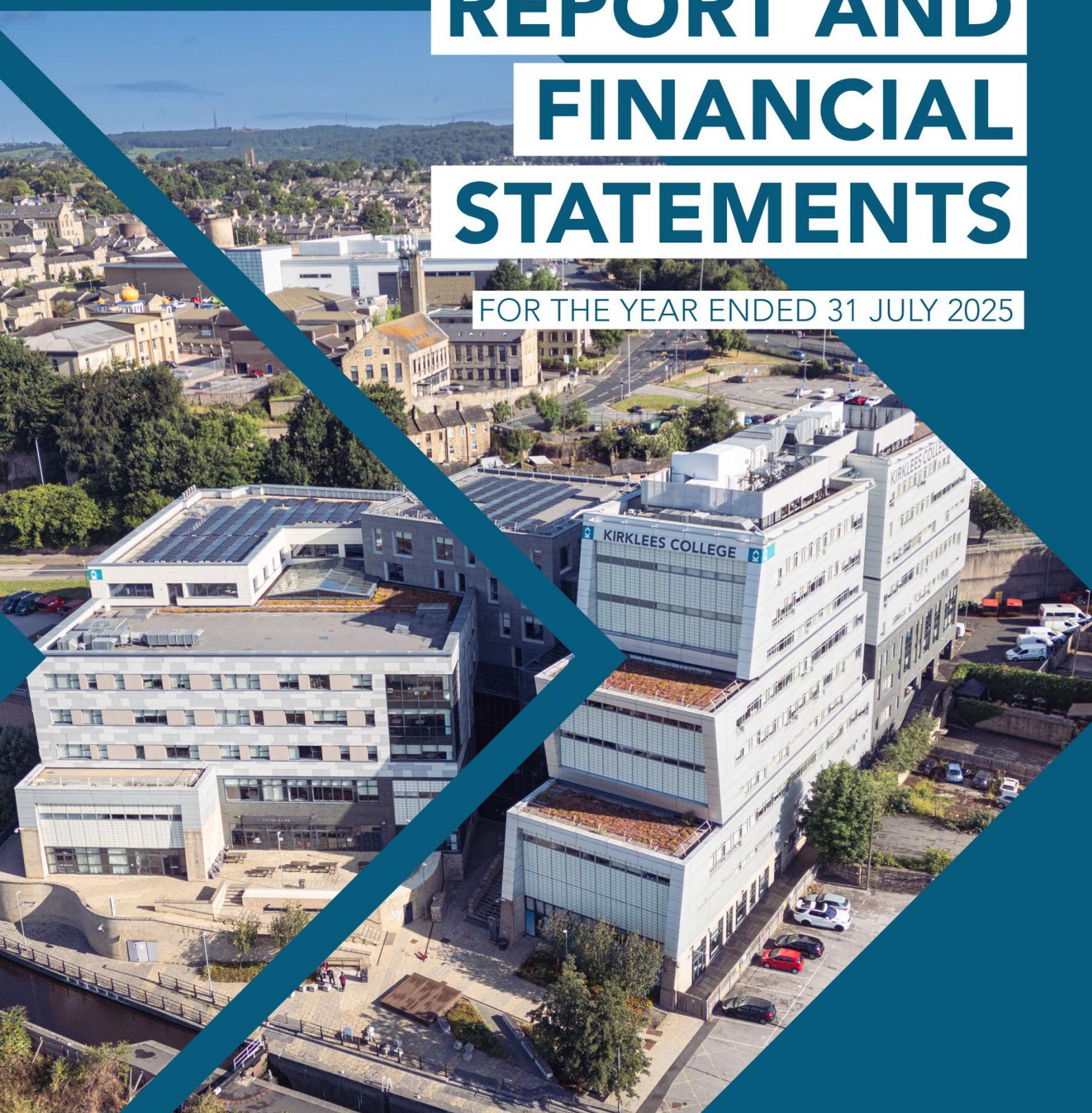


KIRKLEES COLLEGE

# REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2025



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## Reference and Administrative Details

### Board of Governors

A full list of Governors is given on page 21 of these financial statements.

### Clerk to the Corporation

Mrs Carol Tague acted as Clerk to the Corporation.

### Key Management Personnel

Key management personnel are defined as members of the College Executive Leadership Team and were represented by the following in 2024/25:

|                     |  |
|---------------------|--|
| Mr Palvinder Singh  | Principal and Chief Executive, Accounting Officer            |
| Mr Peter Doherty    | Deputy Principal, Finance and Resources                      |
| Mrs Julia Arechiga  | Deputy Principal, Curriculum and Innovation                  |
| Mr Darren Rayneau   | Vice Principal, Business Systems, Information and Technology |
| Mrs Pauline Hughes  | Vice Principal, Quality and Student Experience               |
| Ms Lisa Buckley     | Vice Principal, Curriculum and Performance                   |
| Mrs Polly Harrow    | Assistant Principal, Inclusion (Until 12 Jan 2025)           |
| Mrs Helen Rose      | Vice Principal, External Relations and Apprenticeships       |
| Mr Philip Sugden    | Executive Director of Estates and Facilities                 |
| Mrs Philippa Lucarz | Executive Director of People and Culture                     |

## Reference and Administrative Details (*continued*)

### Registered Office

Kirklees College  
Waterfront Quarter  
Manchester Road  
Huddersfield  
HD1 3LD

### Professional advisors:

#### Financial statement and regularity auditors:

RSM UK Audit LLP  
Two Humber Quays  
Wellington Street West  
Hull  
HU1 2BN

#### Internal auditors

Wbg (Audit) Limited  
168 Bath Street  
Glasgow  
G2 4TP

#### Bankers:

Lloyds Bank plc  
1 Westgate  
Huddersfield  
HD1 2DN

Kirklees Council  
Civic Centre  
Huddersfield  
HD1 1WG

Barclays Bank PLC  
1 Churchill Place  
Canary Wharf  
London  
E14 5HP

#### Solicitors:

Stone King LLP  
One Park Row  
Leeds  
LS1 5HN

## Strategic Report

### OBJECTIVES AND STRATEGY

The Governing Body present their annual report together with the financial statements and auditors report for Kirklees 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 the business of Huddersfield Technical College. The college is an exempt charity for the purposes of Part 3 of the Charities Act 2011.

The Corporation was incorporated as Huddersfield Technical College. However, on 1<sup>st</sup> August 2008 the college merged its activities with Dewsbury College and at that date all assets, liabilities and activities of Dewsbury College were transferred to Huddersfield Technical College and Dewsbury College was dissolved. The Secretary of State granted consent to the Corporation to change the college's name to Kirklees College with effect from that date.

The Department for Education and Skills Funding Agency introduced new controls for the college on 29 November 2022 on the day that the Office for National Statistics reclassified colleges as public sector organisations in the national accounts. In March 2024 the College Financial Handbook was published and is effective from 1 August 2024.

In March 2025 Education and Skills Funding Agency (ESFA) closed bringing the current functions into the Department for Education.

#### Mission

Kirklees College is a uniquely vocational college whose student community reflects the diversity of the local area. We offer inspirational teaching in industry standard, state-of-the-art facilities and ensure curriculum is developed with employers to enable students to progress.

Our mission is creating opportunities, changing lives and this is at the heart of everything we do. The college has a common set of values for both students and staff: Kindness, Unity and Excellence, and they define how we behave and interact with each other. At Kirklees College we aim to foster an honest and compassionate approach to ourselves, our people and environment, develop a shared purpose across our community, and set a culture of high aspiration, expectation and success. We strive to be ahead of the curve in our approach to teaching and learning and be a first-choice provider for students and industry alike.

With over 12,000 students on full-time and part-time courses, and apprenticeships, we provide seven bespoke centres across the Kirklees region, from two main centres based in Dewsbury and Huddersfield, and dedicated learning centres for Animal Care, Construction, Engineering, Process Manufacturing and Higher Education.

## Strategic Report (continued)

### Implementation of strategic plan

An updated Strategic Plan for 2025 to 2030 was developed during 2024-25 and approved by Corporation in July 2025. Since 1825, Kirklees College has been a vital part of Huddersfield, Dewsbury, Batley and the wider region. As an anchor institution, our role is not only to deliver learning but to shape opportunity, build resilience and foster hope. The Strategic Plan 2025-2030 is a guide to achieve the best possible outcomes for our students, staff and community. It will also help ensure a thriving college for future generations.

The college mission is 'Creating opportunities, changing lives'.

The college Vision is 'A college at the heart of its community embodying teaching excellence and ensuring curriculum is developed with employers, enabling all students to progress.'

The Strategic Plan 2025-30 defines the college's values, which epitomise 'how we do things'.



The college's Strategic Goals are the big-ticket items to progress by 2030 to deliver our vision, namely:

#### People

- An excellent culture in which to work and learn
- A dynamic digital experience for learning, teaching and support

#### Performance

- A fantastic student learning experience with great outcomes
- Strong, sustainable financial performance

#### Place

- The provider of choice for employers and students in Kirklees for technical skills
- Strong civic responsibility focused on lifelong learning and inclusion
- Climate action integrated with sustainable development

## Strategic Report (continued)

The following Strategic Priorities were defined by the college for 2024/25:

- Embed a restorative culture and practice throughout the college
- Educate staff in the use of Artificial Intelligence through a programme of innovation, exploration and professional development
- Develop a framework which supports people excellence
- Develop an ambitious personal development culture to enhance students' positive destinations
- Ensure department budget holders understand and take accountability and ownership for the development and promotion of College space
- Increase applications from Dewsbury students for Dewsbury provision

These have all been successfully progressed and closing statements were reported to Corporation in October 2025.

## Key achievements 2024/25

Key headline highlights against the college strategic objectives in 2024/25 include:

### Kirklees Operator Skills Hub Launch



In March 2025, we celebrated the long-anticipated launch of the Kirklees Operator Skills Hub at our Engineering Centre. The Kirklees Skills Operator Hub is a partnership between the college, Kirklees Council and Flannery Plant Hire.

The Skills Hub, the fifth of its kind in the country, is a mobile unit that has two virtual reality plant machinery simulators and classroom facilities for Skills Bootcamps.

Next to the hub, the college's land has been transformed into a live construction site with a variety of Flannery plant machinery for adult learners to operate on a live site environment.

## Strategic Report (continued)

### Celebrating 200 Years of Technical Education in Kirklees



In 2025, we have been proudly celebrating 200 years of technical and professional education in Huddersfield, Dewsbury and Batley. The anniversary marks the establishment of Huddersfield's Scientific and Mechanic Institute in 1825, which was set up to bring the "acquisition of useful knowledge" within the reach of all, particularly the trading and working classes. Batley Weaving School, another direct predecessor of the college, was also opened in 1825.

Highlights from the year include:

- Various alumni case studies and interviews, including with our oldest living former student of Batley School of Art, Joy
- The launch of our 200 Years commemorative book
- The commission of "Athena", an innovative statue designed by Zachary Eastwood-Bloom, alumni of Kirklees College, and 3D printed at our Engineering Centre
- Special 200 Years themed COLS awards, which included special awards and statues, also designed by Zachary Eastwood-Bloom and made by our Engineering team
- The Learning Resource Centre staff also produced an anthology book with stories and poems submitted by members of our KC Community

### Former Governor and Patron of Kirklees College named in King's Birthday Honours List



Kirklees College is proud to announce that their Patron and former Vice-Chair, Cristina George, was honoured with an MBE by King Charles III. The honour has been bestowed to Cristina for her exemplary commitment to post-16 education, and the Further Education sector.

Cristina first became involved in young people's services in the late 1970s, working on Youth Opportunities Programme (YOP) and Youth Training Scheme (YTS) schemes for her local council. She then moved to Calderdale and Kirklees Training and Enterprise Council, where she spent 10 years in a number of roles, including working on a pilot for Modern Apprenticeships.

When the Training and Enterprise Councils (TECs) were closed, Cristina moved to West Yorkshire Learning and Skills Council, working on 14-19 Area Inspections, Strategic Area Reviews, and, as Partnership Director for Leeds, she oversaw the merger of FE Colleges to form Leeds City College. On the closure of the Learning and Skills Councils, Cristina moved to be a Senior Adviser to the Young People's Learning Agency, and subsequently the Education Funding agency.

## Strategic Report (continued)

### Kirklees College hosts national qualifiers of World Skills Competition



In June 2025, Kirklees College was proud to host one of the national qualifier heats for the North Region of the World Skills UK Hairdressing competition. 12 students from Wales, Hull, South Shields, Bradford and Grimsby from eight colleges took part in the prestigious competition, using Kirklees College's state-of-the-art facilities in its Sanctuary Salon at their Huddersfield Centre.

All competitors were current Level 2 or 3 Hairdressing learners, and the competition not only tested their talent and flair for hair, but also tested their understanding of the core competencies of the hairdressing profession.

Competitors had two pressure tests to complete: a style and dress look, and a cut and colour challenge. These challenges were judged by four industry specialists who decided on a winner from the heat, although the finalists from each heat will not be announced until all the qualifiers are complete.

### Kirklees College and Reliance Apprentices win big at West Yorkshire Apprenticeship Awards



In May 2025, Maegan Green, Apprentice Mechanical Design Engineer at [Reliance Precision Limited](#), was named Engineering/Manufacturing Apprentice of the Year at the West Yorkshire Apprenticeship Awards 2025.

