



LEEDS  
COLLEGE  
OF BUILDING

# LEEDS COLLEGE OF BUILDING

## REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED  
31 JULY 2025

2024/25



ISO  
45001:2018



<b>Contents</b>	<b>Page Number</b>
Operating and Financial Review	4
Statement of Corporate Governance and Internal Control	21
Statement on the College's regularity, propriety and compliance	28
Statement of the responsibilities of the members of the Corporation	29
Independent auditors' report to the Corporation of Leeds College of Building	30
Statement of Comprehensive Income and Expenditure	34
Statement of Changes in Reserves	35
Balance sheet	36
Statement of Cash flows	37
Notes	38 - 61
Independent Reporting Accountant's Report on Regularity to the Corporation of Leeds College of Building and Secretary of State for Education	

## The Corporation

The members who served the Corporation during the year and up to the date of signature of this report were as follows:

<b>Name</b>	<b>Date of Appointment/ Renewal</b>	<b>Term of Office</b>	<b>Date of Resignation</b>	<b>Status of Appointment</b>	<b>Committees Served</b>	<b>*Board Attendance</b>
Mr Mark Roper (Chair from April 2023 to July 2025)	August 2021	4 years	15 July 2025	External	Finance & Resources Search & Governance Senior Postholder Employment & Remuneration	60%
Mrs Sandra Burnhill	September 2023	4 years	N/A	External	Quality, Curriculum & Performance Audit & Risk	80%
Mr Steven Carmody (Chair from July 2025)	October 2023	4 years	N/A	External	Quality, Curriculum & Performance	100%
Mrs Nikki Carthy	July 2025	4 years	N/A	Staff	Quality, Curriculum & Performance	100%
Mrs Nicola Davis	August 2022	N/A	N/A	Principal	Finance & Resources Search & Governance Quality, Curriculum & Performance	100%
Mr James Dunford	October 2022	4 years	N/A	External	Quality, Curriculum & Performance	80%
Mr Wasim Feroze	March 2022	4 years	12 September 2025	External	Search & Governance Senior Postholder Employment & Remuneration	60%
Ms Debbie Forsythe-Conroy	April 2021	4 years	22 November 2024	External	Quality, Curriculum & Performance	100%
Ms Rachel Lindley	September 2022	to 31 July 2026	N/A	External	Audit & Risk Finance & Resources Search & Governance Senior Postholder Employment & Remuneration	100%
Ms Caroline Meehan	January 2023	4 years	24 June 2025	External	Quality, Curriculum & Performance	67%
Mr Peter Norris	August 2025	1 year	N/A	External	Audit & Risk Finance & Resources	100%
Mr Michael Norton	October 2023	4 years	N/A	Staff	Finance & Resources Quality, Curriculum & Performance	80%
Prof Dave Russell	May 2022	4 years	N/A	External	Quality, Curriculum & Performance	80%
Ms Javaria Sabar	December 2024	4 years	10 March 2025	External	Audit & Risk	100%

*Leeds College of Building  
Report and financial statements  
For the year ended 31 July 2025*

Mr Matthew Shields	June 2021	4 years	N/A	External	Audit & Risk Finance & Resources Search & Governance Senior Postholder Employment & Remuneration	40%
Ms Julie Tolley	September 2023	4 years	N/A	External	Quality, Curriculum & Performance	100%
Mr William Wallace	May 2023	4 years	1 April 2025	Staff	Quality, Curriculum & Performance	100%
Ms Sarah Wilson	January 2023	4 years	N/A	External	Audit & Risk Finance & Resources	80%

\* Board attendance is based on the five meetings undertaken in 2024/25 or the date of appointment if commenced in 2024/25

**Student Governors**

Mr Sean McDonagh- Rushfirth	December 2024	To 31 July 2025		Student	Quality, Curriculum & Performance	50%
Mr Mobin Negareshfard	December 2024	To 31 July 2025		Student	Quality, Curriculum & Performance	50%

**Professional advisers**

Financial statements auditors  
and reporting accountants:

RSM UK Audit LLP  
First Floor  
Two Humber Quays  
Wellington Street West  
HULL  
HU1 2BN

Internal auditors:

ICCA LLP  
Charles House  
Great Charles Street Queensway  
Birmingham  
B3 3HT

Bankers:

NatWest Bank  
8 Park Row  
Leeds  
LS15 5HD

Solicitors:

Eversheds LLP  
Bridgewater Place  
Water Lane  
Leeds  
LS11 5DR

Walker Morris LLP  
33 Wellington Street  
Leeds  
LS1 4DL

**Key Management Personnel**

Director of Governance - J Taylor-Holmes

**Executive team**

Principal and Chief Executive - N Davis  
Vice Principal Finance & Resources - D Pullein  
Vice Principal Curriculum Quality & Innovation - R Holmes

## Operating and Financial Review

### Nature, Objectives and Strategies

The members present their report and the audited financial statements for the year ended 31 July 2025.

### ONS Reclassification

On 29 November 2022, the Office for National Statistics reclassified all college corporations as public sector organisations. The bite-size guides produced and published to aid colleges in the transition have now been incorporated into the College Financial Handbook, which was published in March 2024 and effective from 1 August 2024, with financial year 2024/25 being the first year it is in force. It sets out the Department for Education's financial governance, management and control requirements for colleges. The College's Financial regulations and policies have been updated and approved by the Board on 16 July 2024. On 16 September responsibility for apprenticeships and adult further education along with Skills England transferred from the Department for Education to the Department for Work and Pensions.

Immediate implications are colleges' existing debt commitments do not need to change, however it also says that refinancing commercially is unlikely to be possible under the managing public money framework. Leeds College of Building having paid off its existing loan, does not have any plans to borrow money during the going concern period (being for the period to 31 July 2027) and therefore have no issues.

Further risks about the use of overdrafts and revolving credit facilities do not apply to the College.

### Legal status

The Corporation was established under the Further and Higher Education Act 1992 for the purpose of conducting Leeds College of Building (LCB). The College is an exempt charity for the purposes of the Charities Act 2011.

### Public Benefit

Leeds College of Building is an exempt charity under the Part 3 of the Charities Act 2011 and is regulated by the Secretary of State for Education as Principal Regulator for all FE Corporations in England. The members of the Governing Body, who are trustees of the charity, are disclosed on page 2. In setting and reviewing the College's strategic objectives, the Governing Body has had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education. The guidance sets out the requirement that all organisations wishing to be recognised as charities must demonstrate, explicitly, that their aims are for the public benefit. In delivering its mission, the College provides the following identifiable public benefits through the advancement of education:

- High-quality teaching
- Widening participation and tackling social exclusion
- Excellent employment record for learners
- Strong learner support systems
- Links with employers, industry and commerce
- Links with Local Enterprise Partnerships (LEPs)

### Mission:

The College's mission as approved by its members is: "Inspiring lives and building futures", ensuring learners / Apprentices are at the centre of all thinking and decision making, together with ensuring LCB provides a broad curriculum offer to meet their needs and employer demand.

### College Values:

- |                      |   |
|----------------------|---|
| <b>Respectful</b>    | – to value diversity, care for and support each other and the environment |
| <b>Aspirational</b>  | – to achieve excellence in all we do                                      |
| <b>Accountable</b>   | – to be responsible for our actions                                       |
| <b>Inspirational</b> | – to be creative and innovative in all we do                              |
| <b>Enjoyable</b>     | – to have fun and succeed.  |

**Operating and Financial Review (continued)**

**College Vision:**

"To be the college of choice for construction and the built environment; making a difference to the lives of our learners and the wider society".

**Strategic Aims:**

- Provide a safe, supportive and inclusive learning culture
- Deliver high quality education and training through enjoyable learning experiences
- Work with employers and progressive collaborations to develop the talents and skills to meet further workforce needs
- Harness the use of technology to support innovation in learning and smarter, more efficient working practices
- Attract, develop and retain a highly skilled and responsive workforce
- Remain a financially sustainable and resilient organisation.

**Financial objectives**

The College's financial objectives are:

To continue to be a well-resourced Centre of Excellence as measured by the following KPI's:

	2024/25 Actual	2023/24 Actual
Cash balance	£4,608,000	£4,634,000
Investments	£3,106,000	£1,052,000
Adjusted Current ratio	2.58:1	1.64:1
Dependency on Grant income	85%	84%
Pay as a % of income (excluding FRS 102 pension costs)	60%	60%
Adjusted Cash days in hand	103	83

The College generated an operating surplus in year of £3,273,000 (2023/24: surplus £2,472,000).

The College has particular concern over the financial effects of the wars in Ukraine and the Middle East, Brexit and inflation. The cost of fuel, licence fees and materials are significantly higher.

## **Operating and Financial Review** *(continued)*

### **Financial objectives** *(continued)*

The College has accumulated reserves of £20,429,000 (2023/24: £17,184,000).

Tangible fixed asset additions during the year amounted to £2,582,000.

The College has significant reliance on the Education & Skills Funding Agency for its principal funding source.

### **Transparency arrangements**

The Corporation operates a policy style of governance where the Board meet nine times a year with a small number of sub-committees operating with specific functions; Search & Governance, Audit & Risk, Finance & Resources, Quality, Curriculum & Performance and Senior Postholder Employment & Remuneration.

The Corporation ensures its arrangements are transparent by including all key governance policies and procedures on the College website together with minutes of meetings (once approved by the Chair). These are also available from the Director of Governance who maintains a register of financial and personal interests of the governors which is also available for inspection at the College's main site. Information outlining how the College engages with key stakeholders is also available on the website.

### **Treasury policies and objectives**

Treasury management is the management of the College's cash flow, 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. Short-term borrowing for temporary revenue purposes can be authorised by the Principal. Colleges must obtain DfE's prior approval for new borrowing and amendments to existing borrowing.

### **Cash flows**

Cash flow decreased during the year, due to new investments and fixed asset additions.

Operating cash outflow was (£26,000) (2023/24: inflow £1,033,000).

### **Reserves**

The College has a Reserves Policy which was approved at the July 2024 meeting of the Corporation. The College intends to grow its reserves enabling it to increase its contribution to public life and benefit. As at the balance sheet date the Income and Expenditure reserve, excluding pension deficit, stands at £18,812,000 (2023/24: £15,416,000).

