



CRAVEN COLLEGE

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

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 2024/25:

Anita Lall	Principal & CEO
Gareth Dixon	Deputy Principal & CEO
Duncan Bulloch	Assistant Principal of Curriculum & Skills
Wesley McGlinchey	Assistant Principal of Curriculum & Student Experience

Board of Governors

A full list of Governors is given on page 17 and 18 of these financial statements.

Professional advisers

Financial statements auditors and reporting accountants:

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

Bankers:

Barclays Bank
1 Churchill Place
London
E14 5HP

Solicitors:

AWB Charlesworth	Irwin Mitchell
23 Otley Street	4 Wellington Place
Skipton	Leeds
BD21 3SE	LS1 4BZ

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Strategic Report

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 2025.

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 College's vision, mission, values were 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 Mission.

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 overarching 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.

Resources

The College employed 259 (2023/24: 254) people in the year (expressed as full-time equivalents), of whom 152 (2023/24: 152) are teaching staff.

The College enrolled 2,995 students in 2024/25. The College's student population includes 1,329 16-to-18-year-old students, 558 apprentices, 51 higher education students and 1,057 adult learners.

The College has £5,344,000 of net assets (2023/24: £5,274,000). 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 £38,000, (2023/24: £95,000) relating to finance leasing of IT equipment.

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 £7m over the last 5 years on new buildings, refurbishing existing buildings and refreshing the College's IT infrastructure.

In 2024/25 the College invested in tangible fixed asset additions amounting to £3,414,000 across a range of areas. This was primarily funded through grant funding and utilisation of capital receipts from asset disposals of £2,769,000. The investment has resulted in a range of improvements in the estate included the development of a dedicated construction teaching area from the College's old equine arena, conversion of classroom space to an early years teaching space, conversion of workshops to additional classroom space and refurbishment of the

refectory at the Auction Mart campus. The net book value of all the College fixed assets is £11,936,000 (2023/24: £9,743,000).

The College has a good reputation locally as demonstrated through the strong student numbers it has attracted. Following the last Ofsted inspection the College was rated as 'Requires Improvement' overall but with rating of 'Good' in Quality of Education, Personal Development, Adult Learning Programmes, Apprenticeships and Provision for Learners with High Needs. In February 2025 the College received an interim monitoring Ofsted visit with a focus on the four areas of improvement following the full inspection. The outcome of the visit was that the College has made 'significant progress' in leaders implementing strategic developments quickly and communicated to staff with 'reasonable progress' made in increasing attendance on study programmes, application of quality assurance procedures to ensure the quality of education is consistently high and supporting staff to manage their workloads. The Senior Leadership Team and wider management team are focussing on further improving this area through the continued focus on high standards of teaching and learning to students.

The Senior Leadership Team represent the College on a range of local and nation bodies including Skipton Business Improvement District, Craven Locality Board, York and North Yorkshire Skills Improvement Fund, Association of Colleges and LANDEX. The College also holds Investors in People accreditation and the Matrix Standard for Student Services.

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 and combined authorities

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 19. 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 for nearly 3,000 students including 226 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 558 apprentices. The College is committed to providing information, advice and guidance to the students it enrolls and to finding suitable courses for as many students as possible regardless of their educational background.

DEVELOPMENT AND PERFORMANCE

Financial Review

The College generated a surplus before other gains and losses in the year of £158,000 (2023/24: £209,000), with total income of £17,729,000 (2023/24: £16,659,000).

The College has significant reliance on the education sector funding bodies for its principle funding source, largely from recurrent grants. In 2024/25 the FE funding bodies provided 85% (2023/24: 85%) of the College's total income. The increase in 16-18 learners recruited in 2023/24 led to an increased allocation from the Education and Skills Funding Agency (ESFA)/Department for Education (DfE) combined with increased funding for students with an EHCP and strong apprenticeship delivery in 2024/25, this has resulted in an increase of £1,070,000 in income.

Staffing costs, excluding FRS102 charges in relation to defined benefit pension liabilities and restructuring costs, were £11,348,000 (2023/24: £10,722,000). This is significantly higher than in 2023/24 due to the annualised impact of the pay award made in January 2024 and a further pay award made to all staff in January 2025.

The operating costs of the College increased by c.6% compared to the previous year due to a combination of factors including increased exam fees and IT running costs for the increased size of the College. Despite this increase, the College was able to maintain a 'Good' financial health rating.

The College has accounted for reduced pension adjustments under FRS102, including interest on defined benefit pensions schemes, in the year to 31 July 2025 of £87,000.

At the balance sheet date the College has net assets of £5,344,000 (2023/24: £5,274,000). 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.

At £1,533,000 (2023/24: £187,000), net cash flow from operating activities has improved year-on-year due to impact of the College's procurement savings initiated in the year and grant receipts.

During the year the College invested £3,414,000 in equipment and resources for the College including the development of a dedicated construction teaching area from the College's old equine arena, conversion of classroom space to an early years teaching space, conversion of workshops to additional classroom space and refurbishment of the refectory at the Auction Mart campus. This was supported by the sale of the Colleges High Street site in October 2024.

The College has long term debt of £38,000, (2023/24: £95,000) relating to finance leasing of IT equipment. 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 £1,521,000 (2023/24 £178,000).

