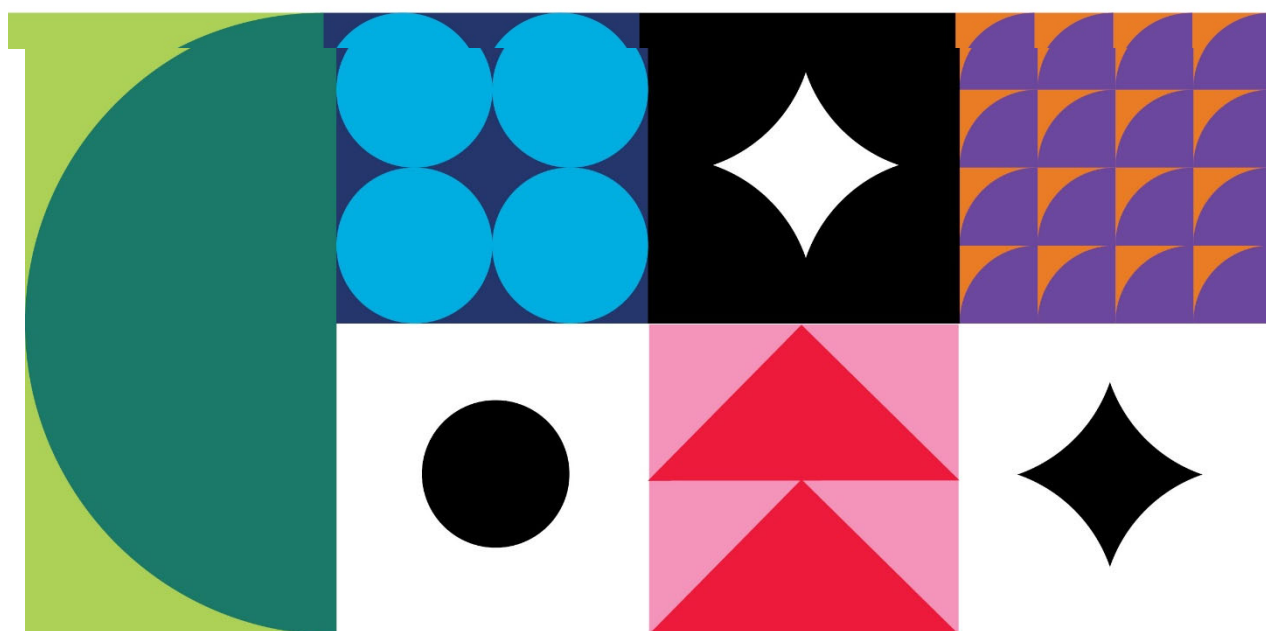


**HARLOW  
COLLEGE**



# **Annual Report & Financial Statements**

Year Ended **31 07 2025**



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

| <b>CONTENTS</b>  | <b>Page Number</b> |
|--|--------------------|
| <b>References and Administrative details</b>                           | <b>3</b>           |
| <b>Strategic Report</b>  | <b>4</b>           |
| <b>Statement of Corporate Governance and Internal Control</b>          | <b>26</b>          |
| <b>Statement of Regularity, Propriety and Compliance</b>               | <b>40</b>          |
| <b>Statement of Responsibilities of the Members of the Corporation</b> | <b>41</b>          |
| <b>Independent Auditor's Report on the Financial Statements</b>        | <b>43</b>          |
| <b>Independent Reporting Accountant's Report on Regularity</b>         | <b>47</b>          |
| <b>Statement of Comprehensive Income and Expenditure</b>               | <b>49</b>          |
| <b>Statement of Changes in Reserves</b>                                | <b>50</b>          |
| <b>Balance Sheet as at 31 July</b>                                     | <b>51</b>          |
| <b>Statement of Cash Flows</b>   | <b>52</b>          |
| <b>Notes to the Financial Statements</b>                               | <b>53</b>          |

# **HARLOW COLLEGE**

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

### **References and Administrative details**

#### **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 – until 11<sup>th</sup> July 2025

R Jones – Deputy Principal – Vice Principal until 31<sup>st</sup> March 2025

P Whitehead – Deputy Principal – Vice Principal until 31<sup>st</sup> March 2025

K Craig – Vice Principal from 1<sup>st</sup> August 2025

S Boyce – Vice Principal from 1<sup>st</sup> August 2025

S Abdelmoula – Assistant Principal

W Martin – Assistant Principal

L Moore - Assistant Principal from 1<sup>st</sup> August 2025

T Mucci - Assistant Principal from 1<sup>st</sup> August 2025

L Wedgbury-Glew – Assistant Principal

S Appleby – Executive Director of HR Services

K Edwards – Executive Director of Quality

D Morgan – Executive Director of Finance & MIS

B Nicholls – Executive Director of IT

J Sample – Executive Director of Business Development

N Smith – Head of HR and Employee Relations

#### **Board of Governors**

A full list of Governors is given on page 27 to 28 of these financial statements.

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

#### **Financial statements auditors and reporting accountants:**

Buzzacott Audit LLP

130 Wood Street

London EC2V 6DL

#### **Internal auditors:**

Scrutton Bland Limited

Fitzroy House

Crown Street

Ipswich

Suffolk IP1 3LG

#### **Bankers:**

Clydesdale Bank plc

177 Bothwell Street

Glasgow G2 7ER

#### **Solicitors:**

Eversheds Sutherlands 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 2025

### 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 2025.

#### 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 2 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 2024/25 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 2025

### 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

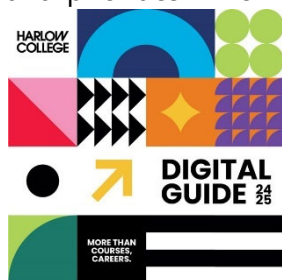
For our **Career-led Curriculum** the College will specifically invest in:

- 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 2025

### 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. There has been good progress made on the road map including sustainable development goal being imbedded into schemes of work and a planned whole College LED upgrade programme which will reduce the College's carbon emission by 67.2 tonnes of carbon per annum.



**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 continue to review its approach to well-being, staff awards and benefits schemes to ensure these are effective.



Working  
Towards

The College is working towards gaining the Investors in Diversity Standard, embedding Equality, Diversity and Inclusion principals as the backbone 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 507 people (in 2023/24 492 people), of whom 290 are teaching staff (in 2023/24 312 teaching staff). The rise reflects higher student numbers and additional Special Educational Needs and Disabilities (SEND) support.

The College enrolled the following students during the year:

| Type of provision              | 2024/25<br>Number of<br>Learners | 2023/24<br>Numbers of<br>Learners | 2022/23<br>Numbers of<br>Learners |
|--------------------------------|----------------------------------|-----------------------------------|-----------------------------------|
| 16 to 19 Study Programmes      | 2,778                            | 2,569                             | 2,509                             |
| Apprenticeships (on programme) | 489                              | 512                               | 551                               |
| Adult learning programmes      | 2,432                            | 2,453                             | 2,573                             |

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

### Strategic Report

Learner numbers have again 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 continue to grow particularly in the trade areas.

Apprenticeship learner numbers have previously been deliberately controlled in order for the College to resolve legacy issues arising from the pandemic. The College continues to align the Adult offer by aligning with employer and DWP needs. This includes a wide variety of programmes including evening professional programmes, e-learning and bespoke employability courses.

#### *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 reduced the number of in Harlow town centre from two to one, by not renewing the lease on an adult training centre "Bright Futures" in Harlow Town Centre and relocating the provision to the front of the main College campus. The other site is 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

**We are an  
Institute of  
Technology.**

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.

#### *Reputation*

The College was graded "Good" by Ofsted (May 2024) see [Inspection of Harlow College \(ofsted.gov.uk\)](https://www.ofsted.gov.uk). 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".



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

### **Strategic Report**

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 College continues to hold the matrix standard, which was reaccredited after a full reinspection in December 2024, highlighting a number of areas of good practice. These areas included commitment to Information advice and guidance (IAG): "The Senior Leadership Team are highly committed to delivering effective quality IAG. This is demonstrated through the strategic planning and restructuring of delivery teams in a way that will develop a synergy to enhance the overall service." As well as effective use of resources: "As an organisation the College not only focusses on strategies around using staff and team structure effectively but also focusses on the effective use of technology to improve delivery and enhance existing resources."

#### *Financial*

The College has £37.7 million of net assets (2023/24 £37.5 million) including £1.1 million pension liabilities (2023/24 £1.1 million), long term debt (bank loans) of £0.4 million (2023/24 £2.6) and long term capital grant funding of £20.4 million (2023/24 £20.4 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.



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

### Strategic Report

#### 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 27 to 28. 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 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 Learner numbers have increased for the second year in a row with significant demand for places. Growth at Stansted Airport College has been significant and work is underway to increase capacity, through a mezzanine to create additional workshop space and leasing of additional classrooms on the airport site. The longer-term plan is to double the size of this College and this is phased development to deliver a hanger building and an additional building similar to the existing one. A project team has been established between Manchester Airport Group, Essex County Council and the College, to raise the funds to deliver this ambition.

Following the announcement of the move of UK Health Security Agency (UKHSA) (formerly Public Health England) to Harlow, it has now been confirmed with £250 million committed to its construction over this parliament. This will therefore require investment in skills to support this massive infrastructure project. The College has a construction Hub located on this site from the previous plans for UKHSA to be based there, which will be reopened to support the skills need for this significant infrastructure investment.

Further to this Harlow College is also working with Princess Alexandra Hospital and the Integrated Care board to develop the curriculum and opportunities in Health Science. This is to support the employment needs in these areas and will be further developed for the future

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

### Strategic Report

needs in Health Science linked to UKHSA. This strategic area of development for the College plans to create a health academy and to introduce wider curriculum areas like dentistry.

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. This includes a significant provision for learners that have previously been not in education employment or training (NEET), working to integrate these learners into mainstream programmes. 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

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 £1,292k (in 2023/24 £1,278k surplus), excluding the surplus in the LPGS scheme, the underlying operating surplus was £288k (2023/24 £310k surplus). The College received 88% of its total income for 2024/25 as grants from funding bodies, most notably from the Department for Education for 16-18 provision. The sustained performance from the prior year was largely due to an increase in the base rate for 16-19 students.

Changes in the pension scheme balance resulted in a total comprehensive gain for the year of £163k (2023/24: £216k gain).

The College has received £21.8m 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 liabilities of £1,006k and net assets of £37.7m, which includes a pension liability of £1.1m.

### Cash Flow and Liquidity

At £1m (2023/24 £1.8m), net cash flow from operating activities was good. The movement from the prior year is mainly due to repaying a bank loan.

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 recent interest rate rises. The current loan facility ends July 2027 with no

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

### **Strategic Report**

residual balance. The other loan facility expired November 2026, but was repaid early in October 2024. In line with the new rules introduced by the Department for Education in November 2022, the College would notify the Department for Education (DfE) if any of its loans needed to be refinanced.

#### **Future developments**

The College is working towards carbon net zero. The College has completed works 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. The next phase of decarbonisation work will be to upgrade all lighting in the College to LED using £400K of the FE College Condition Improvement Allocation (£1,355K).

