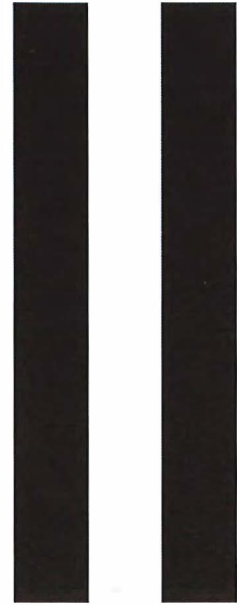
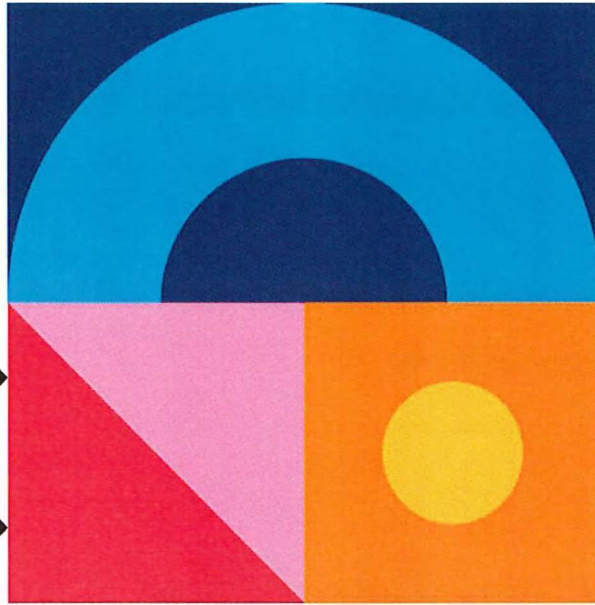
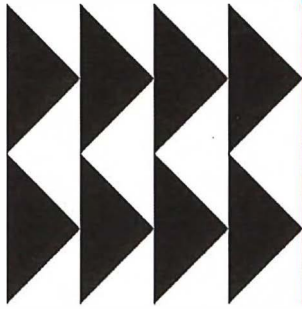


**HARLOW
COLLEGE**



Annual Report & Financial Statements



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

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HARLOW COLLEGE

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

Key Management Personnel, Board of Governors and Professional advisers

Key management personnel

Key management personnel are defined as members of the College Executive Team and were represented by the following:

K Spencer MBE – Principal, Chief Executive and Accounting officer

W Allanson – Deputy Principal

R Jones – Vice Principal

P Whitehead – Vice Principal

S Abdelmoula – Assistant Principal

K Craig – Assistant Principal

W Martin – Assistant Principal

J Sample – Assistant Principal from 1st August 2023

L Wedgbury-Glew – Assistant Principal

S Appleby – Executive Director of HR Services

S Boyce – Executive Director of Student Services

K Edwards – Executive Director of Quality

D Morgan – Executive Director of Finance & MIS

B Nicholls – Executive Director of IT

Board of Governors

A full list of Governors is given on page 26 to 27 of these financial statements.

R Lucas Head of Governance acted as Clerk to the Corporation.

Financial statements auditors and reporting accountants:

Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Internal auditors:

Scrutton Bland LLP
Fitzroy House
Crown Street
Ipswich
Suffolk
IP1 3LG

Bankers:

Clydesdale Bank
177 Bothwell Street
Glasgow
G2 7ER

Solicitors:

Eversheds LLP
Bridgewater place
Water Lane
Leeds
LS11 5DR

Burness Paull LLP
50 Lothian Road
Festival Square
Edinburgh
EH3 9WJ



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

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

Legal status

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



Stansted Airport College which is part of Harlow College opened in September 2018. It is the UK's first all-round aviation further education institute and is addressing the growing airport related skills gaps. It is named Stansted Airport College as it is located at London Stansted Airport.

Mission

Harlow College is committed to ensuring that we change and transform the lives of young people and adults in our community. We want all of our learners to achieve their ambitions, contribute significantly to the productivity of the economy and have happy and purposeful lives. We have a relentless focus on "More than Courses. Careers".

At the core of our strategy is:

- S: **Students** at the heart
- T: **Teamwork** - work together, achieve together
- A: Be **Ambitious**, Build Futures
- R: **Respect** each other, share similarities and celebrate differences

Harlow College is a medium sized Further Education (FE) college in North West Essex with 2 campuses and 3 smaller satellite learning centres. The College's main campus is on the edge of Harlow's town centre, with Stansted Airport College (part of Harlow College) located at London Stansted Airport. The smaller satellite learning centres within Harlow and at Stansted Airport are used to deliver the majority of its adult provision. The College offers a wide variety of vocational, technical and professional qualifications including apprenticeships and programmes for learners with high needs. In 2023/24 the College had over 6,000 students enrolled on courses. The College draws just under half of its learners from Harlow, with the remainder primarily from West Essex, East Hertfordshire and North London.

Harlow College is recognised by Ofsted for providing good quality education to the West of Essex. The College is situated in the heart of the UK's Innovation Corridor (UKIC), Britain's fastest growing region incorporating Cambridge, Essex, Hertfordshire and London.



At the centre of The
London-Stansted-Cambridge
Innovation Corridor

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

Strategic Plan: More than Courses. Careers. (2024-2029)

The 2024-29 plan ([Harlow College Strategic Plan](#)) focuses on three priority sectors for growth in Essex and includes six cross-cutting themes. These sectors and themes align with the Essex Local Skill Improvement Plan.

Priority Sectors for Growth:

- Health Sciences
- Aviation, Transport, Logistics and Engineering
- Construction and Building Services

Cross Cutting Themes:

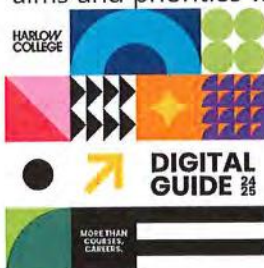
- Career-led curriculum
- Soft skills and behaviours
- Excellent learning, teaching and assessment
- Digital skills
- Green skills
- People

For our **Career-led Curriculum** the College will specifically invest in:

- Health Sciences creating a focused training academy linked to the NHS for Health Sciences and Social Care.
- Aviation, Transport, Logistics and Engineering to focus on expanding the College at London Stansted Airport.
- Construction and Building Services in the development of Harlow and Gilston Garden Town.

Integral to our career-led curriculum is the development of well-rounded individuals who are well prepared for their next steps in life. Employers report in the Local Skills Improvement Plan that young people do not always have the appropriate skills and behaviours to be ready for the workplace. We have developed a framework for improving **soft skills and behaviours** in our students

Our **excellent Learning, Teaching and Assessment** Strategy is integral to achieving our aims and priorities which includes embedding critical English and Maths skills in all of our daily practices. **Digital** Learning is our norm as we make use of new technologies and prepare students for their digital future, we are well recognised for our work to enhance digital skills and were the first College in the UK to hold the Apple Distinguished International Kitemark and have maintained this. The College will continue our investment in providing one-to-one devices for young people to ensure that no one is disadvantaged.



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

The College is committed to the Carbon Reduction Road Map agreed by the Association of Colleges and is currently part way through the implementation of its **green skills** objectives, which includes a curriculum review, developing employer-led modules and investment in our estate in order to meet Net Zero by 2050.



New Renewable Energy
Training Centre - helping
to meet Net Zero by 2050

People are critical to the delivery of the strategic plan, both staff and external stakeholders, for the benefit of the students. The HR and CPD Strategy will include recruitment and retention with a particular focus on hard to recruit disciplines. For pay and reward the College will continue to lobby for parity with school teacher pay and continue the good relationships locally with the unions. The College will review its approach to well-being, staff awards and benefits schemes to ensure these are effective.



Investors
in Diversity
Silver UK

Working
Towards

The College is working towards gaining the Investors in Diversity Standard, embedding Equality, Diversity and Inclusion principals as the back bone of the College. The College has a

continued commitment to CPD including industrial updating, as well as investment in teacher training and development.

RESOURCES

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

People

During the year the College employed on average 491 people (in 2022/23 466 people), of whom 312 are teaching staff (in 2022/23 303 people). The increase reflects the increase in student numbers and filling vacancies.

The College enrolled the following students during the year:

Type of provision	2023/24 Numbers of Learners	2022/23 Numbers of Learners	2021/22 Numbers of Learners
16 to 19 Study Programmes	2,569	2,509	2,501
Apprenticeships (starts)	512	551	662
Adult learning programmes	2,453	2,573	2,071

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

Strategic Report

Learner numbers have increased at Stansted Airport College, with the College providing a pipeline of trained, skilled and work ready learners for the Airport. Learner numbers on the main campus have grown particularly in the trade areas.

Apprenticeship learner numbers were deliberately controlled in order for the College to resolve legacy issues arising from the pandemic. The College continues to diversify its Adult offer with e-learning programmes and more evening classes.

Tangible Resources

Tangible resources include the main Harlow College site (consisting of land space and several buildings) and the Stansted Airport College site consisting of one building and an executive jet. The College has two other small sites in Harlow, including an adult training centre "Bright Futures" in Harlow Town Centre and a hair and beauty education provision "The Salon" in the Town Centre. The majority of teaching and training is delivered from Harlow College's main site, a central location close to Harlow's principal shopping centre and a short walk away from Harlow's bus station and main railway station. In July 2020 the College was donated the University building from Anglia Ruskin University which is located on the main Harlow College campus. The Harlow College site has modern facilities designed to enhance the student experience for example in engineering, performing arts, visual arts, construction, science, and motor vehicle maintenance. The Institute of Technology (IoT) officially opened February 2024 during National Apprenticeship week. The IoT is a close partnership between high-performing further education colleges, universities and employers, helping to ensure that the higher level courses delivered are based on what the economy and local communities need. The College continues to invest in its digital strategy which includes providing over four thousand computers/devices for student use. In pursuance of its e-learning initiative the College makes provision for all 16-18 full-time students to have access to a portable tablet/device. This will enable students to develop their digital skills, improve their confidence and build their understanding of how technology can enhance and improve in preparation for the world of work.

**We are an
Institute of
Technology.**

Reputation

The College was graded "Good" by Ofsted (May 2024) see [Inspection of Harlow College \(ofsted.gov.uk\)](https://www.ofsted.gov.uk/inspections/inspection-of-harlow-college). The College secured a clean sweep of "Good" grades across all judgement areas during the full inspection. It reports that "Almost all students and apprentices enjoy lessons and benefit from a productive learning environment". On the College's contribution to meeting skills needs, the College received the highest grade. In feedback from the Ofsted team the College were informed that 100% of the 750 students and apprentices who completed Ofsted's survey had said 'they would recommend the College to a friend'.

In 2017 we were the first college in the UK to be given Apple Distinguished School status for our pioneering approach to the use of new technology, which we maintained in 2022 for a further three years.



The first FE College in the UK to be awarded Apple Distinguished School status



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

Financial

The College has £37.5 million of net assets (2022/23 £37.3 million) including £1.1 million pension liabilities (2022/23 £1.1 million), long term debt (bank loans) of £2.6 million (2022/23 £3.3m) and long term capital grant funding of £20.3 million (2022/23 £18 million).

Stakeholders

The College has many stakeholders (Employers, Community, Education, and Civic) including:

- Our current, future and past students and trainees.
- Our staff and their trade unions (UCU, Unison and NEU). The Executive team named on page 3.
- Local community groups and employers (including Stansted Airport (Manchester Airport Group)).
- Local schools and other education institutions (including Anglia Ruskin University).
- Local councils – Harlow District Council, Uttlesford District Council, and both Essex and Hertfordshire County Councils.
- Government departments / Regional Development Agencies / Local Enterprise Partnerships.
- Education sector funding bodies.
- FE Commissioner.

Harlow College recognises the importance of these relationships and engages in regular communication with them.

Public benefit

Harlow College is an exempt charity under Part 3 of the Charities Act 2011 and is regulated by the Secretary of State for Education. The members of the Governing Body, who are trustees of the charity, are disclosed on page 26 to 27. In setting and reviewing the College's strategic objectives, the Governing Body has had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education.

In delivering its mission, the College provides identifiable public benefits through the advancement of education to thousands of students, including hundred plus students with high needs. The College provides courses without charge to young people, to those who are unemployed, and adults taking English and Maths courses. The College adjusts its courses to meet the needs of local employers and provides training to hundreds of apprentices. The

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

Strategic Report

College is committed to providing information, advice and guidance to the students it enrolls and to finding suitable courses for as many students as possible regardless of their educational background.

DEVELOPMENTS



Great location - Harlow is at the centre of The London-Stansted-Cambridge Innovation Corridor

The College is well placed to deliver high quality education and training for West Essex, located in a strong position within the UK Innovation Corridor (UKIC), which has an ambitious infrastructure plan to support the growing industries between London and Cambridge.

Harlow College's Institute of Technology (IoT) opened for students in September 2023, with a grand official opening in February 2024. The IoT brings together FE and HE institutions with employers and anchor institutions across the South East region to widen opportunities to learners of all ages, to create, with employers, specialist provision to improve the technical skills needed by the local workforce. Among the state-of-the-art facilities are a Lucas Nuelle Lab, Digi-Lab, new Science Lab, simulation rooms and an Immersive Room with VR headsets where learners can join classes remotely, allowing them to interact with trainees at Stansted Airport College.



