CRAVEN COLLEGE

Annual Report and Financial Statements for the year ended 31 July 2024

Key Management Personnel, Board of Governors and Professional advisers

Key management personnel

Key management personnel are defined as members of the College Leadership Team and were represented by the following in 2023/24:

Anita Lall	Interim Principal (appointed 22nd March 2023), Principal (appointed 21st April 2024)
Gareth Dixon	Vice Principal Finance and Resources
Duncan Bulloch	Director of Curriculum (to 1st January 2023), Interim Assistant Principal of Curriculum (appointed 2nd January 2024)
Angela Crabtree	Director of Quality (to 1st January 2023), Interim Assistant Principal of Quality (appointed 2nd January 2024) Retired 31st March 2024
Wesley McGlinchey	Director Curriculum (to 1st January 2023), Interim Assistant Principal of Curriculum (appointed 2nd January 2024

Board of Governors

A full list of Governors is given on page 18 and 19 of these financial statements.
Mrs Jean Tracy was appointed as Interim Director of Governance from 14th November 2023 to 1 May 2024.

Susan Francis was appointed Director of Governance on 1st May 2024.

Professional advisers

Financial statements auditors and reporting accountants:

Armstrong Watson,
Number 3,
Acorn Business Park,
Airedale Business Centre,
Skipton,
BD23 2UE

Bankers:

Barclays Bank,
49 High Street,
Skipton,
North Yorkshire
BD23 1DH

Solicitors:

AWB Charlesworth	Eversheds Sutherland	DWP LLP
23 Otley Street	Bridgewater Place	Bridgewater Place
Skipton	Water Lane	Water Lane
BD21 3SE	Leeds	Leeds
	LS11 5DR	LS11 5DY

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Strategic Report

NATURE, OBJECTIVES AND STRATEGIES:

The members present their annual report together with the financial statements and auditor's report for Craven College for the year ended 31 July 2024.

Legal status

The Corporation was established under the Further and Higher Education Act 1992 for the purpose of conducting Craven College ('the College'). The College is an exempt charity for the purposes of Part 3 of the Charities Act 2011.

Strategy and Objectives

The process of reviewing the College's vision, mission, values was started at the summer board away day in June 2023. Governor input was sought around the proposal bought by the senior team and an updated proposal taken to Board in October 2023. Since then, the proposed vision, mission, values as well as the strategic aims and objectives have been out for consultation with governors and staff. The final vision, mission, values was approved by the Governing Board on 23rd July 2024 and were launched with staff in August 2024. These are outlined below:

Vision

The College's vision is: To be exceptional in everything that we do

Mission

The College's mission is *"Proudly serving our communities by delivering high quality education and training".*

Strapline*: Craven College – unlocking potential, changing lives.*

Our Values

We are 'One College, One Team' working together in a respectful and considerate way to achieve our Vision and Misson.

Our core values underpin our conduct and our decision-making.

1. We are ambitious for our students and staff, striving for excellence in all we do.
2. We act with integrity and build trust through respectful, consistent, transparent and ethical behaviours.
3. We take responsibility and ownership for our actions and decisions. We hold ourselves and each other to account.
4. We value professional curiosity and creativity seeking out new knowledge, ideas and embracing change to drive our progress.

In addition to the revised vision, mission and values outlined above the College has set the following strategic aims and objectives for the period of the 2024-2030 strategic plan:

Strategic Aims	Strategic Objectives
To be the college of choice for vocational & technical students	Ensure that exceptional teaching and learning is at the heart of our college Provide an outstanding student journey to maximise potential
To be the college of choice for employers and other stakeholders	Foster highly effective partnerships with employers and stakeholders Deliver on the current and future skills needs of our communities and employers
To be the education employer of choice in the region	Nurture a culture of excellence, celebrating success and promoting accountability
To grow an efficient and sustainable college	Grow and drive an efficient, effective and sustainable college

Underneath the strategic objectives are a set of KPIs, operating plans and strategies all aligning to the over-arching strategic aims The Senior Leadership Team leads action in support of each of the goals and enablers and progress is monitored by the Board.

Governors and the Senior Leadership Team have a clear vision and ambition for the College ensuring that its provision meets the needs of students, employers and local communities to deliver an outstanding student experience.

DEVELOPMENT AND PERFORMANCE

In February 2024 the College was subject to a full inspection by Ofsted and was graded as overall 'Requires Improvement' with 'Good' for Quality of Education, Personal Development, Adult Learning Programmes Apprenticeships and Provision for learners with High Needs. Ofsted recognised the turbulence in the College over the past few years but that the current senior leadership team had established stability and taken substantial steps to improve the quality of education with progress being made against the recommendations made.

The pandemic and the various lockdowns had a negative impact on the overall College achievement rates in 2020/21 and in 2021/22 when students took formal examinations for the first time in 2 years. However, improvements in achievement rates started to be seen as we return to normal assessment during the past 2 years. Overall achievement rates are now 86.7% compared to 80.4% in 2022/23 and a national rate (NR) of 84.2%. Achievement rates for 16–18-year-olds in 2023/24 have improved significantly from 77% in 2022/23 to 86% in 2023/24 and are now above the NR of 82%. This is due to improvements in both retention and pass rates with a relentless focus on quality and teaching, learning and assessment by leaders, managers and teachers. The achievement rates for 19+ provision has also shown a year-on-year improvement from 84.8% in 2022/23 to 87.5% in 2023/24 which again is above the NR.

Following on from the 2022/23 apprenticeship out-turn of overall achievement of 67%, the College was ranked 15th out of 152 in the country when comparing against GFE colleges. This put Craven College in the top 10% of GFE colleges in the country and ranked us as the highest ranked provider in Yorkshire and Humberside. For 16-18 year old apprentices we are ranked as 19th highest in the country placing us in the top 15% of GFE colleges and ranks us as the 3rd highest ranked provider in Yorkshire and Humberside with an out-turn of 66.7%. Apprenticeship achievement in 2023/24 remains strong at 71.7%, 13.9 percentage points above NR.

The College remains a growing provider of High Needs provision with 170 students generating lagged government funding of over £1 million. The College works with all the Local Authorities in North Yorkshire, West Yorkshire and Lancashire with responsibility for local High Needs provision and receives additional funding to counteract the deficit in lagged funding.

The College commenced its partnership with the University of Hull as its validating partner for HE provision in September 2021 and this continues to be a success providing additional opportunities for students and staff to be a part of a larger HE community. HE numbers have fallen due to reductions in part-time students across the whole of the HE system and increased competition from universities who decreased their entry requirements significantly to compensate for reduced applications from international markets. The College has continued to push to increase the average class size for the College's HE programmes, meaning some options are not viable due to low recruitment.

Through its Project Funding Team and Tyro Training the College, continues to develop important partnerships locally and across the Region including the Aire Valley, Keighley, Ripon and across North Yorkshire. This includes attracting funding to address local skills needs through 'Skills Bootcamp' funding on Forestry and Arboriculture as well as a Multiply contract.

During the year the College participated in the Local Skills Improvement (LSIF) in partnership with other Colleges in North Yorkshire. Within North Yorkshire the LSIF has been separated into two projects, Digital and Health & Social Care with Craven College participating in both strands of the project. Other partners in the LSIF are York College (also the project lead), Scarborough TEC, Harrogate College (part of Luminate Group), Heart of Yorkshire Group, Askham Bryan College, Darlington College, North Yorkshire Adult Learning and York Learning. As part of the Digital project, the College has focussed on the creation of bitesize, online learning content that will benefit local businesses and spend time collaborating with employers to create realistic modules with the aim to invest c.£160k of the funded capital in either immersive technologies or Meta VR (Virtual Reality). The Health and Social Care project will see the College create a course for local Care Sector to participate in Level 3 Award in Delivering Training (Train the Trainer) so they can utilise their skills in the workplace to assist with staff retention and high-quality in-house training. Alongside this training will be a c.£20k investment in a new set of manikins/training defibrillators to allow smooth delivery of the qualification. The LSIF end of year report has been submitted to the DfE. This contains progress on each of the project objectives and the contribution of each college within the LSIF group. Both projects have progressed well with initial objectives met and no significant areas of slippage. A collaborative online booklet featuring all colleges, how they meet the LSIP priorities and the impact so far can be found here. Each college including Craven College is featured within this booklet.

The College benefits from large programme specialist funding uplift for the Land-based provision from the ESFA. To retain this ESFA funding the College has worked with Craven Cattle Marts (CCM) to deliver a new Equine Unit on their site which the College is leasing. Construction work has now completed on this development with the new Equine Arena operational since October 2022. Further work is underway to expand the construction and engineering spaces due to the increase in this provision and the commencement of T level delivery and further planned delivery.

The College has seen an improvement in its ESFA rating to "Good" for financial health. This reflects the efforts made across the College to deliver on its business recovery plan and reset the College's performance following the poor performance in 22/23.

16-18 study programme funded learners in the year were 1,265 which represented an increase on 2022/23 funded learners. Combined with an increase in baseline funding from the ESFA of c.4.6% enabled the College to invest in staff pay by at least 5% for all members of staff excluding the Senior Post Holders. Whilst this is positive for the College moving forwards the increase was not sufficient to meet the AoC recommendation of 6.5% which resulted in staff taking industrial action in November 2023. The College continues to work with both the AoC and Unions for increased funding to support the College to provide increased investment in pay for FE staff.