The College intends to expand Stansted Airport College to extend the existing curriculum to meet the needs of employers based around the airport. The College has proceeded to create a master plan of the expansion in agreement with Manchester Airport Group who are committed to the expansion and will support us with the land required for this ambition.



Initially the expansion plan will be phased for the College to become a Category A and B 147 Licencing Centre (provider of aircraft training courses). The full programme would look to increase the learner capacity from circa 500 to 900 students per year. From September 2025 we will be leasing additional classroom space to increase learner capacity to around 550 students.

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 five-year increasing, upward trend, (many of it's 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 the airport to introduce apprenticeship and adult programmes for further professional development.

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

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

### **Strategic Report**

construction, health and science, engineering, technical and digital. The College is working in partnership with key stakeholders and will respond 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 curriculum is also being reviewed in line with curriculum reform to ensure that delivery areas are prepared for new qualifications and they become available. 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.

### **FUTURE PROSPECTS**

#### **Financial Plan**

The Governors approved a financial plan for the period 2025/26 to 2026/27 in July 2025 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 loan will be repaid according to the scheduled repayment plan.

#### **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. Both high and low likelihood events are considered. 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

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

### **Strategic Report**

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 £26.1m (2023/24 £25.8m). The Local Government Pension Scheme (LGPS) liability is £85k as at 31 July 2025 (2023/24 £Nil). The total LGPS pension actuarial movement during 2024/25 is £1,100k loss (2023/24 £968k actuarial loss). The movement can be mainly attributed to the change in discount rate from 5.05% to 5.75%. The initial Financial Reporting Standard 102 (FRS102) actuarial valuation would be a net asset of £20m however as the LGPS surplus is not a realisable asset and is likely to change over the long period, the actuarial valuation includes an asset ceiling which is the present value of the future service cost less the present value of estimated primary contributions. 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, an income and expenditure account value of approximately 50% of the expected annual income at the end of the year. The College exceeded this in 2024/25.
- 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 was at £4.4m as of 31<sup>st</sup> July 2025.

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 it's 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 2025**

### **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) Safeguarding: Physical harm to students and/or staff**

###### **Control Measures**

We have annual safeguarding training for staff and governors. Whistleblowing policy. Physical security measures (turnstiles). Daily duty manager for internal radio response. Well established relationships with relevant agencies. Awareness raising and campaigns e.g. knife crime. Child Protection Online Management System (CPOMS) system for recording safeguarding concerns. Annual review of relevant policies. Tutorial sessions to support students to stay safe online. Monitor impact emerging issues i.e. 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). Youth Workers presence around campus. Assistant Principal working with other colleges to share best practice in relation to remedial behaviour and promoting a positive safe campus. Behaviour Policy; Review and upgrade of CCTV underway. Installation of tannoy system to support communication. Collecting data to compare & measure impact of changes Working with Social Services regarding community and Look After Children distribution. Hides/back gate closed from June 2025.

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

###### **Control Measures**

Market Allowance is in place for teaching staff in specialist areas. Teacher training and regular CPD slots in place to cover "back to basics" - planning, pace and structure of lessons, behaviour management and models of assessment. Taking Teaching Further (TTF) grant funding to recruit and support those with knowledge/industry experience to retrain as FE teachers. HR closely monitors all hard to fill posts and priorities recruitment on these posts because of the significant impact on teaching and the workplace. HR use a number of recruitment agencies, promoting our jobs at job fairs, using our UKBA licence to attract staff from overseas, organising roles ways to deliver curriculum and redesigning our jobs website and roles to attract applicants and complete in the jobs market. HR also use HAYS international recruitment. HR reviewing use of agency staff for temp to permanent roles. Working on student progression to teaching in hard to fill areas (e.g. electrical). Introduction of new teaching apprenticeship for

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

### **Strategic Report**

teams to develop staffing specialisms. Reviewing casual rates to encourage transition from casual to permanent. Pilot DBS electronic scheme to reduce time from job offer to start Support (from Quality team) on transition to teaching Employee benefits: Well Being day and continued economic closures; weekly scheduled staff enrichment.

#### **(3) Local Government Policy: Essex devolution/mayoral changes impede the College's strategic direction (HNF, ASF, projects)**

##### **Control Measures**

Advance work by Executive on frameworks and procurement of contracts Maintain good relationships with Essex Keeping abreast with latest developments Cross County meetings with FEDEC, LSIP & Essex; regular engagement with Essex. Working in partnership with Essex County Council on Stansted Airport College Phase 2. Working with Harlow District Council on 'Pride in Place' fund with Deputy Principal Chairing the Board.

#### **(4) Technology: Sustainable and secure (rising costs and cyber security)**

##### **Control Measures**

Fire wall reporting and monitoring of students and staff. Operational, IT & financial plan for long term and regular hardware replenishment program, to avoid large irregular cash purchases. Assessing grants that can support the IT replenishment program. Systems for allocation, return and non-return of iPads. Staff laptops & iPads allows mobile working. Monitoring when hardware will be out of support. Monitoring pricing for optimal purchase periods. Challenge and review costs of Apps (Padlet & Showbie) moving from set cost to per user cost. Use of AI addressed in Academic Misconduct Policy. Digital Team exploring safe and effective use of AI. Cyber essential certification in place and regular review of back up systems.



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

### Strategic Report

Below are a selection of the College's key performance indicators for 2024/25:

| Measure                                      | Target   | Performance |
|--|----------|-------------|
| Introduce new T-Levels                       | 4        | 3           |
| Cladding J Building                          | Complete | Complete    |
| 16-18 Attendance<br>Benchmark 86%            | 88%      | 85.4%       |
| 16-18 Retention<br>Benchmark 90%             | 89%      | 90.3%       |
| 16-18 Achievement<br>Benchmark 82%           | 82%      | 84.8%       |
| Apprenticeship overall Achievement           | 62%      | 63%         |
| Adult overall achievement rate               | 86.6%    | 89.5%       |
| ESFA Good Financial Health                   | Good     | Good        |
| Meet Test 1 and Test 2 of the bank covenants | Yes/Yes  | Yes/Yes     |
| Reduce Staff Turnover                        | 16%      | 13%         |

### Student Achievements

| 16-18 outcomes<br>(Main Study Programme Learners) | 2022/23 | 2023/24 | 2024/25 |
|---|---------|---------|---------|
| Achievement %                                     | 74.0%   | 80.5%   | 84.8%   |
| Retention %                                       | 84.6%   | 89.6%   | 90.3%   |

The 2024/25 results show that the College is continuing to improve the outcomes for learners. 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 and focus on student attendance. This has led to more effective intervention enabling learners to stay at college and complete their programmes. Retention continues to



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

### Strategic Report

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 had excellent results with a 96% pass rate and 53% gaining A\*-C grades overall.

Students have gained places at some of the country's top universities including York, Bristol, Queen Mary's London, Birmingham, Cardiff, Sheffield, Liverpool and Southampton to study subjects such as Criminology, History, Politics, Computer Science, Law, Medicine, Psychology, Mathematics and Engineering.

Students on vocational courses or other technical courses such as BTECs, UAL etc. achieved an overall pass rate of 94% with 70% of students gaining Distinction\*, Distinction or Merit grades, consolidating last year's 11% increase. 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 Early Years, Health, and Construction and the Built Environment have also achieved great success with a 95% pass rate, 73% of those students gaining Distinction or Merits grades. T Levels are a new technical qualification which follow GCSEs and are equivalent to three A Levels. They combine classroom theory, practical learning and an industry placement with an employer to make sure students have real experience of the workplace.

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 achievement rate has shown consistent improvement over the past three years, reaching an overall rate of 63% 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

| Apprenticeships | 2022/23 | 2023/24 | 2024/25 |
|-----------------|---------|---------|---------|
| Achievement %   | 55.3%   | 56.7%   | 63%     |

Some end point assessments were shifted from July 2025 into August 2025 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.

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

### Strategic Report

The Government has established an aspirational target of 67% achievement rate for Apprenticeships to be attained by 2025. However, the current national achievement rate (60.5% for 2023/24) significantly lags behind this target.

Adult achievement rates continue to improve and are now above national rates.

| Adults        | 2022/23 | 2023/24 | 2024/25 |
|---------------|---------|---------|---------|
| Achievement % | 86%     | 84%     | 89.5%   |

Many adult learners face challenges with balancing study with employment, personal commitments and financial challenges, which impacts the retention of learners. Overall achievement for adults has increase with very short adult employability programmes increasing to 96.9% from 91%. Achievement rates are higher for short 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 continue to grow in number and to improve outcomes as they again achieve their highest achievement rate (86.4%) 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.



### 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 2024 to 31 July 2025, the College paid 84% (2023/24 81%) of its invoices within 30 days. The College incurred £Nil in late payment fees and £23.92 interest charges in respect of late payment for this period.

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

### Strategic Report

The College is committed to becoming environmentally sustainable and meeting Net Zero by 2050. The College has taken the following measures to improve energy efficiency:

*Use of virtual technology for digital documents, meetings, training and staff development*

*Exploring options to replace College vehicles with hybrid or electric*

*Staff benefits to encourage environmentally sustainable travel*

*Homeworking where appropriate and feasible*

*Staff attending energy/sustainability network/training events*

*Where feasible cladding & insulation of buildings, secondary glazing and solar panels*

*Installation of external LED lighting with gradual installation of internal LED lighting*

*Campus economic closures during popular holiday periods*

#### Other measures

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.

The College energy contracts are zero carbon electricity backed by a mix of renewable energy guarantees of origin and nuclear declarations.

#### 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 CO<sub>2</sub>e per Full Time Equivalent staff member, the recommended ratio for the sector.