Fellow Kirklees College and Reliance apprentice Leon Tomlinson, also received Highly Commended in the Advanced Apprentice of the Year category. Both apprentices were nominated by their colleagues at Reliance, who recognised the valuable input they have both had within the company since joining as apprentices in 2021.

The awards were given out in a formal ceremony at Cedar Court Hotel in Bradford, and celebrated the best of the best of apprentices and employers in West Yorkshire. The impartial panel of expert judges selected the winners and highly commended entrants from hundreds of nominations, so Maegan and Leon did exceptionally well to be recognised in this prestigious award.

## Strategic Report (continued)

The college is particularly proud of our staff and students and surveyed both groups in 2024/25.

In 2025, 90% of our staff completed our annual survey and 94% said they were proud to work at Kirklees College.

The college also surveys its students at regular intervals to gain student voice. At the end of term 3 in the 2024/25 academic year, a survey of classroom-based students concluded that 90% of students considered the quality of teaching on their main programme of study to be high quality. 92% of students agreed the college was a welcoming place for people of all backgrounds and 91% of students said the college was a safe place to be.

### Resources

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

#### *People*

The college employed an average of 747 full time equivalent staff in the year to 31 July 2025 (707 in 2023/24) of whom 293 (274 in 2024) are teaching or staff directly engaged in the delivery of the curriculum.

#### *Students*

The college delivered education to approximately 12,336 students. The college's population included 4,110 16 to 18 year-old students, 1,418 apprentices, 67 higher education students and 93 advanced learner loans funded students. The college also delivered to 6,132 adults.

#### *Financial*

Reserves increased in 2024/25 to £37.1m.

Tangible resources as at 31<sup>st</sup> July 2025 include the main college sites in Huddersfield and Dewsbury and four other specialist sites situated in the Kirklees area.

#### *Reputation*

The college has a good reputation locally and nationally. Maintaining a quality brand is essential for the college's success at attracting students and external relationships.

## Strategic Report (continued)

### Stakeholders

Kirklees College has many stakeholders. These include:

- Current, future and past students.
- Staff and their trade unions. The executive leadership team are named at the front of this document. The trade unions of which Kirklees College staff are members are the University and College Union, National Education Union and Unison.
- The employers it works with.
- The wider local community.
- The Department for Education and its delivery agencies.
- Bankers.
- Kirklees Council, The Leeds City Region Local Enterprise Partnership (LEP) and the West Yorkshire Combined Authority.
- Other FE institutions and Schools.
- Professional bodies.

The college recognises the importance of these relationships and engages in regular communication with them through the college website and by meetings.

### Public Benefit

Kirklees College is an exempt charity under Part 3 of the Charities Act 2011 and is regulated by the Secretary of State for Education. The members of the Governing Body, who are trustees of the charity, are disclosed on page 21.

In setting and reviewing the college's strategic objectives, the Governing Body has had due regard to the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education.

In delivering its mission, the college provides identifiable public benefits through the advancement of education to approximately 12,336 students including 516 with high needs.

Kirklees College provides courses without charge to young people, to those who are unemployed and adults taking English and maths courses. The college adjusts its courses to meet the needs of local employers and in 2024/25 provided training to 1,418 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.

## Strategic Report (continued)

### DEVELOPMENT AND PERFORMANCE

#### Financial results

The Statement of Comprehensive Income shows a surplus of £3.5m, (2023/24 – surplus of £3.5m). This is stated after an adverse £0.2m movement in the actuarial valuation of the Local Government Pension Scheme, (2023/24 £0.4m adverse actuarial movement), and a £0.1m credit (2023/24 £0.3m credit) of FRS102 operating charges in respect of the pension scheme. The underlying trading position without these pension movements has remained the same with surplus of £3.6m in 2023/24 and £3.6m in 2024/25.

The college's financial statements show accumulated reserves of £37.1m compared to the net unrestricted reserves of £33.6m in 2023/24. The Statement of Changes in Reserves on page 42 summarises the movements in more detail.

Tangible fixed asset additions during the year amounted to £3.6m. These additions were split between land and buildings additions of £1.1m and equipment additions of £2.5m.

Land and buildings additions included costs related to the creation of a mezzanine at the Brunel House Centre in addition to other minor building work projects, of this £0.8m was externally funded through grants.

The £2.5m of equipment additions include £0.2m funded through the Department for Education and £0.4m from the Local Strategic Investment Fund (LSIF) through the West Yorkshire Consortium of Colleges (WYCC) for a number of curriculum areas to build their capacity to meet local skills priorities.

#### Cash flows and liquidity

There was a net cash inflow from operating activities of £6.5m in 2024/25 compared to £8.3m in 2023/24. The Statement of Cash Flows analyses the movements in cash flows in more detail, and includes receipt of £1.8m of capital funding which remained unspent at 31 July 2025 whilst still compliant with DfE grant award terms. £0.9m of debt was repaid during the year.

#### Capital Developments

The College refurbished refectory facilities at 3 of the centres during the year, and completed works on mezzanines in the workshop areas at Brunel which are designed to support a more efficient use of the building and to enable a more sustainable course delivery.

#### Student numbers

In 2024/25 the college delivered funded activity that has produced £45.2m in DfE and West Yorkshire Combined Authority funding (2023/24, £39.8m). The college delivered to approximately 12,336 funded learners from these allocations, including 1,418 apprentices and 6,132 adults. In 2024/25 the college delivered to 4,110 16-18-year olds, 341 higher than the original contract value of 3,769 and 324 higher than 2023/24, meaning that the allocation for 2025/26 has increased through the lagged funding methodology.

## Strategic Report (continued)

### Curriculum achievements

The college has a strategic focus on providing the skills, knowledge and expertise required to address skills shortage areas and support economic growth in Kirklees and the wider Leeds City region. To ensure that the right curriculum is offered to meet employers' needs and key regional skills shortage priorities, the college has had significant strategic focus of developing excellent relationships with a wide range of employers. The college is becoming an acknowledged centre for the delivery of training for industry in engineering and process manufacturing, which is of strategic economic importance in Kirklees.

Students benefit from the high expectations, levels of support and subject expertise of staff which ensures that they develop the required academic knowledge and practical skills in order to successfully complete their programme and progress into further learning or employment in the industries that learners aspire to move into.

### Curriculum developments

The college continues to offer a curriculum strong in breadth and depth, including courses from entry level to Higher Education opportunities. There has been a very strong focus developing the skills improvement plan (SIPs) and listening to and working with a wide range of employers, this has led to curriculum development, new apprenticeship programmes and bespoke full cost training.

Future curriculum developments will focus on skills shortage areas, local and regional LEP priorities and employer identified demands.

## Strategic Report (continued)

### Environmental matters

The College has completed several projects to help reduce its carbon footprint, such as installing solar panels to further buildings and improving waste recycling efforts. However, promoting and embedding sustainability throughout the College requires further development.



Therefore, in 2024/25, the college invested in a Green Changemakers programme, designed to supercharge individual green skills projects into a coherent whole and to help move the college from good intentions to sustainable change.

Changemakers are being mentored throughout by nationally recognised facilitator Dr Lou Mycroft.

A new strategic priority for 2025/26 ('Expand sustainable development initiatives across the college, its curriculum and operations') was approved by the Corporation in July 2025 and an action plan has been prepared and implemented to take this forward.

### Reserves

The college has accumulated income and expenditure reserves of £37.1m and cash reserves of £19.6m. The college wishes to continue to accumulate reserves and cash balances in order to fund future capital investment.

### Sources of income

The college places significant reliance on the education sector funding bodies for its principal funding source, largely from recurrent grants. In 2024/25, funding bodies provided 88% of the college's total income. The largest proportion of funding comes from 16-18 Education and Training, which grew by £4.5m (17.5%) on the previous year.

## Strategic Report (continued)

### FUTURE PROSPECTS

#### Future developments

The college's Strategic Priorities for 2025/26 are as follows:

- Develop restorative leadership skills for middle management
- Respond to education inspection framework reforms
- Improve timely achievement rates for apprenticeships
- Improve the progress students make in English and Maths
- Review, and implement a plan for, business efficiency
- Develop adult learning provision alongside regional priority areas
- Expand sustainable development initiatives across the college, its curriculum and operations

The college remains determined to continue raising standards in everything it does. We have demonstrated significant improvements to the learner experience, financial health, the support we provide for our students and the quality of teaching and learning provided and will seek to continue this drive through our Strategic Plan 2025 to 2030.

#### Financial Plan

The college governors approved a financial plan in July 2025 which set objectives for the period to July 2027 which aims to consistently maintain financial resilience.

#### Treasury policies and objectives

Treasury management is the management of the college's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks. The college has a separate treasury management policy in place.

In March 2010, the college agreed a long-term borrowing facility of £23.4m from the Local Authority at a fixed rate for 25 years of 5.08% to part finance the £85m major capital build projects in Huddersfield. As part of the college recovery plan supporting the 2017/18 Restructuring Fund application, the Local Authority agreed a one-year payment holiday in 2019/20 which resulted in the loan term being extended by one year to March 2036.

These financial statements include provision for the repayment of £1.42m to the LEP in respect of an overage clause to the Process Manufacturing Centre grant agreement. Accounting standards require this to be treated as a 'loan'. The repayment amount in February 2026 is fixed at £1.42m. This sum has been discounted back to arrive at a value at drawdown reflective of the prevailing commercial rate of interest at the time, and the balance is being amortised annually until it reaches the repayment sum by the repayment date. At the July 2025 year end, £1.38m is disclosed within loan balances due in under one year, the remaining £0.04m is disclosed within other creditors due in under one year.

The establishment of all borrowing requires the authorisation of the Corporation and following the reclassification to the central government sector with effect from 29 November 2022 it will also require the consent of the Department for Education.

## Strategic Report (continued)

### Reserves Policy

The college has a Reserves Policy that recognises the importance of reserves in the financial stability of any organisation, and ensures that there are adequate reserves to support the college's core activities. As at the balance sheet date, the Income and Expenditure account reserve stands at £37.1m (2024 £33.6m). It remains the Corporation's intention to increase reserves by the generation of annual operating surpluses to ensure strong sustainable financial performance for the college's future.

Growth in student numbers is challenging the college's existing space capacity suggesting the need for expansion in the medium term. A new estates strategy is being developed which will look to address this and we have to assume this will come at a substantial cost which will therefore likewise require significant reserves.

### PRINCIPAL RISKS AND UNCERTAINTIES

The college has well developed strategies for managing risk and strives to embed risk management in all that it does. The Governing Body has overall responsibility for risk management and its approach to managing risks and the system of internal control is explained in the Governance Statement.

Implementation of a new risk management software system was effected in 2023/24 alongside risk management training for strategic risk owners. The college has also introduced an in-house internal audit function to enhance the controls framework and provide greater assurance.

A "heat map" procedure is applied to assess levels of risk. 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 in a RAG (Red, Amber, Green) manner which gives the college an easily recognised picture at a glance but with the detail beneath it as and when required.

The Risk Management policy and procedures were reviewed in 2024/25 and the strategic risk register is reviewed by the audit committee on a termly basis before being presented to the full Corporation meeting.

The Risk Management policy and procedures classify risks on the basis of inherent risks, the residual risks following implementation of appropriate controls and also in relation to target risk levels. The target risk levels for each strategic risk were reviewed by Governors in 2024/25, enabling the college's risk management actions to be informed by, and measured against, the Corporation's risk appetite.

Further development of the risk management framework was taken forward in 2024/25. These focused on the role of Corporation committees in reviewing relevant strategic risks and upon further development of operational risk management. These will continue to be development areas for 2025/26.

## Strategic Report (continued)

The Executive Leadership Team also consider emerging risks that may impact upon the college and adopt separate risk registers for any major capital building projects. Outlined below is a list of the risks that the college has assessed as its key risks as at July 2025, summarised by risk theme. Not all the factors are within the college's control.

- Funding
- People and Culture
- IT and Data Protection
- Finance
- Governance

Of these, the primary risk is considered to be in relation to funding. With the pressures of rising student numbers, workforce challenges and ongoing policy reforms, the further education sector is at an important point. How the government reconciles the needs of colleges with broader fiscal commitments remains to be seen – the outcome will be key to determining the capacity of Kirklees College to meet these challenges.

## KEY PERFORMANCE INDICATORS

### Financial objectives

The college's financial strategy 2023 to 2025 was developed to align with and underpin the College's existing Strategic Plan for 2022 to 2025. The Strategic Plan identified a number of strategic goals that needed to be progressed by 2025 in order to deliver the college vision, one of the strategic goals being to deliver strong, sustainable financial performance.

This was achieved by:

- Strong performance based on healthy reserves which provide agility when responding to the Volatile, Uncertain, Complex and Ambiguous (VUCA) environment we currently operate in.
- Sustainable performance through the economic, efficient, and effective deployment of physical and capital assets developing effective financial planning and monitoring and risk management.
- Developing capacity through sustainable growth ensuring investment returns are optimised.

In order to achieve this the following priorities were identified and met for the 2024/25 financial year:

- Achieve an EBITDA of £3.8m (8.1% as a percentage of income) for 2024/25 and a DfE Financial Health score of 200 points ("Good" grade).
- Increase total income by 2.9% for 2024/25 (to £49.4m). Driven primarily from increased DfE 16-19 funding (through a combination of increased funding rates and rising student numbers).
- Maintain staff costs as a percentage of income at no more than 67.6% for 2024/25.