Throughout 2023/24 the College has continued to tightly manage its cash flow and gearing levels; this has seen it operate with a positive bank balance and generate positive cash from operations but a further reduction in cash reserves following investment in the College's facilities and partially funded pay award. The College continues to operate with no overdraft in place. The College owed £94,000 on finance leases at 31 July 2024 and the College's total borrowing to income ratio is 0.6%.

In 2023/24 the College benefitted from £156,584 of tuition fund to support learners with a GCSE English and/or maths of grade 5 or lower. The tuition fund was used to support students with GCSE and Functional Skills English and maths as well as vocational sessions. High grade pass rates (9-4) for GCSE English and maths have fallen compared to last year due to grade boundaries returning to pre-pandemic level and were 19% for GCSE English and 12% of GCSE maths. In the case of GCSE English this is 1pp below the NR for all GFE colleges but above that by 3pp for colleges in Yorkshire and Humber. In the case of GCSE maths, the high grade pass rate of 13% is 1pp below that of all GFE college but 3pp greater than that of colleges in Yorkshire and Humber. In terms of average grade progress from grade 2 and grade 3, Craven College students do better than other Yorkshire and Humber colleges for both English and maths.

The College also holds Investors in People accreditation and the Matrix Standard for Student Services. Both were up for renewal in 2023/24 and were achieved successfully.

Financial results

The College generated a surplus before other gains and losses in the year of £209,000 (2022/23: deficit £1,449,000), with total income of £16,659,000 (2022/23: £14,656,000).

The increase in 16-18 learners recruited in 2022/23 led to an increased allocation from the Education and Skills Funding Agency (ESFA) combined with a slight increase in apprenticeship delivery and delivery of both ESFA and West Yorkshire Combined Authority (WYCA) Adult Education Budget allocations resulted in an increase of £2,003,000 in income.

Staffing costs, excluding FRS102 charges in relation to defined benefit pension liabilities and restructuring costs, were £10,722,000 (2022/23: £9,765,000) were significantly higher than in 2022/23 due to the increased level of delivery in the year requiring additional staffing as well as a pay award made to all staff except Senior Post Holders in the year.

The operating costs of the College reduced by c.5% compared to the previous year. This is due to the impact of the College's business recovery plan implemented to save costs in the year in order to improve the College's financial health.

The College has accounted for reduced pension adjustments under FRS102, including interest on defined benefit pensions schemes, in the year to 31 July 2024 of £191,000.

Cash flows and liquidity

At £187,000 (2022/23: £100,000), net cash flow from operating activities has improved year-on-year due to impact of the College's business recovery plan savings initiated in the year.

During the year the college invested £674,000 in equipment and resources for the College as outlined in the Resources section below.

The size of the College's total borrowing is set to ensure it has a reasonable cushion between the total cost of servicing debt and operating cashflow. During the year this cushion was £178,000 (2022/23: £91,000).

The College did not take on any short-term debt in the year and continues to maintain a low level of debt relating solely to finance leases.

Resources

The College employed 254 (2022/23: 248) people in the year (expressed as full-time equivalents), of whom 152 (2022/23: 134) are teaching staff.

The College enrolled 3,080 students. The College's student population includes 1,265 16-to-18-year-old students, 586 apprentices, 79 higher education students and 1,150 adult learners.

The College's estate has continued to develop to reduce operating and maintenance costs and provide improved learning and teaching accommodation for staff and students. The College has invested around £4.2m over the last 5 years on new buildings, refurbishing existing buildings and refreshing the Colleges IT infrastructure.

In 2023/24 the College invested in tangible fixed asset additions amounting to £674,000 across of range of areas including installation of enhanced CCTV to improve student safety, specialist equipment to support the delivery of T-levels and condition improvements to the College estate. In addition the College has been successful in securing £2.3m of T-level capital funding which commenced during the year and will be completed in early 2025. The net book value of all the College fixed assets is £9,743,000 (2022/23: £10,175,000).

The College has £5,274,000 of net assets (31 July 2023: £5,255,000). This does not include any pension liabilities as the pension scheme valuation is in an asset position, but a net nil position has been included in the financial statements as the College would not receive any financial benefit in the event of the pension scheme being dissolved. The College has long term debt of £95,000, (2022/23: £125,000) relating to finance leasing of IT equipment.

Sources of income

The College has significant reliance on the education sector funding bodies for its principle funding source, largely from recurrent grants. In 2023/24 the FE funding bodies provided 85% (2022/23: 81%) of the College's total income.

EXTERNAL REPRESENTATION

The Principal represents the College on a number of external committees:

- Association of Colleges Students Strategy Group member
- Association of Colleges Equality, Diversity & Inclusivity Reference Group member and Vice Chair
- Association of Colleges Yorkshire and Humber Principal's Group member
- LANDEX Principal's Group member
- Skipton Business Improvement District Board member and Vice Chair
- York and North Yorkshire College Principal Group member
- Yorkshire and Humber Institute of Technology Director
- University of Hull Collaborative College Partnership Board member
- Cambridge Access Validating Agency Board Director and Vice Chair
- York and North Yorkshire Local Skills Improvement Fund Partnership Board member
- Craven Locality Board member
- Craven Headteachers group member

The Vice Principal – Finance and Resources represents the College on the following external committees:

- Association of College Yorkshire & Humber Finance Group member
- LANDEX Finance Committee member
- Skipton Institute of Mechanics Trustee

The Assistant Principal - Curriculum & Skills and Interim Assistant Principal -Curriculum & Quality represent the College on several external committees:

- Association of College Yorkshire & Humber Curriculum & Quality Group member
- LANDEX group member
- Landex Quality & Curriculum Committee member
- Yorkshire and Humber Institute of Technology operational group member
- University of Hull Collaborative College Partnership member

STAKEHOLDERS

The College has many stakeholders including:

- its current, future and past students including their parents and guardians.
- its staff and their trade unions.
- the employers it works with.
- the professional organisations in the sectors where it works.
- its partner schools and universities; the wider college community.
- its local district and borough councils, combined authority and Local Enterprise Partnerships.

PUBLIC BENEFIT

Craven College is an exempt charity under the Part 3 of the Charities Act 2011 and is regulated by the Secretary of State for Education. The members of the Governing Body, who are trustees of the charity, are disclosed on page 18. In setting and reviewing the College's strategic objectives, the Governing Body has had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education.

In delivering its mission, the College provides identifiable public benefits through the advancement of education to 1,243 students, including 170 students with higher educational needs. The College provides courses without charge to young people, to those who are unemployed and adults taking English and maths courses. The College adapts its courses to meet the needs of local employers and provides training to 586 apprentices. The College is committed to providing information, advice and guidance to the students it enrols and to finding suitable courses for as many students as possible regardless of their educational background.

STREAMLINED ENERGY AND CARBON REPORTING

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

- Continued to encourage staff to utilise technology such as MS Teams and Zoom calls in place of physical travel to/from meetings.
- Continued use of use of electric/hybrid vehicles within the College fleet with 4 now being electric/hybrid vehicles.
- Continued to source electricity from green suppliers.

Despite progress made in reducing its carbon output the College faces increasing operational and cost challenges to further progress reductions due to reduced supply and increased costs in the context of maintaining delivery of quality teaching and learning.

The College's greenhouse gas emissions and energy usage for the period are set out below:

Energy Consumption used to calculate emissions	**1 August 2023 to 31 July 2024**	**1 August 2022 to 31 July 2023**
Gas (kWh)	684,952	703,963
Electricity (kWh)	590,146	506,871
Transport Fuel (miles)	85,899	91,230
Scope 1 emissions in metric tonnes CO2e		
Gas Consumption	125.3	128.5
Owned transport	-	-
Total Scope	125.3	128.5
Scope 2 emissions in metric tonnes CO2e		
Purchased Electricity	122.2	105.0
Scope 3 emissions in metric tonnes CO2e		
Business travel in employee-owned vehicles	16.1	24.0
Total gross emissions in metric tonnes CO2e	263.6	257.4
Intensity Ratio (FTE staff)	254.0	248.4
Tonnes CO2e per FTE	**1.04**	**1.04**

Qualification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2024 UK Government's Conversion Factors for Company Reporting.

Intensity ratio

The chosen intensity measurement ratio is tonnes CO2 per FTE staff.

FUTURE PROSPECTS

Developments

The College has continued to invest in its facilities and aims to increase contribution by introducing several schemes across the College sites. The sale of the High Street site was finalised in July 2024 with contracts exchanged and completion occurring in October 2024. The disposal of the High Street Campus will reduce the annual running costs of the College and the cash receipt will provide the College with a cash sum in cash reserves to further bolster the financial position.

The College is continuing to work with CCM Auctions Limited and is delivering a significant re-development of its Construction, Motor Vehicle and Engineering department to provide students with access to a modern environment. These developments will be completed in late 2024 and early 2025 with all students being able to benefit from them from 24/25.

Financial plan

The College governors approved a financial plan in July 2024 which sets objectives for the period to July 2026 and a budget for the year 2024-25. Further development of the longer-term financial plan is underway in anticipation of further capital funding routes becoming available through future government spending reviews.

Cash flows and liquidity

Future cash flows of the College continue to be monitored closely by the Senior Leadership Team. Whilst the most recent year has seen a reduced cash performance, the recently announced funding increase and capital grant funding provided to the College has provided a strong foundation to enable investment in staff pay and the wider estate in order to further support and stimulate growth for the College going forwards.

