeable future, and for this reason will continue to adopt the going concern basis in the preparation of its Financial Statements.

Following prudent and robust financial projections the Corporation have determined the College has adequate and sufficient resources to continue in operation for the foreseeable future being a period not less than 12 months from the date of approval of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

2. Accounting policies (continued)**2.4 Income****Revenue grant funding**

Government revenue grants include funding body recurrent grants and other grants and are accounted for under the accrual model as permitted by FRS 102. Funding body recurrent grants are measured in line with best estimates for the period of what is receivable and depend on the particular income stream involved. Any under or over achievement for the Adult Skills Fund 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 following the year end, and the results of any funding audits. 16-18 learner-responsive funding is not normally subject to reconciliation and is therefore not subject to contract adjustments.

The recurrent grant from the Office for Students (OfS) represents the funding allocations attributable to the current financial year and is credited directly to the Statement of Comprehensive Income.

Grants from non-government sources are recognised in income when the Corporation is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the Balance Sheet and released to income as the conditions are met.

Capital grant funding

Government capital grants are capitalised, held as deferred income and recognised in income over the expected useful life of the asset, under the accrual method as permitted by FRS 102. Other, non-governmental, capital grants are recognised in income when the Corporation is entitled to the funds subject to any performance related conditions being met.

Fee income

Income from tuition fees is stated gross of any expenditure which is not a discount and is recognised in the period for which it is received.

Investment income

All income from short-term deposits is credited to the Statement of Comprehensive Income and Expenditure in the period in which it is earned on a receivable basis.

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

2.6 Redundancy and termination payments

Redundancy and termination payments are recognised immediately upon becoming a constructive obligation.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

2. Accounting policies (continued)**2.7 Enhanced pensions**

The actual cost of any enhanced ongoing pension to a former member of staff is paid by the Corporation monthly. An estimate of the expected future cost of any enhancement to the ongoing pension of a former member of staff is charged in full to the Corporation's Statement of Comprehensive Income in the year that the member of staff retires. In subsequent years a charge is made to provisions in the Balance Sheet using the enhanced pension spreadsheet provided by the DfE.

2.8 Pensions

Post-employment benefits to employees of the Corporation are principally provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). These are defined benefit plans, which are externally funded.

Teachers' Pension Scheme (TPS)

The TPS is an unfunded scheme. Contributions to the TPS are calculated so as to spread the cost of pensions over employees' working lives with the Corporation in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of valuations using a prospective benefit method.

The TPS is a multi-employer scheme and is unable to identify the share of its underlying assets and liabilities between employers. As a consequence the Corporation is unable to use defined benefit accounting. The TPS is therefore treated as a defined contribution plan and the contributions recognised as an expense in the Statement of Comprehensive Income in the periods during which services are rendered by employees.

Local Government Pension Scheme (LGPS)

The LGPS is a funded scheme. The assets of the LGPS are measured using closing fair values. LGPS liabilities are measured using the projected unit credit method and discounted at 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 the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred.

Net interest on the net defined benefit liability is also recognised in the Statement of Comprehensive Income and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in interest and other financial costs.

Actuarial gains and losses are recognised immediately in actuarial gains and losses in the Statement of Comprehensive Income.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

2. Accounting policies (continued)

2.9 Accounting for post-employment benefits

The LGPS is a funded scheme. The assets of the LGPS are measured using closing fair values. LGPS liabilities are measured using the projected unit credit method and discounted at 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 the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Comprehensive Income and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in interest and other finance costs. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

At the year end, the initial actuarial report from the Scheme Actuary reported a net pension asset of £15.234m. When the Scheme gives rise to a potential asset position, the Governors are required to assess the basis for recognising an asset on the balance sheet against the FRS102 criteria, this being "An entity shall recognise the plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or refunds from the plan." In using the word "shall", the emphasis is placed upon the College to consider the value of such an asset, rather than whether an asset should be recognised in the first instance. Accordingly, the College has considered the value at which they can benefit from either (1) refunds from the plan or (2) reduced contributions. As the College intends to continue to participate in the LGPS, the likelihood of a refund being due from the Scheme has been deemed as remote and not practically achievable. Secondly, the College has undertaken an exercise to assess the Minimum Fund Requirement (MFR) due to the Scheme in order to calculate the net present value of the asset which will be the value of a perpetuity of the future service cost minus the present value of the employer contributions. The outcome of this calculation has shown that the College is unlikely to gain economic benefit from a reduction in future contributions.