## Operating and Financial Review *(continued)*

### Current and Future Development and Performance

#### Quality of Teaching & Learning

During 2024/25, Leeds College of Building (LCB) continued to make significant progress in improving the quality of teaching, learning, and assessment. Following the previous Ofsted judgment of Requires Improvement (March 2024), the College has implemented a robust quality assurance framework that has delivered measurable improvement across all provision types.

The College's Professional Growth Observation (PGO) model and strengthened quality cycle have ensured rigorous monitoring and targeted staff development. In 2024/25, 72% of lessons observed were judged as meeting or exceeding the required standard, with a clear trajectory of improvement throughout the year. Curriculum reviews and data dashboards now provide live oversight of performance indicators, enabling rapid intervention where needed.

Staff development remains a strategic priority. The Brick by Brick CPD programme, together with employer-led sessions, enhanced pedagogical and technical competence across vocational areas. Over 90% of teaching staff report increased confidence in inclusive teaching practices, supported by the Inclusive Classroom model which is now fully embedded across the College.

The College has invested further in English and Maths improvement strategies. Attendance for GCSE resits reached record levels (English 95%, Maths 93%), supported by structured revision campaigns and targeted interventions for grade-3 learners. Functional Skills achievement among apprentices exceeded 99%, ensuring timely gateway completion.

Overall attendance improved to 85.5%, with 16–18 attendance increasing to 86%, representing a 7-percentage-point rise year on year. These improvements are directly attributable to the implementation of the Attendance, Punctuality and Engagement Strategy (2024/25) and enhanced learner tracking through Power BI dashboards.

Leadership and governance oversight of quality have strengthened considerably. The Quality, Curriculum and Performance Committee (QCP) maintained close scrutiny of improvement targets, with governors undertaking regular deep dives and link visits. The Ofsted Monitoring Visit (February 2025) acknowledged the College's strengthened leadership capacity and positive impact on classroom practice.

In summary, teaching and learning quality during 2024/25 reached consistently high standards across most areas, with clear evidence of improved engagement, stronger achievement, and a sustained culture of continuous improvement.

#### Customer Satisfaction

Learner satisfaction continues to be high and reflective of the positive student experience across the College. The 2024/25 Student Perception of College (SPOC) survey reported that 96% of students feel safe at College (up from 90% in 2023/24) and 95% agree that behaviour is well managed. These outcomes confirm the impact of enhanced pastoral support, consistent behaviour standards, and improved visibility of progress coaches.

Employer satisfaction also remains strong at 91%, reflecting the value placed on the College's partnership working, responsiveness, and apprentice performance. Learners' feedback from curriculum reviews and student voice forums has directly informed quality improvement activity, leading to tangible improvements in communication, feedback, and enrichment opportunities.

The College continues to refine its survey and feedback mechanisms to ensure representative, actionable insight. For 2025/26, results will be further segmented by provision type to support targeted analysis and improvement planning.

**Operating and Financial Review** *(continued)*

**Current and Future Development and Performance** *(continued)*

**External Verifier / Moderator Reports**

All external verifier and moderator reports for the academic year 2024/25 showed full compliance with Awarding Organisation requirements and were very positive.

External verifiers commented on the high quality of learner work and on the feedback provided by teachers.

All recommendations are actioned following the visit report and key areas of good practice and areas for improvement are picked up through the College's quality system.

**Learner numbers**

**Student Breakdown by Type and Level 2024/25** (all data is based on funded students and enrolments for 2024/25. It shows the scope of provision across the different levels)

**EPYP Students 2024/25** (counts all active enrolments for funded students and enrolments for 2024/25, for EPYP students. Students can appear multiple times if they are studying more than one learning aim at different levels)

Level	Enrolments
Entry	33
1	756
2	1,267
3	164
<b>Grand Total</b>	<b>2,220</b>

**Adult Students 2024/25** (counts all active enrolments for funded students and enrolments for 2024/25, for adult funding streams. Students can appear multiple times if they are studying more than one learning aim at different levels)

Level	Enrolments
1	327
2	408
3	33
<b>Grand Total</b>	<b>768</b>

**Apprentices** (counts all active apprenticeship standards for funded students and enrolments for 2024/25, including learners past practical end date and in EPA)

Level	Enrolments
2	657
3	1,344
4	629
6	205
<b>Grand Total</b>	<b>2,835</b>

## Operating and Financial Review *(continued)*

### Current and Future Development and Performance *(continued)*

#### Learner achievements

College-wide achievement rose to 83.6%, an increase of +4.3 percentage points on 2023/24 (79.3%) and +9.3pp since 2022/23 (74.3%), marking the highest rate in five years. Retention improved across all provision types. Achievement for learners with declared SEND increased to 83.6%, closing the gap with non-SEND peers (85.3%), and disadvantaged learners from IMD 1–3 areas achieved within 2pp of the College average.

Apprenticeships: 2024/25 achievement stood at 60.1%, maintaining stability above national benchmarks. 99.6% of apprentices achieved Functional Skills completion by gateway.

Education Programmes for Young People: Achievement rose to 82%, +4.2pp on 2023/24, supported by 86% attendance and improved retention. GCSE English high grades reached 10% (progress +0.42) and Maths 6% (progress +0.27), both outperforming sector comparators.

Adult Learners: Achievement increased to 85.4%, up +7.7pp year on year, with exceptional pass rates of 98.9% and retention of 86.9%.

High Needs: Achievement improved by +14pp and retention by +11.1pp, reflecting the positive impact of targeted support through the Inclusive Learning Support team.

These results demonstrate consistent, data-driven improvement across the College, with performance now above sector averages for comparable specialist providers.

#### Collaboration with employers, the community and suppliers

##### Overview

Leeds College of Building continues to play a pivotal role in meeting local, regional, and national skills priorities. During 2024/25, the College engaged with more than 800 employers, including strategic partners such as BAM Nuttall, Wates, Kier Group, NG Bailey, and JN Bentley. These collaborations underpin curriculum design, work placements, and professional mentoring.

The College's contribution to the West Yorkshire Local Skills Improvement Plan (LSIP) and successful leadership of the Yorkshire & Humberside Construction Technical Excellence College (CTEC) bid reaffirm its position as a key regional skills partner. Through CTEC, LCB will support over 2,000 workers to upskill in green and digital construction over the next three years.

Employer involvement in curriculum planning remains extensive. Advisory boards meet termly to align course content with industry demand, and employer participation in PGOs and live projects ensures that learners' training reflects current professional standards. Over 1,200 students engaged in structured work placements or employer encounters during 2024/25, with 92% of learners confirming improved employability skills.

The College's civic and community partnerships continue to strengthen. Collaboration with the Joseph Aspdin Trust expanded its green skills and climate change education, while outreach through the Leeds Inclusive Anchors Network and the Leeds Learning Alliance supports social mobility and civic regeneration.

Adult Skills provision has been reshaped to align with regional workforce demand, including retrofit, low-carbon heating, and sustainable building technologies, supported by the West Yorkshire Combined Authority (WYCA).

Through these partnerships, the College contributes an estimated £34.2 million in annual social and economic value to the region, evidencing the tangible impact of its education and training offer.

## Operating and Financial Review *(continued)*

### Current and Future Development and Performance *(continued)*

#### College-wide Achievements

##### Student success

- LCB learners secured four podium finishes at the SkillBuild National Final (Milton Keynes, Nov 2024): 1st (Wall & Floor Tiling), 2nd (Roof Slating & Tiling) and two 3rds (Tiling; Plastering). In July 2025 LCB hosted the Yorkshire regional heats with 46 competitors, achieving 17 top-three places across nine disciplines; four learners progressed to the 2025 national finals.
- 93% of Study Programme learners progressed to positive destinations in 2024/25, including apprenticeships and higher education, supported by strengthened careers and employability activity.
- College-wide achievement rose to 83.6% (+4.3pp), with EPYP achievement at 82% and attendance increasing to 86%; adult achievement reached 85.4% with 98.9% pass rates.
- Learners received multiple external accolades, including CIOB Apprentice of the Month, G4C shortlisting, and national BTEC commendations; the annual BIG Awards celebrated 40+ students for excellence, innovation and resilience.

##### Staff success

- The LCB Quality Team was shortlisted as a finalist in the Quality Professionals Awards (FE Colleges: Quality Improvement Team of the Year), recognising measurable impact in assurance and organisational change.
- Staff retention remained high at 94%; 99% of staff report being proud to work for LCB and 87% say workload is manageable (up 9pp year on year). LCB was shortlisted in the Personnel Today Awards 2025 (Health & Wellbeing).
- 80 teachers engaged with the new Professional Growth Observation process; 68% of staff now hold Level 4+ qualifications, supported by the Brick by Brick CPD and targeted leadership development.
- 72% of observed lessons met or exceeded the required standard; the Inclusive Classroom model is embedded, with 90% of staff reporting increased confidence supporting SEND and disadvantaged learners.

##### Wider impact

Employer and civic partnerships: Over 1,200 learners engaged in structured employer encounters and placements; employer satisfaction remains high at 91%. LCB's leadership of the CTEC collaboration positions the College to upskill 2,000+ workers in green and digital construction over the bid period.

## Operating and Financial Review *(continued)*

### Current and Future Development and Performance *(continued)*

#### Future Curriculum Developments

Future curriculum developments at Leeds College of Building are focused on ensuring continued responsiveness to technological innovation, sustainability, and workforce transformation in the construction and built environment sectors.

#### Key priorities include

- Expansion of low-carbon and eco-construction programmes aligned with national net-zero targets and regional retrofit strategies.
- Integration of Building Information Modelling (BIM), digital twin technologies, and AI-assisted project management across technical courses.
- Continued development of progression routes from Level 2 to Level 6, strengthening pathways in Civil Engineering, Quantity Surveying, and Construction Management.
- Enhanced hybrid delivery and project-based learning models to support diverse learner needs and employer engagement.
- Annual curriculum reviews, employer advisory panels, and labour market analysis will ensure that LCB remains at the forefront of industry-aligned technical education.