PRINCIPLE 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 Risk Management Committee undertakes a comprehensive review of the risks to which the College is exposed. They identify systems and procedures, including specific preventative actions which should mitigate any potential impact on the College. The internal controls are then implemented and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions. In addition to the annual review, the Risk Management Committee will also consider any risks which may arise because of a new area of work being undertaken by the College.

A risk register is maintained at the College level which is reviewed at every Audit Committee meeting. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the College and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

This is supported by a risk management training programme to raise awareness of risk throughout the College.

Outlined below is a description of the principle 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.

- Failure to recruit students, apprentices and adults resulting in income targets not being met
- Failure to improve achievement rates to meet national benchmarks and targets
- Failure to achieve positive rating from external agencies such as Ofsted, OfS, FEC, ESFA etc
- Failure to manage operating costs and cash flow resulting in adverse performance to budget impacting ability to deliver 'Good' financial health per the ESFA`
- Failure to recruit, retain and develop quality staff in line with the College's 'People Plan'.
- Failure to respond to adverse publicity for the College.
- Failure to ensure that the College estate meets the requirements of the curriculum, students and staff
- Failure to engage and respond to the student voice leading to poor student experience and satisfaction
- Failure to take into consideration stakeholder views and LMI such that the curriculum does not meet the needs/demands of the communities served by the College
- Failure in the efficacy of the Board to support the College in delivering its objectives
- Failure to safeguard children, vulnerable adults and/or comply with health and safety legislation.
- Failure to prevent serious fraud

KEY PERFORMANCE INDICATORS

The table below demonstrates the KPIs, and the assessment against them, that the College uses internally as well as the measure assessed externally such as Financial Health, sector specific EBITDA, Minimum Standards, delivery against funding targets and Success rates.

Key performance Indicator	Measure/Target	Actual for 2023/24	Actual for 2022/23
Adjusted Current Ratio	≥ 1.2	1.2	0.8
Borrowings as a percentage of income	≤ 20%	0.6%	0.9%
EBITDA as % of income – education specific	≥ 6 %	4.4%	(3.8) %
Staff costs as a % of total income less sub-contracting payments	≤ 65%	64.1%	68.7%
Ofsted rating	≥ Good	Requires Improvement	Good
Financial Health	≥ Good	Good	Requires improvement

The College met four of these indicators in the year. There is a continued drive to improve financial performance (EBITDA as a % income) through its ongoing business recovery plan. In addition the College received a reduced Ofsted rating in the year from Good to Requires Improvement which the Senior Leadership Team and wider management team are focussing on improving on through the continued focus on high standards of teaching and learning to students.

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 services 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 2023 to 31 July 2024, the College paid 87% (2022/23: 93%) of its invoices within 30 days. The College incurred no interest charges in respect of late payment for this period.

The College note that 2023/24 performance is both below target and prior year achievement. This result is due to inefficiencies within accounts payable processes which will be addressed within the 2024/25 academic year.

Student achievements

More robust quality & performance reviews and supported intervention scrutiny for under-performing areas has had a positive impact on a large majority of areas. This has led to a significant improvement in achievement rates.

Overall, FE achievement has improved to 86.7% (an increase of 6.3pp from 2022/23) and is 2.5pp above NR. Overall pass rates have also improved significantly to 92.9%; a 3.2pp increase since the previous academic year and are now just above NR.

Across the 16–18 year old cohort, achievement has improved significantly to 86.7% compared to 77% in 2022/23 and is now above the NR. Pass rates for this age group have improved significantly to 91.1% from 87% with an improvement also seen in retention from 87% in 2022/23 to 94.5% in 2023/24.

Achievement for adults shows a three-year improving trend and stands at 87.5% which is just above the NR and is an improvement on the 2022/23 out-turn of 85% with pass rates also showing an improvement from 93.6% in 2022/23 to 95.1% in 2023/24.

The number of students with a disability in 2023/24 has increased yet again compared to 2022/23. Achievement rates for students with a declared disability has improved again from 82% in the previous year to 86.2% and is 4pp above NR. Students with an Education Health and Care Plan (EHCP) also achieve well.

Since Covid, the apprenticeship provision nationally has suffered with late achievements due to a backlog of learners who were on breaks in learning and delays in end point assessments (EPA's). Craven College, like other colleges and training providers, was not protected from these issues and has been working towards yearly reductions with 'out of funded' learners whilst continuing to recruit to target. Overall, achievement rates for apprenticeships are significantly above NR at 71.7% and have increased for all age groups except 16-18, although this is still above NR.

Overall, the College, when compared to other General Further Education Colleges, remains strong for apprenticeship provision. GCSE English and maths high grades (9-4) pass rates particularly for the 16-18 cohort still compare well with the NR but there has been a decline compared to 2021/22. This is because Ofqual, the qualifications regulatory body, announced that grades boundaries were to revert back to pre-pandemic rates and therefore nationally fewer students achieved grades 9-4.

Higher Education continuation is strong but there has been an increase in attrition and a 1% decline in upper awards compared to the previous year. The number of withdrawals has decreased this year from 11 in 2022/23 to 9 in 2023/24. The majority of these withdrew due to mental health issues or as a result of moving away from the area. Mental health issues are also frequently cited and evidenced in requests for extensions and additional consideration of work. Overall achievement for HE stands at 96%, 1pp below that for 2022/23. The majority of Foundation Degree graduates progressed to Top up Courses at the College or if unavailable to courses locally. Many Top-up graduates are continuing to work in their current roles e.g. nurseries or at the airport. Graduate Outcomes data (surveyed 15 months after graduation) for 2021-22 shows that progression to medium and high skilled jobs is 60%.

EQUALITY AND DIVERSITY

Equality

The College is committed to ensuring equality of opportunity for all who learn and work here. We respect and value positive differences in relation to all the protected characteristics. The College seeks to ensure that no individual or group, because of their protected characteristic, faces discrimination, harassment or victimisation. The College seeks to positively remove conditions and barriers which place people at a disadvantage and actively promotes equality for all and celebrates diversity. This policy is resourced, implemented and monitored on a planned basis. The College's Equality Diversity and Inclusion Policy is published on the College's Intranet site.

The College publishes an Annual Equality Report and Equality Objectives to ensure compliance with all relevant equality legislation including the Equality Act 2010.

The College aspires to be a 'Positive about Disabled' employer and has committed to the principles and objectives of the Positive about Disabled standard. The College considers all employment applications from disabled persons, bearing in mind the aptitudes of the individuals concerned, and guarantees an interview to any disabled applicant who meets the essential criteria for the post. Where an existing employee becomes disabled, every effort is made to ensure that employment with the College continues. The College's policy is to provide training, career development and opportunities for promotion which, as far as possible, provide identical opportunities to those of non-disabled employees.

The College has signed up to the Association of College's Mental Health Charter and is committed to the mental health and wellbeing of staff. The College has also recently signed the Association of College's EDI Charter. Refresher training and training for new starters is carried out on an ongoing basis.

Gender pay gap reporting

At the point in time of reporting to Her Majesty's Revenue and Customs (HMRC) Craven College employed 367 employees. The Gender Pay Gap Reporting Regulations require the College to report on aggregate employee pay data based on average and not individual earnings. The report is made in March for the preceding year.

	As at 31 March 2024
Mean gender pay gap	10.96%
Median gender pay gap	17.64%
Mean bonus gender pay gap	0.0%
Median gender bonus gap	0.0%
Proportion of males/females receiving a bonus	0.0%

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

	Males	Females
1 - Lower quartile	17%	83%
2	27%	73%
3	15%	85%
4 – Upper quartile	54%	46%

Disability statement

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

a) As part of its accommodation strategy the College considers access arrangements in all new builds and refurbishments.
b) The College has a SEND Manager, who provides information, advice and arranges support where necessary for students with disabilities.
c) The College is proactive when looking for technological solutions to support needs.
d) The admissions policy for all students is described in the Student Support Policy. 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 lecturers to support students with learning difficulties and/or disabilities. There are a number of Progression 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 students 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 Student Guide, which is issued to students together with the Complaints and Disciplinary Procedure leaflets at induction.

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. Our assessment is documented in more detail in the accounting policy Going Concern of the financial statements.

EVENTS AFTER THE REPORTING PERIOD

On 18th October 2024 the College completed the sale of the High Street site for a price of £515,000. The loss associated with the sale of this asset of £48,000 has been recognised in the results reported for 23/24 as contracts were exchanged prior to the year-end date.

On 31st October 2024 the College entered into a contract with ADNC Projects Limited to carry out a range of refurbishment works in the Colleges engineering and old equine facilities. This project is 90% funded by T-Level Capital Funding and will be completed by March 2025.

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/she ought to have taken to be aware of any relevant audit information and to establish that the College's auditors are aware of that information.

Approved by order of the members of the Corporation on 12th December 2024 and signed on its behalf by:

Dr Alison Birkinshaw
Chair

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 1st August 2023 to 31st July 2024 and up to the date of approval of the annual report and financial statements.

The College endeavours to conduct its business:

i. in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership);
ii. in full accordance with the guidance to colleges from the Association of Colleges in The Code of Good Governance for English Colleges (“the Code”); and

The College is committed to exhibiting best practice in all aspects of corporate governance and in particular the College has adopted and complied with The Code of Good Governance for English Colleges (“the Code”). We have not adopted and therefore do not apply the UK Corporate Governance Code. However, we have reported on our Corporate Governance arrangements by drawing upon best practice available, including those aspects of the UK Corporate Governance Code we consider to be relevant to the further education sector and best practice.