The college's financial strategy for 2025 to 2030 is currently under discussion, with an intention to maintain financial resilience as to be demonstrated by a DfE Financial Health grade of Good or Outstanding, in line with the FE Commissioner's benchmark.

## Strategic Report (continued)

### Contract performance

The college recruited 4,110 16-18 learners against an initial target of 3,769 subsequently increased to 3,900 following in year growth. The contract for 2025-26 was increased accordingly.

2024/25 outturn for the devolved Adult Skills Fund contract was 100% (2023/24 99%). Performance against the non-devolved Adult Education budget was 100%.

### Single Equality, Diversity, Inclusiveness and Belonging Strategy

The college is committed to embedding equality, diversity, inclusiveness, and belonging in all we do. We aim to create a welcoming environment where individual differences are valued, discrimination and prejudice are actively challenged, and diversity is recognised as essential to a harmonious society. All members of our college community promote and model a culture of inclusion, respect, tolerance, and celebrate and welcome people from different backgrounds.

Our Gender, Disability, and Ethnicity pay gap report reflects both our legal obligations and our commitment to driving equality for all. The Single Equality Strategy (SES) sets out our ambitions and plans, focusing on four key goals: reflecting the diversity of our community, promoting equity for staff and students, fostering a restorative and anti-discrimination culture, and creating an inclusive and supportive environment. In 2024/25, these efforts were further strengthened through our affiliation with the Black Leadership Group, our cross-college learning events, our enrichment activities and our approach to delivering education in an inclusive and trauma informed way.

We actively remove barriers to opportunity, value differences in race, gender, sexual orientation, disability, religion, or age, and undertake equality impact assessments for all new policies. The college is a 'Disability Confident' employer, ensuring fair recruitment, training, career development, and ongoing support for disabled staff.

Staff wellbeing is a core priority, supported through our Wellbeing Strategy, which provides a values-led approach to health, resilience, and sustainable working practices. The strategy is built around three pillars—Our Commitment to You, Resources and Support, and Our Shared Commitment—embedding wellbeing into culture, leadership, and practice.

The college also engages with national initiatives including the Mindful Employer Charter, Fair Work Charter, Disability Confident Employer, Dying to Work Charter, and Care Leavers Charter. Wellbeing is integrated into quarterly learning and development days for over 500 staff, including mental health sessions. All managers have completed mental health training, and the Employee Assistance Programme provides confidential support, reflecting the college's ongoing commitment to a healthy, supportive, and inclusive workplace.

### Pay Gap Reporting

The college publishes its gender pay gap report annually as part of our commitment to transparency and progress in promoting equity, fairness, and opportunity for all whilst working to remove barriers that cause disadvantage. Going further, we voluntarily report on our ethnicity and disability pay gaps, reflecting our dedication to fostering an inclusive workplace. Equality, diversity, and inclusion are central to our values and mission, and we remain focused on removing barriers and creating opportunities for all. Our report is published on our website: [www.kirkleescollage.ac.uk/policies-reports/](http://www.kirkleescollage.ac.uk/policies-reports/)

## Strategic Report (continued)

### Trade Union facility time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require the college to publish details of facility time arrangements for recognised trade union officials.

The college has a recognition agreement with UNISON and is currently negotiating a recognition agreement with UCU. These agreements provide the framework for effective industrial relations. As part of this, several employees undertake union duties alongside their roles:

- UCU – 6 employees
- UNISON – 1 employee

All seven employees spent between 1–50% of their working hours on facility time, varying month to month depending on casework or college activity, but never exceeding 50%.

During the academic year, UCU representatives were allocated remission hours in advance, totalling 864 hours for union activities such as meetings, hearings, and discussions. UNISON recorded 187.5 hours, plus an additional 18 hours for Health and Safety duties. Actual monthly usage fluctuates, though it remains within the annual allocation.

Overall:

- Paid trade union activities represented 0.09% of the college's total pay bill.
- 8.42% of total facility time hours were spent on paid union activities.

### Going Concern

The college considers it has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

The financial assessment was made against the college's Strategic Goal of 'Strong, sustainable financial performance'. It modelled college income and expenditure for two years to 2026/27 and, in doing so, sought to be reasonable and prudent in identifying and taking account of potential risks and opportunities.

The college is increasing activity for 16-18 funded students and after consolidating the gains in recent years by retaining students in 2024/25 is on a continued trajectory of growth in this area. Indications, following a successful enrolment for 2025/26, are that assuming funding availability, the college is in line for in-year growth funding. That notwithstanding, current 16-18 enrolments exceed the figure used in calculating financial performance moving into 2025/26 and beyond.

The majority of other funding lines are reasonably secure. Adult courses funded by West Yorkshire Combined Authority are at the same contractual level to the previous year and delivery of the contract is expected. Apprentice income remains steady.

Cash balances are planned to decrease from the current high level in part due to capital funds received in advance, being spent. Balances remain sufficient throughout the year and forward to 2026/27 and aim to account for medium-term estates development needs, pending the development of a new Estates Strategy.

## Strategic Report (continued)

The continuing challenge to the college's financial position remains the constraint on further education funding, as well as inflationary pressure, whilst maintaining the fantastic student experience. This risk is mitigated in a number of ways.

- Rigorous business planning procedures and sensitivity analysis
- Meticulous year monitoring with budget holders.
- Robust financial controls.
- Exploring available efficiencies via procurement.

As a result, The Corporation considers the college has adequate operational resources to continue existence in the foreseeable future.

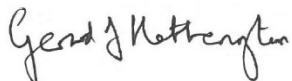
The Corporation, having considered the financial assessment, has a reasonable expectation that the college has adequate resources to continue in operational existence for the foreseeable future (being a period to 31 July 2027) and accordingly the going concern basis has been adopted in the preparation of these financial statements.

### DISCLOSURE OF INFORMATION TO AUDITORS

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

**Approved by order of the members of the Corporation on 11 December 2025 and signed on its behalf by:**

Signed



Mr G Hetherington, Chair

Date 11 December 2025

## Statement of Corporate Governance and Internal Control

The following statement is provided to enable readers of the annual report and financial statements of the college to obtain a better understanding of its governance and legal structure. This statement covers the period from 1 August 2024 to 31 July 2025 (the “Relevant Period”) up to the date of approval of the annual report and financial statements (the “Approval Date”).

### GOVERNANCE CODE

The college Corporation 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); and
- ii. In full accordance with the guidance to colleges from the Association of Colleges in The Code of Good Governance for English Colleges (the “Code”). Details of reviews of Governance are below on page 24.

In carrying out its responsibilities, it takes full account of The Code of Good Governance for English Colleges issued by the Association of Colleges. The Corporation adopted the Code of Good Governance for English Colleges (the ‘Code’) on 1 August 2015, the revised version on 12 July 2019 and approved the adoption of the new AoC Code of Good Governance on the 21 March 2024. In the opinion of the Governors, the College complies and/or exceeds all the provisions of the Code, and it has complied throughout the year ended 31 July 2025.

This opinion is based on a Board self-assessment session held on 24 October 2024, an internal review of compliance with the Code reported to the board on 12 December 2024 and subsequently reviewed by the Corporation’s People, Culture & Governance Committee (PCG) on 19 June 2025.

It is a requirement for institutions in receipt of DfE funding to conduct an external governance review every 3 years. The Kirklees College Board commissioned Rockborn to undertake such a review, which took place between February and May 2025, with the final report presented to the Board on 10 July 2025. The review considered compliance with the Code as part of its work. In reviewing governance processes and practices, the review found that there was a comprehensive and robust approach taken to governance self-assessment.

PCG regularly reviews compliance against the Code and conducted a final year-end assessment at its’ meeting on 8 October 2025. This, along with the findings of the external governance review, confirmed a compliant position that was approved by the Corporation on 23 October 2025. This will be reviewed at PCG’s next meeting on 11 March 2026 and reported to the Corporation on 19 March 2026.

## Statement of Corporate Governance and Internal Control (continued)

### THE CORPORATION

The Corporation recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times. In carrying out its responsibilities, it takes full account of the Code, which it formally adopted on 1st August 2015, with the new version of the Code adopted on 21 March 2024.

#### The Governing Body

The members who served on the Corporation (the governing body) during the Relevant Period and up to the Approval Date were as listed below:

| Member          | Date of Appointment | Current Term of Office Expires | Date of Resignation | Governor Category | Committees Served               | % Board Meeting attendance in 24/25 | Overall attendance % in 24/25 |
|-----------------|---------------------|--------------------------------|---------------------|-------------------|---------------------------------|-------------------------------------|-------------------------------|
| Prof W Bailey   | 15/07/22            | 14/07/26                       |                     | Independent       | N/A                             | 40%                                 | 40%                           |
| R Blackburn     | 07/07/23            | 06/07/27                       | 31/07/25            | Independent       | CSC, QPS                        | 100%                                | 83%                           |
| P Brennan       | 11/12/25            | 10/12/29                       |                     | Independent       | Finance                         | N/A                                 | N/A                           |
| B Brown         | 24/10/24            | 23/10/28                       | 12/09/25            | Independent       | CSC                             | 100%                                | 100%                          |
| Dr A Conn       | 06/10/17            | 31/07/26                       |                     | Independent       | Audit, PCG                      | 100%                                | 100%                          |
| S Cooke         | 13/11/25            | 12/11/29                       |                     | Independent       | F&R                             | N/A                                 | N/A                           |
| Dr J Daniels    | 20/09/23            | 19/09/27                       |                     | Independent       | EDISG                           | 80%                                 | 90%                           |
| P Edwards       | 23/10/25            | 22/10/29                       |                     | Staff             | QPS                             | N/A                                 | N/A                           |
| A Fell          | 10/07/25            | 09/07/29                       | 20/11/25            | Independent       | Audit                           | N/A                                 | N/A                           |
| J Firth         | 21/03/24            | 21/03/28                       |                     | Independent       | Audit                           | 60%                                 | 68%                           |
| C George        | 23/05/14            | 31/03/25                       | 31/03/25            | Independent       | F&R, PCG, QPS, Safe, EDISG, CSC | 100%                                | 100%                          |
| M Green         | 23/10/25            | 22/10/29                       |                     | Independent       | QPS                             | N/A                                 | N/A                           |
| G Hetherington* | 15/05/15            | 19/12/25                       |                     | Independent       | F&R, QPS, Safe, EDISG, PCG      | 100%                                | 88%                           |
| E Highfield     | 20/09/23            | 19/09/27                       | 31/07/25            | Independent       | CSC, F&R                        | 80%                                 | 90%                           |
| F Hussain Butt  | 24/01/20            | 31/03/27                       | 31/07/25            | Independent       | PCG                             | 40%                                 | 40%                           |
| S Johnson       | 09/10/24            | 08/10/28                       | 14/10/25            | Independent       | Safe                            | 80%                                 | 90%                           |
| C Jones         | 17/11/25            | 16/11/29                       |                     | Independent       | QPS                             | N/A                                 | N/A                           |
| D Mbabazi       | 30/01/25            | 31/07/26                       |                     | Student           | N/A                             | 33%                                 | 33%                           |
| F Parvez        | 25/03/22            | 24/03/26                       |                     | Independent       | Safe                            | 80%                                 | 80%                           |
| Prof P Roberts  | 19/11/24            | 18/11/28                       |                     | Independent       | F&R                             | 100%                                | 100%                          |
| C Robinson      | 16/07/21            | 31/07/26                       |                     | Independent       | F&R, PCG                        | 80%                                 | 93%                           |
| J Robinson      | 21/11/23            | 21/11/27                       |                     | Staff             | CSC, QPS                        | 80%                                 | 90%                           |
| P Singh         | 07/06/21            | N/A                            |                     | Principal         | F&R, QPS, EDISG, Safe, PCG      | 100%                                | 92%                           |
| M Smith-Connor  | 03/04/25            | 02/04/29                       |                     | Independent       | CSC                             | 100%                                | 100%                          |
| J Walters*      | 16/07/21            | 21/12/29                       |                     | Independent       | Audit                           | 80%                                 | 93%                           |

CSC: Curriculum Strategy Committee; F&R: Finance & Resources Committee;  
QPS: Quality, Performance & Standards Committee; PCG: People, Culture & Governance Committee;  
Safe: Safeguarding Committee; EDISG: Equality, Diversity and Inclusion Strategic Group

\*J Walters was appointed as Chair Designate on 23 October 2025 and will become Chair upon G Hetherington's retirement on 19 December 2025.

## Statement of Corporate Governance and Internal Control (continued)

### The Governing Body (continued)

From 16 December 2023, C Tague acted as Clerk to the Committee.

The following persons whilst not being full members of the Governing Body, served as co-opted Committee members:

| Member         | Date of Appointment | Term of Office Expires        | Date of Resignation                        | Status of Appointment         | Attendance 2024/25 | Total Service to 31/07/25 |
|----------------|---------------------|-------------------------------|--|-------------------------------|--------------------|---------------------------|
| A Fell         | 10/10/24            | 09/10/28<br>Resigned 20/11/25 | Appointed as Independent Governor 10/07/25 | Audit Committee               | 100%               | 9 months                  |
| D Milton       | 07/07/23            | 28/06/27                      | 06/06/25                                   | Finance Committee             | 67%                | 1 year, 11 months         |
| A Pervez       | 23/10/25            | 22/10/25                      |  | Audit Committee               | N/A                | N/A                       |
| M Smith-Connor | 14/11/24            | 13/11/28                      | Appointed as Independent Governor 03/04/25 | Curriculum Strategy Committee | 100%               | N/A                       |

Expenses claimed from 1 August 2024 to 31 July 2025 by 3 Corporation Governors totalled £449.35.

