

British Accreditation Council for Independent Further and Higher Education

Annual Report and Financial Statements

31 August 2024

Company Registration Number
01828990 (England and Wales)

Charity Registration Number
326652



Reference and administrative details

Members of the Council

Prof Phil Cardew (Chair)
Prof David Law (Deputy Chair – retired 31 August 2024)
Dr Stephen Jackson (Honorary Treasurer and acting Deputy Chair as of 1 September 2024)
Marc Griffith
Dr Esther Huertas Hidalgo
Dr Anthony Manning
Kevin Everett
Prof. Mary Bishop
Dr. Victoria Stec
Md. Mahbubal Alam (Student member)
Dr. Nicola Mellor (resigned 31 October 2024)

Company Secretary

Dr Janet Bohrer

Registered office

First Floor
Wax Chandlers Hall
6 Gresham Street
London
EC2V 7AD

Company registration number

01828990 (England and Wales)

Charity registration number

326652

Auditor

Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Solicitor

Bates Wells and Braithwaite London LLP
10 Queen Street Place
London
EC4R 1BE

Banker

CAF Bank
25 Kings Hill Avenue
West Malling
Kent
ME19 4JQ

Investment manager

LGT Wealth Management UK LLP
14 Cornhill
London
EC3V 3NR

Key Management Personnel

Dr Janet Bohrer (Chief Executive)
Diana Morriss (Chief Inspector)
Lucy Fox (Deputy Chief Executive)

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Report of the Council Year to 31 August 2024

The members of the Council present their annual report together with the audited financial statements of the British Accreditation Council for Independent Further and Higher Education ('British Accreditation Council' or 'BAC') for the year ended 31 August 2024.

The financial statements have been prepared in accordance with the accounting policies set out on page 24 to 27 therein and comply with the charitable company's Memorandum and Articles of Association, applicable laws and the requirements of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

This report has been prepared in accordance with Part 8 of the Charities Act 2011 and constitutes a directors' report for the purposes of company legislation.

Structure, governance and management

The British Accreditation Council was incorporated on 29 June 1984 (Company No 01828990) and registered as a UK charity on 28 August 1984 (Charity No 326652). It is limited by guarantee without share capital. The liability of the members is limited to £10 each and accumulated funds are not distributable to the members.

The governing instrument under which the Company operates is its Memorandum and Articles of Association. Amended Articles of Association were approved by the charity on 19 October 2017 and 2 April 2018 by special resolution. The Articles of Association were reviewed in April 2021 and were considered fit-for-purpose.

The directors are treated as trustees for Charities Act purposes.

Members of the Council

The members of the Council are the Board of Trustees. The trustees who served during the year, and up to the date of approval of this report, are shown in the reference and administrative details at the front of this report.

The Articles of Association provide for a maximum of twelve directors. The trustees may appoint any director as a member of the Board of Trustees. The chair and deputy chair are appointed by the Board.

The Deputy Chair of Council, Prof David Law, retired at the end of the period of review on 31 August 2024. Dr Nicola Mellor resigned in the current year, at the end of her term on 31 October 2024.

Induction and training of Council members

At the recruitment stage potential Council members are given extensive information about the organisation and are fully informed of the purpose and charitable objectives of BAC. Potential trustees are then invited to meet with the Standing Committee to discuss the challenges facing the organisation and their potential contribution to the charity. Following appointment and ratification by Council, induction meetings are organised for new members of Council and Accreditation Committee as appropriate.

Report of the Council Year to 31 August 2024

Structure, governance and management (continued)

Statement of Council's responsibilities

The Council members (who are also trustees and directors of the British Accreditation Council for Independent Further and Higher Education for the purposes of company law) are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Council members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company for that period.

In preparing these financial statements, the Council members are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Council members are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Council members confirms that:

- ◆ so far as the trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- ◆ the trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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Structure, governance and management (continued)

Statement of Council's responsibilities (continued)

The Council members are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Governance

The governance structure consists of the Council, which is formed of the trustees, and acts as the Board of Directors. The Council meets three times a year.

The Chair of the Council is Prof Phil Cardew, appointed 1 September 2022.

The Council has three sub-committees. The Standing Committee meets between Council meetings to provide continuity and support the charity. The Standing Committee has, as members, the Chair of the Council, the Deputy Chair of the Council and the Honorary Treasurer. Duties of nominations and governance are discharged by the Standing Committee.

The Audit Committee provides financial and regulatory oversight and is chaired by Dr Stephen Jackson (Honorary Treasurer) who is also a member of the Standing Committee.

An independent financial expert, non-Council member, joined the Audit Committee in May 2024, to offer objective advice in relation to matters of transparency and ethics for financial decisions.

The responsibility for decisions on accreditation is overseen by the Accreditation Committee (AC). The AC is appointed by the Council and consists of members appointed by virtue of their experience and expertise with regard to educational standards. Dr Anthony Manning is the Chair of the Accreditation Committee. The Accreditation Committee receives the reports of completed inspections and takes decisions on the award or withdrawal of accreditation, making its recommendations based on BAC's accreditation policy and procedures. It also regularly reviews the quality assurance criteria used by inspectors in making judgements and recommendations. The Committee has up to nine online meetings a year.

Key management personnel

In the period of review, Council members consider that they, together with the Chief Executive, Deputy Chief Executive and the Chief Inspector, comprise the key management personnel of the charity. None of the Council members receive any remuneration from the charity in connection with their role as Council members.

As part of the annual review of salaries, all staff, including the Chief Executive, received a 5% increase in salary which was applicable from 1 September 2023. Other transactions with members of the Council are disclosed in note 6.

Structure, governance and management (continued)

Fundraising statement

The charity does not actively undertake fundraising activities and does not employ the services of Professional Fundraisers. During 2023/24, the charity received no complaints about fundraising activities.