The College has accumulated reserves of £5,344,000 (2023/24: £5,274,000) and cash reserves of £942,000 (2023/24: £683,000). Although the improvement in the cash position shows positive momentum for the college, the level of cash resources still remains below the FEC benchmark and remains an ongoing focus for the Senior Leadership Team to continue to improve this going forward.

FUTURE PROSPECTS

Future Developments

The College has continued to invest in its facilities and aims to increase contribution by introducing several courses across the College sites.

The College is continuing to work with CCM Auctions Limited and is working to further develop the Auction Mart campus in collaboration to further support Land-based curriculum. Plans are at an early stage with no definitive timeline of when works will commence and be completed.

Financial plan

The College governors approved a financial plan in July 2024 which sets objectives for the period to July 2026. Since then a budget for 2025-26 and forecast for 2026-27 has been approved with a target to further strengthen the College's financial health.

Cash flows and reserves

Future cash flows of the College continue to be monitored closely by the Senior Leadership Team. Whilst the most recent year has seen an increase in cash performance the College remains focussed on improving its overall cash reserves. This is being supported by the recently announced funding increase and capital grant funding, outlined in the recently published Industrial Strategy and Post-16 white paper, provided to the College which has provided a strong foundation to support investment in staff pay and the wider estate in order to further support and stimulate growth for the College going forwards.

PRINCIPAL RISKS AND UNCERTAINTIES

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

Based on the Strategic Plan, the 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.

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

- Failure to recruit students, apprentices and adults resulting in income targets not being met
- Failure to improve/maintain achievement rates (and value added/high grades) to meet national benchmarks and targets
- Failure to achieve positive rating from external agencies such as Ofsted, OfS, FEC, DfE etc
- Failure to manage operating costs and cash flow resulting in adverse performance to budget impacting ability to deliver 'Good' financial health per the DfE`
- Failure to comply with funding rules across multiple funding streams specifically within adult funding
- Failure to recruit, retain and develop quality staff in line with the College's 'People Strategy'.
- Failure to comply with HR legislation and internal procedures leading to potential tribunal claims
- Failure to respond effectively to adverse publicity for the College.
- Failure to ensure that the College estate meets the requirements of the curriculum, students and staff including timely completion of compliance checks
- 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 (Labour Market Intelligence) such that the curriculum does not meet the needs/demands of the communities served by the College
- Failure to recruit sufficient Governors to ensure effective support and challenge across all areas for the College.
- 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 part of a wider suite of measures as well as to assess against external benchmarks from the Further Education Commissioner (FEC).

Key performance Indicator	Measure/Target	24/25	23/24
Ofsted rating	Good	Requires Improvement	Requires Improvement
Student Achievement	89.0%	89.3%	86.7%
Staff Satisfaction	75%	84%	71%
EBITDA as % of income – education specific	5.1%	4.2%	4.4%
Staff costs as a % of total income less sub-contracting payments	66.5%	66.1%	66.6%
Financial Health	Good	Good	Good

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 an interim monitoring Ofsted visit that with an outcome that the College has made ‘significant progress’ in one area and ‘reasonable progress’ in three areas in its improvements. The Senior Leadership Team and wider management team are focussing on further improving this area through the continued focus on high standards of teaching and learning to students and are pleased with the progress being made in this area as reflected in the improvements in achievement rates over the last 2 years. An essential component of delivering this has been through the whole College workforce and the Senior Leadership Team are pleased to see the improvements in staff satisfaction in the year.

Student Achievements

Robust quality & performance reviews and supported intervention scrutiny for under-performing areas continues to have a positive impact on a large majority of areas. This has led to further improvements in achievement rates.

Overall achievement has improved to 89.3% (an increase of 2.6% from 2023/24) and is 3.8% above the national rate. Overall pass rates have also improved significantly to 93.5%; a 0.7% increase since the previous academic year and are now just above NR by 0.4%. A full breakdown of achievement by student cohort can be seen below:

Student Cohort	Achievement			Variance	
	24-25	23-24	National Rate	Year on Year	National Rate
16-18	87.4%	85.9%	83.4%	+1.5%	+4.0%
19+	91.6%	87.4%	87.8%	+4.2%	+3.8%
Students with a declared disability	87.1%	86.1%	83.1%	+1.0%	+4.0%
Apprenticeships	72.2%	67.0%	62.3%	+5.2%	+9.9%

The College is pleased with the progress made in overall achievements. The delivery of this improvement has been 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 College's apprenticeship provision has been strong for many years as demonstrated by its high achievement rate for this area. The College was ranked 15th out of 152 in the country when comparing against GFE colleges in 2023/24, with no data released yet for this academic year, however it is expected that a similar position will be achieved for 2024/25.

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 2024 to 31 July 2025, the College paid 84% (2023/24: 87%) of its invoices within 30 days. The College incurred no interest charges in respect of late payment for this period and is aiming to meet the Treasury target in future years.

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 use of technology to reduce business travel;
- Continued 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 continues to explore ways to further reduce its tonnes of CO₂ per FTE.