### 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 half-termly.

The Corporation conducts its business through a number of committees: Audit, Curriculum Strategy, Finance & Resources, Quality, Performance & Standards, People, Culture & Governance, and Safeguarding. Each has terms of reference which are reviewed and approved by the Corporation annually. Full minutes of all meetings, except those deemed to be confidential by the Corporation, are available from the Director of Governance & Compliance at the college's registered address or, alternatively, on the college's website: [www.kirkleescollege.ac.uk](http://www.kirkleescollege.ac.uk).

## Statement of Corporate Governance and Internal Control (continued)

### The governance framework (continued)

In addition, the Corporation Chair, the Principal and the Director of Governance & Compliance frequently attend triumvirate meetings, known as 'CCP' meetings and Governors attend and/or are members of certain operational and strategic working and task & finish groups, specifically:

- Health & Safety Committee;
- Higher Education & Skills Committee; and
- Equality, Diversity & Inclusion Strategic Group.

The Director of Governance & Compliance maintains a register of financial and personal interests of the Governors. The register is available for inspection on request.

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 Corporation for ensuring that all applicable procedures and regulations are complied with. The appointment, evaluation and removal of the Director of Governance & Compliance as Clerk to the Corporation are matters for the Corporation as a whole.

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

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

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

### Appointments to the Governing Body

Any new appointments to the Corporation are a matter for the consideration of the Corporation as a whole. The Corporation has a People, Culture and Governance Committee; this has a membership of between four and eight members, a majority of whom are committee chairs. It is responsible for the selection and nomination of any new Independent Governor for the Corporation's consideration, as well as for advising the Corporation on its governance arrangements.

Members of the Corporation are appointed for a term of office not exceeding four years. On the expiry of their term of office, Governors are eligible for re-appointment, subject to a review of their performance. It is regarded as exceptional for any individual to serve more than two consecutive terms of office (or 8 years), unless subsequently undertaking a new and more senior role, for example as chair of a committee, or as chair or vice chair of the Corporation.

## **Statement of Corporate Governance and Internal Control (continued)**

### **Corporation performance**

The Corporation carried out a self-assessment of its own performance for the year ended 31 July 2025 and, having considered a range of assurance sources, graded itself as "Good" on the Ofsted scale.

In June 2025, the Corporation considered the findings of an external review of governance carried out by consultants from Rockborn. This considered the overall effectiveness of governance, including the impact of board behaviours. The report concluded overall that governance at Kirklees is strong across all areas, shows visible leadership and makes a significant impact on the College.

The review found many strengths in Kirklees College's governance arrangements and highlighted some areas for consideration to develop and improve them further, most of which have already been addressed.

An action plan was considered by PCG and agreed by the Corporation to address the remaining areas for development in October 2025. A summary statement of the review findings is available on the college's website ([website www.kirkleescollege.ac.uk](http://www.kirkleescollege.ac.uk)).

Progress against the current action plan has been monitored by the People, Culture and Governance Committee throughout the Relevant Period and reported to the Corporation accordingly.

As previously outlined, the Corporation are assured that there is a high level of assurance in respect of compliance with the AoC Code of Good Governance for English Colleges, adopted on 21 March 2024 and have agreed that the current position be reported as 'Compliant' in this respect.

### **Activities Undertaken to Develop Governors and the Clerk**

All new Governors undertake induction training on joining the Corporation, which includes briefings from members of the senior leadership team. New Governors also have the opportunity to attend online Association of Colleges Induction webinars. In May 2025, Governors received an internal training on safeguarding and prevent which touched on the college local context as well as their duties under legislation. Members of the Audit Committee attended an insolvency training session and committee chairs attended committee chairs network meetings. Other Governor training included an introduction to AI, the AoC FE Finance Virtual Masterclass and Audit Committee masterclass.

A summary of Governors' training activities is outlined below and the full training record is available on request from the Director of Governance:-

- PREVENT Awareness (HM Government)
- Safeguarding – the importance of good governance (Stone King)
- Safeguarding & Prevent (CDAT)
- Safeguarding for Governors (including PREVENT)
- New Governor Induction
- Insolvency training
- Audit Committee Masterclass (AoC)
- Budget update webinar (RSM)
- Finance & Audit Committee Chairs Networking Group (AoC)
- Annual Conference (AoC)

## Statement of Corporate Governance and Internal Control (continued)

- Student Governors' Network (AoC)
- Lighthouse Unplugged Leadership Event (ETF)
- Effective board behaviours (ETF)
- Culture, people and organisational development (ETF)
- Leading a committee (ETF)
- Understanding sector, policy and inspection (ETF)
- Effective Teaching, Learning and Assessment (ETF)
- Leading a committee (ETF)
- Safeguarding & Prevent (ETF)
- GDPR for Education
- Safer Recruitment (Education) (CDAT)
- Team Engine Board Portal
- Introduction to AI
- Cyber Security Training for School Staff (NCSC)
- Corporation / ELT Strategy session
- Performance management review observations
- SAR & QIP Validation
- Student Experience Walks

The Director of Governance and Compliance holds a degree in Education and Training, the IoD Award for Further Education Governance Professionals (Award FEGP) and has almost 20 years' experience working in governance roles.

During the Relevant Period, the Director of Governance & Compliance has completed the Governance Professionals' Development Programme (Induction & Mentoring), attended the Association of Colleges Governance Professionals' Conference 2025, taken part in a number of the AoC and Education & Training Foundation's professional development and governance training programmes and attended the college's Leadership & Management programme.

### Corporation Committees

#### The People Culture & Governance ("PCG") Committee

During the year ending 31 July 2025, the PCG Committee comprised:

- Dr A Conn;
- C George (to 31 March 2025);
- G Hetherington;
- F Hussain Butt
- C Robinson; and
- J Clement Walters (from 4 March 2025)

The PCG Committee's broad responsibilities include monitoring senior post holder performance and making recommendations to the Corporation on the remuneration of the Accounting Officer and other senior post holders.

## Statement of Corporate Governance and Internal Control (continued)

While the Principal Mr P Singh and the Corporation Chair Mr G Hetherington are members of the People, Culture & Governance Committee, all and any discussions concerning senior post holder performance and pay are chaired by the Committee vice chair Dr A Conn and the Committee's terms of reference provide that the Principal may not in any circumstances count in quorum or vote during discussions regarding senior postholder remuneration and will under all circumstances leave the meeting before any discussion of his own remuneration or any staff matters concerning him. This is strictly observed by the Committee.

The Corporation adopted the Association of Colleges Senior Post Holder Remuneration Code on 12 July 2019. Details of remuneration for the year ended 31 July 2025 are set out in note 8 to the financial statements.

### Audit Committee

The Audit committee comprises three Governors (excluding the Accounting Officer, Chair and Staff Governors) and one co-opted member.

The Audit Committee meets at least on a termly basis and provides a forum for reporting by the college's internal auditors, 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 college's internal auditors review the systems of internal control, risk management controls and governance processes in accordance with an agreed plan of input and report their findings to management and the Audit committee.

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

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

The Audit sub-committee met four times in the year to 31 July 2025. The members of the Committee and their attendance records are shown below:

| Committee member | Meetings attended/possible attendances |
|------------------|--|
| Dr A Conn        | 4 / 4                                  |
| A Fell           | 3 / 4                                  |
| J Firth          | 3 / 4                                  |
| Ms J Walters     | 4 / 4                                  |
| M Smith-Connor   | 1 / 1                                  |

## **Statement of Corporate Governance and Internal Control (continued)**

### **Finance & Resources Committee**

The Finance & Resources Committee comprises between four and eight members of whom one is the college Principal, as well as one co-opted member with relevant experience.

The Committee's purpose is to determine and advise the Governing Body on all financial matters, in particular matters of budget monitoring and setting and recommendations for capital investment; as well as on financial strategy, the estate strategy, and sustainability.

The Finance & Resources Committee meets at least once each term and as required.

### **Curriculum Strategy Committee**

The Curriculum Strategy Committee comprises between four and eight members who include the Principal and Vice Principal, Curriculum & Innovation.

The Committee's purpose is to have oversight of curriculum intent, implementation and impact, of how well the college engages with stakeholders, and of how well the curriculum and the education and training provided meets local needs.

The Committee met on two occasions in the year to 31 July 2025.

### **Quality, Performance and Standards Committee**

The Quality, Performance & Standards sub-committee comprises between four and eight members, one being the college Principal.

The Committee's purpose is to have oversight of and monitor strategic objectives related to quality performance and standards, to advise the Corporation on the setting of student targets, and to monitor on behalf of the Corporation the college's quality and the contribution and impact of student and other support functions on the learner experience.

The Committee met on four occasions in the year 31 July 2025, which included meeting as the College's Self-Assessment Report (SAR) Validation Panel on 3 December 2024.

### **Safeguarding Committee**

The Safeguarding Committee comprises three to five members. It met on two occasions in 2024/25, with the object of supporting the nominated Link Governor for Safeguarding in providing assurance to the Corporation on compliance with safeguarding legislation and guidance.

## Statement of Corporate Governance and Internal Control (*continued*)

### 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, not absolute, assurance against material misstatement or loss.

The Corporation has delegated to the Principal, as Accounting Officer, the day-to-day responsibility for maintaining a sound system of internal control that supports the achievement of the college's policies, aims and objectives, whilst safeguarding the public funds and assets for which he is personally responsible, in accordance with the responsibilities assigned to him in the Financial Agreement between the college and the funding body and the OfS registration conditions. He is also responsible for reporting to the Corporation any material weaknesses or break-downs in internal control.

Following the reclassification to the central government sector with effect from 29 November 2022 Financial Regulations and other procedures and processes have been updated in line with the DfE's College Financial Handbook 2024.

#### 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 on-going 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 at Kirklees College for the year ended 31 July 2025 and up to the date of approval of the annual report and financial statements.

#### Capacity to Handle Risk

The Corporation has reviewed the key risks to which the college is exposed, together with the operating, financial and compliance controls and arrangements for compliance with legal and regulatory matters including those relating to the regularity and propriety of the use of public funding have been implemented to mitigate those risks. The Corporation is of the view that there is a formal on-going process for identifying, evaluating and managing the college's significant risks that has been in place for the period ending 31 July 2025 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Corporation.

## Statement of Corporate Governance and Internal Control (continued)

### 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 Corporation;
- Regular reviews by the Corporation of periodic and annual financial reports which indicate financial performance against forecasts;
- Setting targets to measure financial and other performance;
- Clearly defined capital investment control guidelines; and
- The adoption of formal project management disciplines, where appropriate.

Kirklees College has an internal audit service which operates in accordance with the requirements of the DfE's College Financial Handbook. The work of the internal audit service is informed by an analysis of the risks to which the college is exposed, and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the Corporation on the recommendation of the Audit Committee. The internal audit service regularly provides the Audit Committee with progress reports on internal audit activity in the college. The reports include the internal audit service's independent opinion on the adequacy and effectiveness of the college's system of risk management, controls and governance processes.

In addition to the report produced by the internal auditors, the Audit Committee also produces for the Corporation an annual audit report. The purpose of this report is to advise the Corporation on the Committee's views on the adequacy of the college's systems and arrangements for risk management and governance processes.

### Risks faced by the Corporation

The following key principles outline the college's approach to risk management and control:

- The Corporation has responsibility for overseeing risk management within the college as a whole;
- An open and receptive approach to solving risk problems is adopted by the Executive Leadership Team and Corporation;
- The Principal and the Executive Leadership Team propose, support and implement policies approved by the Corporation;
- The college makes conservative and prudent recognition and disclosure of the financial and non-financial implications of risks;
- Senior and middle managers are responsible for encouraging good risk management practice within their designated areas.

The college's risk management framework is discharged through the College Strategic Risk Register, which is owned and monitored by the Risk Management Group (Executive Leadership Team and Director of Governance and Compliance). It is developed in collaboration with the Governors and college managers based on the College's Strategic Plan and includes key risks to the achievement of its strategic aims.

## Statement of Corporate Governance and Internal Control (continued)

Each college risk has a risk 'owner' who is responsible for the evaluation of the risk, the controls in place to manage the risk and the actions required to bring the risk level to the target level. These assessments are subject to scrutiny and challenge by the Risk Management Group, before being presented to audit committee for further scrutiny and challenge. The corporation receives a summary of the position on a termly basis.

The college has identified and evaluated 13 strategic risks. Those scoring a medium or high level of residual risk (with a score of 10 or more) have been disclosed in the strategic report on page 18.

### Internal Audit

The internal audit service opinion for 2024/25 was:

"We are satisfied that sufficient internal audit work has been undertaken to allow us to draw a conclusion as to the adequacy and effectiveness of the college's risk management, control and governance processes.

In our opinion, Kirklees College did have adequate and effective risk management, control and governance processes to manage its achievement of the college's objectives at the time of our audit work. In our opinion, the College has proper arrangements to promote and secure value for money.

Our fieldwork was carried out between November 2024 and March 2025."

The internal audit service undertook six reviews during the year. They were:

Payroll, Skills Responsiveness & Business Growth, Catering Services, Awarding Bodies Quality Assurance, Business Continuity Planning and a Follow Up Review. No high priority recommendations were identified. Where lower priority recommendations were made, these are progressed and reported to each Audit Committee meeting until they are implemented.