Objectives and activities

The British Accreditation Council for Independent Further and Higher Education is registered for charitable purposes and its objects are:

- ◆ providing a system of accreditation for educational and training institutions in order to promote public confidence in such institutions and their programmes of study; and
- ◆ assisting in the improvement and maintenance of the standards of accredited institutions through the offer of advisory and consultancy services principally in the field of further and higher education.

Public benefit

The Council members have taken into regard the Charity Commission's guidance on public benefit and that all the Council's activities are directed to fulfilling its charitable objects of the improvement and maintenance of standards in independent further and higher education and training and that in doing so it is working for the public benefit. Some of these benefits are given below:

- ◆ The BAC accreditation mark provides students and potential students with an indication of quality.
- ◆ BAC inspections support the HM Government to protect the reputation of further and higher education and training in the UK by providing independent judgments, made on the basis of inspection by qualified and experienced inspectors, of the quality of provision of private institutions of further and higher education and training.
- ◆ The information, marketing and promotional work undertaken ensures that international students, agents and the education sector as a whole are aware of the range of institutions and courses available.
- ◆ Training events and seminars assist in the professional development of staff and institutions, thereby improving the quality of provision.
- ◆ The advice and support offered to institutions through informal and formal avenues provide them with guidance regarding good and best practice, thus helping to raise standards of provision.
- ◆ The complaints procedure provides students with a free and accessible means of resolving disputes with accredited institutions.

Achievement and performance

Accreditation and inspection activity

The table below gives details of the applications received, inspections carried out and awards of accreditation in the period 1 September 2023 to 31 August 2024 and compares these with the figures from the previous year.

	September 2023 to August 2024	September 2022 to August 2023
New institutions awarded accreditation – UK	15	10
New institutions awarded accreditation –international	3	4
Total number of accredited institutions **	194	195
Number of international accredited institutions **	39	36
Withdrawals	19	16
Applications received from new institutions	16	24
Inspections conducted	86	64

** numbers as of 31 August

BAC's objectives 2023-24: Progress made

With regard to BAC's objectives for 2023/24, the following progress has been made:

Objectives	Progress
BAC will invest in growth by expanding products and services to add value to current accredited providers and to attract a wider range of new providers	<ul style="list-style-type: none"> The BAC webinar series continued to be developed with good attendance from providers. This year we introduced an additional webinar to the schedule for providers about the Evidence Review process. In May 2024, BAC launched an online training webinar for BAC inspectors, that deals with awareness of mental health issues, when conducting inspections. The intention was to support the caring approach inspectors already take to their work with us and our providers. We have received positive feedback from inspectors. Accreditation Committee meeting dates are published on the BAC website, which has allowed those being inspected to see when decisions will be made.
BAC will continue to promote and be active in the quality assurance Community	<ul style="list-style-type: none"> One of the main priorities and areas of focus this year was the European Association for Quality Assurance in Higher Education (ENQA) review process. BAC has been a member of ENQA since 2015 and this year we applied for the third cycle of ENQA membership using the targeted review method. BAC will use the outcome of this review for reconfirming European Quality Assurance Register for Higher Education (EQAR) registration, in 2025. BAC's membership of ENQA and EQAR registration contributes to strategic direction-setting and guides work across all of BAC's activities. In preparation for the review, BAC appointed an internal lead, the Higher Education Manager, who worked with an internal working group consisting of the CEO, Deputy CEO and BAC Senior Advisor (External), who has experience with the European higher education and

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	<p>quality assurance landscape, to produce the Self-Assessment Report. Working collaboratively with staff members, seeking feedback and input from trustees and stakeholders, and benefiting from the expertise of external experts, resulted in an evaluative document for the targeted review process.</p> <p>To ensure that stakeholder feedback was considered, BAC held workshops with the Accreditation Committee members and inspectors facilitated by an external consultant.</p> <p>The review culminated in a site visit on 23–25 September 2024. The ENQA review panel met with BAC staff members, members of Council, members of the Accreditation Committee, BAC inspectors (including students) and heads and quality assurance officers from BAC accredited IHE providers.</p> <ul style="list-style-type: none"> • Our BAC Annual Stakeholder Event took place in April 2024. We celebrated our 40th anniversary with over 50 attendees from 8 countries. The event featured a panel of past and present Chairs of Council and a workshop on AI in education and the risks and opportunities for institutions.
<p>BAC will continue to Grow and Diversify especially Global and European activities</p>	<ul style="list-style-type: none"> • The Micro-credentials (MC) Scheme pilot continues, and we have conducted two inspections so far. The inspection reports were submitted to the Accreditation Committee in January 2024 and both organisations were awarded accreditation. We are reviewing the scheme and the process to decide the next steps for this scheme. • Hayley Boyes, Higher Education Manager and Sammy Hayali attended the ENQA Members’ Forum in Germany in April 2024.
<p>BAC will actively engage in the development of its Ethical responsibilities</p>	<ul style="list-style-type: none"> • BAC continues to focus on maintaining governance activity, which is appropriately streamlined, and on developing its operations via effective strategic planning and rigorous monitoring of BAC resources. • An independent financial expert, non-Council member, joined the Audit Committee in May 2024 to offer objective advice in relation to matters of transparency and ethics for financial decisions. • The terms of reference (ToRs) for each of the committees are reviewed on an annual basis for their continued fitness for purpose. Each of the ToR documents is publicly available and has been awarded a Crystal Mark by the Plain English Campaign. • The Health and Safety Policy and Health and Safety Handbook have been reviewed and updated and staff have been enrolled on three online training modules for health and safety via our Astute e-learning platform.