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

### Strategic Report

| <b>UK Greenhouse gas emissions and energy use data for the period</b> | <b>1 August<br/>2024 to 31<br/>July 2025</b> | <b>1 August<br/>2023 to 31<br/>July 2024</b> | <b>1 August<br/>2022 to 31<br/>July 2023</b> | <b>1 August<br/>2021 to 31<br/>July 2022</b> |
|---|--|--|--|--|
| Energy consumption used to calculate emissions (kWh)                  | 3,749,952                                    | 4,041,961                                    | 4,145,838                                    | 4,413,559                                    |
| <u>Scope 1 emissions in metric tonnes CO<sub>2</sub>e</u>             |  |  |  |  |
| Gas consumption   | 396.96                                       | 442.66                                       | 494.17                                       | 555.29                                       |
| Owned transport   | 11.65  | 5.68   | 5.41   | 7.42   |
| Total   | 408.61                                       | 448.34                                       | 499.58                                       | 562.71                                       |
| <u>Scope 2 emissions in metric tonnes CO<sub>2</sub>e</u>             |  |  |  |  |
| Purchased electricity   | 279.71                                       | 335.78                                       | 299.09                                       | 265.23                                       |
| <u>Scope 3 emissions in metric tonnes CO<sub>2</sub>e</u>             |  |  |  |  |
| Business travel in employee owned vehicles                            | 26.36  | 30.86  | 33.88  | 29.82  |
| <b>Total gross emissions</b>  | <b>714.69</b>                                | <b>814.98</b>                                | <b>832.56</b>                                | <b>857.76</b>                                |
| <b>Reduction</b>  | <b>-12%</b>                                  | <b>-2%</b>                                   | <b>-3%</b>                                   | <b>-15%</b>                                  |
| <b>Targets (Straight line to 2040)</b>                                | <b>762.30</b>                                | <b>794.12</b>                                | <b>825.94</b>                                | <b>857.76</b>                                |
| 2030 = 572 metric tonnes CO <sub>2</sub> e                            |  |  |  |  |
| 2040 = 285 metric tonnes CO <sub>2</sub> e                            |  |  |  |  |
| 2050 = 0 metric tonnes CO <sub>2</sub> e                              |  |  |  |  |
| <u><b>Intensity ratio</b></u>   |  |  |  |  |
| <b>Metric tonnes CO<sub>2</sub>e per square foot</b>                  | <b>1.81</b>                                  | <b>2.06</b>                                  | <b>2.11</b>                                  | <b>2.17</b>                                  |
| <b>Metric tonnes CO<sub>2</sub>e per FTE staff member</b>             | <b>1.68</b>                                  | <b>2.02</b>                                  | <b>2.23</b>                                  | <b>2.27</b>                                  |

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

### Strategic Report

#### Trade Union Facility Time

As part of the Trade Union (Facility Time Publication Requirements) Regulations 2017, which took effect from 1st April 2017, we are required to publish information on trade union facility time. Harlow College recognises three trade unions: UCU, Unison and NEU

**For the period 1<sup>st</sup> April 2024 to 31<sup>st</sup> March 2025 the following applies:**

| <b>Number of employees who were relevant trade union officials</b> | <b>Full –time equivalent employee number</b> |
|--|--|
| <b>4</b>   | <b>4</b>                                     |
| <b>Percentage of time spent on facility time</b>                   | <b>Number of employees</b>                   |
| <b>0%</b>  | <b>0</b>                                     |
| <b>1-50%</b>   | <b>4</b>                                     |
| <b>51-99%</b>  | <b>0</b>                                     |
| <b>100%</b>  | <b>0</b>                                     |

|  |
|--|
| <b>Total cost of facility time</b>   |
| <b>£3,409.88</b>   |
| <b>Total pay bill</b>  |
| <b>£20,775,596.55</b>  |
| <b>Percentage of total pay bill spent on facility time</b>   |
| <b>0.02%</b>   |
| <b>Time spent on paid trade union activities as a percentage of total paid facility time hours</b> |
| <b>18.38%</b>  |

#### 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 2024/25 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 2025

### Strategic Report

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

| Key financial indicators  | Annual Target | 2024/25 performance | 2023/24 performance |
|---|---------------|---------------------|---------------------|
| Adjusted Income (less non cash)   | c.£29m        | £29m                | £29m                |
| Surplus   | c.£50k        | £1.3m               | £1.3m               |
| EBITDA for education<br>(Earnings Before Interest Tax Depreciation & Amortisation)          | 6%            | 4%                  | 5%                  |
| Borrowing as a % of income<br>(reducing as loan ending July 2027 repaid)                    | <9%           | 3%                  | 12%                 |
| Staff Costs as a % of income  | <72%          | 73%                 | 73%                 |
| Financial Health (ESFA measure)   | Good          | Good                | Good                |
| Maintain minimum cash balance   | £2m           | Average £4m         | Average £7m         |
| General reserve value (excluding LGPS) of the expected annual income at the end of the year | >50%          | 83%                 | 87%                 |

#### 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](http://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'.

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

### Strategic Report

The overall gender split:

**31<sup>st</sup> March 2025**



**62% 38%**

**31<sup>st</sup> March 2024**



**62% 38%**

**31<sup>st</sup> March 2023**



**62% 38%**

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

**For 2025:**



**74% 26%**

**Lower  
Quartile**



**59% 41%**

**Lower Middle  
Quartile**



**67% 33%**

**Upper Middle  
Quartile**



**47% 53%**

**Upper  
Quartile**

**For 2024:**



**70% 30%**

**Lower  
Quartile**



**66% 34%**

**Lower Middle  
Quartile**



**65% 35%**

**Upper Middle  
Quartile**



**48% 52%**

**Upper  
Quartile**

**For 2023:**



**74% 26%**

**Lower  
Quartile**



**60% 40%**

**Lower Middle  
Quartile**



**67% 33%**

**Upper Middle  
Quartile**



**46% 54%**

**Upper  
Quartile**

The mean Gender Pay Gap (GPG) for the College for 31st March 2025 was 2.98%, for 31st March 2024 it was 4.25% and for 31st March 2023 it was 3.85%. The median GPG was 10.99% for 31st March 2025, 13.54% for 31st March 2024 and 13.51% for 31st March 2023. The College's GPG continues to be lower than the median national average of 13.1% in 2024 (according to the

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

### **Strategic Report**

Office for National Statistics) and has gradually improved over the last three years. The full [Gender Pay Gap Report](#) is published on the College's website [www.harlow-college.ac.uk](http://www.harlow-college.ac.uk).

#### **Disability statement**

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."

All learners are subject to the entry requirements set out in the admissions process, and we will make every effort to provide reasonable adjustments to help each learner to achieve their qualification. However, there may be occasions when the College is not the most appropriate provider and we will therefore refer learners either to advice and guidance or to other providers.

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](http://www.harlow-college.ac.uk).

#### **Going concern**

At 31 July 2025 the College has net current liabilities of £1,006k (2024/25 net current assets £503k) and cash balance of £4,408k (2023/24 £6,335k). The College has not had an overdraft facility during 2024/25. The 2024/25 student numbers are above target and above the previous year for securing Funding Body income for 2025/26 and 2026/27.

The College loan is on a fixed interest rate until 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. The College has fixed contracts for both its electricity and gas contracts to September 2027. After careful consideration of financial uncertainties, the College confirmed a staff pay award for 2025/26 of 2% in line with the collective agreement. Following an additional funding allocation from the DfE, the College rebased its 2025/26 budget and is paying an additional 2% pay award (total 4%) for 2025/26.



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

### **Strategic Report**

The College is keeping abreast of curriculum changes in its consideration of the curriculum offer for 2026/27, 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**

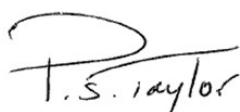
There are no material events after the reporting period.

### **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 18<sup>th</sup> December 2025 and signed on its behalf by:

Signature:

A handwritten signature in black ink, appearing to read 'P. S. Taylor'.

---

Paul Taylor, Chair

## **Financial Statements year ended 31 July 2025**

### **Statement of corporate governance and internal control**

#### **Governance Statement**

This statement covers the period from 1<sup>st</sup> August 2024 to 31<sup>st</sup> July 2025 and up to the date of approval of the annual report and financial statements.

The College endeavours to conduct its business:

- i. in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership);
- ii. 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 1<sup>st</sup> 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 2025. This opinion is based on an internal review of compliance with the Code reported to the Board on 23 October 2025. 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 2025

### 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 24-25 |
|---------------------|---------------------------|----------------|------------------------------------|-----------------------|---|---------------------|
| Caleb Asareaddo     | Elected<br>01.08.2025     | 1 year         |                                    | Student Governor      | Health and Safety   | N/A                 |
| Caroline Betts      | Appointed<br>01.04.2024   | 4 years        |                                    | Governor              | Standards and Curriculum  | 67% (4/6)           |
| Matthew Braund      | Elected<br>01.04.2025     | 4 years        |                                    | Staff Governor        | Audit   | 50% (1/2)           |
| Rod Bristow         | Reappointed<br>02.01.2023 | 4 years        |                                    | Governor              | Chair of Standards and Curriculum<br>Remuneration   | 67% (4/6)           |
| Julia Fillary       | Reappointed<br>08.07.2025 | 4 years        |                                    | Governor              | Audit   | 100% (6/6)          |
| Vic Goddard         | Appointed<br>28.03.2024   | 4 years        |                                    | Governor              | Standards and Curriculum  | 33% (2/6)           |
| Neala Goddard-Bird  | Elected<br>01.08.2025     | 1 year         |                                    | Student Governor      | Standards and Curriculum  | N/A                 |
| John Godley         | Elected<br>22.10.2022     | 4 years        |                                    | Staff Governor        | Resources   | 100% (6/6)          |
| Arthur Hall-Jackson | Elected<br>01.08.2024     | 1 year         | Term of office ended<br>31.07.2025 | Student Governor      | Standards and Curriculum  | 60% (3/5)           |
| Bronte Humphrey     | Elected<br>01.08.2024     | 1 year         | Term of office ended<br>31.07.2025 | Student Governor      | Health and Safety   | 80% (4/5)           |
| Stephen Isherwood   | Appointed<br>01.12.2022   | 4 years        |                                    | Governor              | Standards and Curriculum  | 67% (4/6)           |
| Ayub Khan           | Appointed<br>24.10.2024   | 4 years        |                                    | Governors             | Standards and Curriculum  | 80% (4/5)           |
| Elizabeth Laycock   | Reappointed<br>19.05.2024 | 4 years        | 17.11.2024                         | Governor              | Chair of Corporation to<br>23.10.2024,<br>Standards and Curriculum,<br>Remuneration,<br>Resources | 50% (1/2)           |

## Financial Statements year ended 31 July 2025

### Statement of corporate governance and internal control

| Name            | Date of appointment    | Term of office | Date of resignation             | Status of appointment | Committees served   | Attendance In 24-25 |
|-----------------|------------------------|----------------|---------------------------------|-----------------------|---|---------------------|
| Ray Levy        | Reappointed 11.10.2024 | 4 years        |                                 | Governor              | Chair of Audit<br>Vice-Chair of Corporation,<br>Search and Governance,<br>Remuneration                  | 100% (6/6)          |
| Lily Lin        | Reappointed 01.08.2022 | 4 years        |                                 | Governor              | Vice-Chair of Corporation,<br>Chair of Search and Governance,<br>Remuneration                           | 83% (5/6)           |
| Karen Spencer   | 01.09.2013             | Ex Officio     |                                 | Principal             | Resources,<br>Search and Governance,<br>Standards and Curriculum  | 100% (6/6)          |
| Dan Swords      | Appointed 01.11.2025   | 4 years        |                                 | Governor              | Resources   | N/A                 |
| Paul Taylor     | Reappointed 05.04.2025 | 4 years        |                                 | Governor              | Chair of Corporation from 24.10.24,<br>Chair of Resources up to 09.12.24,<br>Resources,<br>Remuneration | 100% (6/6)          |
| Ian Tompkins    | Appointed 26.03.2025   | 4 years        |                                 | Governor              | Audit   | 67% (2/3)           |
| Michael Travers | Elected 21.03.2021     | 4 years        | Term of office ended 20.03.2025 | Staff Governor        | Audit   | 100% (4/4)          |
| Dawn Turner     | Appointed 07.07.2022   | 4 years        | 24.10.2024                      | Governor              | Audit   | 50% (1/2)           |
| Edward Whittle  | Appointed 01.11.2022   | 4 years        |                                 | Governor              | Chair of Resources from 09.12.24  | 83% (5/6)           |
| Heather Wilson  | Appointed 03.01.2024   | 4 years        |                                 | Governor              | Resources   | 100% (6/6)          |

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

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

## **Financial Statements year ended 31 July 2025**

### **Statement of corporate governance and internal control**

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](http://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.