None of these audits resulted in a 'Weak' assurance opinion. The Skills Responsiveness & Business Growth, Awarding Bodies Quality Assurance, Business Continuity Planning and the Follow Up Review resulted in 'Strong' assurance opinions. The Payroll and Catering Services reviews resulted in 'Substantial' assurance opinions.

### Responsibilities under accountability agreements and the Office for Students conditions of registration

The Corporation keeps under review compliance with DfE and other grant funding agreements and contracts ensuring that funding is used for the purposes given or generated. The Corporation also receives reports on specific conditions of grants such as the FE Capital grant. The Corporation ensures that the college makes key returns to the DfE accurately and on time.

The Corporation believes its obligations have been fully discharged during 2024/25. This has been monitored through the framework of established reporting to the Corporation and/or its sub-committees and through the establishment and implementation of robust financial regulations.

The college has reviewed its policies, procedures and approval processes in line with the requirements of the new College Financial Handbook to ensure there are systems in place to handle any transactions of which DfE approval is required in accordance with the Financial Handbook in 2024, which has the effective date of 1 August 2024.

## Statement of Corporate Governance and Internal Control (continued)

### 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 were:

- Consideration of Internal Audit service plan and reports;
- Consideration of External financial statements plan and reports, including supporting papers;
- Regular monitoring of progress against audit report recommendations;
- Oversight and challenge of management assessment of risk in the strategic risk register;
- Consideration of recommended changes to the Whistleblowing framework;
- Self-assessment of committee performance.

All the planned work had been carried out and completed in line with the original plan.

### Review of Effectiveness

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

- The work of the internal auditors;
- The work of the executive managers within the college who have responsibility for the development and maintenance of the internal control framework; and
- Comments made by the college's financial statements and regularity auditors in their management letters and other reports.

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

The Executive 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 Directorates and reinforced by risk awareness training. The Executive Leadership Team and the Audit Committee also receive regular reports from internal audit and other sources of assurance, which include recommendations for improvement.

The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Corporation's agenda includes a regular item for consideration of risk and control and receives reports thereon from the Executive Leadership Team. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception.

At its' meeting on 12 March 2025, the Committee reviewed strategic risk management, considered strategic risk appetite and the annual review of the College's Risk Management Policy and Procedures. The Committee reported to the Corporation on 3 April 2025, that they could provide assurance as to the rigour of the risk management process and the Risk Management Policy and Procedures were approved as per the Committee's recommendation.

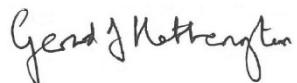
## Statement of Corporate Governance and Internal Control (continued)

At its December 2025 meeting, the Corporation carried out the annual assessment for the year ended 31 July 2025 by considering documentation from the Executive Leadership Team and internal audit, and taking account of events since 31 July 2025.

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

Approved by order of the Members of the Corporation on 11 December 2025 and signed on its behalf by:

Signed



**Mr G Hetherington, Chair**

Signed



**Mr P Singh, Accounting Officer**

## Statement on the College Regularity, Propriety and Compliance

As accounting officer of the corporation of Kirklees 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.

Signed



**Mr P Singh**  
**Accounting officer**

Date 11 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 and any other relevant funding bodies, 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 (which must be consistent with other disclosures in the accounts and auditor's report), and
- prepare financial statements on the going concern basis unless it is inappropriate to assume that the corporation 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.

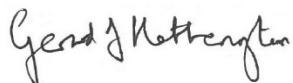
The corporation is responsible for the maintenance and integrity of its website(s); the work carried out by auditors does not involve consideration of these matters and, accordingly, auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially 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 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.

## **Statement of Responsibilities of the Members of the Corporation (continued)**

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 11 December 2025 and signed on its behalf by:



**Mr G Hetherington**  
**Chair**

# Independent auditor's report to the Corporation of Kirklees College

## Opinion

We have audited the financial statements of Kirklees College (the "College") for the year ended 31 July 2025 which comprise college statement of comprehensive income, the college balance sheet, the college statement of changes in reserves, the college statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction issued by the Department for Education.

In our opinion the financial statements:

- give a true and fair view of the state of the college's affairs as at 31 July 2025 and of the college's surplus of income over expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Accounts Direction issued by the Department for Education.

## Basis for opinion

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

## Conclusions relating to going concern

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

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

## Other information

The other information comprises the information included in the Report and Financial Statements other than the financial statements and our auditor's report thereon. The governors are responsible for the other information contained within the Report and Financial Statements. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

## Independent auditor's report to the Corporation of Kirklees College

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

We have nothing to report 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) and Department for Education have been applied in accordance with the relevant terms and conditions; and
- the requirements of the Office for Students' accounts direction for the relevant year's financial statements have been met.

### Matters on which we are required to report by exception

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

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

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 note 2 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 the Corporation of Kirklees College

As explained more fully in the Statement of the Corporation's Responsibilities set out on pages 34 to 35 the Corporation is responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Corporation determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## Independent auditor's report to the Corporation of Kirklees College

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.

### The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the college operates in and how the college are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Further and Higher Education SORP, the College Accounts Direction published by the Department for Education, and Regulatory Advice 9:

## Independent auditor's report to the Corporation of Kirklees College

Accounts Direction published by the Office for Students'. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures.

The most significant laws and regulations that have an indirect impact on the financial statements are those which are in relation to the Education Inspection Framework under the Education and Inspections Act 2006, Keeping Children Safe in Education under the Education Act 2002 and the UK General Data Protection Regulation (UK GDPR) and the Data Protection Act 2018. We performed audit procedures to inquire of management whether the college is in compliance with these law and regulations and inspected correspondence and inspected correspondence with licensing or regulatory authorities in order to draw a conclusion.

The audit engagement team identified the risk of management override of controls and revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates and performing tests of detail on a sample of revenue transactions together with performing a review of the appropriate application of the College's revenue recognition policy.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This 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 Accountability Agreement published by the Department for Education and our engagement letter dated 22 July 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.

*RSM UK Audit LLP*

RSM UK AUDIT LLP

Chartered Accountants

Two Humber Quays

Wellington Street West

Hull

HU1 2BN

Date 15 December 2025

## Statement of Comprehensive Income

|  | Note | 2025<br>£'000 | 2024<br>£'000 |
|--|------|---------------|---------------|
| <b>INCOME</b>  |      |               |               |
| Funding body grants  | 2    | 47,977        | 42,980        |
| Tuition fees and education contracts   | 3    | 3,086         | 3,386         |
| Other grants and contracts   | 4    | 421           | 459           |
| Other income   | 5    | 2,339         | 2,131         |
| Investment Income  | 6    | 744           | 411           |
| <b>Total income</b>  |      | <b>54,567</b> | <b>49,367</b> |
| <b>EXPENDITURE</b>   |      |               |               |
| Staff costs  | 8    | 32,364        | 28,384        |
| Other operating expenses   | 9    | 13,775        | 12,607        |
| Depreciation   | 12   | 4,135         | 3,778         |
| Interest and other finance costs   | 10   | 679           | 723           |
| <b>Total expenditure</b>   |      | <b>50,953</b> | <b>45,492</b> |
| <b>Surplus before other gains and losses and tax</b>                               |      | <b>3,614</b>  | <b>3,875</b>  |
| Profit on disposal of assets   |      | -             | -             |
| <b>Surplus before taxation</b>   |      | <b>3,614</b>  | <b>3,875</b>  |
| Taxation   |      | -             | -             |
| <b>Surplus for the year</b>  |      | <b>3,614</b>  | <b>3,875</b>  |
| Re-measurement of net defined benefit pension scheme                               | 22   | (156)         | (376)         |
| <b>Other comprehensive income for the year</b>                                     |      | <b>(156)</b>  | <b>(376)</b>  |
| <b>Total Comprehensive Income for the year and attributable to the corporation</b> |      | <b>3,458</b>  | <b>3,499</b>  |

All activities are continuing activities.

The accompanying notes and accounting policies on pages 44 to 71 form an integral part of these financial statements.

## Balance Sheet as at 31 July

|  | Note | 2025<br>£'000         | 2024<br>£'000         |
|--|------|-----------------------|-----------------------|
| <b>Fixed assets</b>  |      |                       |                       |
| Tangible fixed assets  | 12   | 91,172                | 91,657                |
| Investments  | 13   | 41                    | 42                    |
|  |      | <b><u>91,213</u></b>  | <b><u>91,699</u></b>  |
| <b>Current assets</b>  |      |                       |                       |
| Stocks   |      | 42                    | 42                    |
| Trade and other receivables  | 14   | 2,298                 | 2,269                 |
| Cash at bank and in hand   | 19   | 19,561                | 17,667                |
|  |      | <b><u>21,901</u></b>  | <b><u>19,978</u></b>  |
| <b>Less: Creditors – amounts falling due within one year</b>           | 15   | (10,842)              | (10,210)              |
| <b>Net current assets</b>  |      | <b><u>11,059</u></b>  | <b><u>9,768</u></b>   |
| <b>Total assets less current liabilities</b>                           |      | <b><u>102,272</u></b> | <b><u>101,467</u></b> |
| <b>Less: Creditors – amounts falling due after more than one year</b>  | 16   | (64,106)              | (66,669)              |
| <b>Provisions for liabilities</b>                                      |      |                       |                       |
| Defined benefit pension scheme   | 22   | -                     | -                     |
| Other provisions   | 18   | (1,063)               | (1,153)               |
|  |      | <b><u>37,103</u></b>  | <b><u>33,645</u></b>  |
| <b>Reserves</b>  |      |                       |                       |
| <b>Unrestricted reserves</b>   |      |                       |                       |
| Income and expenditure reserve   |      | 37,044                | 33,590                |
| <b>Total unrestricted reserves and attributable to the Corporation</b> |      | <b><u>37,044</u></b>  | <b><u>33,590</u></b>  |
| <b>Restricted reserve</b>  |      | 59                    | 55                    |
| <b>Total reserves</b>  |      | <b><u>37,103</u></b>  | <b><u>33,645</u></b>  |

The accompanying notes and accounting policies on pages 44 to 71 form an integral part of these financial statements.

The financial statements on pages 40 to 71 were approved and authorised for issue by the Corporation on 11 December 2025 and were signed on its behalf on that date by:




Mr. G Hetherington, Chair

Mr P Singh, Accounting Officer

## Statement of Changes in Reserves

|   | Income and<br>Expenditure<br>reserve | Restricted<br>reserve | Total         |
|---|--------------------------------------|-----------------------|---------------|
|   | £'000                                | £'000                 | £'000         |
| <b>Balance at 1 August 2023</b>                 | 30,093                               | 53                    | 30,146        |
| Deficit from the income and expenditure account | 3,873                                | 2                     | 3,875         |
| Other comprehensive income                      | (376)                                | -                     | (376)         |
|   | <hr/>                                | <hr/>                 | <hr/>         |
| <b>Balance at 31 July 2024</b>                  | <b>33,590</b>                        | <b>55</b>             | <b>33,645</b> |
| Surplus from the income and expenditure account | 3,610                                | 4                     | 3,614         |
| Other comprehensive income                      | (156)                                | -                     | (156)         |
|   | <hr/>                                | <hr/>                 | <hr/>         |
| <b>Balance at 31 July 2025</b>                  | <b>37,044</b>                        | <b>59</b>             | <b>37,103</b> |

The accompanying notes and accounting policies on pages 44 to 71 form an integral part of these financial statements.

## Statement of Cash Flows

|  | Note | 2025<br>£'000  | 2024<br>£'000  |
|--|------|----------------|----------------|
| <b>Cash inflow from operating activities</b>             |      |                |                |
| Surplus for the year                                     |      | 3,614          | 3,875          |
| <b>Adjustment for non-cash items</b>                     |      |                |                |
| Depreciation   | 12   | 4,135          | 3,778          |
| Decrease in stocks                                       |      | -              | (26)           |
| (Increase)/Decrease in debtors                           |      | (29)           | 2,821          |
| Actuarial movement on Enhanced Pension Provision         |      | 4              | 10             |
| Increase/(Decrease) in creditors due within one year     |      | 641            | (4,862)        |
| (Decrease)/Increase in creditors due after one year      |      | (1,595)        | 2,829          |
| Decrease in provisions                                   |      | (90)           | (91)           |
| Pension costs less contributions payable                 | 22   | (156)          | (376)          |
| Unrealised investment loss/(gain)                        |      | 1              | (2)            |
| <b>Adjustment for investing or financing activities</b>  |      |                |                |
| Interest payable   |      | 679            | 723            |
| Interest receivable                                      |      | (693)          | (355)          |
| <b>Net cash flow from operating activities</b>           |      | <b>6,511</b>   | <b>8,324</b>   |
| <b>Cash flows from investing activities</b>              |      |                |                |
| Payments to acquire fixed assets                         | 12   | (3,650)        | (2,774)        |
|  |      | <b>(3,650)</b> | <b>(2,774)</b> |
| <b>Cash flows from financing activities</b>              |      |                |                |
| Interest paid  |      | (739)          | (784)          |
| Interest received  |      | 693            | 355            |
| Repayments of amounts borrowed                           |      | (921)          | (876)          |
|  |      | <b>(967)</b>   | <b>(1,305)</b> |
| <b>Increase in cash and cash equivalents in the year</b> |      | <b>1,894</b>   | <b>4,245</b>   |
| Cash and cash equivalents at the beginning of the year   | 19   | <b>17,667</b>  | <b>13,422</b>  |
| Cash and cash equivalents at the end of the year         | 19   | <b>19,561</b>  | <b>17,667</b>  |

The accompanying notes and accounting policies on pages 44 to 71 form an integral part of these financial statements.