## **Operating and Financial Review** *(continued)*

### **Current and Future Development and Performance** *(continued)*

#### **Resources:**

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

Tangible resources include:

#### **Financial:**

The College has cash balances of £4,608,000 as at 31 July 2025, of which £1,147,000 were capital grants received but not spent. In addition, the College has £3,106,000 of money market investments at year end.

#### **People:**

The College employs 381 people based on average head count.

The Office for National Statistics (ONS) reclassified colleges as public sector in November 2022. The College is complying with the Managing Public Money (MPM) regulations and the College Financial Handbook which is effective from 1 August 2024.

#### **Reputation:**

The College has an excellent reputation locally, regionally and nationally. Maintaining a quality brand is essential for the College's success in attracting learners and maintaining external relationships.

#### **Events after the end of the reporting period:**

There are no significant post balance sheet events.

## Operating and Financial Review *(continued)*

### Current and Future Development and Performance *(continued)*

#### Principal Risks and Uncertainties

There are a number of risks and uncertainties due to the effects of the economy, war in Ukraine and political turmoil at home. The cost of fuel, pressures on staff pay awards and cost of and availability of materials is a real concern to the College. The College has undertaken further work during the year to develop and embed the system of internal control, including financial, operational and risk management which is designed to protect the College's assets and reputation.

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

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

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

Outlined below are the Top Risks recorded on the Risk Register. Not all the factors are within the College's control. Other factors besides those listed below may also adversely affect the College.

- Loss of key staff, long term staff illness, inability to attract qualified, experienced people, staffing profile / ageing workforce.
- DfE Funding Audit.
- Threat of College computer systems being hacked / targeted by a virus or malware.

The sector is facing increased uncertainty over future levels of funding and this has increased the risk of going concern issues across the sector. The Governors and Strategic Leadership Team have reviewed the appropriateness of the going concern assumption as a basis for the preparation of these financial statements (see page 15 for further details).

#### Government funding

The College has considerable reliance on continued government funding through the education sector funding bodies. In 2024/25, 87% of the College's revenue was ultimately public funded and this level of requirement is expected to continue. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

The College is approximately 40% Apprenticeship funded and with rates fixed again in 2025/26, the College continues to adopt a growth strategy to remain financially secure.

The risk is mitigated in a number of ways:

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

## **Operating and Financial Review (continued)**

### **Current and Future Development and Performance (continued)**

#### **Tuition fee policy**

The College Governing Body sets the level of tuition fees for each financial year. The level of co-funding reduction, demand for courses and learners' ability to pay along with current economic conditions are key elements in this decision.

#### **Maintain adequate funding of pension liability**

The financial statements report the share of the local Government pension scheme asset on the College's balance sheet in line with the requirements of FRS 102.

#### **Accommodation**

The Corporation, at its October 2022 meeting, approved the strategy from the Strategic Leadership Team to remain at its North Street Campus. The College is now progressing with a "master plan" for North Street which includes significant investment in the infrastructure to ensure longevity and to make the campus more like the two buildings at South Bank.

#### **North Street refurbishment**

The refurbishment of the North Street campus continued in 2024/25 including the replacement of the flooring, the upgrade and re-design of the toilets and the transformation of 15 classrooms into first class learning environments.

The programme of work will continue into 2025/26 with improvements to the façade at North Street, modernisation of the North Street refectory and the upgrade of classrooms at both North Street and South Bank campuses.

The wood machining workshop at the North Street campus was refurbished with funding from the Local Skills Improvement Fund (LSIF) enabling the College to transform the training facilities with new state of the art wood working machinery. LSIF Funding also enabled the construction of an immersive classroom at each campus, which utilise technology to create interactive learning environments.

#### **Sustainability**

The North Street campus was connected to the District Heat Network in March 2025. This innovative development has changed the primary source of heating at North Street from gas to hot water. The hot water from the network comes from energy recovered from Leeds' non-recyclable household waste, this helps to reduce the city's use of fossil fuels. The project has enabled the College to generate a rapid carbon reduction and the 20 year estimate is this will save 2,800 tonnes of carbon.

All lighting at the North Street campus was upgraded to energy efficient LED lighting, reducing energy consumption and costs.

The College installed 12 electric vehicle chargepoints enabling staff to charge their vehicles whilst at work and reduce carbon emissions travelling to and from the College.

#### **Rebrand**

The College completed a rebrand in 2025 to better reflect the diverse construction industry. The rebrand highlights the modern, forward thinking identity of the College with a renewed focus on innovation, inclusivity and opportunity.

The rebrand was launched to staff at an event held at the Royal Armouries in Leeds in May and received a positive response.

## **Operating and Financial Review** *(continued)*

### **Going Concern**

The College set a challenging budget for 2024/25 and delivered a very good year in terms of achieving “Outstanding” financial health status.

The College fully repaid its loan with NatWest in July 2024 and subsequently does not have any covenant compliance to consider.

The balance sheet is strong and the College maintains healthy cash balances, with sufficient headroom to allow further investments.

The two year financial plan shows the College as “Outstanding” in both years.

The financial plan includes a significant investment by the College in 2025/26 of £1.6m, which includes improving the façade of North Street. The College will invest a further £0.8m in the College estate in 2026/27. These investments are in addition to any capital grants.

### **16-18**

The College has an allocation of 1,194 learners and at the time of writing has enrolled 1,356.

### **Apprenticeships**

The new start target in the financial plan is 1,046. To date 942 have been enrolled.

### **Balance Sheet**

The College strategy post completion of its South Bank 1 & 2 buildings was to improve the balance sheet strength, restore cash balances and have positive net current assets. 2024/25 exceeded these aims and the financial plan further strengthens the balance sheet and puts the College in a good position to withstand any unforeseen problems.

## Operating and Financial Review *(continued)*

### Summary

College finances at the end of 2024/25 are strong and the financial health score for last year was “outstanding”. The College therefore believes it is in a good position and is content to prepare the 2024/25 financial statements on a going concern basis.

The College believes it has considered all known possibilities and is as confident as it can be that it will continue throughout 2025/26 and beyond, to at least 31 July 2027 (the period of its latest budget and cash flow forecast). On that basis it has adopted the going concern basis for the preparation of its financial statements.

### Human Resources

The academic year August 2024 to July 2025 presented a range of challenges and initiatives at the College.

**Recruiting Challenges:** The College faced difficulties in filling various job positions, including those in Electrical, Plumbing, Brickwork, and Support Workers. Despite these challenges, the College successfully recruited and appointed 76 new staff members and 20 internal promotions. In March 2025 the College outsourced the Catering provision, which had historically presented recruitment challenges, to Caterlink Ltd and managed the TUPE process in relation to the existing catering team.

**Financial Support:** The College provided direct financial support to staff in the form a consolidated pay award. The College approved a 5.5% cost of living rise for salaries, paid in March 2025 which was backdated to August 2024.

**Living Foundation Wage:** The College has continued its commitment to paying at least the Living Wage Foundation rate, which increased to £12.60 per hour. However, following the College's 5.5% cost of living increase for all staff, the lowest paid employees now earn £12.66 per hour, above the current Living Wage Foundation rate.

**Staff LCB Benefits:** The College offers staff access to the LCB Benefits platform, which provides financial savings on everyday items from a range of high street retailers. The platform also includes mental wellbeing support, offering online resources and access to talking therapies through the Employee Assistance Programme. It is actively promoted during staff induction and throughout the year to encourage staff to make use of the available benefits. Additionally, the College promotes access to a Costco membership card, available to all staff for significant savings. The College also continues to offer discounted public transport schemes through Arriva, Metro, and First Travel.

**Support for Sickness Absence:** The College supports staff through sickness absence by engaging Occupational Health Services and directing staff to the Employee Assistance Programme helpline when needed.

The College has continued to prioritise staff wellbeing by hosting its second annual Wellbeing Week in February 2025, featuring a range of free wellness events held from 24th to 28th February. These sessions covered various aspects of financial, mental, and physical wellbeing, and included activities such as pet therapy, health checks, exercise classes, craft activities, and motivational talks, as well as a range of online interactive events such as online quizzes and LCB Crufts. In April 2025, the College further demonstrated its continued commitment to staff wellbeing by organising the dedicated Wellbeing Day. Staff had the opportunity to participate in the College organised event the Seaside Escape featuring a guided walk from Scarborough to Filey or take part in team events which included escape rooms, bowling or to take the day for personal self-care, acknowledging that wellbeing is unique to each individual's preference.

These initiatives demonstrate the College's commitment to supporting its staff in various ways, including financial wellbeing, career development, and addressing challenges that arise during times of change.

**Gender Pay Gap:** In the year to 31 March 2025, we are delighted to report that we continue to see a decrease in our mean Gender Pay Gap year on year. The mean pay gap has reduced by a further 6.9% to a 10.01% gap. At the management level, both the median pay gap and the mean pay gap have decreased significantly, indicating a relatively small difference in average pay between genders. Similar positive trends are observed in teaching and support roles, where both the mean and median pay gaps have decreased. The median pay gap overall has also reduced by 6.3%, following a period of stagnation in recent years. This reduction is attributed to changes in support roles following the TUPE process of the catering department.

## **Operating and Financial Review** *(continued)*

### **Human Resources** *(continued)*

#### **Stakeholder Relationships**

In line with other colleges and with Universities, Leeds College of Building has many stakeholders. These include:

- Learners
- Funding Bodies
- Staff
- NatWest Bank
- Local employers (with specific links)
- Local Authorities
- Government Offices / Local Enterprise Partnerships
- The local community
- Other FE institutions
- Trade unions and Professional bodies

The College recognises the importance of these relationships and engages in regular communications with them.

#### **Equality, Inclusion, Diversity and Safeguarding (including the Prevent Duty) 2024/25**

Leeds College of Building continues to uphold a strong and inclusive safeguarding culture. The College's safeguarding framework is well established, ensuring learners feel safe, supported, and confident to report concerns. In 2024/25, 96% of learners reported feeling safe at College — a continued upward trend over the last three years.

The Safeguarding Team delivered 1,900 learner tutorials, supported by Progress Coaches and Designated Safeguarding Officers. All new staff completed training within one month of appointment, achieving 100% compliance. Multi-agency partnership working remains highly effective, with close coordination between social care, police, and health professionals.