Accordingly, the college has made an impairment charge on the asset reducing the net position at the year ended 31 July 2025 to £NIL. Therefore, no defined benefit pension asset has been included in the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

2. Accounting policies (continued)

2.10 Taxation

The College is considered to pass the tests set out in Paragraph 1 Schedule 6 of the 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 Chapter 3 Part 11 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 Corporation is partially exempt in respect of Value Added Tax, so that it can only recover around 1% of the VAT charged on its inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

2.11 Intangible assets and amortisation

Intangible assets costing £NIL or more are capitalised and recognised when future economic benefits are probable, and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

The estimated useful lives are as follows:

Computer software	- 3 years
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

2. Accounting policies (continued)

2.12 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to the date of transition to the FE HE SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

Land and buildings

Freehold land is not depreciated as it is considered to have an infinite useful life.

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 income account within creditors, and are released to the Statement of Comprehensive Income over the expected useful economic life of the related asset on a systematic basis consistent with the depreciation policy. The deferred income is allocated between creditors due within one year and those due after more than one year.

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.

On adoption of FRS 102, the College followed the transitional provision to revalue its land assets, at fair value, but not to adopt a policy of revaluations of these assets in the future. Building assets were retained at book value. Building assets were previously revalued in 1994, at depreciated replacement cost.

Assets under construction

Assets under construction are accounted for at cost, based on the value of architects' certificates and other direct costs, incurred to 31 July 2025. They are not depreciated until they are brought into use.

Subsequent expenditure on existing fixed assets

Where significant expenditure is incurred on tangible fixed assets after initial purchase it is charged to the Statement of Comprehensive Income in the period it is incurred, unless it increases the future benefits to the Corporation, 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

Equipment

Plant and equipment costing less than £1,000 per individual item is recognised as expenditure in the period of acquisition. All other equipment is capitalised at cost.

Inherited equipment has been depreciated on a straight-line basis over its remaining useful economic life to the College from incorporation and is now fully depreciated.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

2. Accounting policies (continued)

2.12 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold land and buildings	- 15 - 50 years
Long-term leasehold land and buildings	- 50 years
General equipment	- 5 years
Motor vehicles	- 5 years
Furniture, fixtures and fittings	- 5 years
Computer equipment	- 3 years
Long life computer equipment	- 10 years

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value 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 Statement of Comprehensive Income.

2.13 Borrowing costs

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

2.14 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. Any lease premiums or incentives relating to leases signed after 1st August 2014 are spread over the minimum lease term. The College has taken advantage of the transitional exemptions in FRS 102 and has retained the policy of spreading lease premiums and incentives to the date of the first market rent review for leases signed before 1 August 2014.

Leasing agreements which transfer to the College, substantially all the benefits and risks of ownership of an asset are treated as finance leases.

Assets held under finance leases are recognised initially at the fair value of the leased asset (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Assets held under finance leases are included in tangible fixed assets and depreciated and assessed for impairment losses in the same way as owned assets.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charges are allocated over the period of the lease in proportion to the capital element outstanding.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

2. Accounting policies (continued)

2.15 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

Listed investments held as non-current assets and current asset investments, which may include listed investments, are stated at fair value, with movements recognised in comprehensive income. Investments comprising unquoted equity instruments are measured at fair value, estimated using a valuation technique.

2.16 Business combinations and Goodwill

Business combinations are accounted for by applying the purchase method.

The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed, and the equity instruments issued plus the costs directly attributed to the business combination. On acquisition of a business, fair values are attributed to the identifiable assets, liabilities and contingent liability unless the fair value cannot be measured reliably, in which case the value is incorporated in goodwill.

Goodwill recognised represents the excess of the fair value and directly attributed costs of the purchase consideration over the fair value to the group's interest in the identifiable net assets, liabilities and contingent liabilities acquired.