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<p>BAC will continue to develop good practice in its use of integrated use of the data and information collected from BAC inspections and other work</p>	<ul style="list-style-type: none">• We renewed the lease for our office premises at Wax Chandlers Hall which continues to provide a great space for team collaboration, committee meetings and events.• The Terms and Conditions document for providers has been reviewed and updated to ensure that it is sufficiently robust and clear so that all parties fully understand their responsibilities and rights. The key changes include clarity on fees, cancellation policies, and refund arrangements. We worked with a solicitor to ensure the changes are thorough and legally sound. Organisations will be asked to confirm their agreement with the terms by signing the Application Form and the separate Terms and Conditions document will be sent alongside that form.• As part of this exercise, the solicitor has also reviewed the Anti-Bribery and Corruption Policy which has had some minor updates.• The Accreditation Handbook has also been updated to reflect current practices and to ensure that it aligns with the updated Terms and Conditions document.• Work continued with transitioning data and processes into our CRM system.
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Risk management

The Council members have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. The Council members delegate ongoing oversight to the Audit Committee for annual review to Council or reporting by exception. The Audit committee meet regularly where risk mitigation activities and emerging risks are reviewed. The Audit Committee has a standing agenda item for every meeting to review a dashboard of risks and a paper focusing on a specific area, as appropriate.

The members of Council are satisfied with the measures employed to assess and address identified risks. The items below are listed in order of significance to the charity based on the mechanism used to assess the risk.

Identified Risk	Mitigating Actions
<p>Reputational damage arising out of inappropriate activity or behaviour</p>	<p>BAC has embedded integrity and transparency across all activities.</p> <p>All BAC representatives are DBS checked when working with under 18s.</p> <p>BAC has produced clear inspection guidelines and conducts monitoring inspections to ensure they are adhered to.</p> <p>The Bribery and Anti-Corruption policy is strictly enforced and monitored.</p> <p>There are plans to provide workshops for trustees and staff on governance topics.</p> <p>BAC has the necessary legal insurance requirements and professional indemnity cover to provide financial support in the event BAC is accused of acting inappropriately.</p>
<p>Loss of key staff</p>	<p>We have Standard Operating Procedures (SOPs) for common processes so that other members of staff can take over when a staff member leaves BAC.</p> <p>We have introduced periodic benchmarking of salaries for job roles to ensure pay and other fiscal rewards are competitive.</p> <p>We periodically review the contract template and the Employee Handbook so we can be confident in our policies and procedures when recruiting to replace a member of staff.</p> <p>We have adopted a flexible working policy.</p> <p>Staff wellbeing is of high importance. We have a trained St John's Ambulance First Aider and a Mental Health First Aider on the staff team. The sickness policy is robust.</p>
<p>Change in government student visa regime</p>	<p>BAC has developed a range of value-added products including webinars and the Marketing Pack to attract and retain providers and reducing susceptibility to withdraw in the extreme event of BAC being removed from the list of UK government approved accrediting bodies.</p> <p>BAC has significantly increased due diligence in accepting new and re-accreditation applications and developed and implemented a more rigorous inspection process in order to build and maintain confidence in the inspection and accreditation process.</p>

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	<p>We are diversifying income streams to reduce reliance on the UK market and limit the impact of an unexpected change in government policy.</p> <p>We have a direct contact at the Home Office.</p>
Competition increases in the quality assurance arena	<p>BAC conducts regular reviews of BAC processes to ensure they meet the needs of external stakeholders.</p> <p>BAC continues to develop products and processes to ensure they remain world leading in terms of quality assurance.</p> <p>We are working to improve the BAC profile in all markets in which we operate.</p> <p>We have built and continue to build and develop links with stakeholders through webinars, news updates and the Provider Journey.</p> <p>We maintain strict cost controls to allow competitive prices to be offered to existing and new providers.</p> <p>We are increasing investment in developing and promoting BAC across all markets.</p>
Financial loss arising out of financial impropriety	<p>BAC maintains a large financial reserve equivalent to 18 months of operating costs.</p> <p>BAC has extensive and transparent financial controls and by choice undergoes an external audit each year despite being below the audit threshold.</p> <p>BAC has independent auditors who have a reputation for independence and rigour.</p> <p>There is a division of responsibility between staff who deal with banking protocols and finances. BAC's external auditor makes recommendations on internal control that arise out of the external audit and with reference to sector best practice.</p> <p>Funds drawn down for the Development Fund are managed separately. The use/spending of the Development Fund is overseen by the Audit Committee.</p> <p>The investment portfolio has increased visibility in terms of where funds are invested as well as ethical screens and changes to investments can be made quickly through the investment manager.</p>
Fraud	<p>Audit Committee have delegated responsibilities from Council for oversight of detailed financial activities, including budget preparation and cashflow monitoring, and they report back to the Council.</p> <p>Finances are also a recurring item on the agenda of every Standing Committee and Council meeting.</p> <p>Where possible there is a separation of duties so no one individual has sole responsibility for the financial transactions of the organisation.</p> <p>Staff have undertaken information security training which included cyber awareness.</p> <p>All staff are expected to report anything suspicious and to communicate any irregular events or incidents.</p>

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<p>Loss of ENQA Membership</p>	<p>A designated member of staff has key responsibilities relating to ENQA oversight and reports directly to the Standing Committee on ENQA compliance.</p> <p>We give relevant members of staff the necessary time and resources to attend ENQA events and to keep up to date with ENQA membership requirements.</p> <p>The whole staff team is made aware of any specific activity relating to ENQA compliance and they take collective responsibility for providing information and evidence as and when necessary.</p> <p>We review BAC procedures to make sure they are ENQA compliant on a regular basis.</p> <p>We had a positive response to our interim progress report, no major causes for concern raised.</p> <p>We recruited a consultant to help us prepare for our review during 2024.</p>
<p>Loss of EQAR Listing</p>	<p>A designated member of staff has key responsibilities relating to EQAR oversight and reports directly to the Standing Committee on EQAR compliance.</p> <p>We give relevant members of staff the necessary time and resources to attend EQAR events and to keep up to date with EQAR listing requirements.</p> <p>The whole staff team is made aware of any specific activity relating to EQAR compliance and they take collective responsibility for providing information and evidence as and when necessary.</p> <p>We recruited a consultant to help us prepare for our ENQA review and subsequently our application for renewal for EQAR in early 2025.</p>
<p>Catastrophic infrastructure failure or cyber attack</p>	<p>All data is now backed up offsite.</p> <p>Key IT infrastructure is now in the Cloud with greater security and multiple backup processes.</p> <p>Financial information is now held in the Cloud via Xero and is considered to be as secure as is feasibly possible for an organisation of BAC's size.</p> <p>In the event of damage to or no access to premises, BAC telephone services have been rerouted to temporary accommodation.</p> <p>The policy is for staff not to leave their laptops in the office overnight so they can work remotely at short notice.</p> <p>We have implemented Multi Factor Authentication for our devices and Microsoft 365 with our IT support provider.</p>
<p>Significant and prolonged downturn in stock markets negatively impacting</p>	<p>We take expert advice on management of BAC investments.</p> <p>We have moved the portfolio to direct investments with more transparency and with better annual performance overall compared</p>