Overall safeguarding referrals reduced from 395 to 356, reflecting proactive intervention and early support. Notable reductions occurred in cases of self-harm (-36%), serious mental ill health (-50%), and domestic violence (-25%).

The College's Inclusive Classroom and DEIB Strategy ensure equitable access and high expectations for all learners. In 2024/25, 66% of students came from the UK's most deprived areas, and outcomes for disadvantaged learners remained within 2pp of the College average.

Leaders continue to prioritise inclusion through the Inclusive Learning Support (ILS) model, ensuring that SEND and high-needs students receive personalised support and EHCP compliance. Staff training in neurodiversity, trauma-informed practice, and equality law has further strengthened inclusive practice.

Through these collective efforts, LCB continues to demonstrate its commitment to equality, safety, and inclusion — ensuring that all learners thrive in a supportive and high-quality learning environment.

#### **Safeguarding, Prevent and Policing Cases**

Leeds College of Building (LCB) continues to maintain robust safeguarding arrangements, ensuring a safe and supportive environment for all students and staff. Safeguarding is well embedded within the College culture and operational practice, underpinned by clear policies, proactive leadership, and effective multi-agency collaboration.

## Operating and Financial Review *(continued)*

### Equality, Inclusion, Diversity and Safeguarding (including the Prevent Duty) 2024/25 *(continued)*

#### Safeguarding, Prevent and Policing Cases *(continued)*

During 2024/25, the College managed 356 safeguarding cases, representing a 10% reduction from 395 cases in 2023/24. This overall decrease reflects strengthened early intervention, improved staff vigilance, and the growing confidence of learners in accessing timely support. The most common categories of concern were suicide ideation (60), child in need (14), and domestic violence (13). Significant reductions were recorded in serious mental ill health (–17%), sexual harmful behaviour (–86%), and risk of criminal exploitation (–32%), evidencing the positive impact of targeted prevention and support strategies.

Construction Crafts accounted for 72% of safeguarding referrals, followed by Sustainable Building Services (20%) and University Centre (8%), reflecting the demographic and social complexity of these cohorts. The Safeguarding Team continues to target additional tutorial and wellbeing activity within higher-risk curriculum areas.

The College delivered over 1,900 safeguarding tutorials throughout the academic year, reaching approximately 1,900 learners, including 1,400 Study Programme students and 500 first-year apprentices. Sessions focused on mental health, online grooming, criminal exploitation, domestic abuse, suicide prevention, and online safety. External partners such as Odd Arts and GamCare contributed to delivery through interactive workshops addressing radicalisation and gambling harm.

Student perceptions of safety remain exceptionally positive. The 2024/25 Student Perception of College (SPOC) survey found that 96% of learners agree or strongly agree they feel safe at College — continuing a positive upward trend from 86% in 2022/23 and 90% in 2023/24. Students highlighted supportive staff, visible security, and calm learning environments as key contributors to their sense of safety.

The College maintains strong partnership arrangements with West Yorkshire Police, the Youth Justice Service, Leeds City Council, and social care providers. The addition of a Youth Justice Education Officer based in College one day per week has improved information sharing and support for young people subject to youth orders. Although the College's dedicated police officer post became vacant in December 2024, LCB secured interim support through Leeds City College's police liaison officers, maintaining continuity of service and safeguarding assurance.

In 2024/25, 198 criminal disclosures were managed during the application stage — a notable increase linked to expanded provision within rail engineering. The Safeguarding Team worked closely with probation services and job centres to ensure appropriate risk assessment and support prior to enrolment.

Prevent and British Values activity remains integral to the College's personal development curriculum. All students received Prevent and British Values tutorials during induction, complemented by "Today's Talks" sessions exploring online influences, extremism, and community cohesion. The College's Safeguarding Manager continued to attend all Silver Group and Channel meetings, contributing to city-wide risk assessments and ensuring proactive responses to local threat information. In 2024/25, one student was referred to and successfully supported through the Channel process, with positive outcomes achieved.

Leadership and staff development have remained strong despite temporary staffing changes. Following the Student Safeguarding Manager's maternity leave, interim arrangements were effectively managed by the core team, ensuring continuity of service. All new staff completed mandatory safeguarding and Prevent training within one month of appointment, achieving 100% compliance. Senior managers and DSLs also completed Mental Health First Aid training, strengthening capacity to identify and respond to emerging wellbeing concerns.

Designated Safeguarding Officers (DSOs) participated in structured and ad-hoc supervision, alongside specialist CPD delivered by external agencies including Battle Scars and the Youth Justice Service. The College's CPD plan for 2025/26 includes trauma-informed practice, suicide prevention, and domestic violence awareness — aligned with priorities from the Leeds Safeguarding Children's Partnership.

**Operating and Financial Review** *(continued)*

**Equality, Inclusion, Diversity and Safeguarding (including the Prevent Duty) 2024/25** *(continued)*

**Safeguarding, Prevent and Policing Cases** *(continued)*

The College continues to prioritise equality and inclusion as integral components of safeguarding. Learners from disadvantaged backgrounds and those with SEND achieved outcomes broadly in line with their peers, supported by targeted interventions through the Inclusive Learning Support and Progress Coach teams.

Looking ahead, planned developments include expanding DSO capacity, improving cross-college communication via CPOMS, and strengthening curriculum-based safeguarding through increased staff awareness and sector collaboration.

Through these actions, Leeds College of Building continues to demonstrate a sustained commitment to safeguarding excellence, Prevent compliance, and a culture where safety, respect, and inclusion underpin all aspects of College life.

**Disability inclusion for staff and inclusive learning support for students**

**Staff**

The College complies with the Disability Confident Scheme and the 'Department for Work and Pensions' confirms the College has the skills, expertise and confidence needed to recruit, retain and develop disabled employees. A range of assistive technology and reasonable adjustments are made for disabled staff to ensure everyone can continue to access employment at the College.

**Students**

A range of assistive technologies, support and guidance is provided to students who have disabilities, learning difficulties or mental ill health. Some of this includes:

- a) Information, Advice and Guidance (IAG) concerning additional learning support and access arrangements is provided to students on application and enrolment.
- b) A range of assistive technology is available to students who have disabilities through the Library and the Inclusive Learning Support team.
- c) Specialist staff in the Inclusive Learning Support team provide a range of support to meet the specific needs of students who have learning difficulties and / or disabilities.
- d) There is a continuing programme of staff development to ensure the provision of a high level of appropriate support for students who have learning difficulties and / or disabilities.

**Public Sector Facility Time Publication Requirements – 2024/25**

**Table 1 – Relevant Union Officials**

Numbers of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
4	3.53 FTE

**Table 2 – Percentage of time spent on facility time**

Percentage of time	Number of employees
0%	0
1-50%	4
51-99%	0
100%	0

Operating and Financial Review (continued)

Public Sector Facility Time Publication Requirements – 2024/25 (continued)

**Table 3 – Percentage of pay bill spent on facility time**

Total cost of facility time	£ 8,136
Total pay bill	£ 16,658,679
Percentage of total bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.05%

**Table 4 – Paid trade union activities**

Time spent on paid trade union activities as a percentage of total paid facility time hours, calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	8.85%
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Approximated data presented relates to the period 1 April 2024 to 31 March 2025

**Future Developments:**

16-19 full-time Study Programme numbers are looking strong for 2025/26 above the DfE allocation and budget target.

Apprenticeship numbers are at 88.0% at the beginning of November with enrolments ongoing.

The College growth plans are for:

- 16-18 full-time
- Apprenticeships including Degree Apprenticeships
- Higher Education (HE)
- T Levels.

The College's North Street master plan for its estate will enter its final stage during 2025/26.

**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 16 December 2025 and signed on its behalf by:



**Steve Carmody**  
Chair

## **Statement of Corporate Governance and Internal Control**

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

The College endeavours to conduct its business:

1. in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership);
2. in full accordance with the guidance to colleges from FE Code of Good Governance ("the Code")

In the opinion of the Governors, the College complies with all the provisions of the Code, and it has complied throughout the year ended 31 July 2025. This opinion is based on an internal review of compliance with the Code reported to the Board on 16 December 2025. The Governing Body recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times. In carrying out its responsibilities, it takes full account of The Code of Good Governance for English Colleges issued by the Association of Colleges in 2023 (and the subsequent updates in 2025), which it formally adopted on 11 July 2023 and 16 December 2025.

### **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 twice in the Autumn term and once in the Spring and Summer terms.

The Corporation conducts its business through the Board and a number of Committees. Each Committee has terms of reference, which have been approved by the Corporation. These Committees are Audit & Risk, Finance & Resources, Quality, Curriculum & Performance, Senior Postholder Employment & Remuneration and Search & Governance. Full minutes of all meetings, except those deemed to be confidential by the Corporation, are available on the College website or from the Director of Governance at:

Leeds College of Building, North Street, Leeds LS2 7QT

The Director of Governance maintains a register of financial and personal interests of the Governors. The register is available for inspection at the above address.

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

Formal agendas, papers and reports are supplied to Governors in a timely manner, prior to Board meetings. Briefings may be 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 of the Corporation and Principal of the College (Accounting Officer) are separate.

All Corporation meetings and subcommittee meetings were conducted on a hybrid basis.

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

### **Appointments to the Corporation**

Any new member appointments to the Corporation are a matter for the consideration of the Corporation as a whole. The Corporation has a Search and Governance Committee comprising of six members of the Corporation, which is responsible for the identification, selection and nomination of any new member for the Corporation's consideration (in line with the Board's skills needs). The Corporation is responsible for ensuring that appropriate training is provided as required.

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

### **Corporation performance**

The Corporation carried out a self-assessment of its own performance for the year ended 31 July 2025 and identified a small number of development opportunities.

The Corporation is committed to development. All Corporation members have participated in some form of development activity during the year ended 31 July 2025. Activity has included: several training sessions including: English and Maths strategy and delivery, Strategy planning, developments to the brand and website and the FE landscape. There was a Governor Development day in September 2024 where training was provided on safeguarding, developing financial challenge, Ofsted and strategic priorities. Governors appointed during the period attended induction training.