In the opinion of the Governors, the College complies with all the provisions of the Code, and it has complied throughout the year ended 31 July 2024. The Governing Body recognises that, as a body entrusted with both public and private funds, it has a particular duty to always observe the highest standards of corporate governance. In carrying out its responsibilities, it takes full account of The Code of Good Governance for English Colleges updated by the Association of Colleges in 2023 and adopted by the Board in November 2023 to be implemented in September 2024.

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

Members of the corporation

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

Board Member	Position Held	Date of Appointment	Total term of Office	Date of Resignation/End of term of office	Status of Appointment
Julie Atkins		31/03/22	4 years		Business Support Staff
Alison Birkinshaw	Chair of the Board (appointed 01/11/22; effective 28/03/23) Chair, Search and Governance Committee (from 30/02/23)	01/09/19 As appointed Chair on 28 March 2023, also appointed for another term of office to March 2027	4 years		External
John Craig	Chair, Quality and Curriculum Committee (from 30/03/23)	14/04/21	4 years		External
Ed Drake	Member of FRI	April 2020	4 years	01/04/24	External
Jess Guth	Chair, Staffing and Remuneration Committee (from 05/10/23)	08/07/21	4 years	26/04/24	External
Heather Kerrick		03/03/22	4 years		External
Anita Lall	Principal	22/03/23	Ex officio		Principal
Dean Langton	Chair, Finance, Resources and Investment Committee Vice Chair of the Board (from 01/11/22)	10/10/19 As appointed Vice Chair on 1 November 2022, also appointed for another term of office to March 2026	4 years		External
Andy Micklethwaite	Vice Chair of the Board from December 2023	20/03/23	4 years		External

Board Member	Position Held	Date of Appointment	Total term of Office	Date of Resignation/End of term of office	Status of Appointment
Chris Morgan		27/03/23	4 years		External
Jane Rogers		12/11/20	4 years	Term ended 14/11/24	External
Adam Hussain		07/12/23	End July 2024	31/07/24	Student Governor
Rob Scott	Chair, Audit Committee (from 27/03/23)	20/03/23	4 years		External
Claire Thomas		23/01/23	4 years		External
Sara Wright		01/04/24	4 years		External

The members' attendance at Board and Committee Meetings, in relation to the number of meetings held and for which they were eligible, during the year ended 31 July 2024 is set out in the table below.

Board Member	Board	FRI	S and R	Audit	S and G	Q and C
Julie Atkins	100%					100%
Alison Birkinshaw	100%	100%	100%		100%	100%
John Craig	36%			25%		83%
Ed Drake	100%	100%				
Jess Guth	36%		50%			
Heather Kerrick	64%	66%				
Anita Lall	100%	100%			100%	100%
Dean Langton	64%	100%	67%			
Andy Micklethwaite	91%					
Chris Morgan	64%			100%		
Jane Rogers	91%		100%		50%	83%
Rob Scott	100%			100%	100%	
Claire Thomas	91%					
Sara Wright	100%	100%				

FRI - Finance, Resources and Investment Committee
S and R - Staffing and Remuneration Committee

A - Audit Committee
S and G - Search and Governance Committee
Q and C - Quality and Curriculum Committee

The governance framework

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 term.

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 Finance, Resources and Investment, Quality and Curriculum, Search and Governance, Audit, and Staffing and Remuneration. Full minutes of all meetings, except those deemed to be confidential by the Corporation, are available on the College's website at www.craven-college.ac.uk or from the Director of Governance at:

Craven College
Gargrave Road
Skipton
BD23 1US

The Director of Governance 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 Director of Governance, who is responsible to the Board for ensuring that all applicable procedures and regulations are complied with. The appointment, evaluation and removal of the Director of Governance 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 provided on an ad hoc basis.

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

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

Appointments to the Corporation

Any new appointments to the Corporation are a matter for the consideration of the Corporation as a whole. The Corporation has a Search and Governance Committee, consisting of three members of the Corporation, plus the Principal, which is responsible for advising the Board on governance matters, along with the selection and nomination of any new member for the Corporation's consideration. The Committee operates in line with the terms of reference agreed by the Corporation and usually meets at least termly. The Board seeks to have an appropriate balance of skills and experience amongst members and the Search and Governance Committee operates according to a skills matrix in considering candidates for appointment. The Search and Governance Committee also takes account of the wish that the Board broadly reflects the community it serves.

Members of the Corporation are appointed for a term of office not exceeding four years, although are eligible for reappointment, through a formal process. The Committee monitors Governor performance through Key Performance Indicators agreed by the Board, and this is taken into account in consideration of any reappointment.

The College is committed to applying the Single Equality Scheme at all stages of recruitment and selection. The Board, through the Search and Governance Committee, conducts recruitment and selection in line with those principles. Interviewing and selection of Governors is always carried out without reference and any bias towards the "Protected Characteristics" of gender, gender reassignment, sexual orientation, marital or civil partnership status, race, religion or belief, age, pregnancy or maternity leave or disability. No candidate with a disability is excluded unless the candidate is unable to perform a duty that is intrinsic to the role, having considered reasonable adjustments. Reasonable adjustments to the recruitment process are made to ensure that no applicant is disadvantaged because of his/her disability. The Board is aware of any under-represented groups which may well be specifically targeted in line with the College's Single Equality Scheme.

The College received DfE support in recruiting Governors for particular skills gaps that had been identified through the skills audit and worked with Peridot Recruitment to fill those vacancies.

Corporation performance

The Corporation is responsible for ensuring that appropriate training is provided as required and all Governors complete an induction which includes meetings with key staff and Governors, online mandatory training, observation of meetings and external training opportunities. A training plan for the whole Board is considered by the Search and Governance Committee and is kept under regular review. Training is also informed by input from individual committees. Training completed by Governors is reported to the Search and Governance Committee and in 2023/24 included AoC induction training, safeguarding, Prevent and health and safety. The Interim Director of Governance, who holds the ICSA Certificate in FE Governance, has been supported to undertake training appropriate to their role. The newly appointed Director of Governance has enrolled on a professional development qualification and undertakes regular training, including network meetings and webinars.

Governors take part in an ongoing process of self-assessment which includes reviews of the effectiveness of each meeting, reviews of compliance against statutory codes, an annual self-assessment exercise as well as reviews of effectiveness of each committee and of each individual Governor in individual performance reviews. An external review of governance was completed in December 2022 and Carole Drury, National Leader of Governance, was appointed to carry out that work, through the AoC. Findings from that process informed an action plan for the Board throughout 2023-24. The internal self-assessment processes identified the need to improve the quality and consistency of the papers submitted to Governors and to address outcomes which were below the national rate.

The Board has continued to support effective and productive engagement with the College's key stakeholders and has continued to work to develop its stakeholder engagement strategies during 2023-24.

Staffing and Remuneration Committee

Throughout the year ending 31 July 2024, the College's Staffing and Remuneration Committee comprised four members of the Corporation and a co-opted member with expertise in human resources. The Committee's responsibilities include making recommendations to the Board on the remuneration and benefits of the Accounting Officer and other key management personnel.

The College has adopted the AoC's Senior Staff Remuneration Code, with compliance being monitored by the Staffing and Remuneration Committee.

On 4 July 2024, the Board approved the proposal to merge the Staffing and Remuneration/ Search and Governance into People/Search and Governance (including remuneration) Committee including the updated Terms of Reference as had been recommended at the Search and Governance committee in June 2024.

Details of remuneration for the year ended 31 July 2024 are set out in note 7 to the financial statements.

Audit Committee

The Audit Committee comprised three members of the Corporation (excluding the Accounting Officer and Chair) and a co-opted member with relevant Audit experience and expertise. The Committee operates in accordance with written terms of reference approved by the Corporation.

The Audit Committee meets on at least a termly basis and provides a forum for reporting by the College's internal, reporting accountants 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 FE funding bodies as they affect the College's business.

The Committee agrees a programme of assurance work to be carried out by the College auditors and other external specialists to review the systems of internal control, risk management controls and governance processes. They report their findings to management and the Audit Committee.

Management is responsible for the implementation of agreed recommendations and periodic follow-up reviews are undertaken to ensure such recommendations have been implemented.

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

In the financial year ended 31st July 2024, the Audit Committee completed a tender process to appoint an internal audit firm from 1st August 2024 following the end of the term of office from TIAA. Following recommendation from the Audit Committee the Board approved the appointment of Wbg as Internal Auditors from 1st August 2024.

Finance, Resources and Investment Committee

The Finance, Resources and Investment Committee comprised five members of the Board, including the Accounting Officer, together with the Vice-Principal (Finance and Resources). It meets at least termly and operates in accordance with written terms of reference approved by the Corporation. The Committee advises the Board on all aspects of the Board's finances, financial controls, estates maintenance and development matters, relevant policies relating to the College's resources (which are not specifically covered by another of the Board's Committees) and on any issues arising out of such matters.

INTERNAL CONTROL

Scope of responsibility

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

The Corporation has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives, whilst safeguarding the public funds and assets for which they are personally responsible, in accordance with the responsibilities assigned to him/her in the Financial Memorandum between Craven College and the funding bodies. They are also responsible for reporting to the Corporation any material weaknesses or breakdowns in internal control.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of College policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Craven College for the year ended 31 July 2024 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Corporation has reviewed the key risks to which the College is exposed together with the operating, financial and compliance controls 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 year ended 31 July 2024 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 and cash flow.
- setting targets to measure financial and other performance.
- clearly defined capital investment control guidelines.
- the adoption of formal project management disciplines, where appropriate.