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<p>BAC investments and reducing capital to invest</p>	<p>to the previous portfolio. We have the flexibility to make changes almost immediately.</p> <p>Investment performance is monitored by the Audit Committee.</p>
<p>International Recession</p>	<p>We maintain awareness of leading economic indicators.</p> <p>We maintain close links with the sector to monitor sector feedback.</p> <p>We continue to provide added value activities thereby increasing the value of BAC accreditation.</p> <p>We continue to communicate the value of accreditation to BAC providers, educators, students and governments.</p>
<p>Global economic crisis</p>	<p>Robust banking arrangements and appropriate insurance are in place.</p> <p>We can adapt financial arrangements to support providers such as dormancy criteria, payment plans and postponement of inspections on a case-by-case basis.</p>
<p>Regulatory Framework in the UK changes</p>	<p>We maintain awareness of the political debate.</p> <p>We identify possible outcomes of different scenarios.</p> <p>We review the impact of possible scenarios on a regular basis to monitor the impact on BAC accredited institutions or on the impact on BAC's right to conduct accreditation activities.</p>
<p>National or global pandemic</p>	<p>We continue to develop our digitised processes to ensure remote working online can be applied to all BAC operations.</p> <p>We have introduced flexible working arrangements for staff and can implement full-time home working at short notice.</p> <p>The office arrangements and equipment are suitable for socially distanced working.</p> <p>Key staff undertake relevant Health and Safety training as necessary.</p> <p>We continue to receive Health and Safety and HR support services and advice from Worknest.</p> <p>We have communicated to staff what support there is for wellbeing, there is an updated Employee Handbook, an Employee Assistance Programme that offers counselling and a 24hr support line and we have a trained Mental Health First Aider on the team.</p> <p>We can adapt financial arrangements to support providers such as dormancy criteria, payment plans and postponement of inspections on a case-by-case basis.</p>
<p>In-country conflict and instability</p>	<p>We do not currently work with any providers who are based in Ukraine.</p> <p>We maintain awareness of ENQA messaging and the industry impact and response to the war Ukraine.</p>

Report of the Council Year to 31 August 2024

	We assess risks and practical implications of implementing our processes when assessing eligibility during enquiry process.
Post-Brexit UK visa/border rules change	We will ensure we provide invitation letters to international visitors coming to the UK for BAC activities or events.

Future plans

The Strategic Plan 2021-2026 is a five-year plan and detailed objectives and activities are monitored through an internal three-year action plan.

BAC objectives for 2023-25 are as follows:

Objectives	Proposed actions
BAC will invest in growth by expanding products and services to add value to current accredited providers and to attract a wider range of new providers	<ul style="list-style-type: none"> We will complete the review of the MC scheme and if successful will be added to our existing suite of schemes and marketed as necessary. We will strengthen the use of the Common Quality Framework, to add value to accredited providers as well as to attract new providers. We will update the website and develop a plan for long term improvements. We will develop further support for providers e.g., potential training module.
BAC will continue to promote and be active in the quality assurance Community	<ul style="list-style-type: none"> We will continue our schedule of webinars. The Annual Stakeholder Event will take place on 1 May 2025. We will build on the outcome of the review by The European Association for Quality Assurance in Higher Education (ENQA) and introduce oversight of actions and recommendations for further development from ENQA into our governance system. We will apply to renew our registration with the European Quality Assurance Register for Higher Education (EQAR) in 2025. We will look for further opportunities to attend conferences and/or contribute papers.
BAC will continue to Grow and Diversify especially Global and European activities	<ul style="list-style-type: none"> We will continue to build on successful international inspections, developing regional activities and potential working with ministries through free and paid projects. We will continue to develop a portfolio of activities to actively promote BAC.
BAC will actively engage in the development of its Ethical responsibilities	<ul style="list-style-type: none"> The review of our working practices will continue including updating our Data Protection policies and procedures and business continuity and cyber security plans. We will calculate our carbon footprint and take steps towards zero carbon emissions.

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	<ul style="list-style-type: none"> • We will look to implement ways in which we can lead in the promotion of environmental responsibility and being open about our sustainable development goals. • We will continue to review value for money from our suppliers whilst also recognising London Living Wage hourly rates.
<p>BAC will continue to develop good practice in its use of integrated use of the data and information collected from BAC inspections and other work</p>	<ul style="list-style-type: none"> • The implementation of the CRM will be complete, and we will monitor its use and look for further ways it can improve our operations. • We will focus on the report process for inspections and process them using Sharepoint and all information uploaded to an online portal. • We will consider how to produce thematic reports and use them to influence the direction for development of inspection methodologies as well as themes for enhancement workshops. • We will conduct governance reviews as endorsed by Charities Good Practice and as preparation for increased work with a potential growth of activities.

Report of the Council Year to 31 August 2024

Financial review

A summary of the year's results can be found on page 21 of the financial statements. The deficit for the year before gains on investments was £51,739 (2023 – £27,862).

The total income for the year is £745,390, an increase of £9,681 over the previous year (2023 - £735,709). This is a positive sign and suggests the charity has stable and growing income stream.