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

## **Financial Statements year ended 31 July 2025**

### **Statement of corporate governance and internal control**

#### **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:

- AoC Chairs and Vice-Chairs Network
- AoC Chairs' and Vice-Chairs' Q&A
- AoC Curriculum and Quality Committee Network Meeting
- AoC EDI Committee Network Meeting
- AoC East Chairs' Network
- AoC Finance and Audit Committee Network Meeting
- AoC Governance Professionals Network Meeting
- AoC Student Governor Network Meeting
- Annual Governor Safeguarding Training
- DfE Procurement Act 2023 Webinar
- Exploring the Governance Triumvirate: Chair, CEO & Governance Professional Webinar
- ETF – Culture, People and Organisational Development
- ETF – Effective Board Behaviours
- ETF – Effective Teaching, Learning and Assessment
- ETF – Inclusive Leadership Programme: Two Years On
- ETF – Leading a Committee

## **Financial Statements year ended 31 July 2025**

### **Statement of corporate governance and internal control**

ETF – Managing Public Money  
ETF – Prevent for Further Education and Skills 2024/25  
ETF – Safeguarding for Governors and Trustees (Core 2) 2024/25  
ETF – Safeguarding in FE and Skills 2024/25  
ETF – The Governance Professional's Role in Developing the Board  
ETF – Understanding Sector, Policy and Inspection  
FEDEC Unloc Student Voice Conference  
Generative AI in Education webinar  
Governance and Legal Refresher webinar  
Governance Professionals Executive Mentoring webinar  
How Colleges Are Using Their Governance Review Outcomes Webinar  
ICO Data Protection Conference  
Just One More Thing – AI Conference  
KCSiE Part One  
Level 1 Safeguarding Training (refresher every 3 years)  
RSM: The Ultimate Expert in Fraud  
Safer Recruitment Training

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 2025, the Search and Governance Committee comprised of four members of the Corporation. The Committee met five times in the year to 31 July 2025.

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 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 two highly suitable external Governors and the reappointment of three highly suitable external Governors.

## **Financial Statements year ended 31 July 2025**

### **Statement of corporate governance and internal control**

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 2025, 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 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 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.

The Committee met on 19 December 2024 to receive an update on Senior Postholder appraisals and to review and approve for three years the Pension Cash Allowances In Lieu Of Pension Contribution Policy.

The Committee met on 13 February 2025 to discuss the appointment of two Deputy Principals and Senior Postholder in light of the current Deputy Principal retiring at the end of the academic year. The appointments were approved by the Corporation on 26 March 2025.

The Committee met 9 July 2025 to consider the remuneration of the Principal, Deputy Principals and Head of Governance for 2025-2026. The Committee recommended to the Corporation an increase to align all Senior Post Holders salaries with the latest AoC median benchmarking data (2023-2024) for a college of Harlow College's size plus 2% in line with the College's staff pay award of 2% from 1 August 2025. This was approved by the Corporation on 10 July 2025.

Details of Senior Post Holders' remuneration for the year ended 31 July 2025 are set out in note 8 to the financial statements.

#### **Audit Committee**



## Financial Statements year ended 31 July 2025

### Statement of corporate governance and internal control

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 2025. The members of the committee and their attendance records are shown below:

| <b>Committee member</b> | <b>Meetings attended</b> |
|-------------------------|--------------------------|
| Matthew Braund          | 1 of 1                   |
| Julia Fillary           | 4 of 4                   |
| Ray Levy                | 4 of 4                   |
| Ian Tompkins            | 1 of 1                   |
| Michael Travers         | 3 of 3                   |
| Dawn Turner             | 1 of 1                   |

## Financial Statements year ended 31 July 2025

### 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 2025 and up to the date of approval of the annual report and accounts.

##### *Capacity to handle risk*

The Corporation has reviewed the key risks to which 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 2025**

### **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 DfE's College Financial Handbook. 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, consideration should

## Financial Statements year ended 31 July 2025

### Statement of corporate governance and internal control

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 2025

### 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 DfE.

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 DfE 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 2024/25 and up to the date of the approval of the financial statements are:

| <b>Audit</b>                     | <b>Assurance level provided</b> |
|----------------------------------|---------------------------------|
| <b>2024/25:</b>                  |                                 |
| Safeguarding and Prevent         | Significant                     |
| Cyber Security                   | Reasonable                      |
| Health and Safety                | Significant                     |
| Budget Setting and Control       | Significant                     |
| Funding Assurance                | Significant                     |
| Right to Work                    | Significant                     |
| <b>2025/26:</b>                  |                                 |
| Key Financial Controls - Payroll | Substantial                     |
| Marketing                        | Substantial                     |

## Financial Statements year ended 31 July 2025

### Statement of corporate governance and internal control

Annex G Audits conducted by Internal Auditors:

| <b>Audit</b>                                     | <b>Outcome</b> |
|--|----------------|
| Local Skills Improvement Fund Year 2             | 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
- the work of the executive managers within the College who have responsibility for the development and maintenance of the internal control framework
- comments made by the College's financial statements auditors, the reporting accountant for regularity assurance, the appointed funding auditors in their management letters and other reports.
- the regularity self-assessment questionnaire.

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 Principals, 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.

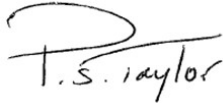
The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Corporation's agenda includes a regular item for consideration of risk and control and receives reports thereon from the Executive Group and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its meeting on 18 December 2025 the Corporation carried out the annual assessment of internal control for the year ended 31 July 2025 by considering documentation from the Executive Group and the internal audit, taking account of events since 31 July 2025.

Based on the advice of the Audit Committee and the Accounting Officer, the Corporation is of the opinion that the College has an adequate and effective framework for governance, risk

**Financial Statements year ended 31 July 2025****Statement of corporate governance and internal control**

management and control, and has fulfilled its statutory responsibility for *"the effective and efficient use of resources, the solvency of the institution and the body and the safeguarding of their assets"*.

**Approved by order of the members of the Corporation on 18<sup>h</sup> December 2025 and signed on its behalf by:**

  
\_\_\_\_\_

Paul Taylor, Chair

  
\_\_\_\_\_

Karen Spencer MBE, Accounting Officer

**HARLOW COLLEGE**  
**Financial Statements year ended 31 July 2025**

**Statement of Regularity, Propriety and Compliance**

As accounting officer, I confirm that the Corporation has had due regard to the framework of authorities governing regularity, propriety and compliance, including the College's accountability agreement with DfE, and the requirements of the College Financial Handbook I have also considered my responsibility to notify the Corporation's board of governors and DfE of material irregularity, impropriety and non-compliance with terms and conditions of all funding. I confirm that I, and the board of governors, are able to identify any material irregular or improper use of all funds by the Corporation, or material non-compliance with the framework of authorities.

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



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Karen Spencer MBE, Accounting Officer  
18 December 2025



**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 must also prepare a strategic report which includes an operating and financial review for the year. The bases for the preparation of the financial statements and strategic report are the Statement of Recommended Practice – Accounting for Further and Higher Education, DfE's College Accounts Direction and the UK's Generally Accepted Accounting Practice.

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

- select suitable accounting policies and apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- assess whether the Corporation is a going concern, noting the key supporting assumptions, qualifications or mitigating actions as appropriate 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 Statement of Recommended Practice (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.

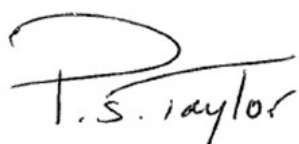
Members of the Corporation are responsible for ensuring that expenditure and income are applied for the purposes intended and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from DfE, and any other public funds, are used only in accordance with the accountability agreement, funding agreements and contracts and any other conditions, that may be prescribed from time to time by DfE, or any other public funder, including that any transactions entered into by the Corporation

**HARLOW COLLEGE**  
**Financial Statements year ended 31 July 2025**

are within the delegated authorities set out in the College Financial Handbook. On behalf of the Corporation, the Chair of the board of governors is responsible for discussing the accounting officer's statement of regularity, propriety and compliance with the accounting officer.

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

Approved by order of the members of the Corporation on 18<sup>th</sup> December 2025 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'T. S. Taylor'. The signature is written in a cursive style with a large, looped initial 'P' or 'T' at the start.

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Paul Taylor, Chair

# **Independent Auditor's Report to the Corporation of Harlow College**

## **Opinion**

We have audited the financial statements of Harlow College for the year ended 31 July 2025 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 2024 to 2025 issued by the Department for Education (DfE).

In our opinion, the financial statements:

- give a true and fair view of the state of the College's affairs as at 31 July 2025 and of its financial performance and cash flows for the year then ended;
- have been prepared in accordance with UK Generally Accepted Accounting Practice, the Statement of Recommended Practice: Accounting for Further and Higher Education and the College Accounts Direction 2024 to 2025 issued by the DfE;
- 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) 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, including the Strategic 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 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 Framework and guide for external auditors and reporting accountants of colleges issued by the DfE 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.

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 note 2 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 on page 41, 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 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.

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

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 Further Education 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 College Accounts Direction 2024 to 2025 issued by the DfE, the Accounts Direction issued by the OfS, Further and Higher Education Act 1992, funding agreements with the DfE and associated funding rules, DfE 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;

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the Corporation, as a body, in accordance with the 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.



Buzzacott Audit LLP  
Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

Date: 18 December 2025

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

## **Independent Reporting Accountant's Report on Regularity**

### **To: The Corporation of Harlow College and the Secretary of State for Education**

In accordance with the terms of our engagement letter dated 9 June 2025 and further to the requirements of Department for Education (DfE) as included in the extant Framework and Guide for External Auditors and Reporting Accountants of Colleges, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by Harlow College during the period 1 August 2024 to 31 July 2025 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

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

### **Respective responsibilities of the Accounting Officer of Harlow College and the reporting accountant**

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

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the extant Framework and Guide for External Auditors and Reporting Accountants of Colleges. We report to you whether anything has come to our attention in carrying out our work, which suggests that in all material respects, expenditure disbursed and income received during the period 1 August 2024 to 31 July 2025 have not been applied for the purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Colleges issued by DfE, which requires a limited assurance engagement, as set out in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

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

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 2024 to 31 July 2025 has not been applied to purposes intended by Parliament, and the financial transactions do not conform to the authorities that govern them.