## Notes to the Financial Statements

### 1a Statement of accounting policies

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 including going concern assumption***

These financial statements have been prepared in accordance with the *Statement of Recommended Practice: Accounting for Further and Higher Education 2019* (the 2019 F&HE SORP), the College Accounts Direction for 2024 to 2025, Regulatory Advice 9: Accounts Direction issued by the Office for Students 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.

#### ***Going concern***

The activities of the college, together with the factors likely to affect its future development and performance are set out in the Strategic Report. The financial position of the college, its cashflow, liquidity and borrowings are presented in the Financial Statements and accompanying Notes.

The college considers it has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

The college is increasing activity for 16-18 funded students and after consolidating the gains in recent years by retaining students in 2024/25 is on a continued trajectory of growth in this area. Indications, following a successful enrolment for 2025/26, are that assuming funding availability, the college is in line for in-year growth funding. That notwithstanding, current 16-18 enrolments exceed the figure used in calculating financial performance moving into 2026/27 and beyond.

The majority of other funding lines are reasonably secure. Adult courses funded by West Yorkshire Combined Authority are at the same contractual level to the previous year and delivery of the contract is expected. Apprentice income remains steady

Cash balances are planned to decrease from the current high level in part due to capital funds received in advance, being spent. Balances remain sufficient throughout the year and forward to 2026/27 and aim to account for medium-term estates development needs, pending the development of a new Estates Strategy.

The Corporation, having considered the financial assessment, has a reasonable expectation that the college has adequate resources to continue in operational existence for the foreseeable future (being a period to 31 July 2027) and accordingly the going concern basis has been adopted in the preparation of these financial statements.

## Notes (continued)

### *Recognition of income*

Government revenue grants include funding body recurrent grants and other grants and are accounted for under the accruals method 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 achievement for the Adult Skills Fund is adjusted for and reflected in the level of recurrent grant recognised in the income and expenditure account. The final grant income is normally determined with the conclusion of the year end reconciliation process with the funding body following the year end, and the results of any funding audits. 16-18 funding is not subject to reconciliation and is therefore not subject to contract adjustments.

The recurrent grant from OfS represents the funding allocations attributable to the current financial year and is credited direct to the Statement of Comprehensive Income.

The Restructuring Fund grant was recognised in the 2018/19 financial statements when the initial performance conditions were met. College overperformance against the grant terms has resulted in an agreed amount repayable of £1.3m. Of this, £0.65m was repaid in July 2025 and the remaining £0.65m has been fully provided for in these accounts for repayment in July 2026.

Grants (including research 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 for buildings and equipment are capitalised, held as deferred income and recognised in income over the expected useful life of the asset, under the accrual model as permitted by FRS 102. Government capital grants for land and other 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 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.

### *Donations*

Income from donations is recognised as follows:

- Land and buildings is recognised at market value as assessed by an independent valuer.
- New equipment is recognised at the new retail price (net) or the value of the supply.
- Used equipment is recognised at the book value on transfer.
- Where equipment has been provided at a material discount as part of a contribution to a project, the amount of discount received (net) is treated as a donation.

All other income and 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.

## Notes (continued)

### ***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.

#### ***West Yorkshire 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 interest and other finance costs. Re-measurement comprising actuarial gains and losses, the effect of the asset ceiling and the return on scheme assets (excluding amounts include in net interest on the net defined benefit liability) are recognised immediately in other comprehensive income.

Actuarial gains and losses are recognised immediately in Other Comprehensive Income. The LGPS assets are managed by the scheme trustees at scheme level, and the determination / allocation of assets to each individual employer in the scheme is managed by the scheme actuary. The assets are allocated to each employer for accounting purposes based on the valuation of the assets at the latest triennial valuation as adjusted for subsequent contributions received from the employer, asset returns and benefit payments made (either on a cash basis or actuarial basis).

The retirement benefit obligation recognised represents the deficit or surplus in the defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

## Notes (continued)

### **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.

### **Enhanced Pensions**

The actual cost of any enhanced on-going pension to a former member of staff is paid by the college annually. An estimate of the expected future cost of any enhancement to the on-going pension of a former member of staff is charged in full to the college's income in the year that the member of staff retires. In subsequent years, a charge is made to provisions in the balance sheet.

### **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 F&HE SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

#### *Land and buildings*

Freehold land is not depreciated as it is considered to have an infinite useful life. Freehold buildings are depreciated on a straight line basis over their expected useful lives as follows:

- New and acquired buildings 50 years
- Refurbishments 10 years

Where part of a fixed asset has different useful lives, they are accounted for as separate items of fixed assets. This includes mechanical and electrical equipment purchased as part of a new build programme. These assets are depreciated over 10 years.

Where land and buildings are acquired with the aid of specific grants, they are capitalised and depreciated as above. The related grants are credited to a deferred income account within creditors, and are released to the Statement of Comprehensive Income over the expected useful economic life of the related asset on a systematic basis consistent with the depreciation policy. The deferred income is allocated between creditors due within one year and those due after more than one year.

Finance costs that are directly attributable to the construction of land and buildings are not capitalised as part of the cost of those assets.

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 2013 as deemed cost but not to adopt a policy of revaluations of these properties in the future.

## Notes (continued)

### *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 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.

### *Donation of tangible fixed assets*

Where donated goods are a tangible fixed asset, it is measured at fair value.

The gain is recognised as income in the statement of comprehensive income and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the college accounting policies.

### **Equipment**

Equipment costing less than £1,000 per individual item (excluding IT equipment purchased in bulk) is written off to the Statement of Comprehensive Income in the period of acquisition. All other equipment is capitalised at cost.

Equipment is depreciated on a straight line basis over its useful economic life as follows:

|                                      |   |                 |
|--------------------------------------|---|-----------------|
| Motor vehicles and general equipment | - | 15% per annum   |
| Computer equipment                   | - | 33½ % per annum |

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

### **Impairments of fixed assets**

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, an estimate is made of the recoverable amount of the asset.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. All impairment losses are recognised in comprehensive income.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in comprehensive income. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

## Notes (continued)

### Financial Instruments

The college has chosen to adopt Sections 11 and 12 of FRS 102 in full in respect of financial instruments.

#### *Financial assets and liabilities*

Financial assets and financial liabilities are recognised when the college becomes a party to the contractual provisions of the instrument.

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 financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets measured at fair value through the profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. A financial asset or financial liability that is payable or receivable within one year is measured at the undiscounted amount expected to be received or paid net of impairment, unless it is a financing transaction.

Financial assets and financial liabilities are offset only when there is a current legally enforceable right to set off the recognised amounts and the intention is to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### *Derecognition of financial assets and liabilities*

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

### **Borrowing costs**

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

### **Financial Instruments**

#### *Investments*

Listed investments held as non-current assets and current asset investments, are stated at fair value, with movements recognised in Comprehensive Income.

#### *Inventories*

Inventories are stated at the lower of their cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stocks.

## Notes (*continued*)

### ***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.

### ***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 typically less than 1% of the VAT charged on its inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

### ***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.

## Notes (continued)

### **Agency arrangements**

The college acts as an agent in the collection and payment of further education free meals, bursary funds and employer apprenticeship incentives. 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 economic benefit related to the transaction.

Income and expenditure related to subcontracted activity is reflected gross in the financial statements on the basis that it controls this activity and bears a significant element of the related risk.

### **Restricted reserves**

The college administers a number of small trust funds that have been established for the benefit of the students of the college. The assets of the funds are held in cash and investments on the college balance sheet with the corresponding liability being held in restricted reserves.

## **1b Judgements in applying accounting policies and key sources of estimation uncertainty**

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

### **Judgements:**

- Determine whether leases entered into by the college either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- The college signed a 125 year lease at a peppercorn rent with Kirklees Council for Pioneer House in Dewsbury in June 2019 and refurbished the building throughout 2019/20 and 2020/21. Management have determined that there is 'right to use' asset that should be recorded in the financial statements to reflect the benefit to the college of holding this lease.
- Determining the existence of a minimum funding requirement for the Local Government Pension Scheme to including in the asset ceiling in measuring and recognising a surplus in the scheme. This judgement is based on an assessment of the nature of the scheme as a statutory scheme and is the inherent implied continuance and the operation of the primary and secondary contributions.

### **Estimation Uncertainties**

- Tangible fixed assets 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.

## Notes (continued)

- The present value of the Local Government Pension Scheme defined benefit obligation depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions obligation 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 obligation.
- The fair value of the LEP overage obligation held on the balance sheet as a 'loan' has been determined based on a discount rate from the actual cost of a commercial loan in 2014. Given that the Bank of England base rate did not change between 2014 and 2016 when the LEP grant was received, it is considered to be a reasonable estimate of what a commercial loan would have cost if drawn at that time.

The Members of the Corporation have assessed the fair value of this right to use asset based on independent expert advice and this fair value represents a conservative assessment based on the range of values and the options available.

## Notes (continued)

### 2 Funding body grants

|   | 2025<br>£'000 | 2024<br>£'000 |
|---|---------------|---------------|
| <b>Recurrent Grants</b>                                   |               |               |
| DfE/ESFA 16-18  | 27,078        | 22,596        |
| DfE/ESFA 16-18 high needs                                 | 3,000         | 3,000         |
| DfE/ESFA – Adults   | 391           | 346           |
| DfE/ESFA – Apprenticeships                                | 6,328         | 5,551         |
| DfE/ESFA – Other  | -             | 3             |
| West Yorkshire Combined Authority - Adults                | 7,804         | 8,158         |
| West Yorkshire Combined Authority – National Skills Offer | 219           | 148           |
| Office for Students                                       | 61            | 127           |
| <b>Specific Grants</b>                                    |               |               |
| DfE/ESFA – Teacher Pension Scheme Grant                   | 1,340         | 977           |
| DfE/ESFA – Capacity Funds                                 | 52            | 58            |
| DfE/ESFA – Tuition Fund                                   | -             | 594           |
| DfE/ESFA – National insurance support                     | 215           | -             |
| DfE/ESFA – Other  | 76            | 60            |
| Releases of government capital grants                     | 1,413         | 1,362         |
| <b>Total</b>  | <b>47,977</b> | <b>42,980</b> |

### Total Grant and Fee Income

|                                       | 2025<br>£'000 | 2024<br>£'000 |
|---------------------------------------|---------------|---------------|
| Grant income from Office for Students | 61            | 127           |
| Grant income from other bodies        | 47,916        | 42,853        |
| Fee income for taught awards          | 3,086         | 3,386         |
| <b>Total grant and fee income</b>     | <b>51,063</b> | <b>46,366</b> |

## Notes (continued)

### 3 Tuition Fees and Education Contracts

|                                    | 2025<br>£'000 | 2024<br>£'000 |
|------------------------------------|---------------|---------------|
| Adult education fees               | 463           | 641           |
| Apprenticeship fees and contracts  | 38            | 84            |
| Fees for FE loan supported courses | 222           | 325           |
| Fees for HE loan supported courses | 223           | 273           |
| <b>Total tuition fees</b>          | <b>946</b>    | <b>1,323</b>  |
| Education contracts                | 2,140         | 2,063         |
| <b>Total</b>                       | <b>3,086</b>  | <b>3,386</b>  |

### 4 Other grants and contracts

|                            | 2025<br>£'000 | 2024<br>£'000 |
|----------------------------|---------------|---------------|
| Other grants and contracts | 421           | 459           |
| <b>Total</b>               | <b>421</b>    | <b>459</b>    |

### 5 Other income

|                               | 2025<br>£'000 | 2024<br>£'000 |
|-------------------------------|---------------|---------------|
| Catering and residences       | 892           | 820           |
| Non-government capital grants | 732           | 636           |
| Miscellaneous income          | 715           | 675           |
|                               | <b>2,339</b>  | <b>2,131</b>  |

### 6 Investment income

|  | 2025<br>£'000 | 2024<br>£'000 |
|--|---------------|---------------|
| Interest receivable                    | 693           | 355           |
| Net interest on defined pension scheme | 51            | 56            |
|  | <b>744</b>    | <b>411</b>    |

### 7 Donations

|           | 2025<br>£'000 | 2024<br>£'000 |
|-----------|---------------|---------------|
| Donations | -             | -             |
|           | <b>-</b>      | <b>-</b>      |

## Notes (continued)

### 8 Staff costs and Key Management Personnel remuneration

The average headcount number of persons (including key management personnel) employed by college during the year was:

|                    | 2025<br>No.       | 2024<br>No.       |
|--------------------|-------------------|-------------------|
| Teaching staff     | 356               | 344               |
| Non-teaching staff | <u>619</u>        | <u>577</u>        |
| <b>Total</b>       | <b><u>975</u></b> | <b><u>921</u></b> |

### Staff costs for the above persons

|                                     | 2025<br>£'000        | 2024<br>£'000        |
|-------------------------------------|----------------------|----------------------|
| Wages and salaries                  | 24,459               | 21,917               |
| Social security costs               | 2,582                | 1,980                |
| Other pension costs                 | <u>5,232</u>         | <u>4,403</u>         |
| <b>Subtotal staff costs</b>         | <b><u>32,273</u></b> | <b><u>28,300</u></b> |
| Contractual restructuring costs     | 56                   | 35                   |
| Non-contractual restructuring costs | <u>35</u>            | <u>49</u>            |
| <b>Total staff costs</b>            | <b><u>32,364</u></b> | <b><u>28,384</u></b> |

### Severance Payments

The college paid 8 severance payments in the year, disclosed in the following bands:

| Severance payment amount | Number of severance payments made |
|--------------------------|-----------------------------------|
| 0- £25,000               | 7                                 |
| £25,0001 - £50,000       | 1                                 |
| £50,001 - £100,000       | -                                 |
| £100,001 - £150,000      | -                                 |
| £150,000+                | -                                 |

Included in staff restructuring costs are special severance payments totalling £34,883 (2024 - £48,949). Individually, the payments were: £762, £1,770, £3,297, £4,246, £5,330, £7,160 and £12,318.