During the period under review, expenditure has increased approximately by £34,000 which was expected. This is a result of inflationary effects on staffing and running costs.

The net surplus for the year was £88,404 after a gain on investments of £140,143 (2023 – deficit for the year was £94,175 after loss on investments of £66,313).

Income

Accreditation fees

The income generated from accreditation fees has seen an improvement of approximately 8%, with a total of £426,205 in 2024, as compared to £393,989 in 2023. This is a result of a 5% increase in accreditation fees set in place in the previous year and new providers who have successfully achieved the BAC accreditation.

Inspection Fees

Inspection fee income has decreased in the year by -12% to £245,171 (2023 – 11%, £280,397). Despite this, the total number of inspections carried out has increased from 64 in 2022-23 to 86 in 2023-24. This shows that the inspection fee income fluctuates based on the type of inspections conducted. Specifically, the proportion of full or re-accreditation inspections has decreased from 54% in the previous year to 42% in the period under review. Additionally, the percentage of interim inspections increased to 34% in 2023-24, up from 28% in the previous year.

Other Income

The performance of our fixed asset investment portfolio has significantly improved, resulting in a net gain of £140,143 during the period under review (2023 – net loss of £66,313). This is attributed to stabilisation of the financial markets from previous years market disruptions.

Expenditure

Charitable Activities

Direct expenditure includes the cost of conducting inspections of accredited organisations, offering workshops to providers on a range of issues and the improvement of internal capabilities. These costs are linked to the projects that expand the charity's work and the number of inspections it conducts. The amount spent on these activities is affected by how many inspections happen in the year. Direct expenditure has decreased by circa 7% as predicted in the previous year, 2024 – £ 172,876 (2023 – £185,843).

Staff Costs and Running Costs

The total costs associated with staffing have increased in 2024 - £437,487 (2023 – £405,402).

Running costs and other support costs have increased in the year, 2024 - £174,971 (2023 – £164,121). This increase in expenditure was expected as result of inflation.

Report of the Council Year to 31 August 2024

Financial review (continued)

Investment policy

The value of BAC's investments holding is a mixture of equities, fixed income and cash held for investment purposes. The market value at the reporting date stands at £1,207,484 in 2024 (2023 – £1,109,896). BAC's investments were held in a managed investment portfolio by Aberdeen Standard Capital (Charities Aid Foundation Managed Portfolio Service – Progressive Capital Growth Account).

The investment policy aims to generate capital growth over the medium to long term, without exposing BAC to the risks and volatility associated with a wholly equity focused portfolio. The Council members are satisfied with the performance of the investment portfolio during the year.

The charity also has cash at bank and in hand of £195,910 (2023 – £188,297). The liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility of access to funds.

Reserves policy

The members of council consider that free reserves of the charity should represent at least six months' expenditure, equating to approximately £450,000, to ensure that the organisation can cope with all financial commitments without recourse to borrowing.

The free reserves on 31 August 2024 were £1,081,642 (2023 – £978,063) which exceeds the target level of reserves stated in the reserves policy. However, the Council members consider it appropriate to hold reserves in excess of the target, in consideration of the strategic objectives to be achieved and forecasted financial position over the short, medium, and long term along with the consequences of current world events, and the reserves policy reflects only the minimum level of free reserves required.

The Council will proactively assess the need for measures to mitigate the potential loss of funding resulting from providers unable to continue operations in the coming year. While it is possible that the effects of this may have a secondary impact on BAC, the Council will remain vigilant in monitoring the situation and have not deemed it necessary to utilise any more reserves than already approved in the current year.

Going Concern

The Trustees are required to confirm that it is appropriate for the BAC to adopt the going concern principle in preparing its accounts. Based on the viability review and taking into consideration the BAC closing reserves and strong cash position, the Trustees of the British Accreditation Council have reasonable expectation that the charity will continue to operate for the 12 months from the signature of this report.

As such the Trustees of the BAC continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Approved by the Council on

and signed on its behalf by: Prof. Phil Cardew

[13.02.2025]



Independent auditor's report to the members of British Accreditation Council

Opinion

We have audited the financial statements of British Accreditation Council (the 'charitable company') for the year ended 31 August 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and 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 charitable company's affairs as at 31 August 2024 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 charitable company 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.

Conclusion relating to going concern

In auditing the financial statements, we have concluded that the trustees' 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 charitable company'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 trustees with respect to going concern are described in the relevant sections of this report.

Independent Auditor's Report Year to 31 August 2024

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. 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.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- ◆ the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 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
- ◆ certain disclosures of trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees 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 trustees 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 trustees are responsible for assessing the charitable company'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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

- ◆ the Senior Statutory Auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations; and
- ◆ we obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), Companies Act, and the Charities Act) as well as data protection regulations.

Independent Auditor's Report Year to 31 August 2024

Auditor's responsibilities for the audit of the financial statements (continued)

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

- ◆ making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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

- ◆ performed analytical procedures to identify any unusual or unexpected relationships.
- ◆ carried out substantive testing of expenditure including the authorisation thereof.
- ◆ reviewed journal entries to identify unusual transactions and substantiated these where appropriate; and
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

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

- ◆ review of the minutes of meetings of those charged with governance; and
- ◆ enquiring of management as to actual and potential litigation and claims.

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

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent Auditor's Report Year to 31 August 2024

Use of our report

This report is made solely to the charitable company's member, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's member those matters we are required to state to it 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 charitable company and the charitable company's member, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP

Alison Pyle (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

13 February 2025

Statement of financial activities (including income and expenditure account) Year to 31 August 2024

	Notes	Total 2024 £	Total 2023 £
Income from:			
Charitable activities			
. Accreditation and inspection fees	1	706,806	714,049
Investments	2	38,584	21,660
Total income		745,390	735,709
Expenditure on:			
Raising funds		7,871	7,536
Charitable activities			
. Accreditation and inspection		789,258	756,035
Total expenditure	3	797,129	763,571
Net expenditure before gains/(losses) on investments		(51,739)	(27,862)
Gains / (losses) on investments	10	140,143	(66,313)
Net income/(expenditure) and net movement in funds		88,404	(94,175)
Reconciliation of funds			
Total funds brought forward		1,028,731	1,122,906
Total funds carried forward		1,117,135	1,028,731

All of the charity's activities derived from continuing operations during the above two financial periods, Furthermore, all income and expenditure relates to unrestricted funds in both current and prior period.