Institute of Technology - £3m investment in new state-of-the-art Centre

Harlow College is a lead in a consortium of further education providers and independent training providers in the region for the Local Skills Improvement Fund (LSIF) from the DfE. The investment is to address the specific skills needs in the region, which local businesses and employers have identified as priority sectors in their Local Skills Improvement Plans (LSIPs), giving them access to the skilled workforce they need to grow. The fund will provide new skills training in green skills, digital, creative and cultural, green construction, health and social care, education, engineering and manufacturing - all sectors where skills will be in demand in Essex over the coming years. The fund has enabled the consortium to work collaboratively to invest in new facilities in electric vehicle maintenance, renewable energy training and digital skills labs to support learners prepare for careers in the motor, construction, and digital industries. The funding will allow Harlow College to deliver free training courses to Greater Essex based businesses, delivered either at the College or at an employer's workplace. These can be existing College courses or tailor-made training programmes to suit business needs.

What is the Local Skills Improvement Fund?

The Department for Education (DfE) recently announced a £200m package of skills funding to support colleges, universities and independent training providers to offer more training opportunities in key industries, such as the growing green sector.

The College continues to embed significant curriculum changes for our High Needs learners, to ensure that all High Needs learners undertake a bespoke learning journey. The College continues to build on its effective partnerships with major local employers to provide work experience for High Needs learners.

Towards Independence and Work

Designed for young people aged 16-24 with learning difficulties, who want to develop:

- Independent living skills
- Confidence and self esteem
- Social and communication skills in preparation for adulthood
- English, maths and IT skills for life
- Full support from the team throughout the college day



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

The College continues to grow its English for Speakers of Other Languages (ESOL) offer, with opportunities to develop and increase confidence in speaking, writing and reading English. Our ESOL learners often progress on to other vocational and academic areas within the College.

FINANCIAL REVIEW

Financial Results

The College generated a surplus from operations of £1,278k (in 2022/23 £86k deficit) excluding the £310k surplus (2022/23 £63k surplus) in the LGPS pension scheme. The college received 87% of its total income for 2023/24 as grants from funding bodies, most notably from the Education and Skills Funding Agency for 16-18 provision. The improvement in performance from the prior year was largely due to a growth in 16-19 students and the continued recovery of adult education income.

The movement and the gain in the pension scheme balance have resulted in a total comprehensive gain for the year of £216k (2023: £163k gain).

The College has received £22m of Government grants which have not yet been recognised as income and are being held as a liability on the balance sheet. At the balance sheet date the College held net current assets of £503k and net assets of £37.5m, which includes a pension liability of £1.1m.

Cash Flow and Liquidity

At £1.8m (2022/23 £2m), net cash flow from operating activities was excellent. The movement from the prior year is mainly due to creditors.

The size of the College's total borrowing and its approach to interest rates has been calculated to ensure a reasonable cushion between the total cost of servicing debt and operating cash flow. During the year this margin was not exceeded. The loans are on a fixed rate providing protection from the recent rate rises. One loan facility ends July 2027. The other loan facility expires November 2026. In line with the new rules introduced by the Department for Education in November 2022, the College will notify the ESFA when it needs to be refinanced.

Future developments

The College is working towards carbon net zero. The College is part way through using the DfE reclassification fund (£664k), DfE capital transformation fund (£678k), and DfE energy efficiency grant (£265k), totalling £1.6m to clad and glaze aging and energy deficient buildings on the main campus.

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The UK Shared Prosperity Fund (UKSPF) is central to the UK government's ambitious Levelling Up agenda, providing £2.6 billion of new funding for local investment by March 2025. The main aim of the fund is to help boost productivity, pay, jobs and living standards and to restore a sense of community, local pride and belonging. Harlow College is working with Uttlesford District Council and Harlow Council to provide free places on selected courses.



The Levelling Up Fund of £20m for Harlow Council will support Harlow town centre and high street regeneration, local transport projects, and cultural and heritage assets, which will stimulate the local economy. Construction work commenced in 2024 and Harlow College intends to place itself ready to fill the skills need that this will create.



The College intends to expand Stansted Airport College to extend the engineering curriculum to meet the licensing needs of employers based around the airport. Initially the expansion plan will be phased in from September 2024 for the College to become a Category A and B 147 Licencing Centre (provider of aircraft training courses). There will be different phases of the project and a final phase would incorporate the Aerozone and Stansted Academy onto the College site. The College is in the early feasibility stages of this expansion.



The Stansted Airport Employment and Skills Academy (managed by London Stansted Airport and delivered in partnership with Harlow College) based at Stansted Airport) numbers are growing with a four-year increasing, upward trend, (approximately 37% of its learners secure employment at the airport and employers are recognising that the Academy is producing good talent for airport jobs). The College intends to build on the work with unemployed adults to widen access for underrepresented groups into aviation-based careers.

The College is working in partnership with regionally important key partners including Integrated Care Board, the Essex Partnership University NHS Foundation Trust, Princess Alexandra Hospital and NHS England. In particular, we will develop new pathways in dental nursing, extending our technical occupational routes, apprenticeships and T-Levels. Our partnerships will provide meaningful work-related experience and industry placements to ensure the best outcomes for students.

Harlow is set for significant growth over the next few years. The current population is projected to grow with thousands of new homes planned as part of the Harlow and Gilston Garden Town Project. Harlow's Enterprise Zone of three areas in Harlow continues to build on the Harlow tradition for innovation and enterprise with a campus environment for dynamic businesses creating new technologies and generating economic growth. The inclusion of a planned new hospital, a redevelopment of Harlow town centre and other significant infrastructure projects, will all bring with them challenges and excellent opportunities for skills and employment in construction, health and science, engineering, technical and digital. The College will respond



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

to these changes by ensuring the curriculum offered meets the needs of the community and employers we serve.

The College curriculum is reviewed annually during which strong use is made of local labour market information, changing demographics and employer feedback. The curriculum is closely aligned with the local employment and skills priorities. The College intends to continue to explore different project work for the benefit of the community, which also enables the College to receive alternative sources of income.

Reserves

The College has accumulated reserves of £37.5m (2022/23 £37.3m) including the revaluation reserve of £11.7m (2022/23 £11.8m) and cash balances of £6.3m (2022/23 £6.4m). The College wishes to accumulate reserves and cash balances in order to support the strategic plan.

FUTURE PROSPECTS

Financial Plan

The Governors approved a financial plan for the period 2023/24 to 2025/26 in July 2024 which set objectives for this period. The College aims to maintain the minimum financial health rating of "Good" and ensure that bank covenants will be met.

The College has shown recovery in the Adult education budget and feels that it can confidently sustain this recovery. The College will continue to diversify and take advantage of Project income. 16-19 learners have experienced growth in September 2023 and September 2024, which includes Stansted Airport College learner numbers. In many areas the College is over subscribed.

Treasury Policies and Objectives

The College has treasury management arrangements in place to manage cash flows, banking arrangements and the risks associated with those activities.

The College currently has no plans to increase borrowings and is confident that the existing loans will be repaid according to the scheduled repayment plans.

Reserves

The College has adopted a formal Reserves Policy which considers the ability to remain a going concern in the eventuality that significant events occur. These are assessed on a risk basis relating to the College risk register and assurance map. This considers the current working capital requirements for the college to continue operating alongside future capital investments and the ability to meet future liabilities occurring. High and low likelihoods of events occurring

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

are given consideration. The free cash reserves available target is £2m. It is the Corporation's intention to generate annual operating surpluses and associated net positive cash flow to fund reinvestment back into the College for the benefit of students, potential students and the local communities that it serves

As at the balance sheet date, the Income and Expenditure account reserve stood at £25.8m (2023/24 £25.5m). The Local Government Pension Scheme (LGPS) liability is nil as at 31 July 2024 (2022/23 £Nil). The total LGPS pension actuarial movement during 2023/24 is £968k loss (2022/23 £149k actuarial gain). The movement in the deficit can be mainly attributed to the change in discount rate from 5.15% to 5.05%. The initial FRS102 actuarial valuation showed a net asset of £15.4m however as the LGPS surplus is not a realisable asset and is likely to change over the long period, the actuarial valued asset position has been reduced to nil in the accounts. Pension deficits are not an immediate liability, it would be met in the form of incremental employer contributions over an agreed time period. The Corporation intends to maintain reserves over the life of the strategic plan and where possible generate annual operating surpluses:

- Excluding the defined benefit pension scheme, a general reserve value of approximately 50% of the expected annual income at the end of the year. The College exceeded this in 2023/24.
- A minimum cash balance of £2m (to cover one month's wages, urgent non-wage costs and contingency) at the end of the financial year. The College exceeded this in 2023/24

The cashflow and balance sheet are monitored throughout the year, should the forecast show that the College would fall short of the reserves target the College would review its capital plan.

PRINCIPAL RISKS AND UNCERTAINTIES

Risk Management

The College has well developed strategies for managing risk and strives to embed risk management in all that it does. Risk Management processes are designed to protect its assets, reputation and financial stability. The governing body has overall responsibility for risk management and its approach to managing risks and internal controls is explained in the Statement of Corporate Governance.

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

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

The main risks affecting the College are outlined below along with action taken to minimise them. Not all the factors are within the College's control. There are other factors besides those listed below which may also adversely affect the College.

Some of the key risks identified:

- (1) *Staff recruitment and retention: Failure to recruit to hard to fill posts to support the curriculum and to support industry staff into teaching, learning and assessment*

Control measures:

Allowance for teaching staff in specialist areas. Teacher training. Taking Teaching Further grant funding to recruit and support those with knowledge/industry experience to retrain as FE teachers. Use of a number of recruitment agencies, promoting our jobs at job fairs, using our UKBA licence to attract staff from overseas. Working on student progression to teaching. Reviewing casual rates to encourage transition from casual to permanent

- (2) *Curriculum reform: Level 2 and 3 (defunding)*

Control measures:

Extensively liaising with awarding bodies for updates and approved qualifications coming through. Reviewing start of new T levels for certain subjects. Reviewing proposals for new Occupational Technical qualification from 2025.

- (3) *Safeguarding: Physical harm to students and/or staff*

Control measures:

Annual safeguarding training for staff and governors. Whistleblowing. Physical security measures. Internal radio response. Continue relationships with relevant agencies. Awareness raising and campaigns e.g. knife crime. Internal reporting software. Annual review of relevant policies e.g. behaviour. Tutorials sessions to support students to stay safe online. Monitor impact of economic crisis and knife crime/county lines. Attendance/Participation in local hate crime meetings, Stop & Search video camera moderation group & Violence against Group. Regular meeting with town police officer. Gangs & County Lines Officer from Serious Violence Unit, Operational Policing Command Essex Police - training to staff and some governors. Meet with all our feeder schools' Safeguarding leads to discuss vulnerable students and transition. All staff trained in relational practice (positive noticing). Appointed staff training in de-escalation techniques. Working with other colleges to share best practice in relation to remedial behaviour and promoting a positive safe campus.

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Below are a selection of the College's key performance indicators for 2023/24:

Measure	Target	Performance
Introduce new T-Levels	3	3
Delivery of LSIF (Local Skills Improvement Fund)	Project completion	On target, project continues to March 2025
16-18 Attendance Benchmark 86%	86%	88%
16-18 Retention Benchmark 90%	87%	%
16-18 Achievement Benchmark 82%	77%	81%
Apprenticeship overall Achievement	60%	56%
Adult overall achievement rate	75%	67% long programmes 76% short programmes
ESFA Good Financial Health	Good	Good
Meet Test 1 and Test 2 of the bank covenants	Yes/Yes	Yes/Yes
Reduce staff Association of Colleges benchmark (17.8%)	<17%	16%

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Student Achievements

16-18 outcomes (Main Study Programme Learners)	2018/19 (pre-pandemic)	2022/23	2023/24
Achievement %	82.6%	74.0%	80.5%
Retention %	90.9%	84.6%	89.6%

The 2023/24 results show that the College is recovering to pre-pandemic performance. The 2022/23 results relate to the cohort of learners commencing their studies at the College in the academic year 2020/21, which encountered significant disruptions attributable to the pandemic. This particular cohort, was notably affected by grade inflation and the use of Teacher Assessed Grades and Centre Assessed Grades. With increased exam-based assessment, this influenced the lower achievement outcomes in 2022/23.

The College improvement in retention reflects the College's efforts in improving student engagement to reduce the number of students withdrawing in the first few weeks. Retention continues to be challenging with our ESOL (English Second or Other Language) learners as learners moving out of the area mid-course impacts and reduces the College retention and attendance rate.

Our A Level students have gained places at some of the country's top universities including Oxford, Bath, Queen Mary's, Aberystwyth, Goldsmiths, UCL, Loughborough and Nottingham to study subjects such as Astrophysics, Fine Art, Biochemistry, Law, Psychology, Mathematics and Computing.

Achievement for students on vocational courses improved overall this year with a 96% pass rate, with 71% of students gaining Merit, Distinction or Distinction* grades, an 11% improvement on last year. These great results allow our students to progress directly to university or to take up apprenticeships as the route to combine their studies with employment.

Our T Levels students in both 'Early Years' and 'Construction and the Built Environment' have also achieved great success with a 96% pass rate, 83% of those students gaining Distinction or Merits grades - a 9% improvement on last year! T Levels combine classroom theory, practical learning and an industry placement with an employer to make sure students have real experience of the workplace. This brings challenges to the College retention rate from employers offering industry placements that subsequently offer employment to the students.