## Notes (continued)

### 8 Staff costs and Key Management Personnel remuneration (continued)

#### Key management personnel compensation

Key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the college and are represented by the College Senior Management Team which comprised of the Principal and Chief Executive, Deputy Principal Finance and Resources, Deputy Principal Curriculum and Innovation, Vice Principal of Business Systems, Information and Technology, Vice Principal Quality and Student Experience, Vice Principal Curriculum and Performance, Assistant Principal Inclusion, Vice Principal of External Relations and Apprenticeships, Executive Director of Estates and Facilities and Executive Director of People and Culture.

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

|  | 2025<br>No. | 2024<br>No. |
|--|-------------|-------------|
| The number of key management personnel including the Accounting officer was: | 10          | 11          |

The above numbers for 2023/24 included a member of key management personnel who left the college in 2023/24 and was replaced in year. Both the leavers and their replacements are included in the numbers above.

## Notes (continued)

### 8 Staff costs and Key Management Personnel remuneration (continued)

The number of staff who received annualised emoluments, excluding pension contributions and employers national insurance but including benefits in kind, in the following ranges was:

|                      | 2025<br>No. | 2024<br>No. |
|----------------------|-------------|-------------|
| £60,001 to £65,000   | 4           | -           |
| £65,001 to £70,000   | 3           | 1           |
| £70,001 to £75,000   | -           | 1           |
| £75,001 to £80,000   | 3           | 3           |
| £80,001 to £85,000   | 1           | -           |
| £85,001 to £90,000   | -           | 1           |
| £90,001 to £95,000   | 2           | -           |
| £100,001 to £105,000 | 1           | 2           |
| £140,001 to £145,000 | -           | -           |
| £145,001 to £150,000 | -           | -           |
| £150,001 to £155,000 | -           | 1*          |
| £155,001 to £160,000 | 1           | -           |
|                      | <b>15</b>   | <b>9</b>    |

\*Prior year comparative band amended

Key management personnel emoluments are made up as follows:

|  | 2025<br>£'000 | 2024<br>£'000 |
|--|---------------|---------------|
| Salaries gross of salary sacrifice               | 864           | 889           |
| Employers National Insurance                     | 112           | 110           |
|  | <b>976</b>    | <b>999</b>    |
| Pension contributions                            | 198           | 193           |
| <b>Total key management personnel emoluments</b> | <b>1,174</b>  | <b>1,192</b>  |

## Notes (continued)

### 8 Staff costs and Key Management Personnel remuneration (continued)

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

|                       | 2025       | 2024       |
|-----------------------|------------|------------|
|                       | £000's     | £000's     |
| Salaries              | 156        | 152        |
| Pension Contributions | 156        | 152        |
| Total emoluments      | <u>45</u>  | <u>39</u>  |
|                       | <u>201</u> | <u>191</u> |

The governing body adopted AoC's Senior Staff Remuneration Code in July 2019. It has assessed pay in line with its principles and will continue to do so in future.

The remuneration package of Senior Post Holders, including the Principal and Chief Executive, is subject to annual review by the Executive Employment Committee of the governing body who use benchmarking information to provide objective guidance.

The Principal and Chief Executive reports to the Chair of Governing Body, who undertakes an annual review of his performance against the college's overall objectives using both qualitative and quantitative measures of performance.

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

Relationship of Principal/Chief Executive pay and remuneration expressed as a multiple:

|   | 2025 | 2024 |
|---|------|------|
| Principal's basic salary as a multiple of the median of all staff       | 5.38 | 5.4  |
| Principal's total remuneration as a multiple of the median of all staff | 5.57 | 5.4  |

Agency workers have been excluded from the calculation of the pay multiple.

All severance payments were approved by the college management team in line with college policy.

The total expenses paid to or on behalf of the Governors during the year was £449, 3 governors (2023/24 £598, 4 governors). This represents travel and subsistence expenses and other out of pocket expenses incurred in attending Governor meetings and charity events in their official capacity. No Governor has received any remuneration or waived payments from the college during the year.

## Notes (continued)

### 9 Other operating expenses

|                    | 2025<br>£'000        | 2024<br>£'000        |
|--------------------|----------------------|----------------------|
| Teaching costs     | 4,840                | 4,204                |
| Non-teaching costs | 5,862                | 5,345                |
| Premises costs     | <u>3,073</u>         | <u>3,058</u>         |
| <b>Total</b>       | <b><u>13,775</u></b> | <b><u>12,607</u></b> |

### Deficit before taxation is stated after charging:

#### Auditors' remuneration:

|  |           |           |
|--|-----------|-----------|
| Financial statements audit (excluding VAT)                   | 66        | 63        |
| Other services provided by the financial statements auditors | 4         | 14        |
| Internal audit (excluding VAT)                               | <u>12</u> | <u>17</u> |

Included within expenditure are the following transactions, individual transactions exceeding £5,000 are identified separately:

|  | Total<br>£ | Individual items above £5,000 |   |
|--|------------|-------------------------------|---|
|  |            | Amount<br>£                   | Reason  |
| Compensation payments                          | -          | -                             | -   |
| Write off and losses                           | 35,368     | 10,000                        | Initial 2016 loan write-off upon joint venture cessation of West Yorkshire Consortium of Colleges Ltd |
|  |            | 8,100                         | Disputed invoice  |
| Guarantees, letters of comfort and indemnities | -          | -                             | -   |

No ex-gratia payments were made.

The total value written off during the year was £35,368 and with the exception of £10,000 relates to previously provided for bad debts such as tuition fees, exam fees or library books.

## Notes (continued)

### 10 Interest payable

|                                 | 2025<br>£'000 | 2024<br>£'000 |
|---------------------------------|---------------|---------------|
| On loans and overdrafts:        | 679           | 723           |
| Pension finance costs (note 22) | 679           | 723           |
| <b>Total</b>                    | <b>679</b>    | <b>723</b>    |

### 11 Taxation

The Members do not believe the college was liable for any corporation tax arising out of its activities during either period.

### 12 Tangible fixed assets

|  | <b>Land and buildings</b> |                                     | <b>Equipment</b> |                | <b>Total<br/>£'000</b> |
|--|---------------------------|-------------------------------------|------------------|----------------|------------------------|
|  | <b>Freehold<br/>£'000</b> | <b>Long<br/>Leasehold<br/>£'000</b> | <b>£'000</b>     |                |                        |
| <b>Cost or valuation</b>               |                           |                                     |                  |                |                        |
| At 1 August 2024                       | 108,786                   | 8,000                               | 8,382            | 125,168        |                        |
| Additions                              | 1,149                     | -                                   | 2,501            | 3,650          |                        |
| Disposals                              | -                         | -                                   | (1,302)          | (1,302)        |                        |
| <b>At 31 July 2025</b>                 | <b>109,935</b>            | <b>8,000</b>                        | <b>9,581</b>     | <b>127,516</b> |                        |
| <b>Depreciation</b>                    |                           |                                     |                  |                |                        |
| At 1 August 2024                       | 26,989                    | 1,015                               | 5,507            | 33,511         |                        |
| Charge for year                        | 2,544                     | 278                                 | 1,313            | 4,135          |                        |
| Elimination in disposals               | -                         | -                                   | (1,302)          | (1,302)        |                        |
| <b>At 31 July 2025</b>                 | <b>29,533</b>             | <b>1,293</b>                        | <b>5,518</b>     | <b>36,344</b>  |                        |
| <b>Carrying amount at 31 July 2025</b> | <b>80,402</b>             | <b>6,707</b>                        | <b>4,063</b>     | <b>91,172</b>  |                        |
| Carrying amount at 31 July 2024        | 81,797                    | 6,985                               | 2,875            | 91,657         |                        |

## Notes (continued)

### 13 Investments

|                    | 2025<br>£'000 | 2024<br>£'000 |
|--------------------|---------------|---------------|
| Listed Investments | 41            | 42            |
|                    | <b>41</b>     | <b>42</b>     |

The investments are stated at fair value as at 31<sup>st</sup> July.

### 14 Debtors

|  | 2025<br>£'000 | 2024<br>£'000 |
|--|---------------|---------------|
| <b>Amounts falling due within one year</b>   |               |               |
| Trade receivables                            | 252           | 474           |
| Other debtors                                | 36            | 36            |
| Prepayments and accrued income               | 1,280         | 1,168         |
| Amounts owed by the Department for Education | 730           | 591           |
|  | <hr/>         | <hr/>         |
| <b>Total</b>                                 | <b>2,298</b>  | <b>2,269</b>  |

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

|                                    | 2025<br>£'000 | 2024<br>£'000 |
|------------------------------------|---------------|---------------|
| Local authority loans              | 968           | 921           |
| LEP overage liability              | 1,386         | -             |
| Trade payables                     | 472           | 845           |
| Other taxation and social security | 623           | 493           |
| Other creditors                    | 1,751         | 2,423         |
| Accruals and deferred income       | 3,093         | 2,953         |
| Holiday pay accrual                | 216           | 231           |
| Government capital grants          | 2,084         | 2,017         |
| Government revenue grants          | 249           | 327           |
|                                    | <hr/>         | <hr/>         |
| <b>Total</b>                       | <b>10,842</b> | <b>10,210</b> |

## Notes (continued)

### 16 Creditors: Amounts falling after one year

|                           | 2025<br>£'000 | 2024<br>£'000 |
|---------------------------|---------------|---------------|
| Local authority loans     | 12,888        | 13,856        |
| LEP overage liability     | -             | 1,324         |
| Other creditors           | 218           | 234           |
| Government capital grants | 51,000        | 51,255        |
| <b>Total</b>              | <b>64,106</b> | <b>66,669</b> |

The LEP overage liability is the present value of a sum of £1.4m repayable to the LEP in 2026, being the difference between the grant intervention rate received on the Process Manufacturing Centre in 2016 and the final grant to be recognised against the project. In line with the accounting requirements of FRS102 'basic' financial instruments, the discount rate of 4.56% applied is one considered to be reflective of commercial market rate at the time the grant was received.

### 17 Debt

#### ***Local Authority and LEP overage liability***

Local Authority loans and overage obligations are repayable as follows:

|                            | 2025<br>£'000 | 2024<br>£'000 |
|----------------------------|---------------|---------------|
| In one year or less        | 2,353         | 921           |
| Between one and two years  | 1,018         | 2,292         |
| Between two and five years | 3,378         | 3,213         |
| In five years or more      | 8,492         | 9,675         |
| <b>Total</b>               | <b>15,241</b> | <b>16,101</b> |

The Local Authority loan is a fixed rate 25 year term loan with an outstanding principal sum at 31 July 2025 of £13,855,613 at 5.08%. The carrying value of all secured assets at 31 July 2025 is £80.2m.

## Notes (continued)

### 18 Provisions for liabilities and charges

|                        | Enhanced<br>pensions<br>£'000 |
|------------------------|-------------------------------|
| At 1 August 2024       | 1,153                         |
| Utilised in the period | (149)                         |
| Reversed in the year   | 59                            |
|                        | <hr/>                         |
| <b>At 31 July 2025</b> | <b>1,063</b>                  |

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

The principal assumptions for this calculation are:

|                 | 2025 | 2024  |
|-----------------|------|-------|
| Price Inflation | 5.5% | 2.80% |
| Discount Rate   | 2.7% | 4.80% |

### 19 Cash and cash equivalents

|                           | At 1<br>August<br>2024<br>£'000 | Cash<br>Flows<br>£'000 | Other<br>changes<br>£'000 | At 31<br>July<br>2025<br>£'000 |
|---------------------------|---------------------------------|------------------------|---------------------------|--------------------------------|
| Cash and cash equivalents | 17,667                          | 1,894                  | -                         | 19,561                         |
| <b>Total</b>              | <b>17,667</b>                   | <b>1,894</b>           | <b>-</b>                  | <b>19,561</b>                  |

## Notes (continued)

### 20 Reconciliation of Net Funds

|   | At 1<br>August<br>2024<br>£'000 | Cash<br>Flows<br>£'000 | Non-<br>cash<br>changes<br>£'000 | At 31<br>July<br>2025<br>£'000 |
|---|---------------------------------|------------------------|----------------------------------|--------------------------------|
| Cash and cash equivalents                       | 17,667                          | 1,894                  | -                                | 19,561                         |
| Borrowings: secured loans due under<br>one year | (921)                           | (47)                   | (1,386)                          | (2,354)                        |
| Borrowings: secured loans due over<br>one year  | (15,180)                        | 968                    | 1,324                            | (12,888)                       |
| <b>Total</b>                                    | <b>1,566</b>                    | <b>2,815</b>           | <b>(62)</b>                      | <b>4,319</b>                   |

### 21 Capital commitments

|                                       | 2025<br>£'000 | 2024<br>£'000 |
|---------------------------------------|---------------|---------------|
| Commitments contracted for at 31 July | -             | 20            |

## Notes (continued)

### 22 Defined benefit obligations

The college's employees belong to two principal post employment benefit plans, the Teachers' Pension Scheme (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by City of Bradford Metropolitan District 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 valuations of the TPS was 31 March 2020 and of the LGPS 31 March 2022.

| Total pension cost for the year                              | 2025<br>£'000       | 2024<br>£'000       |
|--|---------------------|---------------------|
| Teachers' Pension Scheme: contributions paid                 | 3,173               | 2,401               |
| Local Government Pension Scheme:                             |                     |                     |
| Contributions paid (including enhancements on redundancy)    | 2,105               | 2,250               |
| FRS 102 (28) charge  | <u>(105)</u>        | <u>(320)</u>        |
|  | 2,000               | 1,930               |
| Charge to the Statement of Comprehensive Income              | 5,173               | 4,331               |
| Enhanced pension credit to Statement of Comprehensive Income | 59                  | 72                  |
| <b>Total Pension Cost for Year</b>                           | <b><u>5,232</u></b> | <b><u>4,403</u></b> |

Contributions amounting to £582,380 (2024 £558,175) were payable to the schemes at 31 July and are included within creditors.