The charity has no recognised gains or losses other than those shown above.

Balance sheet 31 August 2024

	Notes	2024 £	2024 £	2023 £	2023 £
Fixed assets					
Intangible fixed assets	8	11,217		15,063	
Tangible fixed assets	9	2,921		9,086	
Debtors	11	-		11,942	
Investments	10	<u>1,207,484</u>		<u>1,109,896</u>	
			1,221,622		1,145,987
Current assets					
Debtors	12	41,396		25,594	
Cash at bank and in hand		<u>195,910</u>		<u>188,297</u>	
		237,306		213,891	
Creditors: amounts falling due within one year	13(a)	<u>(341,793)</u>		<u>(309,562)</u>	
Net current liabilities			(104,487)		(95,671)
Creditors: amounts falling due after one year	13(b)		-		<u>(21,585)</u>
Total net assets			<u>1,117,135</u>		<u>1,028,731</u>
The funds of the charity					
Unrestricted funds					
. General funds			1,081,642		978,063
. Designated funds	14		21,355		26,519
. Fixed asset fund	15		14,138		24,149
Total funds			<u>1,117,135</u>		<u>1,028,731</u>

The financial statements were approved by the Council and were signed on its behalf by:

Prof. Phil Cardew



Date: [13.02.2025]

Company Registration Number 01828990 (England and Wales)

Statement of cash flows Year to 31 August 2024

	Notes	2024 £	2023 £
Cash flows from operating activities:			
Net cash (used in) operating activities	A	(73,526)	(79,367)
Cash flows from investing activities:			
Purchase of tangible fixed assets		—	(1,235)
Investment income received		38,584	21,660
Proceeds from sale of investments		174,899	424,556
Purchase of investments		(109,500)	(437,385)
Net cash provided by (used in) investing activities		103,983	(28,319)
Change in cash and cash equivalents in the year		30,457	(107,686)
Cash and cash equivalents at 1 September 2023	B	203,862	311,548
Cash and cash equivalents at 31 August 2024	B	234,319	203,862

Notes to the statement of cash flows for the year to 31 August 2024

A Reconciliation of net movement in funds to net cash (used in) operating activities

	2024 £	2023 £
Net movement in funds (as per the statement of financial activities)	88,404	(94,175)
Adjustments for:		
Amortisation charge	3,846	3,845
Depreciation charge	6,165	8,559
Net (gains)/losses on investments	(140,143)	66,313
(Increase)/decrease in debtors	(3,860)	8,379
Decrease/(increase) in creditors	10,646	(50,628)
Investment income receivable	(38,584)	(21,660)
Net cash (used in) operating activities	(73,526)	(79,367)

B Analysis of cash and cash equivalents

	2024 £	2023 £
Cash at bank and in hand	195,910	188,297
Cash Held in Listed Investments	38,409	15,565
Total cash and cash equivalents	234,319	203,862

C Analysis of changes in net debt

	At 1 September 2023	Cash flows	At 31 August 2024
Cash at bank and in hand	188,297	7,613	195,910
Cash Held in Listed Investments	15,565	22,844	38,409
Total	203,862	30,457	234,319

Principal accounting policies Year to 31 August 2024

The principal accounting policies adopted, judgements made and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation

These financial statements have been prepared for the year to 31 August 2024 and are presented in sterling rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity constitutes a public benefit entity as defined by FRS 102.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the Council members and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- ◆ estimating the useful economic life of tangible fixed assets.
- ◆ estimating the useful economic life of intangible fixed assets.
- ◆ estimating the provision for costs associated with the membership review by the European Association for Quality Assurance in Higher Education (ENQA).

Assessment of going concern

The Council members have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Council members have made this assessment in respect to a period of one year from the date of approval of these financial statements.

The Council members of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. In making this assessment the trustees have considered the impact of longer-term impacts of world events. In response, the charity has taken steps to ensure that there are sufficient levels of cash available as outlined in the trustees' report. Members of the Council are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

Principal accounting policies Year to 31 August 2024

Assessment of going concern (continued)

The net current liabilities position is due to advanced payments received for 2023/24 annual accreditation fees and inspections planned to take place in the next financial year.

The most significant areas of judgement that affect items in the financial statements are detailed above. With regard to the next accounting period, the year ending 31 August 2024, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (see the investment policy of the Report of the Council for more information).

Income recognition

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably, and it is probable that the income will be received.

Income comprises fees from inspections and accreditations, consultancy contracts, investment income and grants.

Accreditation and inspection fees are recognised when they have been earned. For inspection fees, entitlement is measured with reference to the date that the inspection takes place.

Income of a contractual nature is recognised to the extent that it is probable that the economic benefits will flow to the charitable company and the revenue can be reliably measured. It is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value-added tax and other sales taxes.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charitable company; this is normally upon notification of the interest paid or payable by the bank.

Donations and grants are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable, and the amount can be reliably measured.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure is classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

Governance costs, comprising the costs involved in the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice, are allocated to the cost of charitable activities.

Principal accounting policies Year to 31 August 2024

Intangible fixed assets

Intangible assets comprise of purchased computer software licences and any costs directly attributable to bringing the licences into use, such as configuration or implementation costs.

The costs of acquiring the software licences are capitalised where all the criteria in FRS 102 are met. Intangible assets are capitalised where expenditure of £3,000 or more is incurred.

Intangible assets are included initially at cost, Intangible assets are amortised on a straight-line basis over the life of the licence, currently standing at 20% per year, or the period over which the British Accreditation Council anticipates using the asset over its useful life. Amortisation charges are included in expenditure on charitable activities, as either direct costs or support costs, according to the activity that the underlying asset is used to deliver.