18 December 2025

Buzzacott Audit LLP  
Chartered Accountants  
130 Wood Street  
London  
EC2V 6DL



## Statements of Total Comprehensive Income

|  |       | Notes | Year ended 31 July                            |   |  | Year ended 31 July                            |   |  |
|--|-------|-------|---|---|--|---|---|--|
|  |       |       | Before<br>actuarial<br>pension<br>adjustments | 2025<br>Actuarial<br>pension<br>adjustments | After<br>actuarial<br>pension<br>adjustments | Before<br>actuarial<br>pension<br>adjustments | 2024<br>Actuarial<br>pension<br>adjustments | After<br>actuarial<br>pension<br>adjustments |
|  |       |       | £'000   | £'000                                       | £'000  | £'000   | £'000                                       | £'000  |
| <b>INCOME</b>                                  |       |       |   |   |  |   |   |  |
| Funding body grants                            | 2     |       | 27,588  | -   | 27,588                                       | 25,823  | -   | 25,823                                       |
| Tuition fees and education contracts           | 4     |       | 369   | -   | 369  | 430   | -   | 430  |
| Other income                                   | 6     |       | 2,509   | -   | 2,509  | 2,388   | -   | 2,388  |
| Investment income                              | 7     |       | 235   | 804   | 1,039  | 494   | 672   | 1,166  |
|  |       |       |   |   |  |   |   |  |
| <b>Total income</b>                            |       |       | <b>30,701</b>                                 | <b>804</b>                                  | <b>31,505</b>                                | <b>29,135</b>                                 | <b>672</b>                                  | <b>29,807</b>                                |
| <b>EXPENDITURE</b>                             |       |       |   |   |  |   |   |  |
| Staff costs                                    | 8     |       | 21,955  | (225)                                       | 21,730                                       | 20,177  | (322)                                       | 19,855                                       |
| Exceptional restructuring costs                | 8     |       | 45  | -   | 45   | 7   | -   | 7  |
| Other operating expenses                       | 9     |       | 5,483   | 25  | 5,508  | 5,588   | 26  | 5,614  |
| Depreciation and amortisation                  | 11,12 |       | 2,731   | -   | 2,731  | 2,551   | -   | 2,551  |
| Interest and other finance costs               | 10    |       | 199   | -   | 199  | 502   | -   | 502  |
|  |       |       |   |   |  |   |   |  |
| <b>Total expenditure</b>                       |       |       | <b>30,413</b>                                 | <b>(200)</b>                                | <b>30,213</b>                                | <b>28,825</b>                                 | <b>(296)</b>                                | <b>28,529</b>                                |
|  |       |       |   |   |  |   |   |  |
| <b>Surplus before other gains and losses</b>   |       |       | <b>288</b>                                    | <b>1,004</b>                                | <b>1,292</b>                                 | <b>310</b>                                    | <b>968</b>                                  | <b>1,278</b>                                 |
| Actuarial loss in respect of pensions schemes  | 22    |       | (29)  | (1,100)                                     | (1,129)                                      | (94)  | (968)                                       | (1,062)                                      |
|  |       |       |   |   |  |   |   |  |
| <b>Total Comprehensive Income for the year</b> |       |       | <b>259</b>                                    | <b>(96)</b>                                 | <b>163</b>                                   | <b>216</b>                                    | <b>-</b>                                    | <b>216</b>                                   |



## Statement of Changes in Reserves

|   | Income and<br>Expenditure<br>account | Revaluation<br>reserve | Total         |
|---|--------------------------------------|------------------------|---------------|
|   | £'000                                | £'000                  | £'000         |
| <b>Balance at 1st August 2023</b>                                 | 25,524                               | 11,804                 | 37,328        |
| Deficit from the income and expenditure account                   | 1,278                                | -                      | 1,278         |
| Other comprehensive income  | (1,062)                              | -                      | (1,062)       |
| Transfers between revaluation and income and expenditure reserves | 104                                  | (104)                  | -             |
| <b>Total comprehensive income for year ended 31 July 2024</b>     | <b>320</b>                           | <b>(104)</b>           | <b>216</b>    |
| <b>Balance at 31st July 2024</b>                                  | 25,844                               | 11,700                 | 37,544        |
| Deficit from the income and expenditure account                   | 1,292                                | -                      | 1,292         |
| Other comprehensive expenditure                                   | (1,129)                              | -                      | (1,129)       |
| Transfers between revaluation and income and expenditure reserves | 106                                  | (106)                  | -             |
| <b>Total comprehensive income for the year</b>                    | <b>269</b>                           | <b>(106)</b>           | <b>163</b>    |
| <b>Balance at 31st July 2025</b>                                  | <b>26,113</b>                        | <b>11,594</b>          | <b>37,707</b> |



## Balance Sheet as at 31 July

|  |        | Year ended 31<br>July<br>2025<br>£'000 | Year ended 31<br>July<br>2024<br>£'000 |
|--|--------|--|--|
|  | Notes  |  |  |
| <b>Fixed assets</b>  |        |  |  |
| Tangible fixed assets  | 11     | 60,443                                 | 60,987                                 |
| Intangible fixed assets  | 12     | 191                                    | 153                                    |
|  |        | <b>60,634</b>                          | <b>61,140</b>                          |
| <b>Current assets</b>  |        |  |  |
| Stocks   |        | 10                                     | 12                                     |
| Trade and other receivables                                    | 13     | 1,262                                  | 2,636                                  |
| Cash and cash equivalents                                      | 18     | 4,408                                  | 6,335                                  |
|  |        | <b>5,680</b>                           | <b>8,983</b>                           |
| <b>Less: Creditors – amounts falling due within one year</b>   | 14     | (6,686)                                | (8,480)                                |
| <b>Net current (liabilities)/ assets</b>                       |        | <b>(1,006)</b>                         | <b>503</b>                             |
| <b>Total assets less current assets</b>                        |        | <b>59,628</b>                          | <b>61,643</b>                          |
| Less: Creditors – amounts falling due after more than one year | 15     | (20,786)                               | (23,005)                               |
| <b>Provisions</b>  |        |  |  |
| Defined benefit obligations                                    | 17, 22 | (85)                                   | -                                      |
| Other provisions   | 17     | (1,050)                                | (1,094)                                |
| <b>Total net assets</b>  |        | <b>37,707</b>                          | <b>37,544</b>                          |
| <b>Unrestricted reserves</b>                                   |        |  |  |
| Income and expenditure account                                 |        | 26,113                                 | 25,844                                 |
| Revaluation reserve  |        | 11,594                                 | 11,700                                 |
| <b>Total unrestricted reserves</b>                             |        | <b>37,707</b>                          | <b>37,544</b>                          |

The financial statements on pages 49 to 84 were approved and authorised for issue by the Corporation on 18 December 2025 and were signed on its behalf on that date by:

**Paul Taylor**  
Chair

**Karen Spencer MBE**  
Accounting Officer

**Statement of Cash Flows**

|  |       | Year ended<br>31 July<br>2025<br>£'000 | Year ended<br>31 July<br>2024<br>£'000 |
|--|-------|--|--|
|  | Notes |  |  |
| <b>Cash inflow from operating activities</b>             |       |  |  |
| Surplus for the year                                     |       | 1,292                                  | 1,278                                  |
| <b>Adjustment for non cash items</b>                     |       |  |  |
| Depreciation and amortisation                            | 11,12 | 2,731                                  | 2,551                                  |
| Decrease in stock  |       | 2                                      | (2)                                    |
| Decrease / (Increase) in debtors                         | 13    | 1,374                                  | (415)                                  |
| Decrease in creditors due within one year                | 14    | (3,289)                                | (2,922)                                |
| Increase in creditors due after one year                 | 15    | 20                                     | 2,342                                  |
| Increase / (decrease) in enhanced pension provision      | 17    | (44)                                   | 22                                     |
| Pensions costs less contributions payable                |       | (1,073)                                | (1,156)                                |
| <b>Adjustment for investing or financing activities</b>  |       |  |  |
| Investment income  | 7     | (235)                                  | (494)                                  |
| Hedge of variable interest rate, fair movement           |       | 34                                     | 151                                    |
| Interest payable   | 10    | 147                                    | 448                                    |
|  |       | <u><b>959</b></u>                      | <u><b>1,803</b></u>                    |
| <b>Net cash flow from operating activities</b>           |       |  |  |
| <b>Cash flows used in investing activities</b>           |       |  |  |
| Investment income  |       | 235                                    | 494                                    |
| Payments made to acquire fixed assets                    |       | (2,245)                                | (4,537)                                |
| Capital funding received                                 |       | 1,772                                  | 3,280                                  |
|  |       | <u><b>(238)</b></u>                    | <u><b>(763)</b></u>                    |
| <b>Cash flows from financing activities</b>              |       |  |  |
| Interest paid  |       | (147)                                  | (448)                                  |
| Repayments of amounts borrowed                           |       | (2,501)                                | (607)                                  |
|  |       | <u><b>(2,648)</b></u>                  | <u><b>(1,055)</b></u>                  |
| <b>Increase in cash and cash equivalents in the year</b> |       | <b>(1,927)</b>                         | <b>(15)</b>                            |
| Cash and cash equivalents at beginning of the year       | 18    | 6,335                                  | 6,350                                  |
| Cash and cash equivalents at end of the year             | 18    | <u><b>4,408</b></u>                    | <u><b>6,335</b></u>                    |

## **Financial Statements for the year ended 31 July 2025**

### **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 2024-25 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 £770k of loans outstanding with bankers on terms negotiated in 2017. The College loans are on fixed interest rates until 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 2025

### 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 DfE 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 2025**

### **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 each balance sheet date. The amounts charged to operating surplus are the current service costs

## **Financial Statements for the year ended 31 July 2025**

### **Notes to the Financial Statements**

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 calculated using the methodology 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 2025**

### **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 2025**

### **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 1<sup>st</sup> 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 1<sup>st</sup> 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.

## **Financial Statements for the year ended 31 July 2025**

### **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.

## Financial Statements for the year ended 31 July 2025

### 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 2025**

### **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 2025. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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<br>31 July<br>2025 | Year ended<br>31 July<br>2024 |
|---|-------------------------------|-------------------------------|
|   | £'000                         | £'000                         |
| <b>Recurrent grants</b>                         |                               |                               |
| DfE - 16-19                                     | 18,084                        | 16,248                        |
| DfE - Adult Education Budget                    | 3,465                         | 3,315                         |
| GLA - Adult Education Budget                    | 244                           | 294                           |
| DfE - Apprenticeships                           | 1,525                         | 1,462                         |
| Office for Students (Note 3)                    | 10                            | 9                             |
| <b>Specific Grants</b>                          |                               |                               |
| DfE - High needs                                | 870                           | 870                           |
| DfE - Tuition fund                              | -                             | 221                           |
| DfE - T Level (Equipment)                       | -                             | 15                            |
| DfE - FE Capital Transformation Fund            | 3                             | 16                            |
| DfE - HGV Training                              | -                             | 3                             |
| DfE - Higher Technical Growth                   | 30                            | 38                            |
| DfE - Institute of Technology                   | -                             | 29                            |
| DfE - Local Skills Improvement Fund             | 138                           | 678                           |
| DfE - Reach                                     | 15                            | 6                             |
| DfE - Strategic development grant               | -                             | 66                            |
| DfE - Taking Teaching Further                   | 117                           | 137                           |
| DfE - Post 16 National Insurance Grant          | 125                           | -                             |
| Teacher pension scheme (TPS) contribution grant | 1,274                         | 962                           |
| Releases of government capital grants           | 1,688                         | 1,454                         |
| <b>Total</b>                                    | <b>27,588</b>                 | <b>25,823</b>                 |

### 3 Total grant and fee income

|  | Year ended<br>31 July<br>2025 | Year ended<br>31 July<br>2024 |
|--|-------------------------------|-------------------------------|
|  | £'000                         | £'000                         |
| Grant income from the OfS                                | 10                            | 9                             |
| Grant income from other bodies                           | 27,578                        | 25,814                        |
| <b>Total Grants (See note 2)</b>                         | <b>27,588</b>                 | <b>25,823</b>                 |
| Fee income for non-qualifying courses (exclusive of VAT) | 369                           | 430                           |
| Total tuition fees and education contracts               | 369                           | 430                           |
| <b>Total grant and fee income</b>                        | <b>27,957</b>                 | <b>26,253</b>                 |

## Notes to the Accounts (continued)

### 4 Tuition fees and education contracts

|                                    | Year ended<br>31 July<br>2025 | Year ended<br>31 July<br>2024 |
|------------------------------------|-------------------------------|-------------------------------|
|                                    | £'000                         | £'000                         |
| Adult education fees               | 218                           | 227                           |
| Apprenticeship contracts           | 16                            | 19                            |
| Fees for FE loan supported courses | 120                           | 172                           |
| Fees for HE loan supported courses | 15                            | 12                            |
| <b>Total</b>                       | <b>369</b>                    | <b>430</b>                    |

Included within the above amounts are tuition fees funded by bursaries of £120k (2024: £172k).