With the introduction of Apprenticeship standards in 2019, combined with the impact of the pandemic we have seen a significant drop in achievement rates since 2018. The introduction of Apprenticeship standards has meant that end point assessment created delays on learner



achievement, but more significantly apprentices being furloughed or losing their jobs during the pandemic prolonged and impacted achievement during the period 2020-2024. The Apprenticeship

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

achievement rate has shown consistent improvement over the past three years, reaching an overall rate of 56.7%, a notable increase from the previous year's achievement rate. A substantial improvement in Electrical Apprenticeship (our most popular apprenticeship) achievements has had a significant impact on the overall College Apprenticeship achievement rate.

Apprenticeships	2018/19 (pre-pandemic)	2022/23	2023/24
Achievement %	64.7%	55.3%	56.7%

Some end point assessments were shifted from July 2024 into August 2024 which reduced the Apprenticeship achievement below expected. In year retention continues to be challenging as some Apprentices short-sightedly leave to go into full time work without qualifying, which impacts achievement rates.

The Government has established an aspirational target of 67% achievement rate for Apprenticeships to be attained by 2025. However, the current national achievement rate (54.3% for 2022/23) significantly lags behind this target.

Adult achievement rates continue to improve but not yet to pre-pandemic levels.

Adults	2018/19 (pre-pandemic)	2022/23	2023/24
Achievement %	89.0%	86%	84%

Many adult learners face challenges with balancing study with employment, personal commitments and financial challenges, which impacts the retention of learners. Overall achievement for very short adult employability programmes decreased slightly from 91.8% to 91%. Achievement rates are higher for employability courses delivered by the Bright Futures team and for learners who have a clear line of sight into the work place and benefit from the opportunities to engage with employers, such as those at Stansted Airport. E-Learning programmes achieved their highest achievement rate since they were launched in 2019, this is mainly due to the breadth of courses offered being significantly reduced with the focus on courses with higher achievement rates.

The purpose of Adult Skills Fund (ASF) is to support adult learners in non-devolved areas to gain skills which will lead them to meaningful, sustained, and relevant employment, or enable them to progress to further learning which will deliver that outcome. Within ASF, further provision for tailored learning is available that supports wider outcomes such as to improve health and wellbeing, equip parents/carers to support their child's learning, and develop stronger communities. Tailored learning has replaced community learning and formula funded non-regulated learning. The offer also includes employer led provision.



Bright Futures delivers vocational and employability courses aimed at improving people's chances of finding and securing employment.



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Payment Performance

The Late Payment of Commercial Debts (Interest) Act 1998, in the absence of an agreement to the contrary, requires organisations to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. During the accounting period 1 August 2023 to 31 July 2024, the College paid 81% (2022/23 79%) of its invoices within 30 days. The College incurred £Nil in late payment fees and £Nil interest charges in respect of late payment for this period.

Streamlined Energy and Carbon Reporting (SECR)

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

Use of virtual technology for meetings, training and staff development	Staff attending energy/sustainability network/training events
Exploring options to replace College vehicles with hybrid or electric	Where feasible cladding & insulation of buildings, secondary glazing and solar panels
Staff benefits to encourage environmentally sustainable travel	Installation of external LED lighting with gradual installation of internal LED lighting
Homeworking where appropriate and feasible	Campus economic closures during popular holiday periods (from 2024)

Other measures

Installation of Electric vehicle charging points
Commissioned a site wide net zero carbon study to provide direction on options/projects to decarbonise the estate and meet the future net zero target.

Quantification and Reporting Methodology

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

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per Full Time Equivalent staff member, the recommended ratio for the sector.



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

UK Greenhouse gas emissions and energy use data for the period	1 August 2023 to 31 July 2024	1 August 2022 to 31 July 2023	1 August 2021 to 31 July 2022	1 August 2020 to 31 July 2021
Energy consumption used to calculate emissions (kWh)	4,041,961	4,145,838	4,413,559	5,174,901
<u>Scope 1 emissions in metric tonnes CO₂e</u>				
Gas consumption	442.66	494.17	555.29	650.27
Owned transport	5.68	5.41	7.42	Data not available
Total	448.34	499.58	562.71	650.27
<u>Scope 2 emissions in metric tonnes CO₂e</u>				
Purchased electricity	335.78	299.09	265.23	344.96
<u>Scope 3 emissions in metric tonnes CO₂e</u>				
Business travel in employee owned vehicles	30.86	33.88	29.82	13.37
Total gross emissions	814.98	832.56	857.76	1008.60
Reduction	-2%	-3%	-15%	
Targets				
2030 = 572 metric tonnes CO ₂ e				
2040 = 285 metric tonnes CO ₂ e				
2050 = 0 metric tonnes CO ₂ e				
<u>Intensity ratio</u>				
Metric tonnes CO₂e per square foot	2.06	2.11	2.17	2.55
Metric tonnes CO₂e per FTE staff member	2.02	2.23	2.27	2.67

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Trade Union Facility Time

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

Harlow College recognises three trade unions: UCU, Unison and NEU.

For the period 1st April 2023 to 31st March 2024:

Numbers of employees who were relevant trade union officials in the period	Full Time Equivalent employee number
4	4

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

Total cost of facility time
£3,920.98
Total pay bill
£18,830,134.90
Percentage of total bill spent on facility time
0.02%

Time spent on paid trade union activities as a percentage of total paid facility time
25.85%

Other Performance Measures

In the most recent [Harlow College Ofsted Inspection Report](#) in May 2024 Ofsted concluded that Harlow College is a "Good" College across all areas. The College's current self-assessment report for 2023/24 documents key strengths of the College and areas for improvement.

The College has been awarded Apple Distinguished School (ADS) Status for the third time (2022-2025). ADS centres are centres of leadership and educational excellence that demonstrated Apple's vision for learning with technology.

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

Financial performance objectives linked to the strategic plan 2024-2029:

Key financial indicators	Annual Target	2023/24 performance	2022/23 performance
Adjusted Income (less non cash)	c.£30m	£29m	£25m
Surplus	c.£50k	£1.3m	(£86k)
EBITDA for education (Earnings Before Interest Tax Depreciation & Amortisation)	5%	5%	4%
Borrowing as a % of income (reducing as loan ending July 2027 repaid)	<9%	12%	15%
Staff Costs as a % of income	<73%	73%	72%
Financial Health (ESFA measure)	Good	Good	Good
Maintain minimum cash balance	£2m	Average £7m	Average £7m
General reserve value (excluding LGPS) of the expected annual income at the end of the year	>50%	87%	97%

EQUALITY & DIVERSITY

Equality

The College has a duty under the Equality Act 2010 and is committed to tackling inequality and discrimination, advancing equality of opportunity and promoting equal treatment regardless of any Protected Characteristic. The College seeks to ensure that this commitment is reflected in everything that it does and that all College members, governors, staff, students, partners, visitors, contractors and sub-contractors working on behalf of the College share this commitment. The [Harlow College Equality & Diversity](#) policy is published on the College’s website www.harlow-college.ac.uk.

Gender pay gap reporting

Any organisation that has 250 or more employees must publish and report specific figures about their gender pay gap. The figures are calculated as a ‘snapshot’ as at 31 March for public sector organisations. The gender pay gap is the difference between the average earnings of men and women, expressed relative to men’s earnings. For example, ‘women earn 15% less than men per hour’.

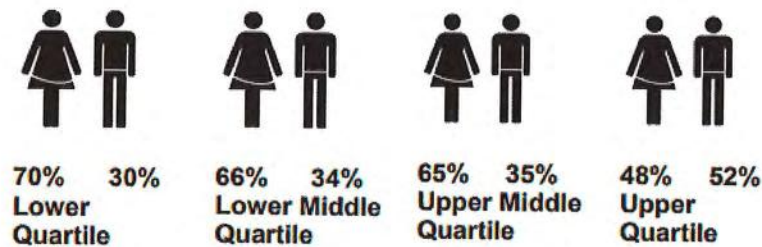
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The overall gender split:

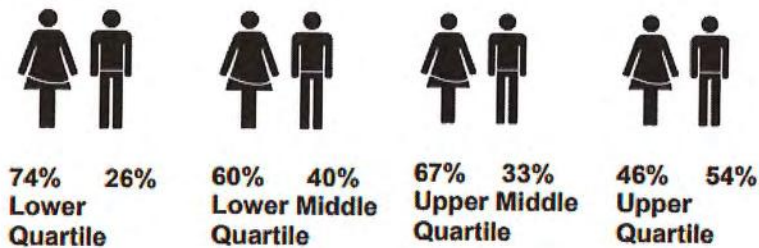


The images below show the gender distribution of all Harlow College staff across four equal quartiles.

For 2024:



For 2023:



The mean Gender Pay Gap for 31st March 2022 was 4.13%, for 31st March 2023 was 3.85% and for 31st March 2024 was 4.25%. The median Gender Pay Gap was 11% for 31st March 2022, 13.51% for 31st March 2023 and 13.54% for 31st March 2024. The Gender Pay Gap continues to be low compared to the mean national average of 14.3% in 2023.

There is a gradual decrease of the proportion of female staff in the Lower Quartile of 4% and a 2% increase in the number of female employees in the Upper Quartile. This is partly due to the College recruiting more males into jobs in the Lower Quartile. The full [Gender Pay Gap Report](#) is published on the College's website www.harlow-college.ac.uk.



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

Disability statement

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

As a College we are committed to helping all of our students succeed. We recognise the importance of providing high quality teaching, learning and assessment, alongside the specific support needed to achieve your goals.

The College recognises the barriers faced by people with disabilities in accessing and achieving Further Education. Our vision is to create an accessible and supportive environment for staff and students. We aim to provide equality of opportunity and freedom from discrimination on the grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation, in line with the Equality Act 2010 and the Children and Families Act 2014.

The College aspires to the principles underpinning the SEND Code of Practice and the Children and Families Act 2014, particularly:

“the need to support the child or young person, and the child’s parents, in order to facilitate the development of the child or young person and to help them achieve the best possible educational and other outcomes, preparing them effectively for adulthood”.

The College is proud of the College’s track record in opening up opportunities for students with disabilities and learning difficulties. At Harlow College, students can expect to study in an environment that positively encourages equality of opportunity and refuses to tolerate discrimination, in any form. Our disability statement affirms our commitment to these principles and provides you with a guide to the support we have available. The full [Harlow College Disability Statement](#) is published on the College’s website www.harlow-college.ac.uk.

Going concern

At 31 July 2024 the College has net current assets of £503k (2022/23 £543k) and cash balance of £6,335k (2022/23 £6,350k). The College has not had an overdraft facility during 2023/24. The 2024/25 student numbers are above target and above the previous year for securing Funding Body income for 2024/25 and 2025/26.

The College loans are on fixed interest rates until November 2026 and July 2027. The College continues to generate cash in order to repay the loans.

The College recognises that inflation continues to be a challenge and closely monitors expenditure and cashflows. In July 2024 the College fixed both its electricity and gas contracts, electricity for the period October 2024 to September 2025 and gas for the period October 2024 to September 2027. After careful consideration the College confirmed a staff pay award for



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

2024/25 at 3% and 2025/26 at 2%, which has reduced the financial uncertainty surrounding staff costs.

The College is keeping abreast of curriculum changes in its consideration of the curriculum offer for 2025/26, in order to adapt to provide funded qualifications that meet the skills need for students and employers.

After making appropriate enquiries, the Corporation considers that the College has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

EVENTS AFTER THE REPORTING PERIOD

In October 2024, the College repaid £2,101,277 which was the balance of the bank loan with a maturity date of November 2026 (which was payable in instalments with a final lump sum payment of £1,497,758 payable on maturity) and terminated the associate swap product, resulting in a saving of £116,608.

DISCLOSURE OF INFORMATION TO THE AUDITOR

The members of the Corporation 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 auditor is aware of that information.

Approved by order of the members of the Corporation on 19th December 2024 and signed on its behalf by:

Signature:

A handwritten signature in black ink that reads "P. Taylor".

Paul Taylor, Chair



Financial Statements year ended 31 July 2024

Statement of corporate governance and internal control

Governance Statement

This statement covers the period from 1st August 2023 to 31st July 2024 and up to the date of approval of the annual report and financial statements.

The College endeavours to conduct its business:

- i. in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership);
- ii. in full accordance with the guidance to colleges issued by the Association of Colleges in 2015, which it formally adopted on 14 December 2023 The Further Education Code of Good Governance ("the Code")

At the Corporation meeting on 14 December 2023, the College formally adopted the Further Education Code of Good Governance published by the Association of Colleges, from the 1st August 2023. The new Code is based on six fundamental principles:

1. Determination of organisational aims and strategic oversight
2. Responsibility and accountability
3. Leadership and integrity
4. Collaboration and stakeholder engagement
5. Regulatory compliance
6. Board and organisational effectiveness

In the opinion of the Governors, the College complies with all the provisions of the Code, and it has complied throughout the year ended 31 July 2024. This opinion is based on an internal review of compliance with the Code reported to the Board on 24 October 2024. The Corporation recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times. In carrying out its responsibilities, it takes full account of the Code.