During 2023/24 the College analysed the risks to which it was exposed, and a programme of assurance was agreed with the Audit Committee. The Committee was provided with regular reports on this assurance activity in the College which included:

- Internal audit reports from TIAA.
- Management Reviews.
- Other reviews carried out by external independent bodies.

Risks faced by the Corporation

A risk register is maintained at the College level which is reviewed at every Audit Committee meeting. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the College and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system. The Board considers strategic risks at every meeting and individual committees review those risks relevant to their areas of responsibility at every meeting. The Corporation is satisfied that the risk register addresses all principle risks noted in the strategic report.

This is supported by a risk management training programme to raise awareness of risk throughout the College.

Control weaknesses identified

During the year ended 31 July 2024 no significant internal control weaknesses or failures have arisen requiring action to be taken.

Statement from the Audit Committee

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

The specific areas of work undertaken by the Audit Committee in 2023/24 and up to the date of the approval of the financial statements are:

- Human Resources
- Adult Education Courses
- Business Continuity and Disaster Recovery
- Equality, Diversity and Inclusion
- Learner Numbers

All recommendations raised in the reports are being or have already been implemented by the senior management team.

Review of effectiveness

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

- the work of the 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 for regularity assurance, the appointed funding auditors (for colleges subject to funding audit) in their management letters and other reports.

The Accounting Officer has been advised on the implications of the result of their review of the effectiveness of the system of internal control by the Audit Committee, which oversees the programme of assurance work, and the plan to address weaknesses and ensure continuous improvement of the system is in place.

The senior management team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The senior management team and the Audit Committee also receive assurance reports from TIAA and other sources of assurance, which include recommendations for improvement. The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Corporation's agenda includes a regular item for consideration of risk and control and receives reports thereon from the senior management team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its December 2024 meeting, the Corporation carried out the annual assessment for the year ended 31 July 2024 by considering documentation from the senior management team, other assurance reports and taking account of events since 31 July 2024.

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

Going concern

The activities of the College, together with the factors likely to affect its future development and performance are set out in the Members' Report. The financial position of the College, its cash flow, liquidity and borrowings are presented in the Financial Statements and accompanying Notes.

The College's forecasts and financial projections indicate that it will be able to operate within this existing facility for the foreseeable future. The College's total value of loans outstanding at the end of the year is £95,000 in relation to finance leasing of IT assets; this is due to be repaid over the next two years.

Accordingly, having reviewed future financial projections, cash flow statements, available bank facilities and the ability of the College to meet its loan repayments, the College has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future. On this basis the College will continue to adopt the going concern basis in the preparation of its Financial Statements.

Approved by order of the members of the Corporation on 12th December 2024 and signed on its behalf by:

Anita Lall (Dec 18, 2024 15:08 GMT)

Dr Alison Birkinshaw
Chair

Anita Lall
Accounting Officer

Statement of Regularity, Propriety and Compliance

As Accounting Officer I confirm that the Corporation has had due regard to the framework of authorities governing regularity, propriety and compliance, and the requirements of grant funding agreements and contracts with ESFA, and has considered its responsibility to notify the ESFA of material irregularity, impropriety and non-compliance with those authorities and terms and conditions of funding.

I confirm on behalf of the Corporation that after due enquiry, and to the best of our knowledge, I am not 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 ESFA, or any other public funder. This includes the elements outlined in the "Dear Accounting Officer" letter of 29 November 2022 and the ESFA's bite size guides.

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

Anita Lall (Dec 18, 2024 15:08 GMT)

Anita Lall
Accounting Officer
12th December 2024

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 this is materially accurate.

Dr Alison Birkinshaw
Chair
12th December 2024

Statement of Responsibilities of the Members of the Corporation

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

Within the terms and conditions of the corporation's grant funding agreements and contracts with ESFA, the corporation – 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, ESFA'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 deficit of income over expenditure for that period.

In preparing the financial statements, the Corporation is required to:

- select suitable accounting policies and apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- 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 by Parliament and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from the ESFA and any other public funds are used only in accordance with the ESFA's grant funding agreements and contracts and any other conditions that may be prescribed from time to time by the ESFA or any other public funder. Members of the Corporation must ensure that there are appropriate financial and management controls in place to safeguard public and other funds and ensure they are used properly. In addition, members of the Corporation are responsible for securing economical, efficient and effective management of the Corporation's resources and expenditure so that the benefits that should be derived from the application of public funds from the ESFA and other public bodies are not put at risk.

Approved by order of the members of the Corporation on 12th December 2024 and signed on its behalf by:

Dr Alison Birkinshaw
Chair

INDEPENDENT AUDITOR’S REPORT TO THE CORPORATION OF THE CRAVEN COLLEGE

OPINION

We have audited the financial statements of CRAVEN COLLEGE (the “College”) for the year ended 31 July 2024 which comprise the College Statements of comprehensive income, the College Statement of changes in reserves, the College Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Further Education SORP 2019 and the College Accounts Direction 2023 to 2024 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the College’s affairs as at 31 July 2024 and of the College’s total comprehensive surplus of income over expenditure for the year then ended; and

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

- have been prepared in accordance with the requirements of the Further Education SORP 2019, the Accounts Direction issued by the Office for Students and the College Accounts Direction 2023 to 2024 issued by the Education and Skills Funding Agency.

BASIS OF OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

OTHER INFORMATION

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE OFFICE FOR STUDENTS' ACCOUNTS DIRECTION

In our opinion, in all material respects:

- funds from whatever source administered by the college for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the Office for Students, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and Department for Education have been applied in accordance with the relevant terms and conditions; and
- the requirements of the Office for Students' accounts direction for the relevant year's financial statements have been met.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

We have nothing to report in respect of the following matters in relation to which the 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 returns adequate for our audit have not been received from branches not visited by us; or
- the College financial statements are not in agreement with the accounting records and returns; or
- all the information and explanations required for the audit were not received; or
- the going concern basis of accounting and disclosure of material uncertainties is appropriate.

WE HAVE NOTHING TO REPORT IN RESPECT OF THE FOLLOWING MATTERS WHERE THE OFFICE FOR STUDENTS' ACCOUNTS DIRECTION REQUIRES US TO REPORT TO YOU IF:

- the College's grant and fee income, as disclosed in the notes to the accounts, has been materially misstated.
- the College's expenditure on access and participation activities for the financial year has been materially misstated.

RESPONSIBILITIES OF MEMBERS OF THE CORPORATION

As explained more fully in the Statement of responsibilities of the Members of the Corporation, the Corporation is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and for such internal control as the Corporation members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Corporation is responsible for assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Corporation either intend to liquidate the College or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

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

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance.

Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Governors and other management and the inspection of regulatory and legal correspondence, if any.

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

USE OF OUR REPORT

This report is made solely to the Corporation, as a body, in accordance with the Funding Agreement published by the Education and Skills Funding Agency and our engagement letter dated 13 November 2020. Our audit work has been undertaken so that we might state to the Corporation, as a body, those matters we are engaged to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Corporation, as a body, for our audit work, for this report, or for the opinions we have formed.

Karen Rae

Karen Rae (Dec 18, 2024 14:08 GMT)

Karen Rae FCCA (Senior Statutory Auditor)
Armstrong Watson Audit Limited
Chartered Accountants & Statutory Auditors
Carlisle

Date: 18/12/2024

REPORTING ACCOUNTANTS ASSURANCE REPORT ON REGULARITY TO THE CORPORATION OF INDEPENDENT AUDITOR'S REPORT TO THE CORPORATION OF CRAVEN COLLEGE AND SECRETARY OF STATE FOR EDUCATION ACTING THROUGH THE EDUCATION AND SKILLS FUNDING AGENCY (the ESFA)

In accordance with the terms of our engagement letter dated 13 November 2020 and further to the requirements and conditions of funding in the ESFA'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 that in all material respects, the expenditure disbursed and income received by Craven College during the period 1 August 2023 to 31 July 2024 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 the ESFA and in any relevant conditions of funding concerning adult education notified by a relevant funder. In line with this framework, our work has specifically not considered income received from the main funding grants generated through the Individualised Learner Record (ILR) data returns, for which the ESFA has other assurance arrangements in place.

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

Respective responsibilities of CRAVEN COLLEGE and the reporting accountant

The Corporation of Craven College is responsible, under the requirements of the Further and Higher Education Act 1992, subsequent legislation and related regulations and guidance, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the 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 discussed and income received during the period 1 August 2023 to 31 July 2024 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 ESFA. 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.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

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

The work undertaken to draw our conclusion includes:

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

Conclusion

In the course of our work nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 August 2023 to 31 July 2024 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Karen Rae

Karen Rae (Dec 18, 2024 14:08 GMT)

Armstrong Watson Audit Limited
Chartered Accountants & Statutory Auditors
Carlisle

Statement of Comprehensive Income and Expenditure

	Notes	2023/24	2022/23
		£'000	£'000
INCOME			
Funding body grants	2	**14,118**	11,858
Tuition fees and education contracts	3	**1,743**	1,962
Other grants and contracts	4	**244**	396
Other income	5	**525**	407
Investment income	6	**29**	33
Total income		**16,659**	**14,656**
EXPENDITURE			
Staff costs	7	**10,581**	10,082
Other operating expenses	8	**4,741**	4,965
Depreciation	10	**1,092**	1,065
Interest and other finance costs	9	**(12)**	(5)
Total expenditure		**16,402**	**16,107**
Surplus before other gains and losses		**257**	**(1,451)**
Profit on disposal of assets	10	**(48)**	2
Surplus for the year		**209**	**(1,449)**
Actuarial gain in respect of pensions schemes		**(191)**	298
Total Comprehensive Income for the year		**18**	**(1,151)**
Represented by:			
Restricted comprehensive income		**-**	-
Unrestricted comprehensive income		**18**	(1,151)
		18	**(1,151)**

The Statement of Comprehensive Income is in respect of continuing activities.