### 5 Other grants and contracts

|                                 | Year ended<br>2025 | Year ended<br>2024 |
|---------------------------------|--------------------|--------------------|
|                                 | £'000              | £'000              |
| Other grant income (High Needs) | 1,474              | 1,043              |
| <b>Total</b>                    | <b>1,474</b>       | <b>1,043</b>       |

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<br>2025        | Year<br>2024        |
|-------------------------------------|---------------------|---------------------|
|                                     | £'000               | £'000               |
| Catering                            | 658                 | 599                 |
| Other income generating activities  | 377                 | 746                 |
| Other grants and contracts (note 5) | 1,474               | 1,043               |
|                                     | <hr/>               | <hr/>               |
| <b>Total</b>                        | <b><u>2,509</u></b> | <b><u>2,388</u></b> |

### 7 Investment income

|  | Year<br>2025        | Year<br>2024        |
|--|---------------------|---------------------|
|  | £'000               | £'000               |
| Swap interest                          | 24                  | 118                 |
| Other interest receivable              | 211                 | 376                 |
|  | <hr/>               | <hr/>               |
|  | <b>235</b>          | <b>494</b>          |
| Net return on pension scheme (note 22) | 804                 | 672                 |
|  | <hr/>               | <hr/>               |
|  | <b><u>1,039</u></b> | <b><u>1,166</u></b> |



## Notes to the Accounts (continued)

### 8 Staff costs - College

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

|                    | <b>2025<br/>No.</b> | <b>2024<br/>No.</b> |
|--------------------|---------------------|---------------------|
| Teaching staff     | 290                 | 312                 |
| Non-teaching staff | 217                 | 180                 |
|                    | <b>507</b>          | <b>492</b>          |

#### Staff costs for the above persons

|                                   | <b>2025<br/>£'000</b> | <b>2024<br/>£'000</b> |
|-----------------------------------|-----------------------|-----------------------|
| Wages and salaries                | 15,981                | 14,906                |
| Social security costs             | 1,730                 | 1,444                 |
| Other pension costs (Note 22)     | 3,554                 | 2,975                 |
| <b>Payroll sub total</b>          | <b>21,265</b>         | <b>19,325</b>         |
| Contracted out staffing services  | 465                   | 530                   |
|                                   | <b>21,730</b>         | <b>19,855</b>         |
| Restructuring costs - Contractual | 23                    | 7                     |
| Non contractual                   | 22                    | -                     |
|                                   | <b>21,775</b>         | <b>19,862</b>         |

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 £225k (2024: charge £322k).

The College paid 2 severance payments in the year, disclosed in the following bands:

|                   |   |
|-------------------|---|
| £0 - £25,000      | 2 |
| £25,001 - £50,000 | - |

Included in staff restructuring costs is 1 Settlement payment totalling £21,750 (2024: 1 Settlement 2024 totalling £3,220). Also included in staff restructuring costs is a Pay In Lieu of Notice (PILON) payments totalling £5,487 (2024: 2 PILONs totalling £3,504. Individually the payments were £644 and £2,860.)

## 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 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 Governance Committee.

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

|  | 2025<br>No. | 2024<br>No. |
|--|-------------|-------------|
| The number of key management personnel including the Accounting Officer was: | 16          | 15          |

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 contributions, including benefits in kind, in the following ranges was:

|                      | Key Management<br>Personnel |             | Other staff |             |
|----------------------|-----------------------------|-------------|-------------|-------------|
|                      | 2025<br>No.                 | 2024<br>No. | 2025<br>No. | 2024<br>No. |
| £50,001 to £55,000   | 1                           | 1           | -           | -           |
| £60,001 to £65,000   | 1                           | -           | 1           | 2           |
| £65,001 to £70,000   | 8                           | 9           | -           | -           |
| £70,001 to £75,000   | 2                           | 1           | -           | -           |
| £85,001 to £90,000   | -                           | 2           | -           | -           |
| £90,001 to £95,000   | -                           | 1           | -           | -           |
| £95,001 to £100,000  | 3                           | -           | -           | -           |
| £145,001 to £150,000 | -                           | 1           | -           | -           |
| £150,001 to £155,000 | 1                           | -           | -           | -           |
|                      | <b>16</b>                   | <b>15</b>   | <b>1</b>    | <b>2</b>    |

## Notes to the Accounts (continued)

### 8 Staff costs - College (continued)

Key management personnel compensation is made up as follows:

|  | 2025<br>£'000 | 2024<br>£'000 |
|--|---------------|---------------|
| Basic salary                                       | 1,173         | 1,126         |
| Benefits in kind                                   | 4             | 4             |
| Payment in lieu of pensions                        | 38            | 33            |
| Pension contributions                              | 263           | 234           |
| <b>Total key management personnel compensation</b> | <b>1,478</b>  | <b>1,397</b>  |

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:

|                             | 2025<br>£'000 | 2024<br>£'000 |
|-----------------------------|---------------|---------------|
| Salaries                    | 152           | 147           |
| Benefits in kind            | 4             | 4             |
| Payment in lieu of pensions | 38            | 33            |
| Pension contributions       | -             | -             |
| <b>Total</b>                | <b>194</b>    | <b>184</b>    |

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 £NIL (2023/24 £20) 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 2024/25.

The Committee met 9 July 2025 to consider the remuneration of the Principal, Deputy Principals and Head of Governance for 2025-2026. The Committee recommended to the Corporation an increase to align all Senior Post Holders salaries with the latest AoC median benchmarking data (2023-2024) for a college of Harlow College's size plus 2% in line with the College's staff pay award of 2% from 1 August 2025. This was approved by the Corporation on 10 July 2025.

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.

|  | 2025<br>No | 2024<br>No |
|--|------------|------------|
| Basic salary as a multiple of median basic salary of staff             | 4.59       | 4.33       |
| Total remuneration as a multiple of median total remuneration of staff | 4.56       | 4.45       |

## Notes to the Accounts (continued)

### 9 Other operating expenses

|                    | 2025                | 2024                |
|--------------------|---------------------|---------------------|
|                    | £'000               | £'000               |
| Teaching costs     | 781                 | 870                 |
| Non teaching costs | 3,068               | 3,115               |
| Premises costs     | 1,659               | 1,629               |
|                    | <u>5,508</u>        | <u>5,614</u>        |
| <b>Total</b>       | <b><u>5,508</u></b> | <b><u>5,614</u></b> |

#### Other operating expenses includes the following charges:

|   | 2025      | 2024      |
|---|-----------|-----------|
|   | £'000     | £'000     |
| Auditors' remuneration (excluding VAT):                     |           |           |
| Financial statements audit                                  | 36        | 34        |
| Internal audit (excluding VAT)                              | 18        | 18        |
| Other services provided by the financial statements auditor |           |           |
| Corporation Tax Services                                    | -         | 3         |
| Other services provided by the internal auditors            |           |           |
| Audit of separate schemes / grants                          | 4         | 4         |
| Lease Service Charge  | 17        | 15        |
| Operating Lease expense                                     | 75        | 74        |
|   | <u>75</u> | <u>74</u> |

### 10 Interest and other finance costs

|   | 2025              | 2024              |
|---|-------------------|-------------------|
|   | £'000             | £'000             |
| On bank loans, overdrafts and other loans:                | 109               | 297               |
| Hedge of variable interest rate, fair value gain / (loss) | 34                | 151               |
| Sundry Interest   | 4                 | -                 |
|   | <u>147</u>        | <u>448</u>        |
| Enhanced pension provision interest                       | 52                | 54                |
|   | <u>52</u>         | <u>54</u>         |
| <b>Total</b>  | <b><u>199</u></b> | <b><u>502</u></b> |

**Notes to the Accounts (continued)**
**11 Tangible fixed assets**

|                                       | Land and buildings |                   | Equipment     | Assets in the<br>Course of<br>Construction | Total         |
|---------------------------------------|--------------------|-------------------|---------------|--|---------------|
|                                       | Freehold           | Long<br>leasehold |               |  |               |
|                                       | £'000              | £'000             | £'000         | £'000                                      | £'000         |
| <b>Cost or valuation</b>              |                    |                   |               |  |               |
| At 1 August 2024                      | 76,073             | -                 | 14,032        | 997  | 91,102        |
| Transfer                              | (1,766)            | 1,766             |               | -  | -             |
| At 1 August 2024                      | 74,307             | 1,766             | 14,032        | 997  | 91,102        |
| Transfer of assets in the course of   | 997                | -                 | -             | (997)                                      | -             |
| Additions                             | 1,011              | -                 | 965           | 172  | 2,148         |
| Disposals                             | -                  | -                 | (291)         | -  | (291)         |
| <b>As at 31 July 2025</b>             | <b>76,315</b>      | <b>1,766</b>      | <b>14,706</b> | <b>172</b>                                 | <b>92,959</b> |
| <b>Depreciation</b>                   |                    |                   |               |  |               |
| At 1 August 2024                      | 19,326             | 17                | 10,772        | -  | 30,115        |
| Charge for the year                   | 2,352              | 17                | 303           |  | 2,672         |
| Elimination in respect of disposals   |                    |                   | (271)         | -  | (271)         |
| <b>As at 31 July 2025</b>             | <b>21,678</b>      | <b>34</b>         | <b>10,804</b> | <b>-</b>                                   | <b>32,516</b> |
| <b>Net book value at 31 July 2025</b> | <b>54,637</b>      | <b>1,732</b>      | <b>3,902</b>  | <b>172</b>                                 | <b>60,443</b> |
| Net book value at 31 July 2024        | 54,981             | 1,749             | 3,260         | 997  | 60,987        |

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 (2024: £9.5m).

Assets under construction refers to the creation of a Mezzanine floor for additional teaching space at Stansted Airport College.