Tangible fixed assets

Items are capitalised where the purchase price exceeds £250. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer equipment and office furniture	33% on cost
Fixtures and fittings	Straight line basis over the lease term (44 months).

Fixed asset investments

Fixed asset investments consist of listed investments.

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The main form of financial risk faced by the charity is that of fluctuations in equity and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities within particular sectors or sub sectors.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value, or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Principal accounting policies Year to 31 August 2024

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short-term deposits.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Taxation

The British Accreditation Council is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within various exemptions available to registered charities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the Council members. Designated funds which are set aside at the discretion of the Trustees for a specific purpose, or where funds are effectively constrained by their application in operational fixed assets.

The fixed asset fund represents the net book value of the fixtures, fittings, office furniture, computer equipment of the charity and intangible assets referring to software licenses. Such assets are vital to the charity being able to carry out its work and the value invested in the assets cannot, therefore, be realised in order to meet future expenditure or liabilities. To emphasise this point, the net book value of the assets is represented by a specific fixed asset fund on the balance sheet.

The trustees have designated funds of £75,000 in the previous year for the purpose of developing internal capabilities and new provider schemes and any application of designated funds are set out in note 14 to the accounts.

Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the statement of financial activities in the period to which they relate.

Notes to the financial activities Year to 31 August 2024

1 Income from charitable activities – Accreditation and inspection fees

	2024 £	2023 £
Accreditation Fees UK	426,205	393,989
Inspection Fees UK	245,171	280,397
Application Fees	7,350	11,550
Other Fees	28,080	28,113
	706,806	714,049

2 Investment income

	2024 £	2023 £
Interest receivable	3,267	1,295
Dividends from investment portfolio	35,317	20,365
	38,584	21,660

3 Expenditure on:

	Direct costs £	Support costs			2024 Total £	2023 Total £
		Running costs £	Finance £	Staff costs £		
Raising funds						
. Investment manager fees	7,871	—	—	—	7,871	7,536
Accreditation and inspection:						
. Accreditation and inspection delivery	172,876	146,519	940	437,487	757,822	730,548
. Bad debts	2,984	—	—	—	2,984	—
. Governance (note 4)	—	28,452	—	—	28,452	25,487
	183,731	174,971	940	437,487	797,129	763,571

	Direct costs £	Support costs			2023 Total £	2022 Total £
		Running costs £	Finance £	Staff costs £		
Raising funds						
. Investment manager fees	7,536	—	—	—	7,536	3,380
Accreditation and inspection:						
. Accreditation and inspection delivery	185,843	138,634	669	405,402	730,548	683,236
. Bad debts	—	—	—	—	—	2,180
. Governance (note 4)	—	25,487	—	—	25,487	16,350
	193,379	164,121	669	405,402	763,571	705,146

Notes to the financial activities Year to 31 August 2024

4 Governance costs

	2024	2023
	£	£
Legal and professional fees	8,996	4,161
Council Expenses	3,342	2,573
Accountancy fees	2,014	2,013
Auditor's remuneration	14,100	16,740
	28,452	25,487

5 Net expenditure

	2024	2023
	£	£
Net expenditure is stated after charging:		
Auditor's remuneration – statutory audit		
. Current year	14,100	13,140
. Prior Year	—	3,600
Amortisation	3,846	3,846
Depreciation	6,165	8,559

6 Transactions with Council members and key management personnel

The Council members consider that they, together with the Chief Executive, Chief Inspector and the new position of Deputy Chief Executive, created at the start of the year, comprise the key management personnel of the charity in the period under review. The total remuneration of the key management personnel for the year (including taxable benefits and employer's pension and national insurance contributions) was £170,211 (2023 – £115,736).

The 11 Council members received no remuneration or other benefits for the year ended 31 August 2024 (2023 – £nil).

Expenses were reimbursed to four Council members for out-of-pocket expenses of £599 (2023 – £734 to four Council members).

Notes to the financial activities Year to 31 August 2024

7 Staff costs

	2024 £	2023 £
Wages and salaries	361,521	333,954
Social security costs	33,101	31,429
Pension costs	32,654	31,200
Agency & Freelance staff	10,211	8,819
	437,487	405,402

The average monthly number of employees during the year was as follows:

	Average headcount	
	2024 No.	2023 No.
Administration/ management	5	5
Inspection	2	2
Accreditation	2	2
	9	9

There were no employees (2023 - none) who earned £60,000 per annum or more (including taxable benefits but excluding employer pension contributions).

8 Intangible fixed assets

	Software Licenses £	Total £
Cost		
At 1 September 2023	19,228	19,228
Additions	—	—
At 31 August 2024	19,228	19,228
Amortisation		
At 1 September 2023	4,165	4,165
Charge for the year	3,846	3,846
At 31 August 2024	8,011	8,011
Net book value		
At 31 August 2024	11,217	11,217
At 31 August 2023	15,063	15,063

Notes to the financial activities Year to 31 August 2024

9 Tangible fixed assets

	Computer equipment and office furniture £	Fixtures and fittings £	Total £
Cost			
At 1 September 2023	59,320	16,208	75,528
Additions	—	—	—
Disposals	(4,959)	—	(4,959)
At 31 August 2024	<u>54,361</u>	<u>16,208</u>	<u>70,569</u>
Depreciation			
At 1 September 2023	56,127	10,315	66,442
Charge for the year	1,745	4,420	6,165
Eliminated on Disposal	(4,959)	—	(4,959)
At 31 August 2024	<u>52,913</u>	<u>14,735</u>	<u>67,648</u>
Net book value			
At 31 August 2024	1,448	1,473	2,921
At 31 August 2023	<u>3,192</u>	<u>5,894</u>	<u>9,086</u>