Burton and South Derbyshire College previously partnered in a joint venture with Highbury College which operated under joint control with each college having a 50% share. The nature of the joint venture was to deliver a contract for education in an exclusively female college in Jeddah. The joint venture was accounted for using Fair Value as the annual profits generated are then recognised in the year in which they are earned under the contract and matched to the costs incurred in generating them. The College premises did not form part of the joint venture. In August 2020, the College acquired the other 50% of the shares of Highbury College, which is now accounted for as a subsidiary.

2.17 Stocks

Stocks are stated at the lower of their cost (using the first in first out method) and net realisable value, being selling price less costs to complete and sell. Where necessary, provision is made for obsolete, slow-moving and defective items.

2.18 Trade and other receivables

Trade and other receivables are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.19 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 a maturity of 3 months or less from the date of acquisition.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

2. Accounting policies (continued)

2.20 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 Corporation 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 Corporation 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.

2.21 Foreign currency translation

Transactions denominated in foreign currencies are recorded using the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the end of the financial period with all resulting exchange differences being taken to income in the period in which they arise.

Subsidiaries denominated in a foreign currency are translated into sterling using the average rate for items in the statement of financial activities, and the closing rate for items included in the balance sheet. Differences on retranslation of opening net assets and the statement of financial activities of the subsidiaries to the period end closing rate are included as other comprehensive income.

2.22 Provisions and contingent liabilities

Provisions are recognised when:

- the Corporation 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 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 Corporation 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 Corporation. 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.

The only provisions recognised by the Corporation in its Financial Statements are the defined benefit obligations, arising under the Local Government Pension Scheme, and the enhanced pension benefit obligations, arising from the Teachers' Pension Scheme.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

2. Accounting policies (continued)

2.23 Agency arrangements

The Corporation acts as an agent in the collection and payment of certain learner support funds, local authority payments and charitable funds. Related payments received from the funding and other bodies and subsequent disbursements to students are excluded from the income and expenditure of the Corporation where the Corporation is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

2.24 Financial instruments

The Corporation only holds basic Financial Instruments. The financial assets and financial liabilities of the School are as follows:

Debtors – trade and other debtors (including accrued income) are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 15. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Liabilities – trade creditors, accruals, other creditors and bank loans will be classified as financial instruments, and are measured at amortised cost as detailed in Notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure. Deferred income is not deemed to be a financial liability, as in the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.

2.25 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Investment income, gains and losses are allocated to the appropriate fund.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

3. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

- Determined whether leases entered into by the Corporation 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.
- Determined whether there are indicators of impairment of the group's tangible assets. 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.
- Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

Other key sources of estimation uncertainty

- **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 reassessing 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 Pensions Scheme**

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost for pensions include the discount rate. Any changes in these assumptions, which are disclosed in Note 18, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 July 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 liability.

Given that an asset has been recognised, an impairment review has been undertaken. Please see accounting policy note 2.9 and Note 18 for more details.

- **Impairment of investment**

Investments in subsidiaries are valued at cost less provision for impairment. The provision for impairment has been calculated based on an assessment of the subsidiary's net assets as at the year end and an evaluation of expected costs to be incurred over the next 12 months. The provision reflects the member's best estimate of any shortfall in recoverable value at the reporting date.

BURTON AND SOUTH DERBYSHIRE COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

4. Funding body grants

	Group 2025 £000	Group 2024 £000	College 2025 £000	College 2024 £000
Recurrent grants				
Department for Education - Adult	1,732	1,771	1,732	1,771
Department for Education - 16-18	13,349	10,876	13,349	10,876
Department for Education - apprenticeships	2,508	2,423	2,508	2,423
Higher Education Funding Council	41	32	41	32
Specific grants				
Releases of government capital grants	1,370	817	1,370	817
	19,000	15,919	19,000	15,919

5. Tuition fees and education contracts

	Group 2025 £000	Group 2024 £000	College 2025 £000	College 2024 £000
Adult education fees	123	106	123	106
Apprenticeship fees and contracts	11	16	11	16
Fees for FE loan supported contracts	206	279	206	279
Fees for HE loan supported contracts	791	848	791	848
International students' fees	438	538	438	538
Education contracts	2,169	1,545	2,169	1,545
	3,738	3,332	3,738	3,332