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                                 | 77,656        |
| Aggregate depreciation based on cost | (28,807)      |
| <b>Net book value based on cost</b>  | <b>48,849</b> |

## Notes to the Accounts (continued)

### 12 Intangible fixed assets

|                                       | <b>Software</b> | <b>Goodwill</b> | <b>Total</b> |
|---------------------------------------|-----------------|-----------------|--------------|
|                                       | <b>£'000</b>    | <b>£'000</b>    | <b>£'000</b> |
| <b>Cost or valuation</b>              |                 |                 |              |
| At 1 August 2024                      | 827             | 63              | 890          |
| Additions                             | 97              | -               | 97           |
| Disposals                             | (62)            | -               | (62)         |
| <b>As at 31 July 2025</b>             | <b>862</b>      | <b>63</b>       | <b>925</b>   |
| <b>Amortisation</b>                   |                 |                 |              |
| At 1 August 2024                      | 692             | 45              | 737          |
| Charge for the year                   | 53              | 6               | 59           |
| Disposals                             | (62)            | -               | (62)         |
| <b>As at 31 July 2025</b>             | <b>683</b>      | <b>51</b>       | <b>734</b>   |
| <b>Net book value at 31 July 2025</b> | <b>179</b>      | <b>12</b>       | <b>191</b>   |
| Net book value at 31 July 2024        | 135             | 18              | 153          |

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

|                                      | <b>2025</b>         | <b>2024</b>         |
|--------------------------------------|---------------------|---------------------|
|                                      | <b>£'000</b>        | <b>£'000</b>        |
| Amounts falling due within one year: |                     |                     |
| Trade receivables                    | 70                  | 427                 |
| Prepayments and accrued income       | 726                 | 1,570               |
| Interest rate swap debtor            | -                   | 156                 |
| Amounts owed by the ESFA             | 466                 | 483                 |
| <b>Total</b>                         | <b><u>1,262</u></b> | <b><u>2,636</u></b> |

### 14 Creditors: amounts falling due within one year

|   | <b>2025</b>         | <b>2024</b>         |
|---|---------------------|---------------------|
|   | <b>£'000</b>        | <b>£'000</b>        |
| Bank loans                                  | 374                 | 636                 |
| Trade payables                              | 373                 | 1,040               |
| Other taxation and social security          | 435                 | 334                 |
| Accruals and deferred income                | 1,356               | 2,239               |
| Holiday pay accrual                         | 13                  | 59                  |
| Unspent grants                              | 1,449               | 1,335               |
| Deferred income - government capital grants | 1,790               | 1,726               |
| Amounts owed to the ESFA                    | 896                 | 1,111               |
| <b>Total</b>                                | <b><u>6,686</u></b> | <b><u>8,480</u></b> |

### 15 Creditors: amounts falling due after one year

|   | <b>2025</b>          | <b>2024</b>          |
|---|----------------------|----------------------|
|   | <b>£'000</b>         | <b>£'000</b>         |
| Bank loans                                  | 396                  | 2,635                |
| Deferred income - government capital grants | 20,390               | 20,370               |
| <b>Total</b>                                | <b><u>20,786</u></b> | <b><u>23,005</u></b> |

## Notes to the Accounts (continued)

### 16 Maturity of debt

#### Bank loans

Bank loans are repayable as follows:

|                            | <b>2025</b>       | <b>2024</b>         |
|----------------------------|-------------------|---------------------|
|                            | <b>£'000</b>      | <b>£'000</b>        |
| In one year or less        | 374               | 636                 |
| Between one and two years  | 395               | 667                 |
| Between two and five years | -                 | 1,968               |
| <b>Total</b>               | <b><u>769</u></b> | <b><u>3,271</u></b> |

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

|   | <b>Defined<br/>benefit<br/>Obligation<br/>£'000</b> | <b>Enhanced<br/>pensions<br/>£'000</b> | <b>Total<br/>£'000</b> |
|---|---|--|------------------------|
| At 1 August 2024                                | -   | 1,094                                  | 1,094                  |
| Expenditure in the period                       | (1,090)   | (73)                                   | (1,163)                |
| Transferred from income and expenditure account | 1,175   | 29                                     | 1,204                  |
| <b>At 31 July 2025</b>                          | <b>85</b>   | <b>1,050</b>                           | <b>1,135</b>           |

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:

|                | <b>2025</b> | <b>2024</b> |
|----------------|-------------|-------------|
| Interest rate  | 5.5%        | 4.8%        |
| Inflation rate | 2.7%        | 2.8%        |

### 18 Notes to cash flow statement

#### Consolidated analysis of changes in cash and net debt

|                           | <b>At 1<br/>August<br/>2024<br/>£'000</b> | <b>Cashflow<br/>£'000</b> | <b>Other non<br/>cash<br/>changes<br/>£'000</b> | <b>At 31 July<br/>2025<br/>£'000</b> |
|---------------------------|---|---------------------------|---|--------------------------------------|
| Cash in hand, and at bank | 6,335                                     | (1,927)                   | -   | 4,408                                |
| Bank loans                | (3,271)                                   | 2,501                     | -   | (770)                                |
| <b>Net debt</b>           | <b>3,064</b>                              | <b>574</b>                | <b>-</b>  | <b>3,638</b>                         |

## Notes to the Accounts (continued)

### 19 Capital commitments

|                                       | <b>2025</b><br><b>£'000</b> | <b>2024</b><br><b>£'000</b> |
|---------------------------------------|-----------------------------|-----------------------------|
| Commitments contracted for at 31 July | <u>145</u>                  | <u>798</u>                  |

### 20 Lease obligations

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

|   | <b>2025</b><br><b>£'000</b> | <b>2024</b><br><b>£'000</b> |
|---|-----------------------------|-----------------------------|
| <b>Future minimum lease payments due</b>          |                             |                             |
| <b>Land and buildings</b>                         |                             |                             |
| Not later than one year                           | 34                          | 67                          |
| Later than one year and not later than five years | 137                         | 137                         |
| Later than five years                             | 416                         | 451                         |
|   | <u>587</u>                  | <u>655</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. 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. These leases ended May 2025.

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.

### 21 Events after the reporting period

There are no material events after the reporting period

## Notes to the Accounts (continued)

### 22 Defined benefit obligations

Employees participate in two main post-employment benefit schemes: 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.

| <b>Total pension cost for the year</b>                       | <b>2025<br/>£'000</b> | <b>2024<br/>£'000</b> |
|--|-----------------------|-----------------------|
| Teachers Pension Scheme: contributions paid                  | 2,689                 | 2,198                 |
| Local Government Pension Scheme:                             |                       |                       |
| Contributions paid   | 1,090                 | 1,099                 |
| FRS 102 (28) charge  | <u>(225)</u>          | <u>(322)</u>          |
| Charge to the Statement of Comprehensive Income              | <u>865</u>            | <u>777</u>            |
| <b>Total Pension Cost for Year within staff costs</b>        | <b>3,554</b>          | <b>2,975</b>          |
| Enhanced pension charge to Statement of Comprehensive Income | 29                    | 94                    |
| <b>Total Pension Cost for Year</b>                           | <b><u>3,583</u></b>   | <b><u>3,069</u></b>   |

Contributions amounting to £294,573 (2024: £272,372) 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, colleges 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 2024/25 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 £2,688,846 (2024: £2,198,342 )

## 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 2025 were £1,367,000, of which employer's contributions totalled £1,090,000 and employees' contributions totalled £287,000.

The agreed contribution rates is 21.6% from April 2023 plus an agreed deficit contribution of £72500 (2024: £145,000) 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 2025 by Barnett Waddingham.

|                                      | At 31 July<br>2025 | At 31 July<br>2024 |
|--------------------------------------|--------------------|--------------------|
| Rate of increase in salaries         | 3.80%              | 3.85%              |
| Future pension increases             | 2.80%              | 2.85%              |
| Discount rate for scheme liabilities | 5.75%              | 5.05%              |
| 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<br>2025<br>years | At 31 July<br>2024<br>years |
|-----------------------------|-----------------------------|-----------------------------|
| <i>Retiring today</i>       |                             |                             |
| Males                       | 21.80                       | 20.70                       |
| Females                     | 24.10                       | 23.30                       |
| <i>Retiring in 20 years</i> |                             |                             |
| Males                       | 23.40                       | 22.00                       |
| Females                     | 25.80                       | 24.70                       |

## 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<br>at 31 July<br>2025 | Fair Value<br>at 31 July<br>2024 |
|--|----------------------------------|----------------------------------|
|  | £'000                            | £'000                            |
| Equities                               | 25,818                           | 23,768                           |
| Gilts and other bonds                  | 661                              | 740                              |
| Property                               | 3,572                            | 2,991                            |
| Cash                                   | 775                              | 755                              |
| Alternative assets                     | 7,127                            | 6,483                            |
| Other managed funds                    | 8,229                            | 7,742                            |
| <b>Total fair value of plan assets</b> | <b>46,182</b>                    | <b>42,479</b>                    |
| <b>Actual return on plan assets</b>    | <b>1,875</b>                     | <b>1,943</b>                     |

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 2025    | 2024          |
|--|----------------|---------------|---------------|---------------|
|  | £'000          | £'000         | £'000         | £'000         |
| Fair value of plan assets                        | -              | 46,182        | 46,182        | 42,479        |
| Present value of plan liabilities                | (1,049)        | (25,612)      | (26,661)      | (28,112)      |
| Present value of unfunded liabilities            | -              | (85)          | (85)          | (87)          |
| <b>Net pensions (liability)/ Asset (Note 17)</b> | <b>(1,049)</b> | <b>20,485</b> | <b>19,436</b> | <b>14,280</b> |

The pension scheme loss of £85,000 has been recognised in the financial statements.