## Notes (*continued*)

### 22 Defined benefit obligations (*continued*)

#### 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, colleges and other educational establishments. Membership is automatic for teachers and lecturers at eligible institutions. Teachers and lecturers are able to opt out of the TPS.

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

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

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

#### Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation was carried out as at 31 March 2020 and in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2023 and the Employer Contribution Rate was assessed using agreed assumptions in line with the Directions and was accepted at the original assessed rate as there was no cost control mechanism breach.

#### Valuation of the Teachers' Pension Scheme

The valuation report was published on 26 October 2023. The key results of the valuation are:

- Total scheme liabilities for service (the capital sum needed at 31 March 2020 to meet the stream of future cash flows in respect of benefits earned) of £262 billion
- Value of notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) of £222 billion
- Notional past service deficit of £39.8 billion (2016 £22 billion)
- Discount rate is 1.7% in excess of CPI (2016 2.4% in excess of CPI (this change has had the greatest financial significance)

As a result of the valuation, new employer contribution rates have been set at 28.68% of pensionable pay from 1 April 2024 until 1 April 2028 (compared to 23.68% under the previous valuation including a 0.08% administration levy). DfE agreed to pay a Teachers Pensions employer contribution grant to cover the additional costs during the 2024-25 academic year, and currently through to July 2026.

The pension costs paid to TPS in the year amounted to £3,172,962 (2024: £2,401,101).

## Notes (*continued*)

### 22 Defined benefit obligations (*continued*)

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by the City of Bradford Metropolitan District Council. The total contribution made for the year ended 31 July 2025 was £2,850,000 of which employees contributions deducted through payroll totalled £745,000 and employer's contributions totalled £2,105,000. The employer contribution rate was 19.1% to the 31st December 2024, 16.4% from 1st January to 31st March 2025 and 15.1% for the year ending March 2026. Contribution rates after that time are not known. Employee contributions range from 5.5% to 12.5% depending on salary.

The next scheme valuation for LGPS was 31 March 2025, with the new employer contribution rates applicable from 1 April 2026.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an FE body in the statutory sector closure, where there is no transfer or merger, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 12 November 2024.

#### Principal Actuarial Assumptions

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

|                                      | At 31 July<br>2025 | At 31 July<br>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 - base)    | 2.50%              | 2.60%              |
| Commutation of pensions to lump sums | 75%                | 75%                |

## Notes (continued)

### 22 Defined benefit obligations (continued)

#### Mortality Assumptions

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<br>2025<br>Years                    | At 31 July<br>2024<br>Years                    |
|------------------------------|--|--|
| <i>Retiring today</i>        |  |  |
| Males                        | 20.9   | 20.8   |
| Females                      | 24.1   | 24.0   |
| <i>Retiring in 20 years</i>  |  |  |
| Males                        | 21.8   | 21.7   |
| Females                      | 24.8   | 24.7   |
| <b>Asset Allocation</b>      | <b>Fair Value at<br/>31 July 2025</b><br>£'000 | <b>Fair Value at<br/>31 July 2024</b><br>£'000 |
| Equities                     | 82,569   | 77,406   |
| Property                     | 2,822  | 2,635  |
| Government Bonds             | 10,556   | 8,590  |
| Corporate Bonds              | 4,076  | 3,904  |
| Cash                         | 1,881  | 2,635  |
| Other                        | 2,613  | 2,440  |
| <b>Total</b>                 | <b>104,517</b>                                 | <b>97,610</b>                                  |
|                              | £'000  | £'000  |
| Actual return on plan assets | 7,419  | 9,409  |

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

|   | 2025<br>£'000 | 2024<br>£'000 |
|---|---------------|---------------|
| Fair value of plan assets   | 104,517       | 97,610        |
| Present value of defined benefit obligations                                | (70,194)      | (77,955)      |
| <b>Net asset</b>  | <b>34,323</b> | <b>19,655</b> |
| Restriction to level of asset ceiling— before interest on asset restriction | (34,323)      | (19,655)      |
| <b>Net asset recognised in the balance sheet</b>                            | <b>-</b>      | <b>-</b>      |

## Notes (continued)

### 22 Defined benefit obligations (continued)

The value of the college's share of net assets has been restricted due to the effect of the asset ceiling being the maximum value of the present of the economic benefits available in the form of the unconditional right to reduced contributions from the plan. A corresponding charge has been made to other comprehensive income in the period.

The college is aware that the Court of Appeal has recently upheld the decision in the Virgin Media vs NTL Pension Trustees II Limited case. The decision puts into question the validity of any amendments made in respect of the rules of a contracted-out pension scheme between 6 April 1997 and 5 April 2016. The judgment means that some historic amendments affecting s.9(2B) rights could be void if the necessary actuarial confirmation under s.37 of the Pension Schemes Act 1993 was not obtained. On the 5 June 2025, the Government announced its intention to introduce legislation to give affected pension schemes the ability to retrospectively obtain written confirmation that historical benefit changes met the necessary standards. However, details of the legislation have not been announced and it's not clear how this interacts with the investigations made by the UK Government's Actuary's Department therefore the potential impact if any, on the valuation of scheme liabilities remains unknown.

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

|  | 2025<br>£'000    | 2024<br>£'000    |
|--|------------------|------------------|
| <b>Amounts included in staff costs</b>   |                  |                  |
| Current service cost   | 1,987            | 1,930            |
| Past service cost  | 13               | -                |
| <b>Total</b>   | <b>2,000</b>     | <b>1,930</b>     |
| <br><b>Amounts included in investment income and finance costs</b>             |                  |                  |
| Net interest on the net defined benefit pension scheme                         | (1,034)          | (670)            |
| Interest on unrecognised asset   | 983              | 614              |
| <b>Net interest</b>  | <b>(51)</b>      | <b>(56)</b>      |
| <br><b>Amounts recognised in Other Comprehensive Income</b>                    |                  |                  |
| Return on pension plan assets  | 2,550            | 4,999            |
| Actuarial gain   | 10,979           | 1,382            |
| Restriction to level of asset ceiling— including interest on asset restriction | (13,685)         | (6,757)          |
| <br>Amount recognised in Other Comprehensive Income                            | <br><b>(156)</b> | <br><b>(376)</b> |

## Notes (continued)

### 22 Defined benefit obligations (continued)

|  | 2025<br>£'000  | 2024<br>£'000 |
|--|----------------|---------------|
| <b>Changes in the present value of defined benefit obligations</b>               |                |               |
| <b>Defined benefit obligations at start of period</b>                            | 77,955         | 75,872        |
| Current service cost   | 1,987          | 1,930         |
| Past service cost  | 13             | -             |
| Interest cost  | 3,835          | 3,740         |
| Contributions by Scheme participants   | 745            | 722           |
| Actuarial gain   | (10,979)       | (1,382)       |
| Estimated benefits paid  | (3,362)        | (2,927)       |
| <b>Defined benefit obligations at end of period</b>                              | <b>70,194</b>  | <b>77,955</b> |
| <br><b>Reconciliation of Assets</b>  |                |               |
| <b>Fair value of plan assets at start of period</b>                              | 97,610         | 88,156        |
| Interest income  | 4,869          | 4,410         |
| Return on plan assets (excluding net interest on the net defined benefit scheme) | 2,550          | 4,999         |
| Actuarial gain   | -              | -             |
| Employer contributions   | 2,105          | 2,250         |
| Contributions by Scheme participants   | 745            | 722           |
| Estimated benefits paid  | (3,362)        | (2,927)       |
| <b>Assets at end of period</b>   | <b>104,517</b> | <b>97,610</b> |

### 23 Related Party Transactions

Kirklees College is one of seven equal college partners in the West Yorkshire Consortium of Colleges (WYCC). Income of £1,145,522 and payments to partners of £565,037 have been reflected in these financial statements related to the Local Skills Improvement Fund through WYCC.

Key management compensation disclosure is given in note 8.

## Notes (continued)

### 24 Access and Participation

|                         | 2025<br>£'000 | 2024<br>£'000 |
|-------------------------|---------------|---------------|
| Access Investment       | 186           | 181           |
| Financial Support       | 2             | 5             |
| Disability Support      | -             | -             |
| Research and Evaluation | -             | -             |
| <b>Total</b>            | <b>188</b>    | <b>186</b>    |

The College Access and Participation plan can be found on the college website under policies and reports.

The sum disclosed for Access Investment includes £95,500 (2023/24 £90,700) which is included within staff costs disclosed at Note 8 of these financial statements.

### 25 Amounts disbursed as agent – Learner support funds

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

In the accounting period ended 31 July 2025, the college received a total of £1,457k and disbursed £1,465k from DfE 16-19 discretionary and vulnerable bursaries and FEFM funding after charging £71k for administration costs.

As at 31 July 2025, the cumulative unspent 16-19 discretionary and vulnerable bursary funds and FEFM funding is £254k of which none relates to funds that are in scope to be returned to DfE in March 2026.

Comparatives for the accounting period ended 31 July 2024 are £1,167k received from DfE, £1,005k disbursed to learners after charging £55k for administration costs, and total cumulative unspent funds of £327k, of which none was repaid to DfE

## Independent reporting accountant's report on regularity to the corporation of Kirklees College and Secretary of State for Education

### Conclusion

We have carried out an engagement, in accordance with the terms of our engagement letter dated 22 July 2025 and further to the requirements of the Department for Education (the "DfE") as included in the Framework and Guide for External Auditors and Reporting Accountants of Colleges issued by the DfE, to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by Kirklees College during the period 1 August 2024 to 31 July 2025 have not been applied to the purposes intended by Parliament or the financial transactions do not conform to the authorities which govern them.

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 for the purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### Basis for conclusion

The framework that has been applied is set out in the Framework and Guide for External Auditors and Reporting Accountants of Colleges and in any relevant conditions of funding concerning adult education notified by a relevant funder.

We have complied with the independence and other ethical requirements of the FRC's Ethical Standard and the ethical pronouncements of the ICAEW. We also apply International Standard on Quality Management (UK) 1 Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements and accordingly maintain comprehensive systems of continuing quality management. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion.

### Responsibilities of the accounting officer of Kirklees College and Corporation

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 are applied for the purposes intended by Parliament and that the financial transactions conform to the authorities which govern them. The accounting officer is also responsible for preparing the Statement of Regularity, Propriety and Compliance. The Corporation of Kirklees College (who are also the trustees for the purposes of charity law) are responsible for the proper conduct and financial operation of Kirklees College and appointment of the accounting officer.

### Responsibilities of the reporting accountant

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 Framework and Guide for External Auditors and Reporting Accountants of Colleges.

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 the procedures performed vary in nature and timing from, and are less in extent than for a reasonable assurance engagement; consequently a limited assurance engagement does not enable us to obtain assurance that we would become aware of all

## **Independent reporting accountant's report on regularity to the corporation of Kirklees College and Secretary of State for Education (continued)**

significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

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

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including the specific requirements of the College Financial Handbook, the accountability agreement with the Secretary of State for Education and those of any other public funder and high level financial control areas where we identified a material irregularity is likely to arise. It also included areas assessed as presenting a higher risk of impropriety. We undertook detailed testing, on a sample basis, on the identified areas where a material irregularity is likely to arise or potential impropriety, where such areas are in respect of controls, policies and procedures that apply to classes of transactions. Our work was undertaken with due regard to the 'Tests and evidence to support conclusion on regularity' guidance in the Framework and Guide for External Auditors and Reporting Accountants of Colleges.

This work was integrated with our audit of the financial statements and evidence was also derived from the conduct of that audit to the extent it supports the regularity conclusion.

### **Use of our report**

This report is made solely to the Corporation of Kirklees 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 Kirklees College and the Secretary of State for Education 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 Kirklees College and the Secretary of State for Education for our work, for this report, or for the conclusion we have formed.

*RSM UK Audit LLP*

### **RSM UK AUDIT LLP**

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Date 15 December 2025