Tuition fees and education contracts (continued)

Higher education income, which relates to level 4 courses and above, is further analysed in the table below:

	2025 £000	2024 £000
Grant income from the OfS (note 4)	41	32
Fee income for taught awards (exclusive of VAT) (note 5)	791	848
	832	880

BURTON AND SOUTH DERBYSHIRE COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

6. Investment income

	Group 2025 £000	Group 2024 £000	College 2025 £000	College 2024 £000
Other interest receivable	364	306	364	1,352
Pension income	7	348	7	348
	371	654	371	1,700

7. Other income

	Group 2025 £000	Group 2024 £000	College 2025 £000	College 2024 £000
Catering and residences	329	282	329	282
Other income generating activities	589	365	589	365
Trading income	75	-	75	122
Miscellaneous income	279	556	279	525
Overseas income	-	11	-	-
	1,272	1,214	1,272	1,294

BURTON AND SOUTH DERBYSHIRE COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

8. Staff costs

	Group 2025 £000	Group 2024 £000	College 2025 £000	College 2024 £000
Wages and salaries	11,341	10,708	11,309	10,560
Social security costs	1,064	901	1,064	901
Pension costs	2,399	2,083	2,399	2,083
	14,804	13,692	14,772	13,544

The average number of persons (including Key Management Personnel) employed by the Corporation during the year, described as headcount, was:

	Group 2025 No.	Group 2024 No.
Teaching staff	178	173
Non teaching staff	279	267
	457	440

Our Key Management Personnel are remunerated in the context of their experience, requisite qualifications and their achievement of annual objectives for our College (including, where applicable, our Saudi company). Senior post holders pay is the responsibility of the remuneration committee who follow the Association of College's guidance and best practice on executive pay and other sector related benchmarks.

	2025 No.	2024 No.
The number of Key Management Personnel posts including the Accounting Officer was:	5	5

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

8. Staff costs (continued)**Emoluments of Key Management Personnel, Accounting Officer and other higher paid staff**

The number of Key Management Personnel and other staff who received emoluments, excluding employer contributions to national insurance and pensions but including benefits-in-kind, during the year in the following ranges was:

	Key Management Personnel 2025 £000	Key Management Personnel 2024 £000
£1 to £40,000	-	1
£60,001 - £65,000	-	1
£65,001 - £70,000	2	-
£90,001 - £95,000	1	-
£105,001 - £110,000	1	1
£140,001 - £145,000	-	1
£155,001 - £160,000	1	-
£225,001 - £230,000	-	1
	<hr/> 5 <hr/>	<hr/> 5 <hr/>

8. Staff costs (continued)

	2025 £000	2024 £000
Key Management Personnel remuneration is made up as follows:		
Salary	487	527
	<hr/> 487 <hr/>	<hr/> 527 <hr/>
Pension contributions	125	54
	<hr/> 612 <hr/>	<hr/> 581 <hr/>
Total Key Management Personnel remuneration	<hr/> 612 <hr/>	<hr/> 581 <hr/>

BURTON AND SOUTH DERBYSHIRE COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

The previous remuneration table includes amounts payable to the Accounting Officer and who is also the highest paid member of staff. Their pay and remuneration is as follows:

	2025	2024
	£000	£000
Salary	140	191
Performance related pay and bonus	18	37
	158	228
Pension contributions	40	-
Total remuneration	198	228

The governing body has adopted AoC's Senior Staff Remuneration Code in July 2019 and will assess pay in line with its principles in future.

The remuneration packages of the Key Management Staff, including the Principal and Chief Executive are subject to annual review by the Remuneration Committee of the governing body who, in the normal course of events, use benchmarking information to provide objective guidance.

The Chief Executive reports to the Chair of the Corporation, who undertakes an annual review of their performance against the Corporation's overall objectives using both qualitative and quantitative measures of performance.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

8. Staff costs (continued)

	2025	2024
Relationship of Principal and Chief Executive pay and remuneration expressed as a multiple:		
Principal and CEO's basic salary as a multiple of the median basic salary of all staff	5.28	7.72
Principal and CEO's total remuneration as a multiple of the median total remuneration of all staff	6.35	8.89

Comparator of Chief Executive Officer to BSDC median pay

NB: At BSDC we do not outsource functions such as cleaning, facilities management and catering. Due consideration should be given to the impact this has on median pay when comparing this ratio to that of other Colleges.