Financial Statements year ended 31 July 2024

Statement of corporate governance and internal control

The Corporation

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

Name	Date of appointment	Term of office	Date of resignation	Status of appointment	Committees served	Attendance in 23-24
Sonny Bazzoni	Elected 13.10.2023	1 year	Term of office ended 31.07.2024	Student Governor	N/A	80% (4/5)
Caroline Betts	Appointed 01.04.2024	4 years		Governor	Standards and Curriculum	100% (2/2)
Jon Bouffler	Reappointed 14.07.2020	4 years	01.03.2024	Governor	Standards and Curriculum	50% (1/2)
Rod Bristow	Reappointed 02.01.2023	4 years		Governor	Chair of Standards and Curriculum Remuneration	80% (4/5)
Hannah Cheesman	Elected 13.10.2022	2 years	Term of office ended 31.07.2024	Student Governor	Standards and Curriculum	100% (5/5)
Julia Fillary	Appointed 08.07.2021	4 years		Governor	Resources up to 26.02.2024 Audit from 27.02.2024	100% (5/5)
Vic Goddard	Appointed 28.03.2024	4 years		Governor	Standards and Curriculum	33% (1/3)
John Godley	Elected 22.10.2022	4 years		Teaching Staff	Standards and Curriculum up to 08.05.2024 Resources from 09.05.2024	80% (4/5)
Kate Greer	Appointed 03.01.2024	4 years	15.04.2024	Governor	Search and Governance	0% (0/1)
Arthur Hall-Jackson	Elected 01.08.2024	1 year		Student Governor	Standards and Curriculum	N/A
Mike Hardware	Appointed 01.01.2023	4 years	10.01.2024	Governor	N/A	0% (0/2)
Bronte Humphrey	Elected 01.08.2024	1 year		Student Governor	Health and Safety	N/A
Stephen Isherwood	Appointed 01.12.2022	4 years		Governor	Standards and Curriculum	80% (4/5)
Ayub Khan	Appointed 24.10.2024	4 years		Governors	Standards and Curriculum	N/A

Financial Statements year ended 31 July 2024
Statement of corporate governance and internal control

Name	Date of appointment	Term of office	Date of resignation	Status of appointment	Committees served	Attendance In 23-24
Elizabeth Laycock	Reappointed 19.05.2024	4 years	17.11.2024	Governor	Chair of Corporation to 23.10.2024, Standards and Curriculum, Remuneration, Resources	100% (5/5)
Ray Levy	Reappointed 11.10.2024	4 years		Governor	Chair of Audit Vice-Chair of Corporation, Search and Governance, Remuneration	100% (5/5)
Lily Lin	Reappointed 01.08.2022	4 years		Governor	Vice-Chair of Corporation, Chair of Search and Governance, Remuneration	80% (4/5)
Rachel Miller	Appointed 01.08.2022	4 years	22.11.2023	Governor	Resources	0% (0/1)
Karen Spencer	01.09.2013	Ex Officio		Principal	Resources, Search and Governance, Standards and Curriculum	100% (5/5)
Paul Taylor	Reappointed 05.04.2021	4 years		Governor	Chair of Corporation from 24.10.2024, Chair of Resources to 08.12.24, Remuneration	100% (5/5)
Michael Travers	Elected 21.03.2021	4 years		Staff Governor	Audit	100% (5/5)
Dawn Turner	Appointed 07.07.2022	4 years	24.10.2024	Governor	Audit	100% (5/5)
Edward Whittle	Appointed 01.11.2022	4 years		Governor	Chair of Resources from 09.12.24	100% (5/5)
Heather Wilson	Appointed 03.01.2024	4 years		Governor	Resources	100% (3/3)

Ruth Lucas, Head of Governance, acts as Clerk to the Corporation.



Financial Statements year ended 31 July 2024

Statement of corporate governance and internal control

In addition, Harlow College Governors provide instrumental support in attending Corporation Committees, College working group meetings, Governor training, strategic planning events, College functions and other meetings in the College. The Search and Governance Committee as well as considering formal meeting attendance, considers the entire support and expertise a Governor brings to the College.

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 at least once each term.

The Corporation conducts its business through a number of Committees. Each Committee has terms of reference, which have been approved by the Corporation. These Committees are Resources, Remuneration, Search and Governance, Standards and Curriculum and Audit. Full minutes of all meetings, except those deemed to be confidential by the Corporation, are available on the website www.harlow-college.ac.uk or from the Head of Governance at:

Harlow College
Velizy Avenue
Harlow
Essex
CM20 3EZ

The Head 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 Harlow College's expense and have access to the Head of Governance, who is responsible to the Board for ensuring that all applicable procedures and regulations are complied with. The appointment, evaluation and removal of the Head of Governance are matters for the Corporation as a whole.

Formal agendas, papers and reports are supplied to Governors in a timely manner, prior to Board meetings. Briefings are also 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.



Financial Statements year ended 31 July 2024

Statement of corporate governance and internal control

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

Virtual meetings

Following on from consultation with Governors, since 2023/24 all Corporation and the majority of Committee meetings are scheduled to be in person with video conferencing available where it is not possible for a Governor to attend in person. The Audit Committee and the joint Audit and Resources Committee meetings are held virtually due to the attendance of the auditors and best use of time. Search and Governance Committee and Standards and Curriculum Committee meetings are held onsite however the option of holding the meetings virtually will remain.

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, consisting of up to five members of the Corporation, which is responsible for the selection and nomination of any new member for the Corporation's consideration. 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. Governors may serve for more than two terms, with reappointment taking place after consideration is given to College need and performance; and subject to review by the Search and Governance Committee in line with the Corporation's Governor Recruitment Policy and Procedures.

Corporation performance

Governors and the Head of Governance attended the following training and development sessions during the year:

- AI in FE Governance
- Annual Governor Safeguarding Training
- AoC Chairs' and Vice-Chairs' Q&A
- AoC Curriculum and Quality Committee Charis' Network
- AoC East Governance Professionals' Network
- AoC Finance and Audit Committee Chairs' Network
- AoC Staff Governor Network
- AoC Student Governor Network
- Carbon Literacy Standard / Carbon Literate accreditation
- Deep Dive for Governors
- Developing Skills in Risk Management Webinar
- Equity, Diversity and Inclusion Webinar



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Statement of corporate governance and internal control

ESFA and Buzzacott FE Governance Update
ESFA and RSM Financial Handbook Update Webinar
Essex LA Governance – Directors’ Termly Meeting
ETF A Practical Framework for Understanding Radicalisation
ETF Culture, People and Organisational Development
ETF FE Governance Climate Action Toolkit Webinar
ETF Governance Professionals’ Leadership Programme
ETF Kay White Webinars for Governance Professionals
ETF Prevent for Further Education
ETF Safeguarding for Governors and Trustees
ETF Staff Governor Conference
ETF Student Governor Induction
ETF/ Unloc Student Governor Training
ETF Understanding Your Role and the Role of the Board
ETF Understanding Sector, Policy and Inspection
ETF Webinar - Report Writing and Presentation Skills
Eversheds: Governance and Legal Refresher on Directors’ Duties and Charity Trustees’ Duties
FE Commissioner – Just One More Thing Race Inequality Conference
Forget The Structure – It’s The People – CGI webinar
Governor Ofsted Briefing
Governor Ofsted Skills Briefing
How AI is Changing Governance Webinar
Investors in Diversity Launch
KCSiE Part One
OfS and the Broader Regulatory Landscape Webinar
OfS Chairs’ Event
Self-Assessment Reviews with Teams
The Governance Professional’s Role in Developing the Board Webinar

The Corporation has considered Department for Education (DfE) guidance on Board reviews and Pauline Odulinski undertook the review in Spring 2024, with the final report being presented to the Corporation on 16 July 2024. The summary of the review has been agreed with Pauline Odulinski and published on the College’s website.

Search and Governance committee

Throughout the year ending 31 July 2024, the Search and Governance Committee comprised of four members of the Corporation. The Committee met three times in the year to 31 July 2024.

The Committee’s responsibilities throughout the year were to advise the Corporation on the appointment and reappointment of members of the Corporation and co-optees to Committees of the Corporation and have regard at all time to the provisions of the Instrument and Articles of Government including eligibility criteria, the policy and needs of the



Financial Statements year ended 31 July 2024

Statement of corporate governance and internal control

Corporation including expertise and interests sought and equality and diversity and the evaluation of the contribution of members seeking reappointment.

The Committee reviewed its skills, knowledge and experience profile of Governors and the register of membership at every meeting to ensure that the Board was best placed to address upcoming strategic risks and opportunities. The Committee constantly had due regard for the diversity of the Board and to ensure where practically possible, that the Corporation profile broadly matches that of the College's student profile and local community. During the year, through its pro-active search activities, the Committee recommended to the Board the appointment of three highly suitable external Governors and the reappointment of two highly suitable external Governors.

The Committee has reviewed the size and diversity of the Board to ensure that any future recruitment takes account of the demands of the sector and the skills and knowledge required to successfully deliver against these.

The Committee considered the independence of Governors prior to appointment / reappointment through robust due diligence in accordance with the Corporation's Governor Recruitment Policy and Procedure.

Remuneration Committee

Throughout the year ending 31 July 2024, the Remuneration Committee comprised five members of the Corporation. The Committee's responsibilities are to make recommendations to the Corporation regarding the remuneration and benefits of the Accounting Officer, other senior post-holders and the Head of Governance.

The College adopted AoC's Senior Staff Remuneration Code in full in May 2019 to meet the requirements for registration with Office for Students (OfS), ESFA reporting requirements and provide consistency.

The Committee met on 6 July 2023 and agreed a £2.5k increase in the spot salary of the Head of Governance and to honour the Principal's contract of employment with the provision of private healthcare. This was approved by the Corporation on 6 July 2023.

The Committee met 18 September 2023 to consider the remuneration of the Principal, Deputy Principal and Head of Governance for 2023-2024. The Committee recommended to the Corporation a pay award of 2% for these three members of staff effective from 1 August 2023 in line with the College's staff pay award of 2% from 1 August 2023. This was approved by the Corporation on 16 October 2023.

The Committee met 16 July 2024 to consider the remuneration of the Principal, Deputy Principal and Head of Governance for 2024-2025. The Committee recommended to the Corporation a pay award of 3% for these three members of staff effective from 1 August 2024



Financial Statements year ended 31 July 2024

Statement of corporate governance and internal control

in line with the College's staff pay award of 3% from 1 August 2024. This was approved by the Corporation on 16 July 2024.

Details of Senior Post Holders' remuneration for the year ended 31 July 2024 are set out in note 8 to the financial statements.

Audit Committee

The Audit Committee comprises four members of the Corporation (excluding the Accounting Officer and Chair). The Committee operates in accordance with written terms of reference approved by the Corporation.

The Audit Committee meets four times per year, at least once per term and provides a forum for reporting by the College's internal auditor, 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 Harlow College's business.

The College's internal auditor reviews the systems of internal control, risk management controls and governance processes in accordance with an agreed plan of input and report their findings to management and the Audit Committee. Management is responsible for the implementation of agreed audit recommendations and the Internal Auditor undertakes periodic follow-up reviews to ensure such recommendations have been implemented.

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

The Audit Committee met four times in the year to 31 July 2024. The members of the committee and their attendance records are shown below:

Committee member	Meetings attended
Julia Fillary	2 of 2
Ray Levy	4 of 4
Michael Travers	4 of 4
Dawn Turner	4 of 4



Financial Statements year ended 31 July 2024

Statement of corporate governance and internal control

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 its policies, aims and objectives, whilst safeguarding the public funds and assets for which she is personally responsible, in accordance with the responsibilities assigned to her in the Funding Agreement between Harlow College and the funding bodies. She is also responsible for reporting to the Corporation any material weaknesses or breakdowns in internal control.

The purpose of the system of internal control

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of College policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Harlow College for the year ended 31 July 2024 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Corporation has reviewed the key risks to which Harlow College is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Corporation is of the view that there is a formal ongoing process for identifying, evaluating and managing the College's significant risks that has been in place for the period ending 31 July 2024 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Corporation.

The risk and control framework

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

- comprehensive budgeting systems with an annual budget, which is reviewed and agreed by the 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



Financial Statements year ended 31 July 2024

Statement of corporate governance and internal control

- clearly defined capital investment control guidelines
- the adoption of formal project management disciplines, where appropriate.

The College has an internal audit service, which operated in accordance with the requirements of the ESFA's Post 16 Audit Code of Practice. The work of the internal audit service is informed by an analysis of risks to which the College is exposed, and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the Corporation on the recommendation of the Audit Committee. At minimum, annually, the Internal Auditor provides the Corporation with a report on internal audit activity in the College. The report includes the Internal Auditors 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 College has well developed strategies for managing risk and strives to embed risk management in all that it does. Risk management processes are designed to protect its assets, reputation and financial stability. The Corporation has overall responsibility for risk management and its approach to managing risks and internal controls is explained in the Statement of Corporate Governance.

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

The College has a Risk Management Policy to manage risks and their potential impact. The risk management process also identifies risks which are above and beyond the level of risk the College would choose to accept. As the core business of the College is teaching and learning, the College has to find and maintain the appropriate balance of effective risk management whilst at the same time driving towards its vision of excellence for learners. The risk management process is mindful of how the College maintains organisational flexibility and how we ensure the College remains financially viable.

Our assessment of current risks facing the College are plotted on a Risk Assessment Matrix. The assessment of each risk and where it might be placed on the Risk Assessment Matrix is based on the College's knowledge and understanding of the risk and is in part subjective. The Risk Assessment Matrix is divided into 3 parts. The high risk area (coloured red), medium risk area (coloured amber) and low risk area (coloured green).