Statement of Changes in Reserves

College	Income and expenditure account	Revaluation reserve	Total
	£'000	£'000	£'000
Balance at 1 August 2022	**6,151**	**256**	**6,407**
Deficit from the income and expenditure account	(1,449)	-	(1,149)
Other comprehensive income	298	-	298
Effect of pension asset ceiling	-	-	-
Transfers between revaluation and income and expenditure reserve	13	(13)	-
Balance at 31 July 2023	5,013	243	5,256
Balance at 1 August 2023	**5,013**	**243**	**5,256**
Surplus from the income and expenditure account	209	-	209
Other comprehensive income	(191)	-	(191)
Effect of pension asset ceiling	-	-	-
Transfers between revaluation and income and expenditure reserve	13	(13)	-
Total comprehensive income for the year	31	(13)	18
Balance at 31 July 2024	**5,044**	**230**	**5,274**

Balance sheet as of 31 July 2024

	Notes	College	College
		2024	**2023**
		£'000	**£'000**
Non-current assets			
Tangible Fixed assets	10	**9,743**	10,175
Total non-current assets		**9,743**	**10,175**
Current assets			
Trade and other receivables	11	**1396**	897
Assets held for resale	10	**-**	486
Cash and cash equivalents	15	**683**	845
		2,079	**2,228**
Less: Creditors – amounts falling due within one year	12	**(2,371)**	(2,696)
Net current assets/(liabilities)		**(292)**	**(468)**
Total assets less current liabilities		**9,451**	**9,707**
Creditors – amounts falling due after more than one year	13	**(4,178)**	(4,452)
Provisions			
Defined benefit obligations	20	**-**	-
Total net (liabilities)/assets		**5,274**	**5,255**
Unrestricted Reserves			
Income and expenditure account		**5,044**	5,012
Revaluation reserve		**230**	243
Total unrestricted reserves		**5,274**	**5,255**

The financial statements on pages 35 to 56 were approved and authorised for issue by the Corporation on 12th December 2024 and were signed on its behalf on that date by:

Anita Lall (Dec 18, 2024 15:08 GMT)

Dr Alison Birkinshaw
Chair

Anita Lall
Accounting Officer

Statement of Cash Flows

	Notes	2024	2023
		£'000	**£'000**
Cash flow from operating activities			
Deficit for the year		209	(1,449)
Adjustment for non-cash items			
Depreciation	10	1,092	1,065
(Increase)/decrease in stocks		-	17
Decrease in debtors	11	(499)	(170)
Increase/(decrease) in creditors due within one year	12	(453)	(555)
(Decrease)/Increase in creditors due after one year	13	-	920
Pensions costs less contributions payable	20	(170)	312
Adjustment for investing or financing activities			
Investment income	6	(29)	(33)
Interest payable	9	(12)	(5)
(Profit)/Loss on sale of fixed assets		48	(2)
Net cash flow from operating activities		**187**	**100**
Cash flows from investing activities			
Proceeds from sale of fixed assets		65	2
Interest receivable	6	29	33
Payments made to acquire fixed assets	10	(338)	(870)
		(244)	(835)
Cash flows from financing activities			
Interest paid	9	(9)	(9)
New unsecured loans		-	-
Repayments of amounts borrowed		(95)	(84)
		(104)	(93)
Increase/(Decrease) in cash and cash equivalents in the year		**(162)**	**(828)**
Cash and cash equivalents at beginning of the year	15	845	1,673
Cash and cash equivalents at end of the year	15	**683**	**845**

Notes to the Accounts

1 Statement of accounting policies and estimation techniques

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

Basis of preparation

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 2022-3* 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 College's accounting policies.

Basis of accounting

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.

Going concern

The financial position of the College, its cashflow, liquidity and borrowings are presented in the Financial Statements and accompanying Notes.

The college has made a surplus in the year of £257,000 (2022/23: £1,451,000 deficit) before the actuarial movement on the pension scheme, and a total surplus of £18,000 (2022/23: £1,151,000 deficit) including the actuarial movement on pensions.

The college has net current liabilities of £292,000 (2022/23 £468,000 net current liabilities) and total surplus on reserves of £5,274,000 (2022/23 £5,255,000 surplus on reserves).

Notwithstanding the above, the Corporation confirms the college continues to be a going concern, without the pension liability the College has net assets of £5,274,000 (2022/23: £5,255,000), and all pension liability contributions are payable by employer contributions over a long-term duration and all contributions over the medium term can be met from cash flows.

Accordingly, the Corporation has reviewed future financial projections, cash flow statements, available bank facilities and the ability of the College to meet its liabilities; and they confirm the College has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future. On this basis it has adopted the going concern basis in the preparation of its Financial Statements.

Recognition of 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 Budget is adjusted for and reflected in the level of recurrent grant recognised in the income and expenditure account. The final grant income is normally determined with the conclusion of the year end reconciliation process with the funding body 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 OFS represents the funding allocations attributable to the current financial year and is credited directly to the Statement of Comprehensive Income and Expenditure.

Where part of a government grant is deferred, the deferred element is recognised as deferred income within creditors and allocated between creditors due within one year and creditors due after more than one year as appropriate.

Grants from non-government sources are recognised in income when the College 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 College is entitled to the funds subject to any performance related conditions being 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 conditions are 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 income and expenditure account in the period in which it is earned on a receivable basis.

Monies from the disposal of fixed assets are recognised when all conditions in the contract have been satisfied.

Agency arrangements

The College acts as an agent in the collection and payment of discretionary support funds and any other arrangements. Related payments received from the funding bodies and subsequent disbursements to students are excluded from the income and expenditure of the College where the College is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

Accounting for post-employment benefits

Post-employment benefits to employees of the College 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 and contracted out of the State Second Pension.

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 College in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of valuations using a prospective benefit method.

The TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution plan and the contributions recognised as an expense in the income statement 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/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 other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

The effect of asset ceiling on the LGPS pension scheme is applied to ensure an asset is not reflected in the Financial Statements.

Short term Employment benefits

Short term employment benefits such as salaries and compensated absences (holiday pay) are recognised as an expense in the year in which the employees render service to the College. Any unused benefits are accrued and measured as the additional amount the College expects to pay as a result of the unused entitlement.

Non-current Assets - Tangible fixed assets

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 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 buildings are depreciated on a straight-line basis over their expected useful lives as follows:

- Freehold buildings 20 – 50 years
- Major adaptations and Refurbishments 20 – 50 years

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 income and expenditure account 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 accordingly.

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 retain the book value of land and buildings, which were revalued in 1996, as deemed cost but not to adopt a policy of revaluations of these properties in the future.

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. 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 College, in which case it is capitalised and depreciated on the relevant basis.

Fixtures, Fittings and Equipment

Fixtures, Fittings and Equipment costing less than £1,000 is recognised as expenditure in the period of acquisition. All other equipment is capitalised at cost.

Capitalised fixtures, fittings and equipment is depreciated on a straight-line basis over its remaining useful economic life as follows:

- Motor vehicles 4 years
- Computer equipment 3 years
- IT infrastructure 5 years
- Furniture, fixtures and fittings 3 - 10 years

Borrowing costs

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

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 1st 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.

Cash and cash equivalents

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

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

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

All loans, investments and short-term deposits held by the College 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 College 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.

Foreign currency translation

Transactions denominated in foreign currencies are recorded using the rate of exchange ruling 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 the statement of comprehensive income in the period in which they arise.

Taxation

The College is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the College is potentially exempt from taxation in respect of income or capital gains received within categories covered by sections 478-488 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The College is partially exempt in respect of Value Added Tax, so that it can only recover a minor element 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.

Provisions and contingent liabilities

Provisions are recognised when

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

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

A contingent liability arises from a past event that gives the College a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the College. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

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

Judgements in applying accounting policies and key sources of estimation uncertainty

Judgements in applying accounting policies

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

- Determine whether leases entered into by the College either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the College's tangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

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

- *Local Government Pension Scheme*

  The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. The actuary has used a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 to value the pensions liability at 31 July 2024. 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.