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

Energy Consumption used to calculate emissions	1 August 2024 to 31 July 2025	1 August 2023 to 31 July 2024
Gas (kWh)	550,423	684,952
Electricity (kWh)	565,726	590,146
Transport Fuel (miles)	84,717	85,899
Scope 1 emissions in metric tonnes CO₂e		
Gas Consumption	100.7	125.3
Owned transport	5.6	-
Total Scope	106.3	125.3
Scope 2 emissions in metric tonnes CO₂e		
Purchased Electricity	100.13	122.2
Scope 3 emissions in metric tonnes CO₂e		
Business travel in employee-owned vehicles	16.5	16.1
Total gross emissions in metric tonnes CO ₂ e	222.9	263.6
Intensity Ratio (FTE staff)	259	254.0
Tonnes CO₂e per FTE	0.86	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.

Trade union facility time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require the College to publish information on facility time arrangements for trade union officials.

Numbers of employees who were relevant period	FTE employee number
3.0	3.0

Percentage of time	Number of employees
0%	0
1-50%	3
51-99%	0
100%	0

Total cost of facility time (£k)	12
Total pay bill (£k)	11,280
Percentage of total bill spent on facility time	0.1%

Time spent on paid trade union activities as a percentage of total paid facility time	11%
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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 His Majesty's Revenue and Customs (HMRC) Craven College employed 368 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 2025
Mean gender pay gap	10.31%
Median gender pay gap	19.12%
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	24%	76%
3	27%	73%
4 – Upper quartile	46%	54%

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 Learning 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

There are no events to report after the reporting period.

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 11th December 2025 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 2024 to 31st July 2025 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. Policies, procedures and approval processes have been updated to ensure compliance with the new requirements following reclassification of the College to the central government sector on 29 November 2022. In particular, the College has established systems and processes to identify and handle any transactions for which DfE approval is now required.
- iii. In accordance with the Further Education Code of Good Governance, which was formally adopted in November 2023.

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 [Further Education Code of Good Governance](#).

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 2025. This opinion is based on an internal review of compliance with the Code carried out by the People, Search and Governance Committee. 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 [Further Education Code of Good Governance](#) updated by the Association of Colleges in 2023 and adopted by the Board in November 2023. The College remained compliant with the Code of Good Governance for English Colleges issued by the Association of Colleges until adopting the new “Code” in November 2023.

Craven College is a provider that is registered with the Office for Students and adheres to the conditions of registration. This is monitored and tracked through the Quality & Standards Committee and the Corporation.

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		31/03/2022	4 years	12/12/2024	Non-teaching Staff
Alison Birkinshaw	Chair of the Board (appointed 01/11/22; effective 28/03/23) Chair, People, Search and Governance Committee (from 30/02/23)	01/09/2019As appointed Chair on 28 March 2023, also appointed for another term of office to March 2027	4 years		External
Majid Bokhari	Member of Quality and Curriculum	12/12/2024	4 years		External
John Craig	Chair, Quality and Curriculum Committee (from 30/03/23)	14/04/2021	4 years	14/04/2025	External
Nicki Crail	Member of Audit	12/12/2024	4 years		External
Izzy Goulthorp			For her time as a student at College		Student Governor
Heather Kerrick	Member of Finance, Resources and Investment	03/03/22	4 years		External
Habibe Khaliq		03/07/2025	4 years		Non-teaching staff Governor
Anita Lall	Principal	22/03/23	Ex officio		Principal

Board Member	Position Held	Date of Appointment	Total term of office	Date of Resignation/End of term of office	Status of Appointment
Dean Langton	Chair, Finance, Resources and Investment Committee Vice Chair of the Board (from 01/11/22) Chair of the Remuneration Committee (November 2024)	10/10/19 As appointed Vice Chair on 1 November 2022, also appointed for another term of office to March 2026	4 years		External
Judith Lancaster		09/08/2024	4 years		Teaching Staff Governor
Andy Micklethwaite	Vice Chair of the Board from December 2024	20/03/2023	4 years	16 /12/2024 Due to external commitments	External
Chris Morgan	Member of Audit	27/03/2023	4 years		External
Mark Pettit		03/07/2025	4 years		External
Jane Rogers	Member of Quality and Curriculum	12/11/2020	4 years	Term ended 14/11/24	External
Neil Roe	Member of Finance, Resources and Investment	09/08/2024	4 years		External
Rob Scott	Chair, Audit Committee (from 27/03/23)	20/03/2023	4 years		External
Naomi Sharples	Member of Quality and Curriculum	03/04/2025	4 years	22/09/2025 Due to work commitments	External
Claire Thomas	Member of Quality and Curriculum since June 2025	23/01/2023	4 years		External
Sara Wright	Member of Quality and Curriculum since March 2025	01/04/2024	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
	Appointed as Vice Chair 16 October 2025				
Co-opted* Members Emma Calvert	Member of Audit and People, Search and Governance	October 2023	4 years		Co-opted
Sue Laycock	Member of People, Search and Governance including remuneration	March 2023	4 years		Co-opted
Freddie Redfern	Member of Quality and Curriculum	October 2024	4 years		Co-opted

* A co-opted member is appointed by the Board to a committee for their specific knowledge, experience, or skills. Their role helps address gaps or provide additional oversight to support effective governance.

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 2025 is set out in the table below.