- a) For a new risk being assessed for the first time it is assumed that there are no controls in place.
- b) Each risk is assessed and given a score between 1 (low score) and 5 (high score) for both impact (I) and likelihood (L). A set of descriptors for each impact or likelihood score is attached to the matrix. When assessing the likely impact of a risk,

Financial Statements year ended 31 July 2024

Statement of corporate governance and internal control

consideration should be given to the impact on College finances, college reputation and our ability to provide excellence in teaching and learning.

- c) Each risk is allocated (to a named person to take the lead responsibility) and monitored by the Executive.
- d) Subsequent assessment of impact and likelihood are completed with knowledge of the controls which are already in place and with knowledge of any further controls which we have put in place to further reduce / control the risk.
- e) The multiplying of the impact score (I) X likelihood score (L) will give the assessed risk score for each issue being assessed. This score is then plotted on the matrix.
- f) The College has a maximum risk tolerance of 20. Any risk scored above 20 will be regarded as an intolerable risk which we would not voluntarily accept given the choice. Any risk which scores 25 means the College must accept it being placed in the High Risk sector of the matrix and will be subject to monthly review (and action as necessary) by the Executive.
- g) Risks which score between 10 and 20 will be placed in the High Risk sector of the matrix and be subject to monthly review and action as necessary by the Executive. All managers must have a contingency plan for dealing with these risks should they arise. Managers should also have appropriate control measures to prevent the risk occurring or mitigate its likelihood / impact.
- h) Risks which score between 5 and 9 will be placed in the Medium Risk sector of the matrix. All managers must have a contingency plan for dealing with these risks should they arise. Managers should also have appropriate control measures to prevent the risk occurring or mitigate its likelihood / impact. It is not expected that the Executive will review risks in the Medium risk sector with the same frequency as those in the High Risk sector unless there is reason to believe the risk needs to be rescored (upwards or downwards) on the basis of intelligence received. Risks identified in the Medium Risk sector should be subject to monthly review by managers, termly reviews by the Executive and as requested by the Audit Committee.
- i) Risks which score between 2 and 4 will be placed in the Low Risk sector of the matrix. All managers must have a contingency plan for dealing with these risks should they arise. Managers should also have appropriate control measures to prevent the risk occurring or mitigate its likelihood / impact. It is not expected that the Executive will review risks in the Low Risk sector with the same frequency as those in the High Risk sector unless there is reason to believe the risk needs to be rescored (upwards or downwards) on the basis of intelligence received. Risks identified in the Low Risk sector should be subject to monthly review by managers, termly reviews by the Executive and as requested by the Audit Committee.

The College's key risks are identified in the Strategic Report.

Control weaknesses identified

No significant internal control weaknesses or failures have been identified which required action.



Financial Statements year ended 31 July 2024 Statement of corporate governance and internal control

Responsibilities under accountability agreements

The Corporation has met its contractual responsibilities under its funding agreements and contracts with the ESFA.

The Department for Education and Education and Skills Funding Agency introduced new controls for the college on 29 November 2022 on the day that the Office for National Statistics reclassified colleges as public sector organisations in the national accounts. The ESFA chief executive communicated these changes to all college accounting officers and introduced a college financial handbook in March 2024 to take effect from 1 August 2024. The College has reviewed its policies, procedures and approval processes in line with these new requirements to ensure there are systems in place to identify and handle any transactions for which DfE approval is required.

Statement from the Audit Committee

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

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

Audit	Assurance level provided
2023/24:	
Staff Recruitment and Retention	Significant
Learner Recruitment (16-18)	Significant
Risk Management	Strong
Apprenticeship Income and Funding Body reconciliation	Advisory Review
Funding Assurance	Significant
Estates Management	Significant
2024/25:	
Safeguarding and Prevent	Significant



Financial Statements year ended 31 July 2024

Statement of corporate governance and internal control

Annex G Audits conducted by Internal Auditors:

Audit	Outcome
Local Skills Improvement Fund Year 1	Positive
Higher Technical Education Skills Injection Fund	Positive

Review of effectiveness

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

- the work of the internal auditor; and
- the work of the executive managers within the College who have responsibility for the development and maintenance of the internal control framework; and
- comments made by the College's financial statements auditors, the reporting accountant for regularity assurance, the appointed funding auditors in their management letters and other reports.

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

The Executive team, consisting of the Principal, Deputy Principal, Vice-Principals, Assistant Principals and Executive Directors, 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 Executive team and the Audit Committee also receive regular reports from internal audit, which include recommendations for improvement.

The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Corporation's agenda includes a regular item for consideration of risk and control and receives reports thereon from the Executive Group and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its meeting on 19 December 2024 the Corporation carried out the annual assessment of internal control for the year ended 31 July 2024 by considering documentation from the Executive Group and the internal audit, taking account of events since 31 July 2024.

Based on the advice of the Audit Committee and the Accounting Officer, the Corporation is of the opinion that the College has an adequate and effective framework for governance, risk management and control, and has fulfilled its statutory responsibility for *"the effective and*



Financial Statements year ended 31 July 2024
Statement of corporate governance and internal control

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 19th December 2024 and signed on its behalf by:

Handwritten signature of Paul Taylor in black ink, written over a horizontal line.

Paul Taylor, Chair

Handwritten signature of Karen Spencer in black ink, written over a horizontal line.

Karen Spencer MBE, Accounting Officer

HARLOW COLLEGE
Financial Statements year ended 31 July 2024

Statement of Regularity, Propriety and Compliance

As accounting officer, I confirm that the Corporation has had due regard to the framework of authorities governing regularity, priority and compliance, and the requirements of the accountability agreement, funding agreements and contracts with ESFA and DfE, and has considered its responsibility to notify ESFA of material irregularity, impropriety and non-compliance with those authorities and terms and conditions of funding.

I confirm on behalf of the Corporation that after due enquiry, and to the best of my knowledge, I am able to identify any material irregular or improper use of funds by the Corporation, or material non-compliance with the framework of authorities and the terms and conditions of funding under the Corporation's accountability agreement, funding agreements and contracts with ESFA and DfE, or any other public funder. This includes the elements outlined in the "Dear accounting officer" letter of 29 November 2022 and ESFA's bite size guides.

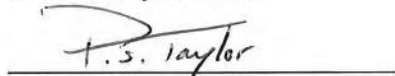
I confirm that no instances of material irregularity, impropriety or funding noncompliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to ESFA.



Karen Spencer MBE, Accounting Officer
19 December 2024

Statement of the Chair of Corporation

On behalf of the Corporation, I confirm that the accounting officer has discussed their statement of regularity, propriety and compliance with the Board and that I am content that it is materially accurate.



Paul Taylor, Chair
19 December 2024

HARLOW COLLEGE

Financial Statements year ended 31 July 2024

Statement of Responsibilities of the Members of the Corporation

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

Within the terms and conditions of the Corporation's accountability agreement, funding agreements and contracts with ESFA and DfE, 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 is required to 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, ESFA'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 and
- prepare financial statements on the going concern basis, unless it is inappropriate to assume that the college will continue in operation.

The Corporation is also required to prepare a strategic report, in accordance with paragraphs 3.23 to 3.27 of the FE and HE SORP, that describes what it is trying to do and how it is going about it, including information about the legal and administrative status of the Corporation.

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

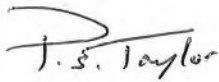
The Corporation is responsible for the maintenance and integrity of its website; the work carried out by auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were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

Members of the Corporation are responsible for ensuring that expenditure and income are applied for the purposes intended 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 ESFA, or any other public funder, including that any transactions entered into by the

HARLOW COLLEGE
Financial Statements year ended 31 July 2024

Corporation are within the delegated authorities set out in the "Dear accounting officer" letter of 29 November 2022 and ESFA's bite size guides. 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 ESFA, DfE and other public bodies are not put at risk.

Approved by order of the members of the Corporation on 19th December 2024 and signed on its behalf by:



Paul Taylor, Chair



Financial Statements year ended 31 July 2024

Independent Auditor's Report to the Corporation of Harlow College

Opinion

We have audited the financial statements of Harlow College (the 'College') for the year ended 31 July 2024 which comprise the College statement of comprehensive income and expenditure, the College statement of changes in reserves and balance sheets, the statement of cash flows, the principal accounting policies, and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and the College Accounts Direction 2023 to 2024 issued by the Education and Skills Funding Agency).

In our opinion, the financial statements:

- give a true and fair view of the state of the College's affairs as at 31 July 2024 and of its surplus of income over expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Statement of Recommended Practice; Accounting for Further and Higher Education (the 2019 FE HE SORP) and the Accounts Direction 2023 to 2024 issued by the ESFA.
- 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;
- in all material respects, funds provided by the OfS, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions; and
- the requirements of OfS's accounts direction have been met.

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 members of the Corporation's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 members of the Corporation 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 annual report other than the financial statements and our auditor's report thereon. The members of the Corporation are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the College and its environment obtained in the course of the audit, we have not identified material misstatements in the annual report. We have nothing to report in respect of the following matters in relation to which the Post 16 Code of Practice issued by the Education and Skills Funding Agency requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns; or
- all the information and explanations required for the audit were not received; or
- certain disclosures of members' remuneration specified by law are not made.

We have nothing to report in respect of the following matter in relation to which the Office for Students requires us to report to you, if in our opinion:

- The College's grant and fee income, as disclosed in **the notes** to these financial statements has been materially misstated.

Responsibilities of the Corporation

As explained more fully in the statement of responsibilities of members of the Corporation, the members of the Corporation are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members of 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 members of the Corporation are 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 members of the Corporation

Financial Statements year ended 31 July 2024

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 it is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the College through discussions with management, and from our knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the College, including the Further and Higher Education Act 1992, funding agreements with the ESFA and associated funding rules, ESFA regulations, data protection legislation, anti-bribery, safeguarding, employment, health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias;



Financial Statements year ended 31 July 2024

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of Corporation meetings;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing any available correspondence with HMRC and the College's legal advisors (although none was noted as being received by the College).

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

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

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

Use of our report

This report is made solely to the Corporation, as a body, in accordance with the College's Articles of Government. Our audit work has been undertaken so that we might state to the Corporation those matters we are required 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 College and the Corporation as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in cursive script, appearing to read 'Buzzacott LLP'.

Date: 20 December 2024

Buzzacott LLP
Chartered Accountants and Registered Auditor
130 Wood Street
London
EC2V 6DL



Financial Statements year ended 31 July 2024

Independent Reporting Accountant's Report on Regularity

To: The Corporation of Harlow College and Secretary of State for Education acting through Education and Skills Funding Agency (the ESFA)

In accordance with the terms of our engagement letter and further to the requirements and conditions of funding in the ESFA's grant funding agreements and contracts, or those of any other public funder, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by Harlow College during the period 1 August 2023 to 31 July 2024 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

The framework that has been applied is set out in the Post-16 Audit Code of Practice (the Code) issued by the ESFA and in any relevant conditions of funding concerning adult education notified by a relevant funder.

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

Respective responsibilities of Harlow College and the reporting accountant

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

Our responsibilities for this engagement are established in the United Kingdom by the Code our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Code. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received, during the period 1 August 2023 to 31 July 2024 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Code issued by the ESFA. We performed a limited assurance engagement as defined in that framework. The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion. Our engagement includes examination, on a test basis, of evidence relevant to the regularity of the corporation's income and expenditure.



Financial Statements year ended 31 July 2024

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material irregularity and impropriety across all of the College's activities;
- Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

Conclusion

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

A handwritten signature in black ink, appearing to read 'Buzzacott LLP'.