2 Funding body grants

	Year ended 31 July 2024 £'000	Year ended 31 July 2023 £'000
Recurrent grants		
ESFA – 16-18	10,010	8,453
ESFA - Apprenticeships	1,864	1,671
ESFA - Adult education budget	825	613
WYCA – Adult education budget	596	390
Office for Students	60	59
Specific grants		
Teacher Pension Scheme contribution grant	314	248
Releases of government capital grants	449	424
Total	**14,118**	**11,858**

3 Tuition fees and education contracts

	Year ended 31 July 2024 £'000	Year ended 31 July 2023 £'000
Adult education fees	326	418
Apprenticeship fees and contracts	0	22
Fees for FE loan supported courses	147	237
Fees for HE loan supported courses	402	521
Total tuition fees	**875**	**1,198**
Education contracts	868	764
Total	**1,743**	**1,962**

4 Other grants and contracts

	Year ended 31 July 2024 £'000	Year ended 31 July 2023 £'000
Other grants and contracts	244	396
Total	**244**	**396**

5 Other income

	Year ended 31 Jul 2024 £'000	Year ended 31 Jul 2023 £'000
Catering and residences	277	262
Other income generating activities	66	60
Miscellaneous income	182	85
Total	**525**	**407**

6 Investment income

	Year ended 31 Jul 2024 £'000	Year ended 31 Jul 2023 £'000
Other interest receivable	29	33
Total	**29**	**33**

7 Staff costs

The average number of persons (including key management personnel) employed by the College during the year, on an average headcount basis, was:

	2023/24 No.	2022/23 No.
Teaching staff	245	232
Non-teaching staff	122	130
	367	**362**

Staff costs for the above persons

	2024 £'000	2023 £'000
Wages and salaries	8,360	7,644
Social security costs	689	622
Other pension costs	1,503	1,810
Payroll sub total	**10,552**	**10,077**
Restructuring costs – Contractual	18	5
Restructuring costs – Non Contractual	11	-
Total Staff costs	**10,581**	**10,082**

Included in Wages and salaries are self-employed and temporary staff costs of £321,000 (2022/23: £350,000).

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College and are represented by the Senior Leadership Team which included during the year the Interim Principal, the Vice Principal Finance and Resources, two Interim Assistant Principals for Curriculum, the Interim Assistant Principal for Quality and the Director of Governance.

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

	2024	2023
	No.	No.
The number of key management personnel including the Accounting Officer was:	7	9

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

	Key management personnel	
	2024	2023
	No.	No.
£5,001 to £10,000 p.a.	-	1
£15,000 to £20,000 p.a.	1	1
£20,001 to £25,000 p.a.	-	1
£30,000 to £35,000 p.a.	-	1
£35,001 to £40,000 p.a	2	-
£40,001 to £45,000 p.a.	-	-
£45,001 to £50,000 p.a.	-	-
£50,001 to £55,000 p.a.	-	2
£55,001 to £60,000 p.a	2	-
£60,001 to £65,000 p.a.	-	1
£70,001 to £75,000 p.a.	1	1
£95,000 to £100,000 p.a.	-	1
£110,001 to £115,000 p.a.	1	-
	7	**9**

Key management personnel emoluments are made up as follows:

	2024	2023
	£'000	£'000
Salaries	397	412
Benefits in kind	-	-
Pension contributions	93	89
Total key management personnel compensation	**490**	**501**

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

The above emoluments include amounts payable to the Principal who is the Accounting Officer and who is also the highest paid member of staff:

	2024	2023
	£'000	£'000
Salaries	114	129
Pension Contributions	29	29
	143	158

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

The remuneration package of key management staff, including the Principal, is subject to annual review by the Remuneration Committee of the governing body who use benchmarking information to provide objective guidance. The remuneration committee assesses the corporation's performance against KPIs and the attainment of students in the year, as well as the progress against the college's long term strategic objectives when reviewing the remuneration package of the key management personnel, including the Principal and Chief Executive. Qualitative measures of success, such as level of engagement of the staff and students are also considered.

The level of pay is benchmarked against the pay of similar colleges in the prior financial year, taken from their financial statements, and the general trend within the sector is also considered.

There has been no change in salary of the senior post holders in the year.

Relationship of the Principal's hourly equivalent rate of pay and hourly equivalent for all staff expressed as a multiple is shown below:

	2024	**2023**
Principal's basic salary as a multiple of the median of all staff	3.96	4.12
Principal's total remuneration as a multiple of the median of all staff	4.08	4.21

8 Other operating expenses

	2024	**2023**
	£'000	**£'000**
Teaching costs	1,155	1,079
Non-teaching costs	2,104	2,385
Premises costs	1,482	1,501
Total	**4,741**	**4,965**

Other operating expenses include:

	2024	**2023**
	£'000	**£'000**
Auditors' remuneration:		
Financial statements audit	26	22
Extended Assurance Services	-	-
Other services provided by the financial statements' auditor	5	-
Internal Audit fees	14	20
Hire of assets under operating leases	872	826

9 Interest and other finance costs

	2024	**2023**
	£'000	**£'000**
On bank loans, overdrafts and other loans:	9	9
Net Interest on defined pension liabilities (note 20)	(21)	(14)
Total	**(12)**	**(5)**

10 Tangible Fixed Assets

	Freehold Land and buildings	Fixtures and Fittings	Equipment and Vehicles	Assets in the course of construction	Total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1 August 2023	16,883	1,745	7,186	239	26,053
Additions	172	84	273	145	674
Disposals	(37)	-	-	-	(37)
Transfer of assets under construction	24	35	40	(99)	-
At 31 July 2024	**17,042**	**1,865**	**7,499**	**285**	**26,690**
Depreciation					
At 1 August 2023	9,034	1,013	5,831	-	15,878
Charge for the year	462	164	467	-	1,092
Elimination in respect of disposals	(25)	-	2	-	(23)
At 31 July 2024	**9,471**	**1,177**	**6,299**	**-**	**16,947**
Net book value at 31 July 2024	**7,571**	**688**	**1,199**	**285**	**9,743**
Net book value at 31 July 2023	7,849	732	1,355	239	10,175

Inherited Land and Buildings were valued for the purpose of the 1994 financial statements at depreciated replacement cost by a firm of independent chartered surveyors. Other tangible fixed assets inherited from the LEA at incorporation have been valued by the College on a depreciated cost basis.

Land and buildings with a net book value of £295,000 have been financed by exchequer funds. Should these assets be sold, the College may be liable, under the terms of the Financial Memorandum, to surrender the proceeds.

Included within equipment are assets under finance lease at cost of £314,000 (2022/23: £250,000), accumulated depreciation of £221,000 (2022/23: £125,000) resulting in a net book value of £93,000 (2022/23: £125,000).

If Inherited Land and Buildings had not been revalued, they would have been included at the following historical cost amounts:

	£'000
Cost	nil
Aggregate depreciation based on cost	nil
Net book value based on cost	**Nil**

Assets Held For Sale

Contracts related to the sale of the High Street premises were exchanged prior to year-end. Therefore, the value of asset held for sale (2022/23 £486,000) was transferred from Assets held for sale and recognised within the I&E as an element of loss made on disposal of assets.

11 Trade and Other Receivables

	2024	2023
	£'000	£'000
Amounts falling due within one year:		
Trade receivables	568	44
Prepayments and accrued income	661	576
Amounts owed by the ESFA	167	277
Total	**1,396**	**897**

12 Creditors: amounts falling due within one year

	2024	2023
	£'000	£'000
Other Loans	-	-
Obligations under finance leases	60	86
Trade payables	575	237
Other taxation and social security	161	157
Accruals and deferred income	885	1,434
Deferred income - government capital grants	580	424
Deferred Income - government revenue grants	-	-
Amounts owed to the ESFA	111	357
Total	**2,372**	**2,695**

Included within accruals and deferred income is £64,970 for holiday pay accrued but not paid in the 2023/24 academic year (2022/23 £78,539).

13 Creditors: amounts falling due after one year

	2024	2023
	£'000	£'000
Obligations under finance leases	34	39
Deferred income - government capital grants	4,144	4,413
Total	**4,178**	**4,452**

14 Maturity of Debt

	2024	2023
	£'000	£'000
In one year or less	60	86
Between one and two years	35	39
Between two and five years	-	-
Total	**95**	**125**

As at 31st July 2024, there were no bank loans held by the College. Debt in relation to leasing of assets totalled £95,000 in 2023/24 (2022/23 £125,000).

15 Cash and cash equivalents

	At 1 August 2023	Cash flows	Other changes	At 31 July 2024
	£'000	£'000	£'000	£'000
Cash and cash equivalents	845	(162)	-	683
Total	**845**	**(162)**	**-**	**683**

16 Capital and other commitments

	2024	2023
	£'000	£'000
Commitments contracted for at 31 July	**216**	**51**

Capital commitments represent future obligations for the acquisition, construction, or development of property, plant, equipment, and intangible assets. As at 31st July 2024 the College had capital commitments of £216,356 (2022/23 £50,552). £213,756 of 2023/24 capital commitments related to the T-Level Capital Funding Project and the refurbishment of the College's engineering and equine facilities.

17 Lease obligations

At 31 July 2024 the College had minimum lease payments under non-cancellable operating leases (covering campuses at Auction Mart, Ripon and Scarborough and Leeds Bradford Airport) as follows:

	2024	2023
	£'000	£'000
Future minimum lease payments due		
Land and buildings		
Not later than one year	539	378
Later than one year and not later than five years	2,157	1,459
Later than five years	2,696	4,751
	5,392	**6,589**
Other		
Not later than one year	128	272
Later than one year and not later than five years	107	85
	235	**357**
	5,626	**6,947**

18 Events after the reporting period

On 18th October 2024 the College completed the sale of the High Street site for a price of £515,000. The loss associated with the sale of this asset of £48,000 has been recognised in the results reported for 23/24 as contracts were exchanged prior to the year-end date.

On 31st October 2024 the College entered into a contract with ADNC Projects Limited to carry out a range of refurbishment works in the College's engineering and old equine facilities. This project is 90% funded by T-Level Capital Funding and will be completed by March 2025.

19 Contingencies

At 31 July 2024 the College had no contingent liabilities.