Board Member	Board	FRI	Audit	P S G	Remuneration	Q and C
Julie Atkins	2/2					1/1
Alison Birkinshaw	4/4	4/4		3/3	3/3	3/4
Majid Bokhari	2/2					1/2
John Craig	1/3		2/3			1/3
Nicki Crail	2/2		2/2			
Heather Kerrick	2/4	3/4				
Anita Lall	4/4	4/4		4/4		4/4
Judith Lancaster	3/4					
Dean Langton	1/4	4/4		3/3	3/3	
Habibe Khaliq	1/1					
Izzy Goulthorp	1/2					

Andy Micklethwaite	0/2	1/2				
Chris Morgan	3/4		5/5			
Mark Pettit	1/1					
Jane Rogers	1/1					1/1
Neil Roe	3/4	2/3				
Rob Scott	4/4		5/5	3/3	3/3	
Claire Thomas	3/4					1/1
Sara Wright	4/4	1/1				2/2
Co-opted Members*			3/5	1/3		
Emma Calvert						
Sue Laycock				3/3	3/3	
Freddie Redfern						2/4

FRI - Finance, Resources and Investment Committee

A - Audit Committee

PSG – People, Search and Governance Committee (inc. Remuneration 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 four times a year.

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, People, Search and Governance and Audit. Full minutes of all Board 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.

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 People, 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 People, Search and Governance Committee operates according to a skills matrix in considering candidates for appointment. The People, 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 Public Sector Equality Duty (PSED) at all stages of recruitment and selection. The Board, through the People, 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 their 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 in December 2024.

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 People, 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 People, Search and Governance Committee and in 2024/25 included AoC induction training, safeguarding, Prevent and health and safety. The ETF Governance Development Programme (online personalised training modules) has also been made available to all governors. The Director of Governance has enrolled on the next level of the ETF 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 2023-25. 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 next External Board Review will take place in January 2026 with Sandra Prail from the Association of Colleges.

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 2024-25.

Remuneration Committee

Throughout the year ending 31 July 2025, the College's Remuneration Committee comprised three 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 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 2025 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 2025, the Audit Committee completed a tender process to appoint an external audit firm from 1st August 2025. Following recommendation from the Audit Committee the Board approved the appointment of Armstrong Watson as External Auditors from 3 July 2025.

Finance, Resources and Investment Committee

The Finance, Resources and Investment Committee comprised five members of the Board, including the Accounting Officer – Principal and CEO with the the Deputy Principal/CEO in attendance. 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 them 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 2025 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Corporation has reviewed the key risks to which the College is exposed together with the operating, financial and compliance controls 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 2025 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Corporation.

The risk and control framework

The system of internal control is based on a framework of regular management information, administrative procedures including the segregation of duties, and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting systems with an annual budget, which is reviewed and agreed by the governing body.
- regular reviews by the governing body of periodic and annual financial reports which indicate financial performance against forecasts 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 2024/25 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 Wbg
- 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 principal 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 2025 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 2024/25 and up to the date of the approval of the financial statements are:

- Cyber Security
- Funding Review – Apprenticeships
- Curriculum Planning
- Procurement

All recommendations raised in the reports are being or have already been implemented by the senior management team with the exception of Cyber Security. A majority of the recommendations in this area have been actioned but due to the prohibitive cost of some and the tolerance of risk they present, have not been implemented as yet. They remain under review by management and the Audit Committee.

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 leadership team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The senior management team and the Audit Committee also receive assurance reports from Wbg 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. The Corporation has carried out the annual assessment for the year ended 31 July 2025 at its Corporation meeting on 11 December 2025 by considering documentation from the senior management team and internal audit, and taking account of events since 31 July 2025.

Based on the advice of the Audit Committee and the Accounting Officer, the Corporation is of the opinion that the 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 £38,000 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 11th December 2025 and signed on its behalf by:



Dr Alison Birkinshaw
Chair



Anita Lall (Dec 16, 2025 15:18:42 GMT)

Anita Lall
Accounting Officer

Statement of Regularity, Propriety and Compliance

As Accounting Officer of the Corporation of Craven College, I confirm that I have had due regard to the framework of authorities governing regularity, propriety and compliance, including the college's accountability agreement with DfE, and the requirements of the College Financial Handbook. I have also considered my responsibility to notify the Corporation's Board of Governors and DfE of material irregularity, impropriety and non-compliance with terms and conditions of all funding.

I confirm that I, and the Board of Governors, are able to identify any material irregular or improper use of all funds by the Corporation, or material non-compliance with the framework of authorities.

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



Anita Lall (Dec 16, 2025 15:18:42 GMT)

Anita Lall
Accounting Officer
11th December 2025

Statement of Responsibilities of the Members of the Corporation

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

Within the terms and conditions of the College's accountability agreement, funding agreements and contracts with ESFA and DfE, OfS and devolved mayoral authorities, the Corporation is required to prepare financial statements which give a true and fair view of the financial performance and position of the Corporation for the relevant period. Corporations must also prepare a strategic report which includes an operating and financial review for the year. The bases for the preparation of the financial statements and strategic report are the Statement of Recommended Practice – Accounting for Further and Higher Education, DfE's College Accounts Direction and the UK's Generally Accepted Accounting Practice

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

- select suitable accounting policies and apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- assess whether the Corporation is a going concern, noting the key supporting assumptions qualifications or mitigating actions as appropriate.
- 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 strategic report, in accordance with paragraphs 3.23 to 3.27 of the FE and HE SORP, that describes what it is trying to do and how it is going about it, including information about the legal and administrative status of the Corporation.