Compensation for loss of office paid to former Key Management Personnel

There was no compensation paid to Key Management Personnel in 2024-25 (NIL 2023-24).

The members of the Corporation, other than the Accounting Officer, did not receive any payment from the institution other than the reimbursement of travel and subsistence expenses incurred in the course of their duties.

Severance payments

The college/college group had paid a total of £NIL severance payments in either year.

9. Other operating expenses

	Group 2025 £000	Group 2024 £000	College 2025 £000	College 2024 £000
Teaching costs	1,246	1,463	1,246	1,463
Non-teaching costs	3,874	3,979	3,704	3,322
Premises costs	1,926	2,167	1,926	2,167
	7,046	7,609	6,876	6,952

BURTON AND SOUTH DERBYSHIRE COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

9. Other operating expenses (continued)

	2025	2024
	£000	£000
Other operating expenses include:		
Auditor's remuneration - Audit of the financial statements	36	34
Auditor's remuneration - Other services provided by the financial statements auditor	7	9
Internal audit	19	19
Hire of assets under operating leases	284	284
	346	346

10. Interest and other finance costs

	Group	Group
	2025	2024
	£000	£000
On bank loans, overdrafts and other loans	1	1

11. Taxation

	Group	Group
	2025	2024
	£000	£000
Saudi withholding tax	1	356

The Governors do not believe the Corporation is liable for any corporation tax arising out of its activities during either year. The tax charge above relates to its trading subsidiary company.

Write off & losses

The College/college group has included in non teaching costs a total of £NIL for debts written off. No transactions totalled £5,000.

Compensation and ex-gratia payments

The College/college group has included in costs a total of £NIL (2024 - £NIL) for compensation and ex gratia payments.

BURTON AND SOUTH DERBYSHIRE COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

12. Intangible assets**Group and College**

	Software licences £000
Cost	
At 1 August 2024	84
Additions	127
Disposals	(78)
At 31 July 2025	<u>133</u>
Amortisation	
At 1 August 2024	41
Charge for the year	142
On disposals	(78)
At 31 July 2025	<u>105</u>
Net book value	
At 31 July 2025	<u><u>28</u></u>
At 31 July 2024	<u><u>43</u></u>

Intangible assets of Software licences arising from contractual liability where fair value can be measured reliably.

BURTON AND SOUTH DERBYSHIRE COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

13. Tangible fixed assets**Group**

	Freehold land and buildings £000	Long-term leasehold land and buildings £000	Plant and equipment £000	Assets under construction £000	Total £000
Cost or valuation					
At 1 August 2024	30,798	2,523	9,076	266	42,663
Additions	-	-	2,257	961	3,218
Transfers between classes	-	-	266	(266)	-
At 31 July 2025	30,798	2,523	11,599	961	45,881
Depreciation					
At 1 August 2024	13,755	1,928	5,012	-	20,695
Charge for the year	839	141	1,623	-	2,603
At 31 July 2025	14,594	2,069	6,635	-	23,298
Net book value					
At 31 July 2025	16,204	454	4,964	961	22,583
At 31 July 2024	17,043	595	4,064	266	21,968

BURTON AND SOUTH DERBYSHIRE COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

13. Tangible fixed assets (continued)**College**

	Freehold property £000	Long-term leasehold property £000	Plant and machinery £000	Other fixed assets £000	Total £000
Cost or valuation					
At 1 August 2024	30,798	2,523	7,459	266	41,046
Additions	-	-	2,257	961	3,218
Transfers between classes	-	-	266	(266)	-
At 31 July 2025	<u>30,798</u>	<u>2,523</u>	<u>9,982</u>	<u>961</u>	<u>44,264</u>
Depreciation					
At 1 August 2024	13,755	1,928	3,431	-	19,114
Charge for the year	839	141	1,605	-	2,585
At 31 July 2025	<u>14,594</u>	<u>2,069</u>	<u>5,036</u>	<u>-</u>	<u>21,699</u>
Net book value					
At 31 July 2025	<u>16,204</u>	<u>454</u>	<u>4,946</u>	<u>961</u>	<u>22,565</u>
At 31 July 2024	<u>17,043</u>	<u>595</u>	<u>4,028</u>	<u>266</u>	<u>21,932</u>