Date: 20 December 2024

Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

Statements of Total Comprehensive Income

	Notes	Year ended 31 July			Year ended 31 July		
		Before actuarial pension adjustments	2024 Actuarial pension adjustments	After actuarial pension adjustments	Before actuarial pension adjustments	2023 Actuarial pension adjustments	After actuarial pension adjustments
		£'000	£'000	£'000	£'000	£'000	£'000
INCOME							
Funding body grants	2	25,823	-	25,823	23,454	-	23,454
Tuition fees and education contracts	4	430	-	430	407	-	407
Other income	6	2,388	-	2,388	2,027	-	2,027
Investment income	7	494	672	1,166	495	153	648
Total income		29,135	672	29,807	26,383	153	26,536
EXPENDITURE							
Staff costs	8	20,184	(322)	19,862	18,333	281	18,614
Other operating expenses	9	5,588	26	5,614	5,295	21	5,316
Depreciation and amortisation	11,12	2,551	-	2,551	2,355	-	2,355
Interest and other finance costs	10	502	-	502	337	-	337
Total expenditure		28,825	(296)	28,529	26,320	302	26,622
Taxation		-	-	-	-	-	-
Surplus / (Deficit) for the year		310	968	1,278	63	(149)	(86)
Actuarial (loss) / gain in respect of pensions schemes	22	(94)	(968)	(1,062)	100	149	249
Total Comprehensive Income for the year		216	-	216	163	-	163



Statement of Changes in Reserves


	Income and Expenditure account	Revaluation reserve	Total
	£'000	£'000	£'000
Balance at 1st August 2022	25,257	11,908	37,165
Deficit from the income and expenditure account	(86)	-	(86)
Other comprehensive income	249	-	249
Transfers between revaluation and income and expenditure reserves	104	(104)	-
Total comprehensive income for year ended 31 July 2023	267	(104)	163
Balance at 31st July 2023	25,524	11,804	37,328
Deficit from the income and expenditure account	1,278	-	1,278
Other comprehensive expenditure	(1,062)	-	(1,062)
Transfers between revaluation and income and expenditure reserves	104	(104)	-
Total comprehensive income for the year	320	(104)	216
Balance at 31st July 2024	25,844	11,700	37,544




Balance Sheet as at 31 July

	Notes	Year ended 31	Year ended 31
		July 2024 £'000	July 2023 £'000
Fixed assets			
Tangible fixed assets	11	60,986	59,066
Intangible fixed assets	12	153	89
		61,139	59,155
Current assets			
Stocks		12	10
Trade and other receivables	13	2,636	2,221
Cash and cash equivalents	18	6,335	6,350
		8,983	8,581
Less: Creditors – amounts falling due within one year	14	(8,480)	(8,038)
Net current assets		503	543
Total assets less current assets		61,642	59,698
Less: Creditors – amounts falling due after more than one year	15	(23,005)	(21,299)
Provisions			
Defined benefit obligations	17, 22	-	-
Other provisions	17	(1,093)	(1,071)
Total net assets		37,544	37,328
Unrestricted reserves			
Income and expenditure account		25,844	25,524
Revaluation reserve		11,700	11,804
Total unrestricted reserves		37,544	37,328

The financial statements on pages 48 to 83 were approved and authorised for issue by the Corporation on 19 December 2024 and were signed on its behalf on that date by:



Paul Taylor
 Chair



Karen Spencer MBE
 Accounting Officer



Statement of Cash Flows

		Year ended 31 July 2024 £'000	Year ended 31 July 2023 £'000
Cash inflow from operating activities			
Surplus for the year		1,278	(86)
Adjustment for non cash items			
Depreciation and amortisation	11,12	2,551	2,355
Increase in stock		(2)	4
Decrease in debtors	13	(415)	76
Increase / (decrease) in creditors due within one year	14	(2,922)	444
Increase / (decrease) in creditors due after one year	15	2,342	(759)
Increase / (decrease) in enhanced pension provision	17	22	(173)
Pensions costs less contributions payable		(1,156)	349
Adjustment for investing or financing activities			
Investment income	7	(494)	(331)
Hedge of variable interest rate, fair movement		151	(164)
Interest payable	10	448	296
		1,803	2,011
Cash flows used in investing activities			
Investment income		494	331
Payments made to acquire fixed assets		(4,537)	(1,895)
Capital funding received		3,280	1,599
		(763)	35
Cash flows from financing activities			
Interest paid		(448)	(293)
Interest element of finance lease rental payments		-	(3)
Repayments of amounts borrowed		(607)	(578)
Capital repayments of finance lease payments		-	(99)
		(1,055)	(973)
Increase in cash and cash equivalents in the year		(15)	1,073
Cash and cash equivalents at beginning of the year	18	6,350	5,277
Cash and cash equivalents at end of the year	18	6,335	6,350



Financial Statements for the year ended 31 July 2024

Notes to the Financial Statements

1. Statement of accounting policies and estimation techniques

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

Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (the 2019 FE HE SORP), the College Accounts Direction for 2023-24 and in accordance with Financial Reporting Standard 102 – “The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland” (FRS 102). The college is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the college's accounting policies.

Basis of accounting

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

Basis of consolidation

In accordance with FRS 102, the activities of the student union have not been consolidated because the College does not control those activities.

Going concern

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

The College currently has £3,270k of loans outstanding with bankers on terms negotiated in 2017 and May 2021. The College loans are on fixed interest rates until November 2026 (when one loan is repayable) and July 2027. The College's forecasts and financial projections indicate that it will be able to operate within these existing facilities and covenants for the foreseeable future.

The Corporation is confident that the College will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and have therefore prepared these statements on a going concern basis.



Financial Statements for the year ended 31 July 2024

Notes to the Financial Statements

Recognition of income

Revenue grant funding

Government revenue grants include funding body recurrent grants and other grants and are accounted for under the accrual model as permitted by FRS 102. Funding body recurrent grants are measured in line with best estimates for the period of what is receivable and depend on the particular income stream involved.

The final grant income is normally determined with the conclusion of the year end reconciliation process with the funding body following the year end, and the results of any funding audits. 16-18 funding is not subject to reconciliation and is therefore not subject to contract adjustments.

Levy-funded and ESFA funding for co-investment model apprenticeships income is measured in line with best estimates of the provision delivered in the year.

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

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

Grants from non-government sources, including grants relating to assets, are recognised in income when the performance-related conditions have been met and the grant will be received. Income received in advance of performance related conditions being met is recognised as a liability 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. Other, non-governmental, capital grants are recognised in income when the college is entitled to the funds subject to any performance related conditions being met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the Balance Sheet and released to income as conditions are met.

Other income

Income from the supply of services is recognised at fair value of the consideration received or receivable and represents the value of services to the extent there is a right to consideration.



Financial Statements for the year ended 31 July 2024

Notes to the Financial Statements

Income from tuition fees including employer funding for co-investment funded apprenticeships is stated gross of any expenditure which is not a discount and is recognised in the period for which it is received.

Investment income

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

Agency arrangements

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

Accounting for post-employment benefits

Post-employment benefits to employees of the College are principally provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). These are defined benefit plans, which are externally funded and contracted out of the State Second Pension.

Teachers' Pension Scheme (TPS)

The TPS is an unfunded scheme. Contributions to the TPS are calculated so as to spread the cost of pensions over employees' working lives with the College in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of valuations using a prospective benefit method.

The TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution plan and the contributions recognised as an expense in the income statement in the periods during which services are rendered by employees.

Essex 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

Financial Statements for the year ended 31 July 2024

Notes to the Financial Statements

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.

If the present value of the defined pension scheme obligations at the balance sheet date is less than the fair value of the scheme assets at that date, the scheme is in surplus. The College only recognises a scheme surplus as a defined benefit pension scheme asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

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

Short term Employment benefits

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

Enhanced Pensions

The actual cost of any enhanced ongoing pension to a former member of staff is paid by a college annually. An estimate of the expected future cost of any enhancement to the ongoing pension of a former member of staff is charged in full to 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

Tangible fixed assets are stated at deemed cost less accumulated depreciation and accumulated impairment losses. Land and Buildings have been revalued to fair value on or prior to the date of transition to the FE HE SORP, and are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

Financial Statements for the year ended 31 July 2024

Notes to the Financial Statements

Land and buildings

Land and buildings are stated in the balance sheet at cost or deemed cost for land and building revalued at the date of transition to FRS102. The associated credit is included in the revaluation reserve. The difference between depreciation charged on the historic cost of assets and the actual charge for the year calculated on the revalued amount is released to the income and expenditure account reserve on an annual basis.

The land gifted from Stansted Airport in 2018 with a commercial value of £3m has been included in the accounts as £1,663k based on an educational value.

Freehold buildings including associated professional fees are depreciated on a straight line basis over their expected useful life to the College of between 10 and 52 years. Freehold land is not depreciated as it is considered to have an infinite useful life.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of any fixed asset may not be recoverable.

On adoption of FRS 102, the College followed the transitional provision to retain the book value of buildings, land was revalued at the date of transition to FRS102, as deemed cost but the College did not adopt a policy of revaluations of these properties in the future.

Assets under construction

Assets under construction are accounted for at cost, based on the value of architects' certificates and other direct costs, incurred to 31 July each year. They are not depreciated until they are brought into use.

Subsequent expenditure on existing fixed assets

Where significant expenditure is incurred on tangible fixed assets after initial purchase it is charged to income in the period it is incurred, unless it increases the future benefits to the College, in which case it is capitalised and depreciated on the relevant basis.

Equipment

Equipment costing less than £2,000 per individual item is recognised as expenditure in the period of acquisition, with the exception of some computer hardware items costing less than £2,000 individually which have been capitalised. All other equipment is capitalised and recognised at cost less accumulated depreciation.

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

- motor vehicles and general equipment – between 5 and 10 years straight-line basis

Financial Statements for the year ended 31 July 2024

Notes to the Financial Statements

- computer equipment – between 3 and 10 years on a straight-line basis
- furniture, fixtures and fittings – between 3 and 10 years on a straight-line basis.

Intangible assets and goodwill

Intangible fixed assets including software is initially recognised at cost and are subsequently amortised. Intangible assets are amortised to the statement of comprehensive income on a straight line basis over their useful lives, and for software this is over 3 to 5 years. Purchased Goodwill arising in respect of the acquisition of the trade and assets of a trading company is amortised over 10 years.

Borrowing costs

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

Leased assets

Costs in respect of operating leases are charged on a straight-line basis over the lease term to the Statement of Comprehensive Income and Expenditure. Any lease premiums or incentives relating to leases signed after 1st August 2014 are spread over the minimum lease term. The College has taken advantage of the transitional exemptions in FRS 102 and has retained the policy of spreading lease premiums and incentives to the date of the first market rent review for leases signed before 1st August 2014.

Leasing agreements which transfer to the College substantially all the benefits and risks of ownership of an asset are treated as finance leases.

Assets held under finance leases are recognised initially at the fair value of the leased asset (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Assets held under finance leases are included in tangible fixed assets and depreciated and assessed for impairment losses in the same way as owned assets.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charges are allocated over the period of the lease in proportion to the capital element outstanding.

Stock

Stock is valued at the lower of their cost and net realisable value, being estimated selling price less costs to complete and sell. Where necessary, provision is made for obsolete, slow-moving and defective items.

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Notes to the Financial Statements

Cash and cash equivalents

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

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

Financial instruments

Trade and other debtors (including accrued income) which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Financial liabilities

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

All loans, investments and short term deposits held by the College are classified as basic financial instruments in accordance with FRS 102. These instruments are initially recorded at the transaction price less any transaction costs (historical cost). FRS 102 requires that basic financial instruments are subsequently measured at amortised cost, however the College has calculated that the difference between the historical cost and amortised cost basis is not material and so these financial instruments are stated on the balance sheet at historical cost. Loans and investments that are payable or receivable within one year are not discounted.

Taxation

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

The College is partially exempt in respect of Value Added Tax, so that it can only recover around 1% of the VAT charged on its inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.



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Notes to the Financial Statements

Provisions and contingent liabilities

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

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

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

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

Judgements in applying accounting policies and key sources of estimation uncertainty

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

- Determine whether leases entered into by the College either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

Other key sources of estimation uncertainty

- *Tangible fixed assets*

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- *Gifted University College Building*

The College has assessed the value of the building at £7,918k, being the depreciated published values of the original project. This valuation reflects the building being used for

Financial Statements for the year ended 31 July 2024

Notes to the Financial Statements

educational use only. The building has been included as a donated asset and capitalised on the balance sheet as an asset and will be depreciated over its deemed remaining useful life.

- *Local Government Pension Scheme and Enhanced Pension Provision*

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. The actuary has used a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 to value the pensions liability at 31 July 2024. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The enhanced pension provision (disclosed in note 17) relates to the cost of staff who have already left the College's employment and commitments for reorganisation costs from which the College cannot reasonably withdraw at the balance sheet date. This provision has been recalculated in accordance with guidance issued by the funding bodies.

Notes to the Accounts (continued)
2 Funding body grants

	Year ended 31 July 2024	Year ended 31 July 2023
	£'000	£'000
Recurrent grants		
ESFA - 16-19	16,248	14,800
ESFA - Adult Education Budget	3,315	3,132
GLA - Adult Education Budget	294	235
DfE - Apprenticeships	1,462	1,753
Office for Students (Note 3)	9	27
Specific Grants		
ESFA - High needs	870	846
ESFA - T Level	-	8
ESFA - Excellence in Maths	-	221
ESFA - Tuition fund	221	254
ESFA - T Level (Equipment)	15	5
DfE - FE Capital Transformation Fund	16	-
DfE - HGV Training	3	-
DfE - Higher Technical Growth	38	-
DfE - Institute of Technology	29	29
DfE - Local Skills Improvement Fund	678	-
DfE - Reach	6	-
DfE - Strategic development grant	66	318
DfE - Taking Teaching Further	137	-
Teacher pension scheme contribution grant	962	737
Releases of government capital grants	1,454	1,089
Total	25,823	23,454

3 Total grant and fee income

	Year ended 31 July 2024	Year ended 31 July 2023
	£'000	£'000
Grant income from the OfS	9	27
Grant income from other bodies	25,814	23,427
Total Grants (See note 2)	25,823	23,454
Fee income for non-qualifying courses (exclusive of VAT)	430	407
Total tuition fees and education contracts	430	407
Total grant and fee income	26,253	23,861

Notes to the Accounts (continued)
4 Tuition fees and education contracts

	Year ended 31 July 2024	Year ended 31 July 2023
	£'000	£'000
Adult education fees	227	125
Apprenticeship contracts	19	28
Fees for FE loan supported courses	172	254
Fees for HE loan supported courses	12	-
Total	<u>430</u>	<u>407</u>

Included within the above amounts are tuition fees funded by bursaries of £172k (2023: £254k).

5 Other grants and contracts

	Year ended 2024	Year ended 2023
	£'000	£'000
Other grant income (High Needs)	1,043	828
Other grant income	-	2
Total	<u>1,043</u>	<u>830</u>

High Needs funding is from local authorities to provide support packages for learners with special educational needs and disabilities.