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

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

Members of the Corporation are responsible for ensuring that expenditure and income are applied for the purposes intended and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from the ESFA/DfE and any other public funds are used only in accordance with the accountability agreement, funding agreements and contracts and any other conditions, that may be prescribed from time to time by DfE, or any other public funder, including that any transactions entered into by the corporation are within the delegated authorities set out in the College Financial Handbook. On behalf of the corporation, the chair of the Board of Governors is responsible for discussing the accounting officer's statement of regularity, propriety and compliance with the accounting officer.

Members of the Corporation must ensure that there are appropriate financial and management controls in place to safeguard public and other funds and ensure they are used properly. In addition, members of the Corporation are responsible for securing economic, efficient and effective management of the Corporation's resources and expenditure so that the benefits that should be derived from the application of public funds from DfE, ESFA and other public bodies are not put at risk.

Approved by order of the members of the Corporation on 11th December 2025 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 2025 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 Statement of Recommended Practice: Accounting for Further and Higher Education and the DfE College Accounts Direction 2024 to 2025.

In our opinion the financial statements:

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the College's affairs as at 31 July 2025 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 Statement of Recommended Practice: Accounting for Further and Higher Education and the College Accounts Direction issued by the Office for Students and the College Accounts Direction 2024 to 2025 issued by the DfE.

BASIS OF OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

OTHER INFORMATION

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

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

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

In our opinion, in all material respects:

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

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 governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the 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 Department for Education and our engagement letter dated 6 October 2025. 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.

Armstrong Watson Audit Limited

Armstrong Watson Audit Limited (Dec 18, 2025 14:17:31 GMT)

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

Date: 11th December 2025

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

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

Respective responsibilities of Craven College and the reporting accountant

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

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the extant Framework and Guide for External Auditors and Reporting Accountants of Colleges. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure discussed and income received during the period 1 August 2024 to 31 July 2025 have not been applied 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 Framework and Guide for External Auditors and Reporting Accountants of Colleges issued by DfE which requires a limited assurance engagement as set out in our engagement letter. The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity of the 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 2024 to 31 July 2025 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Armstrong Watson Audit Limited

Armstrong Watson Audit Limited (Dec 18, 2025 14:17:31 GMT)

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

Statement of Comprehensive Income and Expenditure

		Notes			
				2024/25	2023/24
				£'000	£'000
INCOME					
Funding body grants	2			15,059	14,118
Tuition fees and education contracts	3			1,789	1,743
Other grants and contracts	4			349	244
Other income	5			507	525
Investment income	6			25	29
Total income				17,729	16,659
EXPENDITURE					
Staff costs	7			11,307	10,581
Other operating expenses	8			5,050	4,741
Depreciation	10			1,221	1,092
Interest and other finance costs	9			(7)	(12)
Total expenditure				17,571	16,402
Surplus before other gains and losses				158	257
Profit on disposal of assets	10			-	(48)
Surplus for the year				158	209
Actuarial deficit in respect of pensions schemes				(87)	(191)
Total Comprehensive Income for the year				71	18
Represented by:					
Restricted comprehensive income				-	-
Unrestricted comprehensive income				71	18
				71	18

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

Statement of Changes in Reserves

	Income and expenditure account	Revaluation reserve	Total
	£'000	£'000	£'000
Balance at 1 August 2023	5,013	243	5,256
Surplus from the income and expenditure account	209	-	209
Other comprehensive income	(191)	-	(191)
Transfers between revaluation and income and expenditure reserve	13	(13)	-
Balance at 31 July 2024	5,044	230	5,274
Balance at 1 August 2024	5,044	230	5,274
Surplus from the income and expenditure account	158	-	158
Other comprehensive income	(87)	-	(87)
Transfers between revaluation and income and expenditure reserve	13	(13)	-
Total comprehensive income for the year	84	(13)	71
Balance at 31 July 2025	5,127	217	5,344

Balance sheet as of 31 July 2025

	Notes	College 2025 £'000	College 2024 £'000
Non-current assets			
Tangible Fixed assets	10	11,936	9,743
Total non-current assets		11,936	9,743
Current assets			
Trade and other receivables	11	1,010	1,396
Assets held for resale	10	-	-
Cash and cash equivalents	15	942	683
		1,952	2,079
Less: Creditors – amounts falling due within one year	12	(2,213)	(2,371)
Net current assets/(liabilities)		(261)	(292)
Total assets less current liabilities		11,675	9,451
Creditors – amounts falling due after more than one year	13	(6,331)	(4,178)
Provisions			
Defined benefit obligations	20	-	-
Total net (liabilities)/assets		5,344	5,274
Unrestricted Reserves			
Income and expenditure account		5,127	5,044
Revaluation reserve		217	230
Total unrestricted reserves		5,344	5,274

The financial statements on pages 34 to 56 were approved and authorised for issue by the Corporation on 11th December 2025 and were signed on its behalf on that date by:

Dr Alison Birkinshaw
Chair

Anita Lall (Dec 16, 2025 15:18:42 GMT)

Anita Lall
Accounting Officer

Statement of Cash Flows

	Notes	2025 £'000	2024 £'000
Cash flow from operating activities			
Surplus for the year		158	209
Adjustment for non-cash items			
Depreciation	10	1,221	1,092
(Increase)/decrease in stocks		-	-
Decrease in debtors	11	387	(499)
Increase/(decrease) in creditors due within one year	12	(208)	(453)
(Decrease)/Increase in creditors due after one year	13	75	-
Pensions costs less contributions payable	20	(68)	(170)
Adjustment for investing or financing activities			
Investment income	6	(25)	(29)
Interest payable	9	(7)	(12)
(Profit)/Loss on sale of fixed assets		-	48
Net cash flow from operating activities		1,533	187
Cash flows from investing activities			
Proceeds from sale of fixed assets		-	515
Interest receivable	6	25	29
Payments made to acquire fixed assets	10	(1,225)	(787)
		<u>(1,200)</u>	<u>(243)</u>
Cash flows from financing activities			
Interest paid	9	(12)	(9)
Repayments of amounts borrowed		(60)	(95)
		<u>(72)</u>	<u>(104)</u>
Increase/(Decrease) in cash and cash equivalents in the year		259	(162)
Cash and cash equivalents at beginning of the year	15	683	845
Cash and cash equivalents at end of the year	15	942	683

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 £158,000 (2023/24: £257,000) before the actuarial movement on the pension scheme, and a total surplus of £71,000 (2023/24: £18,000) including the actuarial movement on pensions.

The College has net current liabilities of £261,000 (2023/24 £292,000 net current liabilities) and total surplus on reserves of £5,344,000 (2023/24 £5,274,000 surplus on reserves).

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 are recognised as expenditure in the period of acquisition. All other equipment is capitalised at cost.

Capitalised fixtures, fittings and equipment are 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. 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 2025. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 Funding body grants

	Year ended 31 July	Year ended 31 July
	2025	2024
	£'000	£'000
Recurrent grants		
ESFA – 16-18	10,442	10,010
ESFA - Apprenticeships	2,195	1,864
ESFA - Adult skills fund	726	825
WYCA – Adult skills fund	618	596
Office for Students	72	60
Specific grants		
Teacher Pension Scheme contribution grant	426	314
Releases of government capital grants	580	449
Total	15,059	14,118

3 Tuition fees and education contracts

	Year ended 31 July	Year ended 31 July
	2025	2024
	£'000	£'000
Adult education fees	251	326
Fees for FE loan supported courses	84	147
Fees for HE loan supported courses	334	402
Total tuition fees	669	875
Education contracts	1,120	868
Total	1,789	1,743

4 Other grants and contracts

	Year ended 31 July	Year ended 31 July
	2025	2024
	£'000	£'000
Other grants and contracts	349	244
Total	349	244

5 Other income

	Year ended 31 Jul 2025 £'000	Year ended 31 Jul 2024 £'000
Catering and residences	268	277
Other income generating activities	93	66
Miscellaneous income	146	182
Total	507	525

6 Investment income

	Year ended 31 Jul 2025 £'000	Year ended 31 Jul 2024 £'000
Other interest receivable	25	29
Total	25	29

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:

	2024/25 No.	2023/24 No.
Teaching staff	236	245
Non-teaching staff	137	122
	373	367

Staff costs for the above persons

	2025 £'000	2024 £'000
Wages and salaries	8,768	8,360
Social security costs	833	689
Other pension costs	1,679	1,503
Payroll sub total	11,280	10,552
Restructuring costs – Contractual	12	18
Restructuring costs – Non Contractual	15	11
Total Staff costs	11,307	10,581

Included in Wages and salaries are self-employed and temporary staff costs of £310,639 (2023/24: £321,096).

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 Principal, Deputy Principal, Assistant Principal for Curriculum & Student Experience, Assistant Principal for Curriculum & Skills and the Director of Governance.

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

	2025	2024
	No.	No.
The number of key management personnel including the Accounting Officer was:	5	7

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	
	2025	2024
	No.	No.
£5,001 to £10,000 p.a.	-	-
£15,000 to £20,000 p.a.	-	1
£20,001 to £25,000 p.a.	-	-
£30,000 to £35,000 p.a.	-	-
£35,001 to £40,000 p.a.	-	2
£40,001 to £45,000 p.a.	1	-
£45,001 to £50,000 p.a.	-	-
£50,001 to £55,000 p.a.	-	-
£55,001 to £60,000 p.a.	-	2
£60,001 to £65,000 p.a.	-	-
£65,001 to £70,000 p.a.	2	-
£70,001 to £75,000 p.a.	-	1
£75,001 to £80,000 p.a.	1	-
£95,000 to £100,000 p.a.	-	-
£110,001 to £115,000 p.a.	-	1
£115,001 to £120,000 p.a.	1	-
	5	7

Key management personnel emoluments are made up as follows:

	2025	2024
	£'000	£'000
Salaries	369	397
Benefits in kind	-	-
Pension contributions	93	93
Total key management personnel compensation	462	490

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:

	2025	2024
	£'000	£'000
Salaries	116	114
Pension Contributions	33	29
	<u>149</u>	<u>143</u>

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.