On 31 July 1996 all Land and buildings were revalued to assist members of the Corporation in reviewing the accommodation strategy. The revaluations in the sum of £9,467,500 were carried out by commercial property consultants and valuers (J Andrew Nichols BSC, ARICS of Salloway & Associates Burton).

The College has taken advantage of the transitional exemptions within FRS102 and has included the revalued amounts of land and buildings as deemed cost upon transition.

Within Freehold land and building is a Sports Hall with a net book value of £739,557 built on land owned by Carlsberg Tetley. The land is leased by East Staffordshire Borough Council who has a licence with the College.

Land and Buildings with a net book value of £6,138,848 have been financed by exchequer funds; through for example the receipt of capital grants. Should these assets be sold, the College may be liable, under the terms of the Financial Memorandum with the Council to surrender the proceeds. Land to the value £1,235,000 is included as part of total fixed assets and therefore not depreciated.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

14. Investments

Group	Other fixed asset investments £000
Cost or valuation	
At 1 August 2024	5,539
Revaluations	276
At 31 July 2025	5,815
Net book value	
At 31 July 2025	5,815
At 31 July 2024	5,539

Investments in subsidiary

As part of the College's income diversification strategy, the College continues to invest in its subsidiary company, Highbury incorporated in Saudi Arabia for the purpose of delivering education in Saudi Arabia. The College previously had a 50% share to generate a surplus for the College. HBSA Ltd had an operating contract to operate a female only College in Jeddah, Saudi Arabia. In August 2020 the College (BSDC) acquired the other 50% of shares from Highbury College for £5,000, (the net value of the assets at that point was £3,793,447), and now reports as a subsidiary and within the group accounts. On 22 June 2023 HBSA and the College of Excellence finalised the termination of the operation and maintenance agreement, which represented the main source of the Company's revenue. In addition, the College did not sign any new contracts to generate revenue, as a result, there is a material uncertainty over the going concern of the subsidiary. HBSA is currently in negotiations to sign a new agreement and therefore is hopeful this operation will continue. The board recognised the risk in exiting the country as this would make securing future contracts impossible due to the high level of investment and the lengthy duration it would take to set up a company again in Saudi Arabia.

Other fixed asset investments

Equities, cash and other listed investments are held as long-term investments as part of a managed portfolio with Barclays. The investments consist of listed investments of £5,815k (2024 - £5,539k).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

14. Investments (continued)

College	Investments in subsidiary companies £000	Other fixed asset investments £000	Total £000
Cost or valuation			
At 1 August 2024	4,324	5,539	9,863
Revaluations	-	276	276
At 31 July 2025	4,324	5,815	10,139
Impairment			
At 1 August 2024	2,782	-	2,782
Charge for the year	111	-	111
At 31 July 2025	2,893	-	2,893
Net book value			
At 31 July 2025	1,431	5,815	7,246
At 31 July 2024	1,542	5,539	7,081

15. Trade and other receivables

	Group 2025 £000	Group 2024 £000	College 2025 £000	College 2024 £000
Due within one year				
Trade receivables	661	263	656	271
Amounts owed by group undertakings	-	-	-	57
Amounts owed by the DfE	420	403	420	403
VAT recoverable	51	42	-	-
Prepayments and accrued income	548	561	457	465
	1,680	1,269	1,533	1,196

BURTON AND SOUTH DERBYSHIRE COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

16. Creditors: Amounts falling due within one year

	Group 2025 £000	Group 2024 £000	College 2025 £000	College 2024 £000
Deferred Income - government capital grants	1,362	802	1,362	802
Trade creditors	1,647	980	1,634	914
Amounts owed to the DfE	694	846	694	846
Other taxation and social security	542	484	542	484
Holiday pay accrual	279	176	279	176
Other creditors	136	225	136	225
Accruals and deferred income	32	42	33	42
	4,692	3,555	4,680	3,489

17. Creditors: Amounts falling due after more than one year

	Group 2025 £000	Group 2024 £000	College 2025 £000	College 2024 £000
Other creditors	36	18	-	-
Deferred income - government capital grants	12,324	11,921	12,324	11,921
	12,360	11,939	12,324	11,921

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

18. Pension commitments

The Group operates a defined benefit pension scheme.