During 2023/24, the Board commissioned an External Review of Governance. After a comprehensive procurement exercise, in December 2023, the Board appointed Stone King who carried out a review over the period of January 2024 to May 2024. This included a scoping exercise with the Principal, Chair and the Director of Governance, the circulation of a questionnaire and follow up conversations with Board members, members of the Strategic Leadership Team, the Principal, the Chair, and the Director of Governance, observation of a Board meeting in March 2024, Audit & Risk Committee in March 2024 and the Quality, Curriculum and Performance Committee in April 2024, perusal of documentation and finally a facilitated discussion with the Search and Governance Committee on the findings of the draft report in May 2024. The final report was presented to the Board in July 2024. The Search & Governance Committee have commissioned the next external Governance review to commence during the latter part of 2025/26 with a view to the report being finalised during Autumn 2026/27.

The report from the external review of governance was generally positive, and recognised that the governing body was committed, positive, challenging and demonstrated ambition. There was a supportive, enquiring and ambitious governing culture. It was acknowledged that there had been a period of transition for College leadership (including governance) during the past 18 months. The Report provided six areas of focus to support further improvement to achieve greater governing influence, effectiveness and impact.

The report and recommendations arising from the external review of governance were presented to the Board at its Governor Development Day in September 2024. In group work Governors identified their top priorities from the list of recommendations. These priorities include ensuring meetings of the Governing Board pursue an appropriate strategic agenda; reviewing the reporting to the Board to focus on performance and strategic progress; the introduction of regular three-way meetings with the Chair, Principal and Director of Governance; considering the expansion of the current approach to succession planning and the planned appointment to the role of Vice Chair.

During 2024/25, the Search and Governance Committee developed a Governance Improvement Plan which included actions identified following the annual internal self-assessment of Governance and the External review of Governance, this has been reviewed throughout 2024/25 and most recently at the Board meeting on 15 July 2025. The Governance Improvement Plan took into account the following information: Review against the Code, the AoC Code of Good Governance for English Colleges; Governor Skills Audit; Governor Annual Reviews; Governor Attendance & Development Report and Committee Performance Reviews.

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

### Corporation performance *(continued)*

The College has made strong and consistent progress across the key focus areas outlined in the Governance Improvement Plan with the majority of actions either completed or showing good progress towards completion. The following highlights reflect achievements and ongoing developments:

#### Governance Effectiveness

- **Board Operations:** New paper formats and reporting standards have been implemented, improving clarity and strategic focus.
- **Governor Engagement:** Governors are increasingly visible and involved in College activities
- **Leadership Collaboration:** Regular meetings between the Chair, Principal, and Director of Governance are now embedded.
- **Training & Induction:** Mandatory training and induction processes have been reviewed and improved, with tracking via Governor Hub.

#### Strategic Oversight

- **Strategic Planning:** The Strategic Plan was approved in April 2025, with supporting Governor development sessions.
- **Risk & Performance Monitoring:** Work is underway to develop KPIs, a Strategic Risk Register, and a Risk Appetite Statement.
- **Future-Focused Training:** Sustainability and AI are on the agenda for Governor training, supporting forward-looking governance.

#### Succession Planning

- **Leadership Recruitment:** Progress has been made in recruiting a new Chair and Vice Principal – Corporate Resources.
- **Vice Chair Recruitment:** This remains a challenge, though DfE funding has been secured to support the process.
- **Succession Strategy:** A formal succession plan is in place and monitored through committee and Board minutes.

#### Ofsted Preparation

- **Board Readiness:** Governors received targeted briefings and documentation to support effective participation in the Ofsted monitoring visit

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

### Senior Postholder Committee

Throughout the year ended 31 July 2025, the College's Senior Postholder Committee comprised four members of the Corporation. The Committee's responsibilities are to make recommendations to the Board on the remuneration and benefits of the Principal (the Accounting Officer) and other key management personnel.

The Corporation adopted the AoC The Colleges' Senior Post Holder Remuneration Code on 19 March 2019. Details of remuneration for the year ended 31 July 2025 are set out in note 7 to the financial statements.

### Audit & Risk Committee

The Audit & Risk Committee comprises five members of the Corporation (excluding the Accounting Officer and Chair of the Board) and one co-optee. The Committee operates in accordance with written terms of reference approved by the Corporation.

The Audit & Risk Committee meets 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 & Risk Committee.

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

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

The Audit & Risk Committee met three times in the year to 31 July 2025. The members of the Audit & Risk Committee and their attendance records are shown below:

	Meetings attended	
S Carmody	3	100%
M Shields	3	100%
R Lindley	3	100%
P Norris	3	100%
S Wilson	1	33%
J Sabar (Co-opted)	1	100%

### Internal Control

#### Scope of responsibility

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

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

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

### **The purpose of the system of internal control**

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 to manage them efficiently, effectively and economically. The system of internal control has been in place in Leeds College of Building for the year ended 31 July 2025 and up to the date of approval of the annual report and accounts.

### **Capacity to handle risk**

The Corporation has reviewed the key risks to which the College is exposed, together with the operating, financial and compliance controls and arrangements for compliance with legal and regulatory matters including those relating to the regularity and propriety of the use of public funding that 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.

### **The risk and control framework**

The system of internal control is based on a framework of regular management information, administration 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
- The adoption of formal project management disciplines, where appropriate.

The College has an internal audit service, which operates in accordance with requirements of the DfE's College Finance 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 & Risk Committee.

At minimum, annually, the Head of Internal Audit (HIA) provides the governing body with a report on internal audit activity in the College, includes an independent opinion on the adequacy and effectiveness of the College's system of risk management, controls and governance processes.

### **Risks faced by the Corporation**

The Corporation identifies risks internally via reports from the Strategic Leadership Team, e.g. monthly management accounts and reports on Teaching and Learning. External risks are identified via internal and financial statements auditors, Ofsted reports and visits from Examination organisations.

### **Control weaknesses identified**

There are no significant internal control weaknesses or failures which have arisen and no high priority internal audit recommendations.

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

**Responsibilities under accountability agreements**

The College has reviewed its policies, procedures and approval processes in line with the 2024-5 College Finance Handbook and its Accountability Agreement with DfE to ensure there are systems in place to identify and handle any transactions for which DfE approval is required.

**Statement from Audit & Risk Committee**

The Audit & Risk Committee has advised the Board of Governors that the Corporation has an effective framework for governance and risk management in place. The Audit & Risk Committee believes the Corporation has effective internal controls in place.

The specific areas of work undertaken by the Audit & Risk Committee in 2024/25 and up to the date of the approval of the financial statements are:

Internal audit opinions and recommendations arising out of the audits in 2024/25 are shown below:

Ref.	Audit Title	Design	Application / Compliance	Overall Assurance	No. of recommendations & priority			
					H	M	L	A
1.	Apprenticeship Delivery model – Part 1		Advisory		-	-	-	3
2.	Single Central Register	Good	Good	Substantial	-	1	-	1
3.	Curriculum Planning	Good	Good	Substantial	-	-	-	-
4.	Quality of Teaching, Learning and Assessment cycle	Adequate	Adequate	Reasonable	-	1	1	-
5.	Follow up of Previous Internal Recommendations	N/A	N/A	Substantial	-	-	-	-
6.	Bursary	Adequate	Good	Reasonable	-	2	-	-
7.	ESFA Mock Funding Audit - Apprenticeships	Good	Good	Substantial	-	-	2	-
8.	Apprenticeship Delivery model – Part 2	Good	Good	Substantial	-	-	-	-

The internal auditors were also able to:

*“Provide management and the Audit & Risk Committee with **Substantial Assurance** that progress with implementing previously agreed internal audit recommendations has been timely and effective. In total, 23 recommendations were followed-up during their review. They confirmed that:*

- 23 (100%) of the previously agreed recommendations was found to have been fully implemented by management.”

The internal auditors also confirmed:

*“that management have accurately reported the status of all recommendations to the Audit & Risk Committee”.*

There were no high priority recommendations raised during 2024/25.

The Internal Auditors confirmed that management had responded timely to the recommendations and plans were in place to address the issues. College management and the Internal Auditors informed the Audit & Risk Committee that a further follow up review would take place during 2025-26 to ensure that actions were implemented and monitored.

For 2024/25, all the recommendations made by the internal auditors during the year were accepted by management. Recommendations are monitored via outstanding audit points at the Audit & Risk Committee meetings.

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

**Review of effectiveness**

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

- The work of the internal auditors
- The work of the executive managers within the College who have responsibility for the development and maintenance of the internal control framework
- comments made by the College's financial statements auditors, the reporting accountant for regularity assurance, the appointed funding auditors (for colleges subject to funding audit) in their external auditor's auditor findings report (management letter) and other reports.
- The regularity self-assessment questionnaire.

The Accounting Officer has been advised on the implications of the result of their review of the effectiveness of the system of internal control by the Audit & Risk 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 Strategic Leadership Team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The Strategic Leadership Team and Audit & Risk Committee also receive regular reports from internal audit, and other sources of assurance, which include recommendations for improvement.

The Audit & Risk Committee's role in this area is confined to a high-level review of the arrangements for internal control. The corporation's agenda includes a regular item for consideration of risk and control and receives reports thereon from the senior management team and the Audit & Risk Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its December 2025 meeting, the Corporation carried out the annual assessment for the year ended 31 July 2025 by considering documentation from the senior management team and internal audit and taking account of events since 31 July 2025.

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

Approved by order of the members of the Corporation on 16 December 2025 and signed on its behalf by:



**Steve Carmody**  
Chair



**Nicola Davis**  
Accounting Officer

**Statement on the College's regularity, propriety and compliance**

As accounting officer of the Corporation of Leeds College of Building 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.



**Nicola Davis**  
**Accounting officer**

**16 December 2025**

## Statement of the 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.

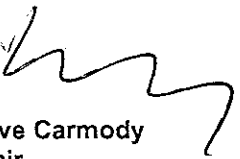
The Corporation is responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the Corporation and which enable it to ensure that the financial statements are prepared in accordance with relevant legislation including the Further and 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.

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 16 December 2025 and signed on its behalf by:



**Steve Carmody**  
Chair

## **Independent auditor's report to the Members of the Corporation of Leeds College of Building**

### **Opinion**

We have audited the financial statements of Leeds College of Building (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 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.

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.