20 Defined benefit obligations

The College's employees belong to two principle post-employment benefit plans: The Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the North Yorkshire Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by North Yorkshire 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 actuarial valuation of the TPS was 31 March 2020 and of the LGPS 31 March 2022.

Total pension cost for the year		**2024**		**2023**
		£'000		**£'000**
Teachers' Pension Scheme: contributions		725		669
Local Government Pension Scheme:				
Contributions paid	864		829	
FRS 102 (28) charge	(170)		312	
Charge to the Statement of Comprehensive Income		694		1,141
Enhanced pension charge to Statement of Comprehensive Income				-
Total Pension Cost for Year within staff costs		1,419		1,810

Contributions amounting to £95,308 were payable to the Local Government Pension Scheme and contributions amounting to £100,751 were payable to the Teachers Pension Scheme as of 31 July 2024 and are included within accruals and deferred income. These contributions relate to amounts due to the schemes for July 2024 and were paid over in August 2024.

Teachers' Pension Scheme

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

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

Accordingly, the College has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The College has set out above the information available on the plan and the implications for the College in terms of the anticipated contribution rates.

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

The latest actuarial review of the TPS was carried out as of 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 costs of future benefits) for service to the effective date of £262 billion and the 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.

As a result of the valuation new employer contribution rates were set at 28.60% (previously 23.68%) of pensionable pay from April 2024 onwards.

The DfE has agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2023-24 and 2024-25 financial year.

A full copy of the valuation report and supporting documentation can be found on the Techers Pensions website.

The pension costs paid to TPS, including staff contributions, in the year amounted to £979,000 (2022/23: £904,000).

Local Government Pension Scheme

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by North Yorkshire County Council. The total contributions made for the year ended 31 July 2024 were £1,119,000, of which employer's contributions totalled £864,000 and employees' contributions totalled £255,000. The agreed contribution rates for future years are 20.9% for employers until March 2024 and 20% from April 2024 (19% from April 25) and range from 5.5% to 12.5% for employees, depending on salary.

Principle Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund on 31 March 2022 updated to 31 July 2024 by a qualified independent actuary.

	At 31 July 2024	**At 31 July 2023**
Rate of increase in salaries	3.85%	3.85%
Future pensions increases	2.60%	2.60%
Discount rate for scheme liabilities	5.00%	5.00%
Inflation assumption (CPI)	2.60%	2.60%

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

	At 31 July 2024	**At 31 July 2023**
	Years	**Years**
Retiring today:		
Males	21.8	22.0
Females	24.4	24.5
Retiring in 20 years:		
Males	22.4	22.9
Females	25.2	25.5

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

	Long-term rate of return expected at 31 July 2024	Fair Value at 31 July 2024 £'000	Long-term rate of return expected at 31 July 2023	Fair Value at 31 July 2023 £'000
Equity instruments	48.1%	13,769	53.8%	14,098
Government Bonds	11.8%	3,377	10.6%	2,778
Corporate Bonds	7.3%	2,089	6.9%	1,808
Property	5.7%	1,631	6.6%	1,730
Cash	3.6%	1,030	0.1%	26
Other	23.5%	6,726	22.0%	5,765
Total fair value of plan assets	**100%**	**28,622**	**100%**	**26,205**

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

	2024 £'000	2023 £'000
Fair value of plan assets	28,622	26,205
Present value of plan liabilities	(22,249)	(21,432)
Adjustment in respect of unrecognised asset	(6,373)	(4,773)
Net pensions asset/(liability)	**-**	**-**

The actual return on assets in the year was a gain of £929,000 (2022/23: £(887,000) deficit).

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

	2024 £'000	2023 £'000
Amounts included in staff costs		
Current service cost	694	1,141
Past service cost	-	13
Total	**694**	**1,154**
Amounts included in interest and other finance costs		
Net interest expense	(21)	(14)
Pension expense recognised in profit and loss	**673**	**1,140**
Amount recognised in Other Comprehensive Income		
Return on pension plan assets	929	(887)
Experience losses arising on defined benefit obligations	241	5,227
Adjustment in respect of 28.22	(1,361)	(4,042)
Amount recognised in Other Comprehensive Income	**(191)**	**298**

Movement in net defined benefit asset during year

	2024	2023
	£'000	£'000
Net defined benefit asset in scheme on 1 August	4,773	706
Movement in year:		
Current service cost	(694)	(1,411)
Past Service Cost Employer contributions	-	(13)
Employer Contributions	864	842
Net interest on the defined asset	260	39
Actuarial gain	1,170	4,340
Net defined benefit asset on 31 July	**6,373**	**4,773**

Asset and Liability Reconciliation

	2024	2023
	£'000	£'000
Changes in the present value of defined benefit obligations		
Defined benefit obligations at start of period	21,432	24,981
Current service cost	694	1,141
Interest cost	1,055	844
Contributions by Scheme participants	255	233
Experience gains and losses on defined benefit obligations	(241)	(5,227)
Past Service Cost	-	13
Net benefits paid out	(946)	(553)
Defined benefit obligations at end of period	**22,249**	**21,432**

	2024	2023
	£'000	£'000
Changes in fair value of plan assets		
Fair value of plan assets at start of period	26,205	25,687
Interest on plan assets	1,315	883
Return on plan assets	929	(887)
Employer contributions	864	842
Contributions by Scheme participants	255	233
Net benefits paid out	(946)	(553)
Fair value of plan assets at end of period	**28,622**	**26,205**

Sensitivity analysis on significant actuarial assumptions

The following table summarises the impact on the defined benefit obligation at the end of the reporting period if each of the significant actuarial assumptions were changed, in isolation, assuming no other changes in market conditions at the accounting date. In practice any movement in assumptions could be accompanied by a partially offsetting change in asset values, and the corresponding overall impact on the net asset/(liability) is therefore likely to be lower than the amounts below in a number of scenarios. Extrapolation of the sensitivities shown may not be appropriate.

		2024	2023
		£'000	£'000
Rate of increase in salaries	+/-0.1%	+/-22	+/-21
Future pensions increases	+/-0.1%	+/-356	+/-343
Discount rate for scheme liabilities	+/-0.1%	-/+378	-/+364
Mortality rate increases	+/- 1 years	+/-578	+/-557

21 Related Party Transactions

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

The total expenses paid to or on behalf of the Governors during the year was £124 to one governor (2022/23: £166 for 2 governors). 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 remuneration or waived payments from the College during the year (2022/23: None).

Craven Rural and Business Skills Centre Limited

Craven Rural and Business Skills Centre Limited is a company limited by guarantee from which the College rents property. The College's Principal, Anita Lall is a Director of the Company. The Colleges Vice Principal Finance and Resources, Gareth Dixon is the Company Secretary, appointed June 2020. Purchase transactions with the Company in the year amounted to £26,418 (2022/23: £31,218) with £nil (2022/23: £nil) outstanding at the year-end. There were no sales transactions with company during the year.

Skipton BID Limited

A Business Improvement District (BID) is a defined area where businesses work as a partnership to improve their trading environment. In England and Wales, BIDs were introduced through legislation (the Local Government Act 2003) and subsequent regulations in 2004. Skipton BID Limited manages the levies charged on all business rate payers in addition to the business rates bill. The College Principal and CEO, Anita Lall, was appointed as a director May 2023. Purchase transactions with the Company in the year amounted to £360 (2022/23: £nil). There were £1,695 of sales transactions with the company during the year (2022/23 £3,570).

Drake Lane Associates

Ed Drake, a former Governor, is also the majority shareholder of Drake Lane Associates. There were no purchase transactions with the company in the year (2022/23: £5,870) with £nil (2022/23: £nil) balance outstanding at the year end. There were no (2022/23: £nil) sales transactions with the company during the year.

Cambridge Access

Anita Lall, Principal and CEO, was appointed as a Director of Cambridge Access Validating Agency August 2022. Purchase transactions with the company in the year amounted to £6,102 (2022/23 £6,798) with £nil (2022/23: £nil) balance outstanding at the year end. There were no (2022/23: £nil) sales transactions with the company during the year.

Yorkshire and Humber Institute of Technology

The College's Principal and CEO, Anita Lall, was appointed as Director of the consortium in January 2023. The Yorkshire & Humber Institute of Technology is a consortium of colleges, which is one of twelve Institutes of Technology across the country designed to increase higher level technical skills for employers. York College is working alongside eight other educational partners: Askham Bryan College, Bishop Burton College, Craven College, East Riding College (now East Riding TEC), Grimsby Institute of Further and Higher Education (Scarborough TEC) and Selby College, as well as the University of Hull and University of York St John, to deliver the Institute of Technology in Yorkshire and the Humber.

Purchase transactions with York College, on behalf of the company, in the year amounted to £9,632 (2022/23: £9,632) with £nil (2022/23: £nil) balance outstanding at the year end. There were no sales transactions with the company during the year.

During the year the college received £123,335 of Local Skills Improvement Funding (LSIF). York College leads a partnership of FE providers in the LSIF to invest in new equipment, staff development, and employer engagement. LSIF funding is received by Craven College from York College as an intermediary, on behalf of the DfE.

22 Lottery Grant Funding

	2024 £'000	2023 £'000
The College received grant funding during the year from the Big Lottery Fund. These funds were held for work with troubled families.		
Opening balance	0	56
Amounts claimed in the year	-	(190)
Grant received during the period	-	134
To be claimed	**0**	**0**

Craven College Annual Report and Financial Statements 2023-24

Final Audit Report 2024-12-18

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