The Corporation's employees belong to two principal post-employment benefit plans: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Staffordshire Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Pension Services, Staffordshire County Council. Both are multi-employer defined-benefit plans.

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

Contributions amounting to £291k (2024 - £272k) were payable to the schemes at 31 July and are included in creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including colleges. 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

18. Pension commitments (continued)

Under the definitions set out in FRS 102 (28.11), the TPS is a multi-employer pension plan. The Corporation is unable to identify its share of the underlying assets and liabilities of the plan.

Accordingly the Corporation 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 below the information available on the plan and the implications for the Corporation 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 accounts 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 to 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 from 23.68% to 28.68% from April 2024.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website.

The pension costs paid to TPS in the year amounted to £1,441k (2024 - £1,440k).

Local Government Pension Scheme

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by the Staffordshire Local Authority. The total contributions made for the year ended 31 July 2025 were £1,504k, of which employer's contributions totalled £1,200k and employees' contributions totalled £304k. The agreed contribution rates for future years are 13.8%, rising to 15.5% from 1 April 2021 for the Corporation and range from 5.5% to 12.5% cent for employees, depending on salary according to a national scale.

The following information is based upon a full actuarial valuation of the fund at 31 March 2019 updated to 31 July 2025 by a qualified independent actuary:

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	At 31 July 2025 %	At 31 July 2024 %
Discount rate	5.80	5.00
Future salary increases	3.25	3.25
Future pension increases	2.75	2.75
Inflation assumption	2.75	2.75
Commutation of pensions to lump sums	65.00	65.00

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

BURTON AND SOUTH DERBYSHIRE COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

18. Pension commitments (continued)

	At 31 July 2025 Years	At 31 July 2024 Years
Retiring today - Males	20.5	20.3
Retiring today - Females	23.7	23.7
Retiring in 20 years - Males	21.1	20.9
Retiring in 20 years - Females	25.3	25.2

The Group's share of the assets in the scheme was:

	At 31 July 2025 £000	At 31 July 2024 £000
Equities	23,918	23,210
Property	3,136	2,539
Cash and other liquid assets	784	724
Bonds	11,371	9,792
Total fair value of assets	39,209	36,265

The amounts recognised in the Statement of Comprehensive Income are as follows:

	2025 £000	2024 £000
Current service cost		
Amounts included in staff costs		
Current service costs	(922)	(887)
	(922)	(887)
Amounts included in interest and other finance costs		
Net interest payment	7	6
	7	6
Amounts recognised in other comprehensive income		
Return on plan assets	628	1,940
Changes in assumptions underlying the present value of plan liabilities	4,250	293
Derecognition of asset	(5,163)	(2,829)
	(285)	(596)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

18. Pension commitments (continued)

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

	2025	2024
	£000	£000
Opening defined benefit obligation	26,673	25,290
Interest cost	1,338	1,287
Contributions by scheme participants	304	277
Actuarial gains	(4,250)	(293)
Employee benefits paid	(1,012)	(775)
Current service cost	922	887
Closing defined benefit obligation	23,975	26,673

Movements in the fair value of the Group's share of scheme assets were as follows:

	2025	2024
	£000	£000
Opening fair value of scheme assets	36,265	32,053
Interest on plan assets	1,824	1,635
Actuarial gains	628	1,940
Contributions by employer	1,200	1,135
Contributions by scheme participants	304	277
Employee benefits paid	(1,012)	(775)
Closing fair value of scheme assets	39,209	36,265

The amount included in the Balance Sheet in respect of the defined benefit pension plan and enhanced pensions benefits is as follows:

	2025	2024
	£000	£000
Fair value of plan assets	39,209	36,265
Present value of plan liabilities	(23,975)	(26,673)
Minimum fund requirement basis impairment charge	(15,234)	(9,592)
Net pensions liability	-	-

BURTON AND SOUTH DERBYSHIRE COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

18. Pension commitments (continued)

Total pension cost for the year

	2025	2024
	£000	£000
Local Government Pension Scheme		
Contributions paid	1,200	1,135
FRS 102 (28) charge	(285)	(248)
	915	887
Teachers' Pension Scheme: contributions paid	1,441	1,440
	2,356	2,327

19. Operating lease commitments

At 31 July 2025 the Group and the College had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group	Group	College	College
	2025	2024	2025	2024
	£000	£000	£000	£000
Not later than 1 year	284	278	284	278
Later than 1 year and not later than 5 years	1,136	1,114	1,136	1,114
Later than 5 years	166	441	166	441
	1,586	1,833	1,586	1,833

The following lease payments have been recognised as an expense in the Statement of Financial Activities:

	Group	Group	College	College
	2025	2024	2025	2024
	£000	£000	£000	£000
Operating lease rentals	284	284	284	284

BURTON AND SOUTH DERBYSHIRE COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2025

20. Related party transactions

Due 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.

The total expenses paid to or on behalf of the Governors during the year was £3,970 to 1 Governor (2024-£2,929 to 1 Governor). This represents travel and subsistence expenses and other out of pocket expenses incurred in attending Governor meetings and charity events in their official capacity.

No Governor has received any remuneration or waived payments from the College during the year (2024 - £NIL).

The College received £NIL from Burton & South Derbyshire Education Trust in relation to Shared Service charges (2024 - £NIL). The College was the Trust Sponsor and Mr J Beaty, Principal and Chief Executive was Chair of Governors of the Trust.

John Beaty is also a Non-Executive Director of EAL, a specialist Skills Partner and awarding organisation for industry. EAL was paid £14,822 for examination fees during the year ended 31st July 2025 (2024 - £27,783).

Mr C Prosser is an employee of St Modwens PLC a company which supports the work of the College in particular the Stephen Burke Construction Academy in South Derbyshire. The College received sponsorship from St Modwens during the year £105,054 (2024 - £101,501).

GAC & SJC consultants charged £NIL including VAT for services provided during the year (2024 -£70,080 including VAT).

Highbury Burton Saudi Arabia (HBSA) Limited subsidiary company was charged £NIL (2024 - £90,722) for commercial services during the year ended 31st July 2025 and also reimbursed expenses incurred on relating to bond charges of £NIL (2024 - £55,385). The College is owed £NIL (2024 - £70,000) by HBSA Limited as at 31 July 2025.

21. Capital commitments

	2025	2024
	£000	£000
Commitments contracted for 31 July	3,815	651

In line with the College's 2030 Adaptive plan to be vibrant and outstanding in its curriculum, the College is undertaking a significant upgrading of its IT infrastructure, systems and processes to ensure this is realised.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

22. Amounts disbursed as agent

	2025	2024
	£000	£000
Learner support funds		
16-18 Student Bursary	229	233
24+ Bursary	27	62
Vulnerable bursary	74	-
	<hr/> 330	<hr/> 295
Disbursed to students		
16-18 - current year	(218)	(187)
24+ - current year	(28)	(41)
Administration costs	(13)	(12)
	<hr/> 71	<hr/> 55
Balance unspent as at 31 July	<hr/> 71	<hr/> 55

The college distributes 16-19 discretionary and vulnerable bursaries and free meals in further education (FEFM) funds to students as an agent for DfE.

In the accounting year ended 31 July 2025, the college received a total of £330k and disbursed £259k from DfE 16-19 discretionary and vulnerable bursaries and FEFM funding after charging £13k for administration costs.

As at 31 July 2025, the cumulative unspent 16-19 discretionary and vulnerable bursary fund and FEFM funding is £71k, of which £71k relates to funds that are in scope to be returned to DfE in March 2026.

Comparatives for the accounting year ended 31 July 2024 are £295k received from DfE, £240k disbursed to learners after charging £12k for administration costs, and total cumulative unspent funds of £55k, of which £55k was repaid to DfE.