10 Fixed assets investments

	2024 £	2023 £
Market value		
At 1 September 2023	1,094,331	1,111,900
Additions at cost	109,500	473,300
Disposal at opening market value (proceeds £174,899; loss £7,128)	(182,027)	(465,442)
Net unrealised gain/(loss)	147,271	(25,427)
At 31 August 2024	1,169,075	1,094,331
Cash held within listed investments	38,409	15,565
	<u>1,207,484</u>	<u>1,109,896</u>
Cost		
At 31 August 2024	1,058,555	1,106,858
At 31 August 2023	1,106,858	1,135,593
		Total 2024 £
Unrealised gains included above on listed investments (see below)		110,520
Reconciliation of movements in unrealised gains on investments		
Unrealised losses at 1 September 2023		(12,527)
Unrealised losses brought forward and losses realised in the year		24,224
Net unrealised Gains in the year		147,271
Unrealised gains at 31 August 2024		<u>110,520</u>

Notes to the financial activities Year to 31 August 2024

10 Fixed assets investments (continued)

The following holdings comprised a material holding when compared to the value of the total listed investment portfolio at 31 August 2024:

	Market Value	%
	£	
Volare Sterling Fi Offshore Fund Z Inc	164,766	14
Government of United Kingdom 3.5 % BDS	74,150	6
Volare Global Fi Offshore Fund Z Inc	62,321	5

Listed investments at 31 August 2024 comprised the following:

	2024	2023
	£	£
Alternative Strategies	77,121	80,770
Overseas Equities	510,992	453,749
UK Equities	159,380	148,599
UK Fixed Interest	421,582	411,213
	1,169,075	1,094,331
Capital & Cash Account	38,409	15,565
	1,207,484	1,109,896

11 Debtors: amounts falling due after one year

	2024	2023
	£	£
Other Debtors	-	11,941
	-	11,941

Other debtors consist of a repayable deposit paid to secure the leasehold contract for the head office premises.

12 Debtors: amounts falling due within one year

	2024	2023
	£	£
Charitable activity debtors	10,065	10,628
Prepayments and accrued income	19,390	14,966
Other Debtors	11,941	-
	41,396	25,594

Other debtors consist of a repayable deposit paid to secure the leasehold contract for the head office premises.

Notes to the financial activities Year to 31 August 2024

13 (a) Creditors: amounts falling due within one year

	2024 £	2023 £
Charitable activity creditors	12,496	8,659
Social security and other taxes	21,389	9,159
Accruals	23,728	22,107
Deferred income	283,128	266,794
Other creditors	1,052	2,843
	341,793	309,562

Deferred income relates to inspection fees received in advance of inspections taking place and accreditation fees paid in advance for the next academic year. Movements on deferred income are shown below:

	2024 £
Deferred income at 1 September 2023	266,794
Resources released in the year	(266,794)
Resources deferred in the year	283,128
Deferred income at 31 August 2024	283,128

13 (b) Creditors: amounts falling due after one year

	2024 £	2023 £
Provisions	—	21,585
	—	21,585

The trustees have acknowledged their responsibility to uphold and enhance the standards and quality of Higher and Further Education at a global level. In order to meet this obligation to its stakeholders, the charity strives to maintain membership with the European Association for Quality Assurance in Higher Education (ENQA) and to be listed on the European Quality Assurance Register for Higher Education (EQAR). ENQA conducts a review of its members every five years, which is associated with a cost of approximately £36,000.

The provision for the ENQA review has been fully utilised in the current financial year.

14 Designated funds

	Sep-23 £	New designations £	Utilised / Released £	Sep-24 £
The Development Fund	26,519	—	(5,164)	21,355
	26,519	—	(5,164)	21,355

To support our growth activities, BAC has drawn down funds from our investment income to create 'The Development Fund', which is being regularly monitored by the Audit Committee. The fund has been used or allocated for several projects, all linked to the Strategic Plan.

Unused funds are expected to be utilised within a time frame of 1 year from the reporting date.

Notes to the financial activities Year to 31 August 2024

15 Fixed asset fund

	Total £
At 1 September 2023	24,149
Net movements in year	(10,011)
At 31 August 2024	14,138

The fixed assets fund represents the net book value of the charity's fixed assets. The fund recognises the fact that the assets are required for the day-to-day operation of the charity and are not available for other purposes or as a general reserve.

16 Related party transactions

Dr Esther Huertas is on the council of trustees for BAC and European Network for Quality Assurance in Higher Education (ENQA). The BAC are a registered member association of ENQA and make annual payments for membership and recognise a constructive obligation to undergo a membership review every 5 years. Total expenditure related to ENQA in the year was £22,217, which accounts for £4,588 annual membership fees due in the year and a Targeted Review Fee of £17,629 has been recognised (2023: £10,559 expenditure and a provision of £6,032). There are no outstanding balances at the end of the year (2023: none).

Dr Anthony Manning is on the Council of trustees for BAC and representative speaker for the UK Council for International Student Affairs (UKCISA). The BAC are a registered member association of UKCISA and make annual payments for membership. Membership fee due in the year was £584 (2023: £545).

Council of Validating Universities has a secretariat agreement with the BAC, as a result of this relationship Dr Janet Bohrer has been appointed as secretary of CVU, the reason for this is so she may carry out the obligations agreed between CVU and BAC, only when instructed by the council members of CVU. The total income received by the BAC is £28,000 (2023: £28,000). There are no outstanding debts due at the end of the year.

Other than as set out above and in note 6, there were no other transactions between the charity and any of its related parties.

17 Ultimate controlling party

The charity is under the ultimate control of the Council members.

18 Financial commitments

At 31 August 2024 the charity had total commitments under non-cancellable operating leases as follows:

	2024 Land and buildings £	2023 Land and buildings £
Operating lease payable		
Within one year	13,467	42,373
Between 2 to 5 years	—	13,467

Post year end, the charity has signed a new lease agreement for the office premises for 5 years, starting on 25 December 2024. The total minimum payment is £321,194, this represents rent and service charge payments.