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

	2025	2024
Principal's basic salary as a multiple of the median of all staff	3.66	3.96
Principal's total remuneration as a multiple of the median of all staff	3.96	4.08

8 Other operating expenses

	2025	2024
	£'000	£'000
Teaching costs	1,211	1,155
Non-teaching costs	2,267	2,104
Premises costs	<u>1,572</u>	<u>1,482</u>
Total	<u>5,050</u>	<u>4,741</u>

Other operating expenses include:

	2025	2024
	£'000	£'000
Auditors' remuneration:		
Financial statements audit	31	26
Extended Assurance Services	-	-
Other services provided by the financial statements' auditor	-	5
Internal Audit fees	21	14
Hire of assets under operating leases	<u>769</u>	<u>872</u>

9 Interest and other finance costs

	2025	2024
	£'000	£'000
On bank loans, overdrafts and other loans:	12	9
Net Interest on defined pension liabilities (note 20)	(19)	(21)
Total	(7)	(12)

10 Tangible Fixed Assets

	Freehold Land and buildings £'000	Fixtures and Fittings £'000	Equipment and Vehicles £'000	Assets in the course of construction £'000	Total £'000
Cost or valuation					
At 1 August 2024	17,042	1,865	7,499	285	26,690
Additions	106	134	823	2,352	3,414
Disposals	-	-	-	-	-
Transfer of assets under construction	6	-	3	(9)	-
At 31 July 2025	17,153	1,998	8,324	2,628	30,104
Depreciation					
At 1 August 2024	9,471	1,177	6,299	-	16,947
Charge for the year	497	188	536	-	1,221
Elimination in respect of disposals	-	-	-	-	-
At 31 July 2025	9,968	1,365	6,835	-	18,168
Net book value at 31 July 2025	7,185	634	1,489	2,628	11,936
Net book value at 31 July 2024	7,571	688	1,199	285	9,743

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 £349,247 (2023/24: £314,164), accumulated depreciation of £289,422 (2023/24: £220,723) resulting in a net book value of £59,825 (2023/24: £93,441).

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

No College assets are currently held for sale.

11 Trade and Other Receivables

	2025 £'000	2024 £'000
Amounts falling due within one year:		
Trade receivables	34	568
Prepayments and accrued income	706	661
Amounts owed by the ESFA	269	167
Total	1,009	1,396

12 Creditors: amounts falling due within one year

	2025 £'000	2024 £'000
Other Loans	-	-
Obligations under finance leases	22	60
Trade payables	798	575
Other taxation and social security	181	161
Accruals and deferred income	536	885
Deferred income - government capital grants	668	580
Deferred Income - government revenue grants	-	-
Amounts owed to the ESFA	10	111
Total	2,214	2,372

Included within accruals and deferred income is £53,441 for holiday pay accrued but not paid in the 2024/25 academic year (2023/24: £64,970).

13 Creditors: amounts falling due after one year

	2025 £'000	2024 £'000
Other loans and creditors greater than one year	75	-
Obligations under finance leases	12	34
Deferred income - government capital grants	6,245	4,144
Total	6,332	4,178

14 Maturity of Debt

	2025 £'000	2024 £'000
In one year or less	25	60
Between one and two years	13	35
Between two and five years	-	-
Total	38	95

As at 31st July 2025, there were no bank loans held by the College. Debt in relation to leasing of assets totalled £38,000 in 2024/25 (2023/24 £95,000).

15 Cash and cash equivalents

	At 1 August 2024 £'000	Cash flows £'000	Other changes £'000	At 31 July 2025 £'000
Cash and cash equivalents	683	259	-	942
Total	683	259	-	942

16 Capital and other commitments

	2025 £'000	2024 £'000
Commitments contracted for at 31 July	1,145	216

Capital commitments represent future obligations for the acquisition, construction, or development of property, plant, equipment, and intangible assets. As at 31st July 2025 the College had capital commitments of £1,145,024 (2023/24: £216,356).

17 Lease obligations

At 31 July 2025 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:

	2025	2024
	£'000	£'000
Future minimum lease payments due		
Land and buildings		
Not later than one year	553	539
Later than one year and not later than five years	2,140	2,157
Later than five years	2,586	2,696
	<u>5,279</u>	<u>5,392</u>
Other		
Not later than one year	100	128
Later than one year and not later than five years	155	107
	<u>255</u>	<u>235</u>
	<u>5,534</u>	<u>5,626</u>

18 Events after the reporting period

There are no events to report after the reporting period.

19 Contingencies

At 31 July 2025 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	2025	2024
	£'000	£'000
Teachers' Pension Scheme: contributions	963	809
Local Government Pension Scheme:		
Contributions paid	784	864
FRS 102 (28) charge	(68)	(170)
Charge to the Statement of Comprehensive Income	<u>716</u>	<u>694</u>
Enhanced pension charge to Statement of Comprehensive Income		-
Total Pension Cost for Year within staff costs	<u>1,679</u>	<u>1,503</u>

Contributions amounting to £74,459 were payable to the Local Government Pension Scheme and contributions amounting to £107,319 were payable to the Teachers Pension Scheme as of 31 July 2025 and are included within trade creditors. These contributions relate to amounts due to the schemes for July 2025 and were paid over in August 2025.