## **Independent auditor's report to the Members of the Corporation of Leeds College of Building (continued)**

### **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 3a to the accounts, has been materially misstated.

### **Responsibilities of the Corporation of Leeds College**

As explained more fully in the Statement of the Corporation's Responsibilities set out on page 29 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.

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.

**Independent auditor's report to the Members of the Corporation of Leeds College of Building (continued)**

**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: 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.

**Independent auditor's report to the Members of the Corporation of Leeds College of Building (continued)**

**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  
Hull  
HU1 2BN

17 December 2025

**Statement of Comprehensive Income and Expenditure**

	Notes	Year ended 31 July 2025 £'000	Year ended 31 July 2024 £'000
<b>Income</b>			
Funding Body grants	2	24,088	21,733
Tuition fees and education contracts	3	2,730	2,361
Other income	4	1,275	1,346
Investment Income	5	177	176
<b>Total Income</b>		<b>28,270</b>	<b>25,616</b>
<b>Expenditure</b>			
Staff costs	6	16,575	14,953
Other operating expenses	8	7,114	6,641
Depreciation	12	1,388	1,311
Interest and other finance costs	9	13	238
<b>Total Expenditure</b>		<b>25,090</b>	<b>23,143</b>
Surplus before other gains and losses		3,180	2,473
Profit/(Loss) on disposal of assets		93	(1)
<b>Surplus before tax</b>		<b>3,273</b>	<b>2,472</b>
Taxation		-	-
<b>Surplus for the year</b>		<b>3,273</b>	<b>2,472</b>
Remeasurement of net defined benefit pension scheme	17	(28)	(62)
Other comprehensive income for the year		(28)	(62)
<b>Total Comprehensive income for the year</b>		<b>3,245</b>	<b>2,410</b>

The statement of comprehensive income is in respect of continuing activities.

The accompanying notes and policies form part of these financial statements.

**Statement of Changes in Reserves**

	<b>Revaluation reserve</b>	<b>Income &amp; Expenditure account</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Balance at 31 July 2023</b>	<b>1,919</b>	<b>12,855</b>	<b>14,774</b>
Surplus from the income and expenditure account	-	2,472	2,472
Other comprehensive income	-	(62)	(62)
Transfers between revaluation and income and expenditure reserves	(151)	151	-
<b>Balance at 31 July 2024</b>	<b>1,768</b>	<b>15,416</b>	<b>17,184</b>
Surplus from the income and expenditure account	-	3,273	3,273
Other comprehensive income	-	(28)	(28)
Transfers between revaluation and income and expenditure reserves	(151)	151	-
<b>Balance at 31 July 2025</b>	<b>1,617</b>	<b>18,812</b>	<b>20,429</b>

Balance sheet at 31 July 2025

	Note	2025 £'000	2024 £'000
<b>Non-current assets</b>			
Tangible fixed assets	12	32,104	30,911
		<u>32,104</u>	<u>30,911</u>
<b>Current assets</b>			
Stock		2	9
Trade and other receivables	13	1,176	951
Investments		3,106	1,052
Cash at bank and in hand		<u>4,608</u>	<u>4,634</u>
		8,892	6,646
<b>Current liabilities: amounts falling due within one year</b>	14	<u>(4,609)</u>	<u>(5,355)</u>
<b>Net current assets</b>		<u>4,283</u>	<u>1,291</u>
<b>Total assets less current liabilities</b>		36,387	32,202
<b>Creditors: amounts falling due after one year</b>	14	(15,738)	(14,754)
Defined benefit pension scheme	17	-	-
Provisions: other provisions	16	<u>(220)</u>	<u>(264)</u>
<b>Total net assets</b>		<u>20,429</u>	<u>17,184</u>
<b>Unrestricted reserves:</b>			
Revaluation Reserve		1,617	1,768
Income and expenditure account		<u>18,812</u>	<u>15,416</u>
<b>Total unrestricted reserves</b>		<u>20,429</u>	<u>17,184</u>

The accompanying notes and policies form part of these financial statements. The financial statements on pages 34 to 61 were approved and authorised by the Corporation on 16 December 2025 and were signed on its behalf by:

  
Steve Carmody  
Chair

  
Nicola Davis  
Accounting Officer

**Statement of Cash Flows**

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
<b>Cash flow from operating activities</b>		
Surplus	3,273	2,472
<b>Adjustment for non-cash items</b>		
Depreciation	1,388	1,311
Decrease / (increase) in stocks	7	(1)
(Increase) / decrease in debtors	(226)	266
Increase / (decrease) in creditors	238	(318)
Decrease in provisions	(44)	(23)
Pensions costs less contributions payable	(7)	(35)
Interest payable	13	238
Interest receivable	(177)	(176)
Profit / (loss) on disposal of fixed assets	(93)	1
<b>Net cash flow from operating activities</b>	<b>4,372</b>	<b>3,735</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of fixed assets	93	-
Payments made to acquire fixed assets	(2,582)	(335)
Withdrawal of deposits	-	983
New Deposits	(2,054)	-
Interest received	158	150
	<b>(4,385)</b>	<b>798</b>
<b>Cash flows from financing activities</b>		
Interest paid	(13)	(238)
Repayment of loan	-	(3,262)
	<b>(13)</b>	<b>(3,500)</b>
<b>(Decrease) / increase in cash and cash equivalents in the year</b>	<b>(26)</b>	<b>1,033</b>
Cash and cash equivalents at beginning of the year	4,634	3,601
Cash and cash equivalents at end of the year	4,608	4,634

## Notes

(forming part of the financial statements)

### 1A. Statement of accounting policies

#### General information

Leeds College of Building is a corporation established under the Further and Higher Education Act 1992 as an English general college of further education. The address of the College's principal place of business is given on page 21. The nature of the College's operations are set out in the operating and financial review report.

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

#### Basis of accounting

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (the F & HE SORP 2019), the College Accounts Direction for 2024 to 2025, and Regularity 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 principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statements are prepared in accordance with the historical cost convention.

The financial statements are presented in sterling which is also the functional currency of the College.

Monetary amounts in these financial statements are rounded to the nearest whole £'000, except where otherwise indicated.

#### Going Concern

The cash balances, level of investments and overall balance sheet strength in 2024/25 has put the College in a strong position and able to withstand any adverse conditions.

The two year financial plan, including cash flow forecasts to 31/07/2027, shows the College in 'Outstanding' financial health.

The increased cost of energy and inflation generally are a concern but the College is confident of increased income from 16-19 full-time in mitigation.

#### 16-18

The College has an allocation of 1,194 learners and at the time of writing has enrolled 1,356.

#### Apprenticeships

The new start target in the financial plan is 1,046. To date 942 have been enrolled.

Notes (continued)

1A. Statement of accounting policies (continued)

**Balance Sheet**

The College strategy post completion of its South Bank 1 & 2 buildings was to improve the balance sheet strength, restore cash balances and have positive net current assets. 2024/25 further strengthened the balance sheet and the financial plan builds on this and puts the College in a good position to withstand any unforeseen problems.

**Summary**

The College believes it has considered all known possibilities and is as confident as it can be that it will continue throughout 2025/26 and beyond, to at least 31 July 2027 (the period of its latest budget and cash flow forecast). On that basis it has adopted the going concern basis for the preparation of its financial statements.

**Recognition of income**

The recurrent grant from the DfE/Education & Skills Funding Agency represent the funding allocations attributable to the current financial year and are credited direct to the income and expenditure account. Recurrent grants are recognised in line with planned activity. Any under-achievement against this planned activity is adjusted in-year and reflected in the level of recurrent grant recognised in the income and expenditure account.

Other discrete DfE/Education & Skills Funding Agency and its successor organisations funds received during the year are taken to income as expenditure is incurred in line with the specific terms and conditions attached to each fund by the DfE/Education & Skills Funding Agency.

Where the College receives and disburses funds in which it has no direct beneficial interest, such funds are excluded from the income and expenditure account on the grounds that the College does not have direct control over the future economic benefits derived from these funds. The College has applied this policy to certain funds received during the year from the DfE/Education & Skills Funding Agency.

Non-recurrent grants from the DfE/Education & Skills Funding Agency are treated as deferred capital grants and amortised in line with depreciation over the life of the assets. Non-government grants are recognised as income using performance model.

Income from tuition fees is recognised in the period for which it is receivable and includes all fees payable by learners or their sponsors.

Income from grants, contracts and other services rendered is included to the extent of the completion of the contract or service concerned.

All income from short-term deposits is credited to the income and expenditure account in the period in which it is earned.

Notes (continued)

1A. Statement of accounting policies (continued)

Recognition of income (continued)

Revenue grant funding

Government revenue grants include funding body recurrent grants and other grants and are accounted for under the accrual model as permitted by FRS 102. Funding body recurrent grants are measured in line with best estimates for the period of what is receivable and depend on the particular income stream involved. Any under 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. For 2024/25 the College has accounted for a repayment for ASF to the DfE of £4k.

16-18 learner responsive funding is not normally subject to reconciliation and is therefore not subject to contract adjustments.

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

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

Grants (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 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. The grant income received, or receivable will be recognised over the expected useful life of the asset, with any amount of the asset-related grant that is deferred being recognised as deferred income. The deferred income is allocated between creditors due within one year and those due after more than one year.

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.

Agency arrangements:

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

Notes (continued)

1A. Statement of accounting policies (continued)

**Post-Retirement 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), which are multi-employer defined benefit plans.

**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 included in net interest on the net defined benefit liability) 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.

**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.

Notes (continued)

1A. Statement of accounting policies (continued)

**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 Statement of Comprehensive Income in the year that the member of staff retires. In subsequent years a charge is made to provisions in the balance sheet using the enhanced pension spreadsheet provided by the funding bodies.

**Tangible fixed assets**

**Land and buildings**

Land and buildings inherited from the Local Education Authority are stated in the Balance Sheet at valuation on the basis of depreciated replacement cost as the open market value for existing use is not readily obtainable. Land and buildings acquired since incorporation are included in the Balance Sheet at cost. Freehold land is not depreciated. Freehold buildings are depreciated over their expected useful economic life to the College of 40 years. Leasehold land and buildings are amortised over the period of the lease. The College has a policy of depreciating major adaptations to buildings over the period of their useful economic life.