Notes to the Accounts (continued)
6 Other income

	Year 2024	Year 2023
	£'000	£'000
Catering	599	477
Other income generating activities	746	720
Other grants and contracts (note 5)	1,043	830
	<u> </u>	<u> </u>
Total	<u>2,388</u>	<u>2,027</u>

7 Investment income

	Year 2024	Year 2023
	£'000	£'000
Swap interest	118	74
Hedge of variable interest rate, fair value gain	-	164
Other interest receivable	376	257
	<u> </u>	<u> </u>
	494	495
Net return on pension scheme (note 22)	672	153
	<u> </u>	<u> </u>
	<u>1,166</u>	<u>648</u>

Notes to the Accounts (continued)
8 Staff costs - College

The average **headcount** of persons (including key management personnel) employed by the College during the year, expressed as average head count and calculated on a monthly basis, was:

	2024	2023
	No.	No.
Teaching staff	312	303
Non-teaching staff	180	163
	492	466

Staff costs for the above persons

	2024	2023
	£'000	£'000
Wages and salaries	14,906	13,738
Social security costs	1,444	1,357
Other pension costs (Note 22)	2,975	3,146
Payroll sub total	19,325	18,241
Contracted out staffing services	530	343
	19,855	18,584
Restructuring costs -		
Contractual	7	14
Non contractual	-	16
	19,862	18,614

Staff costs include a premises maintenance team, in house catering service and in house cleaners.

Salary sacrifices available to staff are child care vouchers, cycle to work scheme and electronic car leasing.

Other pension costs includes FRS102 pension credit of £322k (2023: charge £281k).

The College paid 3 severance payments in the year, disclosed in the following bands:

£0 - £25,000	3
£25,001 - £50,000	-

Included in staff restructuring costs is 1 Settlement payment totalling £3,220 (2023: 1 Settlement 2023 totalling £16,250). Also included in staff restructuring costs are 2 Pay In Lieu of Notice (PILON) payments totalling £3,504. Individually the payments were £644 and £2860. (2023: 2 PILONs totalling £13,888. Individually the payments were £8401 and £5488.)

Notes to the Accounts (continued)

8 Staff costs - College (continued)

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College and are represented by the College Executive Team (which includes the Principal, Deputy Principal, Vice Principals, Assistant Principals and Executive Directors) and the Head of Governance.

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

	2024	2023
	No.	No.
The number of key management personnel including the Accounting Officer was:	15	15
	<u>15</u>	<u>15</u>

The number of key management personnel and other staff (including part time staff grossed up to full time equivalent) who received emoluments, excluding pension contributions and employer's national insurance but including benefits in kind, in the following ranges was:

	Key Management Personnel		Other staff	
	2024	2023	2024	2023
	No.	No.	No.	No.
£50,001 to £55,000	1	1	-	-
£60,001 to £65,000	-	7	2	1
£65,001 to £70,000	9	2	-	-
£70,001 to £75,000	1	1	-	-
£75,001 to £80,000	-	2	-	-
£85,001 to £90,000	2	-	-	-
£90,001 to £95,000	1	1	-	-
£140,001 to £145,000	-	1	-	-
£145,001 to £150,000	1	-	-	-
	<u>15</u>	<u>15</u>	<u>2</u>	<u>1</u>

Notes to the Accounts (continued)
8 Staff costs - College (continued)

Key management personnel compensation is made up as follows:

	2024	2023
	£'000	£'000
Basic salary	1,126	1,085
Benefits in kind	4	4
Payment in lieu of pensions	33	30
Pension contributions	<u>234</u>	<u>210</u>
Total key management personnel compensation	<u>1,397</u>	<u>1,329</u>

The above compensation includes amounts payable to the Principal and Chief Executive who is the Accounting Officer and who is also the highest paid member of staff. Their pay and remuneration is as follows:

	2024	2023
	£'000	£'000
Salaries	147	144
Benefits in kind	4	4
Payment in lieu of pensions	33	30
Pension contributions	<u>-</u>	<u>-</u>
Total	<u>184</u>	<u>178</u>

The members of the Corporation other than the Accounting Officer and the staff members did not receive any payment from the institution other than the reimbursement of travel and subsistence expenses £20 (2022/23 Nil) incurred in the course of their duties.

The pension contributions in respect of the Accounting Officer and key management personnel are in respect of employer's contributions to the Teachers' Pension Scheme and Local Government Pension Scheme and are paid at the same rate as for other employees.

The College reviews the salaries of its key management personnel based on comparisons with sector benchmarks. No bonuses or other salary enhancements were awarded to any of these staff in 2023/24.

The Committee met on 18 September 2023 to consider the remuneration of the Principal, Deputy Principal and Head of Governance. The Committee recommended to the Corporation a pay award of 2% for these three members of staff effective from 1 August 2023 in line with the College's staff pay award of 2% from 1 August 2023. This was approved by the Corporation on 16 October 2023.

The relationship between the Accounting Officer's pay and remuneration expressed as a multiple of all other employees based on full-time equivalents, is set out below for both basic salary and total remuneration. Casual staff have been excluded from the calculation.

	2024	2023
	No	No
Basic salary as a multiple of median basic salary of staff	4.33	4.20
Total remuneration as a multiple of median total remuneration of staff	4.45	4.15

Notes to the Accounts (continued)
9 Other operating expenses

	2024	2023
	£'000	£'000
Teaching costs	870	918
Non teaching costs	3,115	2,982
Premises costs	<u>1,629</u>	<u>1,416</u>
Total	<u>5,614</u>	<u>5,316</u>

Other operating expenses includes the following charges:

	2024	2023
	£'000	£'000
Auditors' remuneration (excluding VAT):		
Financial statements audit	34	30
Internal audit (excluding VAT)	18	20
Other services provided by the financial statements auditor		
Audit of separate schemes / grants	-	3
Corporation Tax Services	3	-
Other services provided by the internal auditors		
Audit of separate schemes / grants	4	3
Lease Service Charge	15	25
Operating Lease expense	<u>76</u>	<u>90</u>

10 Interest and other finance costs

	2024	2023
	£'000	£'000
On bank loans, overdrafts and other loans:	297	293
Hedge of variable interest rate, fair value gain / (loss)	<u>151</u>	<u>-</u>
	448	293
On finance leases	-	3
Enhanced pension provision interest	<u>54</u>	<u>41</u>
Total	<u>502</u>	<u>337</u>

Notes to the Accounts (continued)

11 Tangible fixed assets

	Land and buildings		Equipment	Assets in the Course of Construction	Total
	Freehold	Long leasehold			
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1 August 2023	71,968	1,766	12,006	1,051	86,790
Transfer of assets in the course of	1,051	-	-	(1,051)	-
Additions	3,054	(1,766)	2,162	997	4,447
Disposals	-	-	(136)	-	(136)
As at 31 July 2024	76,073	-	14,032	997	91,101
Depreciation					
At 1 August 2023	17,677	204	9,843	-	27,724
Charge for the year	1,649	(187)	1,063	-	2,525
Elimination in respect of disposals			(134)	-	(134)
As at 31 July 2024	19,326	17	10,772	-	30,115
Net book value at 31 July 2024	56,747	(17)	3,260	997	60,986
Net book value at 31 July 2023	54,291	1,562	2,163	1,051	59,066

Land was valued 31 July 2016 by Lambert Smith Hampton a firm of independent chartered surveyors. The date of transition for the revaluation is 31 July 2014.

The value of land included above, which is not depreciated totals £9.5m (2023: £9.5m).

Assets under construction refer to the construction works cladding J Building, which is expected to be completed by December 2024.

Stansted Airport College came into use in September 2018. In 2017/18 Stansted Airport gifted 1.97 acres of land with a commercial value of £3m, the land was included at an educational use value of £1.66m, included in the long leasehold above. A 99 year lease (peppercorn) has been in place since October 2017. Stansted Airport Limited remains the freeholder of this land.

There is a 125 year lease agreement (from January 2015) between the College and Burnt Mill Academy Trust (BMAT), formerly the UTC for use of the College land on the Harlow site. The College remains the freeholder of this land, included in the freehold above.

Clydesdale Bank has a fixed and floating charge over the Harlow College land and buildings.

If the College's fixed assets had not been revalued they would have been included at the following historical cost amounts:

	£'000
Cost	75,798
Aggregate depreciation based on cost	(26,512)
Net book value based on cost	49,286

Notes to the Accounts (continued)
12 Intangible fixed assets

	Software	Goodwill	Total
	£'000	£'000	£'000
Cost or valuation			
At 1 August 2023	737	63	800
Additions	<u>90</u>	<u>-</u>	<u>90</u>
As at 31 July 2024	<u>827</u>	<u>63</u>	<u>890</u>
Amortisation			
At 1 August 2023	673	38	711
Charge for the year	19	7	26
As at 31 July 2024	<u>692</u>	<u>45</u>	<u>737</u>
Net book value at 31 July 2024	<u><u>135</u></u>	<u><u>18</u></u>	<u><u>153</u></u>
Net book value at 31 July 2023	<u>64</u>	<u>25</u>	<u>89</u>

The amortisation for the year appears in the depreciation and amortisation in the statements of comprehensive income

Notes to the Accounts (continued)
13 Trade and other receivables

	2024	2023
	£'000	£'000
Amounts falling due within one year:		
Trade receivables	427	622
Prepayments and accrued income	1,570	644
Interest rate swap debtor	156	307
Amounts owed by the ESFA	483	648
Total	<u>2,636</u>	<u>2,221</u>

14 Creditors: amounts falling due within one year

	2024	2023
	£'000	£'000
Bank loans	636	607
Trade payables	1,040	753
Other taxation and social security	334	327
Accruals and deferred income	2,239	1,098
Holiday pay accrual	59	37
Unspent grants	1,335	1,844
Deferred income - government capital grants	1,726	2,242
Amounts owed to the ESFA	1,111	1,130
Total	<u>8,480</u>	<u>8,038</u>

15 Creditors: amounts falling due after one year

	2024	2023
	£'000	£'000
Bank loans	2,635	3,271
Deferred income - government capital grants	20,370	18,028
Total	<u>23,005</u>	<u>21,299</u>

Notes to the Accounts (continued)

16 Maturity of debt

Bank loans

Bank loans are repayable as follows:

	2024	2023
	£'000	£'000
In one year or less	636	607
Between one and two years	667	1,303
Between two and five years	1,968	1,968
Total	<u>3,271</u>	<u>3,878</u>

As part of the College's phase 4 accommodation strategy in 2007 the College has arranged a facility for a drawdown of two loans totalling £4,566,000. £3,044,000 is subject to a fixed loan rate of 8.07%. £1,522,000 was subject to a fixed loan rate until its review in November 2017 when it then reverted to a standard variable rate. In February 2018 a swap product was entered into to fix the rate of the latter loan value to 1.42% (plus 2% margin) until July 2027. The outstanding balance on the bank loans, totalling £1,123,014 (2023: £1,457,965) for phase 4 of the College's accommodation strategy is repayable by instalments between December 2007 and July 2027 and is secured on a portion of freehold land and buildings of the College.

A bank loan of £2,976,972 to replace two loans was drawn down in May 2021. The loan is subject to a variable Bank of England Base Rate + 3.5% margin. In June 2021 a swap product was entered into to fix the rate at 0.80% (plus 3.5% margin) until November 2026. The outstanding balance of £2,147,807 (2023: £2,419,489) is repayable by instalments between May 2021 and November 2026, with a final lump sum £1,497,758.48 due in November 2026.

In October 2024, the College repaid £2,101,277 which was the balance of the loan with a residual balance in November 2026 of £1,497,758 and terminated the associate swap product (gain £116,608).

Clydesdale Bank has a fixed and floating charge over all land and buildings owned by Harlow College.

Notes to the Accounts (continued)
17 Provisions

	Defined benefit Obligation £'000	Enhanced pensions £'000	Total £'000
At 1 August 2023	-	1,071	1,071
Expenditure in the period	(1,099)	(72)	(1,171)
Transferred from income and expenditure account	1,099	94	1,193
At 31 July 2024	-	1,093	1,093

Defined benefit obligations relate to the liabilities under the College's membership of the Local Government pension Scheme. Further details are given in Note 22.

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

The principal assumptions for this calculation are:

	2024	2023
Interest rate	4.8%	5.0%
Inflation rate	2.8%	2.8%

18 Notes to cash flow statement
Consolidated analysis of changes in net funds

	At 1 August 2023 £'000	Cashflow £'000	Other non cash changes £'000	At 31 July 2024 £'000
Cash in hand, and at bank	6,350	(15)	-	6,335
Bank loans	(3,878)	607	-	(3,271)
Net debt	2,472	592	-	3,064

Notes to the Accounts (continued)
19 Capital commitments

	2024	2023
	£'000	£'000
Commitments contracted for at 31 July	<u>798</u>	<u>842</u>

20 Lease obligations

At 31 July the College has future minimum lease payments under non-cancellable leases as follows:

	2024	2023
	£'000	£'000
Future minimum lease payments due		
Land and buildings		
Not later than one year	67	71
Later than one year and not later than five years	137	167
Later than five years	451	485
	<u>655</u>	<u>723</u>

Since May 2015 the College has been leasing for five years a premises in the local town for the delivery of adult courses, the College renewed this lease for a further five years from May 2020. Since August 2016 the College has been leasing two pieces of land next to the College for staff car parking both on a twenty-five year lease. Since September 2017 the College is leasing for twenty-five years a premises in the local town which the College refurbished and transformed for the use of hair and beauty teaching with classrooms, technical rooms and a retail outlet. It officially opened until September 2021. In August 2021 the College expanded its occupation of one of the premises in the town, the new lease will run concurrent with the existing lease for the premise.