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 next actuarial valuation for the TPS is scheduled to set the employer contribution rate for the period 1st April 2027 – 31st March 2031.

The DfE agreed to pay a teacher pension employer contribution grant to cover the additional costs from the 2023-24 financial year to the current period.

A full copy of the valuation report and supporting documentation can be found on the [Teachers Pensions website](#).

The pension costs paid to TPS, including staff contributions, in the year amounted to £1,241,000 (2023/24: £979,000).

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 2025 were £1,049,000, of which employer's contributions totalled £784,000 and employees' contributions totalled £265,000. The agreed contribution rates for future years are 13.7% for employers from April 2025.

Principle Actuarial Assumptions

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

At 31 July 2025	At 31 July 2024
----------------------------	----------------------------

Rate of increase in salaries	3.75%	3.85%
Future pensions increases	2.50%	2.60%
Discount rate for scheme liabilities	5.80%	5.00%
Inflation assumption (CPI)	2.50%	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 2025	At 31 July 2024
	Years	Years
<i>Retiring today:</i>		
Males	21.9	21.8
Females	24.5	24.4
<i>Retiring in 20 years:</i>		
Males	22.5	22.4
Females	25.2	25.2

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 2025	Fair Value at 31 July 2025	Long-term rate of return expected at 31 July 2024	Fair Value at 31 July 2024
		£'000		£'000
Equity instruments	41.8%	12,869	48.1%	13,769
Government Bonds	15.8%	4,865	11.8%	3,377
Corporate Bonds	7.5%	2,309	7.3%	2,089
Property	5.9%	1,816	5.7%	1,631
Cash	3.0%	924	3.6%	1,030
Other	26.0%	8,005	23.5%	6,726
Total fair value of plan assets	100%	30,788	100%	28,622

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

	2025	2024
	£'000	£'000
Fair value of plan assets	30,788	28,622
Present value of plan liabilities	(20,157)	(22,249)
Adjustment in respect of unrecognised asset	(10,631)	(6,373)
Net pensions asset/(liability)	-	-

The actual return on assets in the year was a gain of £637,000 (2023/24: £929,000).

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

	2025 £'000	2024 £'000
Amounts included in staff costs		
Current service cost	716	694
Past service cost	-	-
Total	716	694
Amounts included in interest and other finance costs		
Net interest expense	(19)	(21)
Pension expense recognised in profit and loss	697	673
Amount recognised in Other Comprehensive Income		
Return on pension plan assets	637	929
Experience losses arising on defined benefit obligations	3,215	241
Adjustment in respect of 28.22	(3,939)	(1,361)
Amount recognised in Other Comprehensive Income	(87)	(191)

Movement in net defined benefit asset during year

	2025 £'000	2024 £'000
Net defined benefit asset in scheme on 1 August	6,373	4,773
Movement in year:		
Current service cost	(716)	(694)
Past Service Cost Employer contributions	-	-
Employer Contributions	784	864
Net interest on the defined asset	338	260
Actuarial gain	3,852	1,170
Net defined benefit asset on 31 July	10,631	6,373

Asset and Liability Reconciliation

	2025 £'000	2024 £'000
Changes in the present value of defined benefit obligations		
Defined benefit obligations at start of period	22,249	21,432
Current service cost	716	694
Interest cost	1,096	1,055
Contributions by Scheme participants	265	255
Experience gains and losses on defined benefit obligations	(3,215)	(241)
Past Service Cost	-	-
Net benefits paid out	(954)	(946)
Defined benefit obligations at end of period	20,157	22,249

	2025 £'000	2024 £'000
Changes in fair value of plan assets		
Fair value of plan assets at start of period	28,622	26,205
Interest on plan assets	1,434	1,315
Return on plan assets	637	929
Employer contributions	784	864
Contributions by Scheme participants	265	255
Net benefits paid out	(954)	(946)
Fair value of plan assets at end of period	30,788	28,622

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.

		2025 £'000	2024 £'000
Rate of increase in salaries	+/-0.1%	+/-20	+/-22
Future pensions increases	+/-0.1%	+302/-282	+/-356
Discount rate for scheme liabilities	+/-0.1%	-302/+323	-/+378
Mortality rate increases	+/- 1 years	+/-464	+/-578

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.

There were no expenses paid to or on behalf of the Governors during the year (2023/24: £124 for 1 governor). Prior year expenditure 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 (2023/24: 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 College's Deputy Principal, Gareth Dixon is the Company Secretary, appointed June 2020. Purchase transactions with the Company in the year

amounted to £33,192 (2023/24: £26,418) with £8,298 (2023/24: £nil) outstanding at the year-end. There were no sales transactions with the 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 £12 (2023/24: £360). There were £10,655 of sales transactions with the company during the year (2023/24: £1,695).

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 £3,900 (2023/24: £6,102) with £nil (2023/24: £nil) balance outstanding at the year end. There were no (2023/24: £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 £16,318 (2023/24: £9,632) with £nil (2023/24: £nil) balance outstanding at the year end. There were no sales transactions with the company during the year.

During the year the college received £149,906 (2023/24: £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.