On adoption of FRS 102, the College followed the transitional provision to retain the book value of land and buildings, which were revalued in 1994 as deemed cost but not to adopt a policy of revaluations of these properties in the future.

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 capital grant account and are released to the income and expenditure account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Finance costs which 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(s) may not be recoverable.

**Subsequent expenditure on existing fixed assets**

Where significant expenditure is incurred on tangible fixed assets it is charged to the income and expenditure account in the period it is incurred, unless it meets one of the following criteria, in which case it is capitalised and depreciated on the relevant basis:

- Market value of the fixed asset has subsequently improved
- Assets capacity increases
- Substantial improvement in the quality of output or reduction in operating costs
- Significant extension of the assets life beyond that conferred by repairs and maintenance

**Equipment**

Equipment costing less than £1,000 per individual item is written off to the income and expenditure account in the period of acquisition. All other equipment is capitalised at cost.

All inherited equipment is fully depreciated. All other equipment is depreciated over its useful economic life as follows:

Motor vehicles and general equipment	-	10 years
Computer equipment	-	3 years
Mechanical and Electrical	-	20 years

**Notes** (continued)

**1A. Statement of accounting policies** (continued)

**Equipment** (continued)

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Comprehensive Income and Expenditure.

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 income and expenditure account over the expected useful economic life of the related equipment.

**Leased assets**

Costs in respect of operating leases are charged on a straight-line basis over the lease term to the Statement of Comprehensive Income and Expenditure. Leasing agreements which transfer to the College substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The relevant assets are capitalised at their fair value at the inception of the lease and depreciated over the shorter of the lease term or the useful economic lives of equivalently owned assets. The capital element outstanding is shown as obligations under finance leases.

The finance charges are allocated over the period of the lease in proportion to the capital element outstanding. Where finance lease payments are funded in full from funding council capital equipment grants, the associated assets are designated as grant-funded assets.

**Financial assets and liabilities**

The College only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable.

Debt instruments (other than those wholly repayable or receivable within one year), including other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Balance Sheet.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounts at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the College would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Notes (continued)

1A. Statement of accounting policies (continued)

**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 Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

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

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.

**Cash and cash equivalents**

Cash for the purposes of the cash flow statement comprises cash in hand and deposits repayable on demand less overdrafts repayable on demand.

**Agency arrangements**

The College acts as an agent in the collection and payment of certain discretionary support and 16-19 Bursary Funds received from the main funding bodies.

1B. Critical areas of judgement

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

Determining the existence of a minimum funding requirement for the Local Government Pension Scheme to include 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.

**Critical accounting estimates and assumptions**

- **Tangible fixed assets**  
Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- **Impairment of fixed assets**  
Determine whether there are indicators of impairment of the college's tangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Notes (continued)

**1B. Critical areas of judgement (continued)**

- Local Government Pension Scheme  
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 and inflation assumptions. Any changes in these assumptions, which are disclosed in note 17, 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.

**2. Funding Body grants**

	2025	2024
	£'000	£'000
<b>Recurrent grants</b>		
DfE/Education and Skills Funding Agency – Adult	33	19
DfE/Education and Skills Funding Agency – 16-18	10,886	9,854
DfE/Education and Skills Funding Agency – Apprenticeships	11,314	10,283
Release of government capital grants		
Buildings	359	414
Equipment	469	333
Teacher Pension Scheme Contribution	743	531
Post 16 National Insurance Grant	114	-
Other funds	170	299
	24,088	21,733

**3. Tuition fees and education contracts**

	2025	2024
	£'000	£'000
UK Further Education Students	614	593
Total tuition fees	614	593
Education contracts		
Higher Education	597	534
Other	1,519	1,234
	2,116	1,768
	2,730	2,361

**Notes** *(continued)*

**3a. Total Grant and Fee Income**

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Grant Income from OfS	488	404
Grant Income from other bodies	<u>24,088</u>	<u>21,733</u>
	24,576	22,137
Higher Education Fees	109	130
Other fees and contracts	<u>2,133</u>	<u>1,827</u>
<b>Total Grant and Fee Income</b>	<u><u>26,818</u></u>	<u><u>24,094</u></u>

**4. Other income**

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Residences, catering and conferences	270	417
Examinations Fees	57	26
Other Income	948	903
	<u>1,275</u>	<u>1,346</u>

**5. Interest Receivable**

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Investment interest	158	150
Net interest on defined benefit pension scheme	19	26
	<u>177</u>	<u>176</u>

**Notes (continued)**

**6. Staff numbers and costs**

The average number of persons employed by the college (including senior post holders) during the year, expressed as average head count and calculated on a monthly basis, was as follows:

	<b>2025</b>	<b>2024</b>
	<b>No.</b>	<b>No.</b>
Teaching departments	187	194
Teaching support	110	110
Non-Teaching	84	80
	381	384

Staff costs for the above persons were as follows:

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	12,486	11,107
Social security costs	1,371	1,112
Other pension costs	2,692	2,450
<b>Payroll sub total</b>	<b>16,549</b>	<b>14,669</b>
Restructuring costs - Non Contractual	16	92
- Contractual	10	192
<b>Total Staff costs</b>	<b>16,575</b>	<b>14,953</b>

Leeds College of Building gave a 5.5% pay award in March 2025 which was backdated to August 2024.

Notes (continued)

**7. Compensation of key management personnel**

The number of staff, including senior postholders and the Principal, who received emoluments excluding pension contributions and employer's national insurance but including benefits in kind, in the following ranges was:

	2024/25 Number of Senior Postholders	2024/25 Number of Other staff	2023/24 Number of Senior Postholders	2023/24 Number of Other staff
£ 60,001 to £ 65,000	-	-	-	-
£ 65,001 to £ 70,000	-	-	-	1
£ 70,001 to £ 75,000	-	-	-	1
£ 75,001 to £ 80,000	-	2	-	-
£ 80,001 to £ 85,000	-	-	1	-
£ 90,001 to £ 95,000	1	-	-	-
£100,001 to £105,000	-	-	1	-
£135,001 to £140,000	1	-	1	-
£145,001 to £150,000	1	-	-	-

**Severance payments**

The College paid 7 severance payments in the year, disclosed in the following bands:

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

Included in staff restructuring costs are special severance payments totalling £16,325 (2024: £92,039). Individually, the payments were: £1,288, £1,727, £6,391, £6,200, £719.

**Key management personnel**

The Governor sub group for Performance & Remuneration is responsible for setting the targets, pay and conditions for Senior Postholders.

Notes (continued)

7. Compensation of key management personnel (continued)

The College has adopted the AoC's Colleges' Senior Staff Remuneration Code.

Key management personnel are the Senior Postholders who have authority and responsibility for planning, directing and controlling the activities of the College and are represented by the Executive Team which comprises the Principal, the Vice Principal Finance & Resources and the Vice Principal Curriculum Quality and Innovation. There are four Senior Postholders in total with the Director of Governance being in addition to the Executive Team mentioned above.

	<b>2025</b>	<b>2024</b>
	<b>Numbers</b>	<b>Numbers</b>
The number of key management personnel, including the Accounting Officer	4	4

Staff, including the Accounting Officer's compensation is made up as follows:

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Salaries	400	343
National Insurance	53	42
Bonus	-	-
	453	385
Pension contributions	73	79
<b>Total</b>	<b>526</b>	<b>464</b>

There were no salary sacrifice arrangements in place in the year.

Notes (continued)

7. Compensation of key management personnel (continued)

The above compensation includes amounts payable to the Accounting Officer (who is also the highest paid officer).

	2025	2024
	£'000	£'000
Salary	147	139
Bonus	-	-
	147	139
Pension contributions	42	35
<b>Total</b>	<b>189</b>	<b>174</b>

The pension contributions in respect of the Principal and Senior Postholders are in respect of employer's contributions to the Teachers' Pension Scheme and West Yorkshire Pension Fund (WYPF) and are paid at the same rate as for other employees.

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

Relationship of Accounting Officer's emoluments expressed as a multiple of all other employees:

	2025	2024
Basic salary as a multiple of the median of all staff	3.84	3.84
Total remuneration as a multiple of the median of all staff	4.06	4.06

The key management personnel salaries are agreed by the Corporation's Performance & Remuneration sub-committee. The Committee take account of the AoC Senior Salary Survey results in determining the appropriate remuneration for Senior Post Holders.

The Performance & Remuneration Committee, having regard for the AoC Senior Staff benchmarks consider the Senior Post Holders remuneration to be in line with the rest of the Further Education sector.

The total expenses paid to or on behalf of the Governors during the year was £813.90 (2023/24: £735.83 was paid). 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 (2023/24: Nil).

**Notes (continued)**

**8. Other operating expenses**

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Teaching departments	2,711	2,539
Teaching support	716	610
Non Teaching	3,687	3,492
	7,114	6,641

Surplus before taxation is stated after charging:

Auditors' remuneration – excluding VAT:

Financial statement audit	41	44
Internal audit	13	13
Operating leases rentals	11	8

Notes (continued)

**8. Other operating expenses (continued)**

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

	Total £	Individual items above £5,000 Amount £	Reason
Compensation payments	15,000	15,000	Settlement following employment tribunal. Claim received from former employee after they had left College employment.
Ex-gratia payments	-	-	
Write off and losses	13,151	5,000	Write off of loan provided to West Yorkshire Consortium of Colleges.

**Guarantees, letters of comfort and indemnities**

There were no guarantees, letters of comfort or indemnities issued in the year.

**9. Interest and other finance costs**

	2025 £'000	2024 £'000
Bank Interest on bank loans	-	223
Other interest	13	15
	13	238

**10. Access and Participation expenditure**

Leeds College of Building is not required to produce an Access and Participation Plan. Condition A2 of the Office for Students' (OfS) Regulatory Framework (OfS 2018.01) requires Approved providers or Approved (fee cap) providers charging fees up to the basic amount for qualifying courses to publish an access and participation statement and to update and republish this statement on an annual basis. This statement is available on our website at <https://www.lcb.ac.uk/media/1886/access-and-participation-statement.pdf>

Notes (continued)

11. Taxation

The College was not liable for any corporation tax arising out of its activities during either period.