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

|   | 2025<br>£'000  | 2024<br>£'000  |
|---|----------------|----------------|
| <b>Amounts included in staff costs</b>                                  |                |                |
| Current service cost  | (854)          | (777)          |
| Administrative expenses   | (25)           | (26)           |
| <b>Total</b>  | <b>(879)</b>   | <b>(803)</b>   |
| <b>Amounts included in interest expenditure</b>                         |                |                |
| Net interest expenditure  | 804            | 672            |
|   | <b>804</b>     | <b>672</b>     |
| <b>Amounts recognised in Other Comprehensive Income</b>                 |                |                |
| Return on pension plan assets in excess of interest                     | 1,875          | 1,943          |
| Experience losses arising on defined benefit obligations                | (93)           | -              |
| Other actuarial Loss  | (5,197)        | (2,860)        |
| Changes in assumptions underlying the present value of plan liabilities | 2,315          | (51)           |
| Actuarial (loss) / gain on Enhanced Pension Provision                   | (29)           | (94)           |
| <b>Amount recognised in Other Comprehensive Income</b>                  | <b>(1,129)</b> | <b>(1,062)</b> |

## Notes to the Accounts (continued)

### 22 Defined benefit obligations (continued)

#### Local Government Pension Scheme (Continued)

##### Movement in net defined benefit liability during the year

|   | 2025<br>£'000 | 2024<br>£'000 |
|---|---------------|---------------|
| Net defined benefit liability in scheme at 1 August | -             | -             |
| Movement in year:                                   |               |               |
| Current service cost                                | (854)         | (777)         |
| Employer contributions                              | 1,090         | 1,099         |
| Net interest on the defined (liability)             | 804           | 672           |
| Administrative costs                                | (25)          | (26)          |
| Actuarial gain                                      | (1,100)       | (968)         |
| <b>Net defined benefit liability as 31 July</b>     | <b>(85)</b>   | <b>-</b>      |

##### Asset and Liability Reconciliation

|  | 2025<br>£'000 | 2024<br>£'000 |
|--|---------------|---------------|
| <b>Changes in the present value of defined benefit obligations</b> |               |               |
| <b>Defined benefit obligations at start of period</b>              | 27,106        | 25,817        |
| Current Service cost   | 854           | 777           |
| Interest cost  | 1,334         | 1,308         |
| Contributions by Scheme participants                               | 287           | 268           |
| Experience losses on defined benefit obligations                   | 93            | -             |
| Changes in financial assumptions                                   | (2,315)       | 51            |
| Estimated benefits paid  | (1,662)       | (1,115)       |
| <b>Defined benefit obligations at end of period</b>                | <b>25,697</b> | <b>27,106</b> |

##### Changes in fair value of plan assets

|   |               |               |
|---|---------------|---------------|
| <b>Fair value of plan assets at start of period</b> | 42,479        | 38,330        |
| Interest on plan assets                             | 2,138         | 1,980         |
| Return on plan assets                               | 1,875         | 1,943         |
| Other actuarial losses                              | -             | -             |
| Administration expenses                             | (25)          | (26)          |
| Employer contributions                              | 1,090         | 1,099         |
| Contributions by Scheme participants                | 287           | 268           |
| Estimated benefits paid                             | (1,662)       | (1,115)       |
| <b>Fair value of plan assets at end of period</b>   | <b>46,182</b> | <b>42,479</b> |

## 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 £Nil (2024: £20). 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 (2024: none).

#### Transactions relating to Declarations of Interest - Governors

| Governor  | Related Party   | Amount Paid<br>2024/25<br>£'000s | Year-end creditor<br>balance<br>2024/25<br>£'000s | Amount Received<br>2024/25<br>£'000s | Year-end debtor<br>balance<br>2024/25<br>£'000s | Amount Paid<br>2023/24<br>£'000s | Year-end creditor<br>balance<br>2023/24<br>£'000s | Amount Received<br>2023/24<br>£'000s | Year-end debtor<br>balance<br>2023/24<br>£'000s |
|---|---|----------------------------------|---|--------------------------------------|---|----------------------------------|---|--------------------------------------|---|
| Jon Bouffler had paid employment  | Anglia Ruskin University (room hire)  | -                                | -   | -                                    | -   | -                                | -   | 1                                    | -   |
| Rod Bristow has an advisory contract  | NCFE (Examination fees)   | 146                              | 13  | -                                    | -   | 136                              | 10  | -                                    | -   |
| Ian Tompkins has paid employment and Cllr Michael Hardware is a member.   | Harlow District Council (creditor balances relate to mostly to rates, the debtor balances relate mostly to Harlow Towns Fund grant) | 172                              | 91  | 362                                  | -   | 166                              | 91  | 238                                  | 345   |
| Caroline Betts and Ian Tompkins have paid employment, Eddie Johnson is also in Elected Office and Cllr Michael Hardware is a Director | Essex County Council (creditor balances relate mainly to LGPS and debtor balance relates mainly to High Needs & ISIF funding)       | 1,248                            | 111   | 1,472                                | 30  | 1,385                            | 103   | 1,839                                | -   |
| Ayub Khan has professional membership   | Chartered Management Institute (provision of staff training)  | 10                               | -   | -                                    | -   | 6                                | -   | -                                    | -   |
| Heather Wilson has paid employment with Manchester Airport Group (owners of Stansted Airport Ltd). Rachel Miller has paid employment. | Manchester Airport Group (Stansted Academy payments & flight simulator sponsorship received)  | 123                              | -   | 6                                    | 1   | 122                              | -   | 51                                   | -   |



## Notes to the Accounts (continued)

### 23 Related party transactions (continued)

| Governor   | Related Party  | Amount Paid<br>2024/25<br>£'000s | Year-end creditor<br>balance<br>2024/25<br>£'000s | Amount Received<br>2024/25<br>£'000s | Year-end debtor<br>balance<br>2024/25<br>£'000s | Amount Paid<br>2023/24<br>£'000s | Year-end creditor<br>balance<br>2023/24<br>£'000s | Amount Received<br>2023/24<br>£'000s | Year-end debtor<br>balance<br>2023/24<br>£'000s |
|--|--|----------------------------------|---|--------------------------------------|---|----------------------------------|---|--------------------------------------|---|
| Karen Spencer is a Regional Council Member   | Confederation of British Industry (CBI)                | 10                               | -   | -                                    | -   | -                                | -   | -                                    | -   |
| Karen Spencer is part of the advisory group  | Association of Colleges (mainly membership fees)       | 67                               | 3   | -                                    | -   | 31                               | -   | -                                    | -   |
| Karen Spencer is the Maths hub chair   | Herts & Essex High School (Year 10 & 11 learners)      | -                                | -   | 15                                   | -   | -                                | -   | 13                                   | -   |
| Karen Spencer is a Member of the Passmores Co-Operative Learning Community (PCLC) Trust and Vic Goddard is | Passmores Academy (local secondary school)             | -                                | -   | -                                    | -   | -                                | -   | 3                                    | -   |
| Karen Spencer is Vice Chair of the Tertiary College Group  | Exeter College (membership fees)                       | 2                                | -   | -                                    | -   | 1                                | -   | -                                    | -   |
| Edward Writtle has paid employment   | Mindful Education (online course content)              | 56                               | -   | 0                                    | -   | 54                               | -   | -                                    | -   |
| Will Allanson has an unpaid directorship   | Essex Chamber of Commerce (Business Networking Events) | 1                                | -   | 0                                    | -   | 7                                | -   | 1                                    | -   |

## Notes to the Accounts (continued)

### 23 Related party transactions (continued)

| Key Management Personnel   | Related Party  | Amount Paid<br>2024/25<br>£'000s | Year-end<br>creditor<br>balance<br>2024/25<br>£'000s | Amount Received<br>2024/25<br>£'000s | Year-end<br>debtor<br>balance<br>2024/25<br>£'000s | Amount Paid<br>2023/24<br>£'000s | Year-end<br>creditor<br>balance<br>2023/24<br>£'000s | Amount Received<br>2023/24<br>£'000s | Year-end<br>debtor<br>balance<br>2023/24<br>£'000s |
|--|--|----------------------------------|--|--------------------------------------|--|----------------------------------|--|--------------------------------------|--|
| Kelly Edwards is a Beacon Award Assessor   | Association of Colleges (mainly membership fees)           | 67                               | 3  | -                                    | -  | 31                               | -  | -                                    | -  |
| Becky Jones is on the Executive Board  | Cambridge Access Validating                                | 7                                | -  | -                                    | -  | 10                               | -  | -                                    | -  |
| Deanne Morgan is a Member of CBI   | Confederation of British Industry (CBI)                    | 10                               | -  | -                                    | -  | -                                | -  | -                                    | -  |
| Laura Moore is an Exam Marker  | City & Guilds  | 205                              | 6  | -                                    | -  | -                                | -  | -                                    | -  |
| Paul Whitehead is a trustee, Chair of Finance & General Purposes Committee and Deputy Chair of the Governance Committee, and Julien Sample is a Member | Gateway Qualification (examination fees)                   | 164                              | 8  | -                                    | -  | 181                              | 1  | -                                    | -  |
| Deanne Morgan is a Trustee for Passmores Co-Operative Learning Community (PCLC) 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) | 35                               | 23   | -                                    | -  | 31                               | -  | -                                    | -  |

## Notes to the Accounts (continued)

### 24 Amounts disbursed as agent

#### Learner support funds

|   | <b>2025</b>  | <b>2024</b>  |
|---|--------------|--------------|
|   | <b>£'000</b> | <b>£'000</b> |
| Brought Forward from prior year                     | 546          | 550          |
| Funding body grants – bursary support               | 599          | 587          |
| Funding body grants – discretionary learner support | 34           | 47           |
|   | <hr/>        | <hr/>        |
|   | 1,179        | 1,184        |
| Returned to Funding Body                            | (154)        | -            |
| Disbursed to students                               | (659)        | (617)        |
| Administration costs                                | (34)         | (21)         |
|   | <hr/>        | <hr/>        |
| Balance as at 31 July, included in creditors        | 332          | 546          |
|   | <hr/>        | <hr/>        |

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

In the accounting period ended 31 July 2025, the College received a total of £598,924 and disbursed £651,613 from DfE 16-19 discretionary and vulnerable bursaries and FEFM funding after charging £23,160 for administration costs.

As at 31 July 2025, the cumulative unspent 16-19 discretionary and vulnerable bursary funds and FEFM funding is £315,149, of which £Nil relates to funds that are in scope to be returned to DfE in March 2026.

Comparatives for the accounting period ended 31 July 2024 are £587,488 received from DfE, £602,109 disbursed to learners after charging £16,952 for administration costs, and total cumulative unspent funds of £518,499 of which £Nil was repaid to DfE.

#### Local Skills Improvement Fund (LSIF)

|                                   | <b>2025</b>  | <b>2024</b>  |
|-----------------------------------|--------------|--------------|
|                                   | <b>£'000</b> | <b>£'000</b> |
| Brought Forward from prior year   | -            | -            |
| Funding body grant                | 2,011        | 2,740        |
|                                   | <hr/>        | <hr/>        |
|                                   | 2,011        | 2,740        |
| Disbursed as agent                | -            | (1,664)      |
| Harlow College allocation         | -            | (538)        |
| Harlow College capital allocation | -            | (538)        |
|                                   | <hr/>        | <hr/>        |
| Balance as at 31 July             | 2,011        | -            |
|                                   | <hr/>        | <hr/>        |

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)

|  | 2025<br>£'000 | 2024<br>£'000 |
|--|---------------|---------------|
| Brought Forward from prior year              | 59            | -             |
| Funding body grant                           | -             | 610           |
|  | <u>59</u>     | <u>610</u>    |
| Disbursed as agent                           | (52)          | (401)         |
| Harlow College allocation                    | (7)           | (150)         |
|  | <u>-</u>      | <u>59</u>     |
| Balance as at 31 July, included in creditors | <u>-</u>      | <u>59</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)

|  | 2025<br>£'000 | 2024<br>£'000 |
|--|---------------|---------------|
| Brought Forward from prior year              | -             | 66            |
| Funding body grant                           | -             | -             |
|  | <u>-</u>      | <u>66</u>     |
| Disbursed as agent                           | -             | -             |
| Harlow College allocation                    | -             | (66)          |
| Harlow College capital allocation            | -             | -             |
|  | <u>-</u>      | <u>-</u>      |
| Balance as at 31 July, included in creditors | <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.