21 Post balance sheet event

In October 2024, the College repaid £2,101,277 which was the balance of the bank loan with a residual balance in November 2026 of £1,497,758 and terminated the associate swap product (gain £116,608).

Notes to the Accounts (continued)
22 Defined benefit obligations

The College's employees belong to two principal post-employment benefit plans: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Essex Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Essex County Council. Both are multi-employer defined-benefit plans.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. Prior to 31 August 2023, the latest formal actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2022. A further valuation of the TPS scheme, relating to the period ended 31 March 2020 was published in October 2023.

Total pension cost for the year	2024	2023
	£'000	£'000
Teachers Pension Scheme: contributions paid	2,198	1,957
Local Government Pension Scheme:		
Contributions paid	1,099	910
FRS 102 (28) charge	<u>(322)</u>	<u>281</u>
Charge to the Statement of Comprehensive Income	<u>777</u>	<u>1,191</u>
	2,975	3,148
Enhanced pension charge to Statement of Comprehensive Income	94	(100)
Total Pension Cost for Year within staff costs	<u>3,069</u>	<u>3,048</u>

Contributions amounting to £272,372 (2023: £221,244) were payable to the Teachers' Pension Scheme and are included in creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including colleges. Membership is automatic for teachers and lecturers at eligible institutions. Teachers and lecturers are able to opt out of the TPS.

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

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

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

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

Notes to the Accounts (continued)

22 Defined benefit obligations (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. 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 actuarial valuation of the TPS

The latest actuarial review of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education (the Department) in October 2023. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service at the effective date of £262 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222 billion giving a notional past service deficit of £40 billion (compared to £22 billion in the 2016 valuation)

Employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/9). As a result of this valuation employer contribution rates increased to 28.68% (including 0.08% administration levy) from 1st April 2024. The Department for Education agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2023/24 academic year.

A full copy of the valuation report and supporting documentation can be found on the TPS website. The pension costs paid to the TPS in the year amounted to £2,198,342 (2023: £1,956,951)

Notes to the Accounts (continued)
22 Defined benefit obligations (continued)
Local Government Pension Scheme (LGPS)

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by Essex County Council. The total payroll contributions made for the year ended 31 July 2024 were £1,367,000, of which employer's contributions totalled £1,099,000 and employees' contributions totalled £268,000.

The agreed contribution rates is 21.6% from April 2023 plus an agreed deficit contribution of £145,000 (2023: £145,131) per annum until 1st April 2025. The contribution rates for employees range from 5.5% to 12.5% depending on salary according to a national scale.

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the LGPS Fund at 31 March 2022 updated to 31 July 2024 by Barnett Waddingham.

	At 31 July	At 31 July
	2024	2023
Rate of increase in salaries	3.85%	3.85%
Future pension increases	2.85%	2.85%
Discount rate for scheme liabilities	5.05%	5.15%
Inflation assumption (CPI)	2.85%	2.85%
Commutation of pensions to lump sums	50%	50%

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

	At 31 July	At 31 July
	2024	2023
	years	years
<i>Retiring today</i>		
Males	20.70	21.10
Females	23.30	23.60
<i>Retiring in 20 years</i>		
Males	22.00	22.40
Females	24.70	25.00

Notes to the Accounts (continued)
22 Defined benefit obligations (continued)
Local Government Pension Scheme (Continued)

The College's share of the assets in the LGPS plan and the expected rates of return were:

	Fair Value at 31 July 2024	Fair Value at 31 July 2023
	£'000	£'000
Equities	23,768	22,408
Gilts and other bonds	740	506
Property	2,991	3,039
Cash	755	1,074
Alternative assets	6,483	6,039
Other managed funds	7,742	5,264
Total fair value of plan assets	<u>42,479</u>	<u>38,330</u>
Actual return on plan assets	<u>1.943</u>	<u>765</u>

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

	Enhanced	LGPS	Total 2024	2023
	£'000	£'000	£'000	£'000
Fair value of plan assets	-	42,479	42,479	38,330
Present value of plan liabilities	(1,093)	(27,019)	(28,112)	(25,726)
Present value of unfunded liabilities	-	(87)	(87)	(91)
Net pensions (liability)/ Asset (Note 17)	<u>(1,093)</u>	<u>15,373</u>	<u>14,280</u>	<u>12,513</u>

The pension scheme surplus of £15,373,000 has not been recognised in the financial statements as the amount is not deemed recoverable.

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

	2024	2023
	£'000	£'000
Amounts included in staff costs		
Current service cost	(777)	(1,191)
Administrative expenses	(26)	(21)
Total	<u>(803)</u>	<u>(1,212)</u>

Amounts included in interest expenditure

Net interest expenditure	672	153
	<u>672</u>	<u>153</u>

Amounts recognised in Other Comprehensive Income

Return on pension plan assets in excess of interest	1,943	765
Experience losses arising on defined benefit obligations	-	(921)
Other actuarial gains	(2,860)	(8,579)
Changes in assumptions underlying the present value of plan liabilities	(51)	8,884
Actuarial (loss) / gain on Enhanced Pension Provision	(94)	100
Amount recognised in Other Comprehensive Income	<u>(1,062)</u>	<u>249</u>

Notes to the Accounts (continued)
22 Defined benefit obligations (continued)
Local Government Pension Scheme (Continued)
Movement in net defined benefit liability during the year

	2024	2023
	£'000	£'000
Net defined benefit liability in scheme at 1 August	-	-
Movement in year:		
Current service cost	(777)	(1,191)
Employer contributions	1,099	910
Net interest on the defined (liability)	672	153
Administrative costs	(26)	(21)
Actuarial gain	(968)	149
Net defined benefit liability as 31 July	-	-

Asset and Liability Reconciliation

	2024	2023
	£'000	£'000
Changes in the present value of defined benefit obligations		
Defined benefit obligations at start of period	25,817	32,218
Current Service cost	777	1,191
Interest cost	1,308	1,083
Contributions by Scheme participants	268	237
Experience losses on defined benefit obligations	-	921
Changes in financial assumptions	51	(8,884)
Estimated benefits paid	(1,115)	(949)
Defined benefit obligations at end of period	27,106	25,817

Changes in fair value of plan assets

Fair value of plan assets at start of period	38,330	36,244
Interest on plan assets	1,980	1,236
Return on plan assets	1,943	765
Other actuarial losses	-	(92)
Administration expenses	(26)	(21)
Employer contributions	1,099	910
Contributions by Scheme participants	268	237
Estimated benefits paid	(1,115)	(949)
Fair value of plan assets at end of period	42,479	38,330



Notes to the Accounts (continued)

23 Related party transactions

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

The total expenses paid to or on behalf of the Governors during the year was £20 (2023: £Nil). This represents travel and subsistence 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 or its Subsidiaries (2023: none).

Transactions relating to Declarations of Interest - Governors

Governor	Related Party	Amount Paid 2023/24 £'000s	Year-end creditor balance 2023/24 £'000s	Amount Received 2023/24 £'000s	Year-end debtor balance 2023/24 £'000s	Amount Paid 2022/23 £'000s	Year-end creditor balance 2022/23 £'000s	Amount Received 2022/23 £000s	Year-end debtor balance 2022/23 £'000s
Jon Bouffler had paid employment	Anglia Ruskin University (room hire)	-	-	1	-	1	-	-	-
Rod Bristow has an advisory contract	NCFE (Examination fees)	136	10	-	-	129	-	-	-
Cllr Michael Hardware is a Harlow District Council member	Harlow District Council (creditor balances relate to mostly to rates, the debtor balances relate mostly	166	91	238	345	156	86	4	-
Cllr Michael Hardware is a Essex County Councillor and Caroline Betts has paid employment	Essex County Council (creditor balances relate mainly to LGPS and debtor balance relates mainly to High Needs & LSIF funding)	1,385	103	1,839	-	1163	89	1083	0
Cllr Michael Hardware is a Director	Chelgate (room hire and hospitality)	-	-	-	-	-	-	1	-
Ayub Khan has professional membership	Chartered Management Institute (provision of staff training)	6	-	-	-	12	-	-	-
Rachel Miller & Heather Wilson have paid employment with Manchester Airport Group (owners of Stansted flight simulator sponsorship)	Manchester Airport Group	122	-	51	-	182	-	23	1



Notes to the Accounts (continued)

23 Related party transactions (continued)

Governor	Related Party	Amount Paid 2023/24 £'000s	Year-end creditor balance 2023/24 £'000s	Amount Received 2023/24 £'000s	Year-end debtor balance 2023/24 £'000s	Amount Paid 2022/23 £'000s	Year-end creditor balance 2022/23 £'000s	Amount Received 2022/23 £000s	Year-end debtor balance 2022/23 £'000s
Karen Spencer is part of the advisory group	Association of Colleges (mainly membership fees)	31	-	-	-	35	1	-	-
Karen Spencer is the Maths hub chair	Herts & Essex High School (Year 10 & 11 learners)	-	-	13	-	-	-	12	-
Karen Spencer is a Member of the Passmores Co-Operative Learning Community (PCLC) Trust, Vic Goddard is the CEO and Michael Travers is a governor within the trust.	Passmores Academy (local secondary school)	-	-	3	-	-	-	-	-
Karen Spencer is Vice Chair of the Tertiary College Group	Exeter College (membership fees)	1	-	-	-	1	-	-	-
Paul Taylor and Hannah Cheeseaman have paid employment	Titan Airways (Apprenticeships)	-	-	-	-	1	-	-	-
Edward Writtle has paid employment	Mindful Education (online course content)	54	-	-	-	56	-	-	-



Notes to the Accounts (continued)

23 Related party transactions (continued)

Transactions relating to Declarations of Interest - Key Management Personnel

Key Management Personnel	Related Party	Amount Paid 2023/24 £'000s	Year-end creditor balance 2023/24 £'000s	Amount Received 2023/24 £'000s	Year-end debtor balance 2023/24 £'000s	Amount Paid 2022/23 £'000s	Year-end creditor balance 2022/23 £'000s	Amount Received 2022/23 £000s	Year-end debtor balance 2022/23 £'000s
Will Allanson has an unpaid directorship	Essex Chamber of Commerce (Business Networking Events)	7	-	1	-	11	-	1	-
Kelly Edwards is a Beacon Award Assessor	Association of Colleges (mainly membership fees)	31	-	-	-	35	1	-	-
Becky Jones is on the Executive Board	Cambridge Access Validating Agency (CAVA)	10	-	-	-	11	-	-	-
Deanne Morgan is a Trustee for Passmores Co-Operative Learning Community (PCLC) Trust and Kirstie Craig is a governor within the trust.	Passmores Academy (local secondary school)	-	-	3	-	-	-	-	-
Julien Sample has a close personal relationship with employees in RFS Associates	RFS Associates (assessment and internal quality assurance)	31	-	-	-	32	5	-	-
Paul Whitehead is a trustee and Julien Sample is a Member	Gateway Qualification (examination fees)	181	1	-	-	166	2	-	-
Paul Whitehead has a close personal relationship with the owners	Bounce (classes & training course)	-	-	-	-	4	-	-	-



Notes to the Accounts (continued)

24 Amounts disbursed as agent

Learner support funds

	2024	2023
	£'000	£'000
Brought Forward from prior year	550	570
Funding body grants – bursary support	587	522
Funding body grants – discretionary learner support	47	56
	<u>1184</u>	<u>1148</u>
Disbursed to students	(617)	(580)
Administration costs	(21)	(18)
Balance as at 31 July, included in creditors	<u>546</u>	<u>550</u>

Funding body grants are available solely for students. In the majority of instances, the College only acts as a paying agent. In these circumstances, the grants and related disbursements are therefore excluded from the Statement of Comprehensive Income.

Local Skills Improvement Fund (LSIF)

	2024	2023
	£'000	£'000
Brought Forward from prior year	-	-
Funding body grant	2,740	-
	<u>2,740</u>	<u>-</u>
Disbursed as agent	(1,664)	-
Harlow College allocation	(538)	-
Harlow College capital allocation	(538)	-
Balance as at 31 July	<u>-</u>	<u>-</u>

The College acted as agent on behalf of a consortium of further education providers and independent training providers from across Essex County.



Notes to the Accounts (continued)

24 Amounts disbursed as agent (continued)

Essex Local Skills Improvement Fund (LSIF)

	2024	2023
	£'000	£'000
Brought Forward from prior year	-	-
Funding body grant	610	-
	<u>610</u>	<u>-</u>
Disbursed as agent	(401)	-
Harlow College allocation	(150)	-
	<u>59</u>	<u>-</u>
Balance as at 31 July, included in creditors	<u>59</u>	<u>-</u>

The College acted as agent on behalf of a consortium of further education providers and independent training providers from across Essex County.

Strategic Development Grant (SDF)

	2024	2023
	£'000	£'000
Brought Forward from prior year	66	-
Funding body grant	-	2,750
	<u>66</u>	<u>2,750</u>
Disbursed as agent	-	(1,932)
Harlow College allocation	(66)	(318)
Harlow College capital allocation		(434)
	<u>-</u>	<u>66</u>
Balance as at 31 July, included in creditors	<u>-</u>	<u>66</u>

The College acted as agent on behalf of a consortium of further education providers and independent training providers from across Essex County.