12. Tangible fixed assets

	Land and Buildings Freehold £'000	Equipment £'000	Total £'000
<b>Cost or valuation</b>			
At 1 August 2024	40,549	5,195	45,744
Additions	1,271	1,311	2,582
Disposals	-	(387)	(387)
<b>At 31 July 2025</b>	<u>41,820</u>	<u>6,119</u>	<u>47,939</u>
<b>Depreciation</b>			
At 1 August 2024	11,046	3,787	14,833
Charge for year	957	431	1,388
Disposals	-	(386)	(386)
<b>As at 31 July 2025</b>	<u>12,003</u>	<u>3,832</u>	<u>15,835</u>
<b>Net book value</b>			
<b>At 31 July 2025</b>	<u>29,817</u>	<u>2,287</u>	<u>32,104</u>
<b>At 31 July 2024</b>	<u>29,503</u>	<u>1,408</u>	<u>30,911</u>

The transitional rules set out in FRS 102 have been applied accordingly. The book values at implementation have been retained.

Land and buildings were valued for the purpose of the 1994 financial statements at depreciated replacement cost by Grimley JR Eve, a firm of independent chartered surveyors, in accordance with the RICS Statement of Asset Valuation Practice and Guidance notes. Other tangible fixed assets inherited from the local education authority at incorporation have been valued by the Corporation on a depreciated replacement cost basis with the assistance of independent professional advice.

If fixed assets had not been revalued before being deemed as cost on transition they would have been included at the following historical cost amounts:

	£'000
Cost	Nil
Aggregate depreciation based on cost	Nil
<b>Net book value based on cost</b>	<u>Nil</u>

Notes (continued)

**13. Trade and other receivables**

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Amounts falling due within one year:		
Trade receivables	26	86
Other receivables	109	101
Prepayments and accrued income	150	35
Amounts owed by the DfE	891	729
	<b>1,176</b>	<b>951</b>

**14. Creditors: amounts falling due within one year**

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Trade payables	616	568
Other taxation and social security	346	271
Other creditors	521	484
Accruals and deferred income	1,959	2,305
Holiday pay accrual	407	411
Government capital grants	756	897
Amounts owed to the DfE	4	167
Amounts owed to WYCA	-	252
	<b>4,609</b>	<b>5,355</b>

**Creditors: amounts falling due after one year**

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Government capital grants	15,738	14,754
	<b>15,738</b>	<b>14,754</b>

**15. Bank Loans**

The College made a repayment of £3,000,000 on the 25 July 2024 to fully repay its loan with NatWest. This was approved by the Corporation on the 16 July 2024.

Notes (continued)

**16. Provisions for liabilities**

	<b>Enhanced Pensions £'000</b>
At 1 August 2024	264
Utilised in the year	(31)
Reversed in the year	(13)
<b>At 31 July 2025</b>	<b>220</b>

The enhanced pension provision relates to the cost of staff that have already left the College employ and commitments for re-organisation 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 rate are:

	<b>2025</b>	<b>2024</b>
Discount Rate	5.50%	4.80%
Inflation Rate	2.70%	2.80%

**17. Defined benefit obligations**

The College's employees belong to two principal pension schemes, the Teachers' Pension Scheme (TPS) for teaching staff and the Local Government Pension Scheme (LGPS) for non-teaching staff. Both are multi-employer defined benefit plans.

**Total pension cost for the year**

	<b>2025 £'000</b>	<b>2024 £'000</b>
Teachers' pension scheme: contributions paid	1,890	1,439
Local Government Pension Scheme: Contributions paid	824	1,038
FRS 102 (28) charge	(9)	(37)
Charge to Statement of Comprehensive Income	2,705	2,440
Enhanced pension charge to Statement of Comprehensive Income	(13)	10
<b>Total pension cost for year within staff costs</b>	<b>2,692</b>	<b>2,450</b>

Notes (continued)

17. Defined benefit obligations (continued)

**Teachers' Pension Scheme**

**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2014. 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. The TPS is a multi-employer pension plan and there is insufficient information to account for the scheme as a defined benefit plan so it is accounted for as a defined contribution plan.

**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.

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 28.6% 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). The 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 £1,890,000 (2023/24: £1,439,000).

The amount owed to TPS at year end was £230,876.

Notes (continued)

17. Defined benefit obligations (continued)

**FRS 102 section 28**

Under the definitions set out in FRS 102 section 28, the TPS is a multi-employer pension scheme. The College is unable to identify its share of the underlying assets and liabilities of the scheme.

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 scheme. The College has set out above the information available on the scheme and the implications for the College in terms of the anticipated contribution rates.

**Local Government Pension Scheme**

The LGPS is a funded defined-benefit scheme, with the assets held in separate funds administered by City of Bradford Metropolitan District Council. The total contribution made for the year ended 31 July 2025 were £1,117,000 (2023/24: £1,340,000), of which employer's contributions totalled £824,000 and employees' contributions totalled £293,000. The agreed Employer contribution rate is 15.7% until 31 March 2026. The next scheme valuation for LGPS will be 31 March 2025, with the new employer contribution rates applicable from 1 April 2026. Employees contributions range from 5.5% to 12.5% depending on salary.

The amount owed to WYPF at year end was £88,367.

**Principal Actuarial Assumptions**

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

	<b>2025</b>	<b>2024</b>
Inflation assumption (CPI)	2.50%*	2.60%*
Rate of increase in salaries	3.75%	3.85%
Rate of increase in pensions	2.50%	2.60%
Discount rate for liabilities	5.80%	5.00%
Commutation of pensions to lump sum	50%	50%

On advice from our actuaries we have assumed that 50% of employees retiring after 6 April 2007 will take advantage of the option to commute part of their future annual pension to a lump sum payment on retirement. The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Retiring today / current pensioners		
Males	20.9	20.8
Females	24.1	24.0
Retiring in 20 years / future pensioners		
Males	21.8	21.7
Females	24.8	24.7

\* Includes current experience of CPI at 3.6%

Notes (continued)

17. Defined benefit obligations (continued)

The College's share of the assets in the plan at the balance sheet were:

	Fair value of assets at 31 July 2025 £'000	Fair value of assets at 31 July 2024 £'000
Equities	24,539	23,844
Government Bonds	3,137	2,646
Other Bonds	1,211	1,203
Property	839	812
Cash/Liquidity	559	812
Other	777	752
<b>Total fair value of plan assets</b>	<b>31,062</b>	<b>30,069</b>
<b>Actual return on plan assets</b>	<b>872</b>	<b>2,920</b>
	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Present value of scheme liabilities		
Funded	(20,238)	(23,856)
Unfunded	(11)	(12)
Fair Value of Assets	31,062	30,069
Asset in the scheme	<b>10,813</b>	<b>6,201</b>

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

	2025 £'000	2024 £'000
Employer service cost	815	849
Past service cost	-	152
Net interest on the net defined benefit pension liability	(331)	(211)
Interest on unrecognised asset	311	185
Total	<b>795</b>	<b>975</b>

**Charges in the present value of defined benefit obligations**

	2025 £'000	2024 £'000
Defined benefit obligations at start of period	23,868	22,931
Current service cost	815	849
Past service cost	-	152
Interest cost	1,177	1,110
Employee contributions	293	302
Actuarial (gain)	(4,908)	(583)
Benefits paid	(996)	(893)
Defined benefit obligations at end of Period	<b>20,249</b>	<b>23,868</b>

Notes (continued)

17. Defined benefit obligations (continued)

Changes in fair value of plan assets	2025 £'000	2024 £'000
Fair value of plan assets start of period	30,069	26,702
Interest income	1,507	1,320
Return on plan assets (excluding net interest on the net defined benefit liability)	(635)	1,600
Employer contributions	824	1,038
Employee contributions	293	302
Benefits paid	(996)	(893)
	<u>31,062</u>	<u>30,069</u>
Fair value of plan assets at end of period		
Recognition of net asset	2025 £'000	2024 £'000
Present value of defined benefit obligations	(20,249)	(23,868)
Fair value of plan assets	31,062	30,069
Net asset	10,813	6,201
Restriction to level of asset ceiling (excluding interest on asset restriction)	(10,813)	(6,201)
	<u>-</u>	<u>-</u>
Net asset recognised in the Balance Sheet		

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 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 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.

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.

Notes (continued)

**18. Analysis of changes in net funds**

	At 1 August 2024 £'000	Cash Flow £'000	At 31 July 2025 £'000
Cash at bank and in hand	4,634	(26)	4,608
Investments	1,052	2,054	3,106
	<hr/>	<hr/>	<hr/>
<b>Net Funds</b>	<b>5,686</b>	<b>2,028</b>	<b>7,714</b>

**19. Capital commitments**

	2025 £'000	2024 £'000
Contracted for at 31 July	<hr/>	<hr/>
	<b>131</b>	<b>55</b>

**20. Commitments under operating leases**

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2025 Equipment £'000	2024 Equipment £'000
Payments due:		
Not later than one year	15	15
Later than one year and not later than five years	59	59
	<hr/>	<hr/>
	<b>74</b>	<b>74</b>

**21. Related Party Transactions**

There were no related party transactions in the year.

**Notes** *(continued)*

**22. 16-19 Bursaries**

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 £425,589 and disbursed £504,063 from DfE 16-19 discretionary and vulnerable bursaries and FEFM funding after charging £17,510 for administration costs.

As at 31 July 2025, the cumulative unspent 16-19 discretionary and vulnerable bursary funds and FEFM funding is £223,906 of which nil 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 £367,162 received from DfE, £397,680 disbursed to learners after charging £9,643 for administration costs, and total cumulative unspent funds of £319,890.

## **INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON REGULARITY TO THE CORPORATION OF LEEDS COLLEGE OF BUILDING AND THE 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 Leeds College of Building 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 Leeds College of Building and Corporation Body**

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 Leeds College of Building (who are also the trustees for the purposes of charity law) are responsible for the proper conduct and financial operation of Leeds College of Building 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 significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion

**INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON REGULARITY TO THE CORPORATION OF LEEDS COLLEGE OF BUILDING AND THE SECRETARY OF STATE FOR EDUCATION (CONTINUED)**

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 Leeds College of Building 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 Leeds College of Building 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 Leeds College of Building and the Secretary of State for Education for our work, for this report, or for the conclusion we have formed.

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17 December 2025