



# **Richmond upon Thames College**

**Report and Financial  
Statements for the year  
ended 31<sup>st</sup> July 2009**

# RICHMOND UPON THAMES COLLEGE

## Report and Financial Statements for the year ended 31<sup>st</sup> July 2009

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# Richmond upon Thames College

## Operating and Financial Review

### NATURE, OBJECTIVES AND STRATEGIES

The members present their report and the audited financial statements for the year ended 31<sup>st</sup> July 2009.

#### Legal Status

The Corporation was established under The Further and Higher Education Act 1992 for the purpose of conducting the business of Richmond upon Thames College. The College is an exempt charity for the purposes of the Charities Act 1993 as amended by the Charities Act 2006.

#### Mission

The College's Mission is:

*Richmond upon Thames College (RuTC) exists to help all of its students to achieve their full potential. It seeks to do that by providing*

- *a broad and responsive curriculum*
- *outstanding teaching, learning and training*
- *comprehensive systems of academic and personal support*
- *opportunities to engage in a wide range of enrichment activities*
- *an institutional commitment to excellence*

*thereby fostering the skills, qualifications and experiences likely to enhance personal development, employability and citizenship. Whilst sensitive to changing political and economic priorities, the fundamental purpose of the College is teaching, learning and student achievement.*

*RuTC is pleased to welcome students from a great many different backgrounds and abilities. Building*

*on its traditional role as the borough's sixth form provider, the College's primary focus is full-time students aged 16-19 and their preparation for University, training or the workplace. Operating within a wider setting, it aims also to contribute to adult, HE, employment-based and 14-16 provision, working, wherever appropriate, in collaboration and partnership with other institutions.*

*RuTC believes that a skilled, motivated and valued staff is the foundation of a thriving student body. As a learning organisation, RuTC strives to ensure that the values which underpin high quality teaching and learning – encouragement, honest self-evaluation, high expectations and mutual respect – characterise, also, its management and organisational culture. Students, staff and other constituents of the College are encouraged to participate in its running and development through clear communication and regular consultation within an atmosphere of openness, confidence and trust.*

#### Implementation of Strategic Plan

In July 2008, the College approved a strategic plan for the period September 2008 to August 2011. This plan incorporates a three year Development Plan which will be monitored by the Corporation Board. These plans will be reviewed annually and revised accordingly.

The College's strategic intentions are that by 2012 RuTC will become

- An outstanding college for teaching and learning and student success
- A Beacon college with a regional and national reputation for teaching and learning
- London's most popular and successful college for 16 to 19 year olds
- The largest provider of Higher Education entrants in Britain, particularly, first generation entrants
- Known for creative and innovative curriculum development
- Celebrated for ensuring equality and diversity is at the heart of what we do and say

- Highly regarded by students, parents, employers, local community and government
- Recognised and rewarded for student and staff excellence
- Known for retaining and developing a modern, professionalised workforce
- Fulfilled the major part of the college's capital building programme
- Recognised for the talents of our students and staff against the best in the sector

The College's focus for 2009/10 will centre on:

- Assessment, Attendance and Monitoring student progress to improve success rates
- Use of IT, ILT and e-learning in all aspects of what we do
- Working together across the College to make us more efficient and effective

### **Financial Objectives**

The College's Financial Objectives for 2008-09 were:

- To maintain a Learning and Skills Council (LSC) Financial Health classification of "Good".
- To achieve an annual operating surplus in excess of £400,000 excluding the effects of Financial Reporting Standard No17 (FRS17) and New Build expenses.
- To have a positive cash flow with a minimum cash in hand of £1m at each month end (or at least 25 days cash in hand).
- To have general reserves of approximately 11% of annual turnover in the year.
- To increase progressively sources of non-LSC income.
- To maintain staffing costs at a level of 75% of annual turnover or lower.
- To produce an annual revenue budget and three year plan and capital programme which link in with the College's Strategic Plan and are presented to the Finance and General Purposes Committee and Corporation for agreement. Additionally a separate budget for the new build was to be produced and agreed.
- To ensure that all returns requiring certification

by auditors are unqualified.

- To provide advice, guidance and training to key staff, management and governors on funding, funding methodologies, budgeting and the College's financial procedures.
- To provide adequate information to ensure key staff, management and Governors are kept up to date with the financial position of the College.

These objectives were all met.

## **FINANCIAL POSITION**

### **Financial Results**

The College generated an operating surplus in the year of £220,000 (2007-08 deficit of £145,000). This is £316,000 below the £536,000 surplus targeted in the budget. This was caused mainly by the non achievement of the savings to be achieved target and a shortfall in the fee income from employers, and was partially offset by the positive effect of the FRS17 adjustment.

The College has accumulated reserves of £9,504,000 and cash balances of £3,186,000. The College had increased its reserves steadily for the last few years but has had to see these reduced during 2007-08 and 2008-09 while development work leading up to Approval in Principal continued. However the most significant decrease has arisen from, the application of FRS17, which resulted in a reduction of £2,431,000 in the College's reserves in 2007-08 and a further £3,201,000 in 2008-09.

Tangible fixed asset additions during the year amounted to £775,000. This was split between land and building enhancements of £404,000 and equipment purchases of £371,000. In the main this relates to essential health and safety related enhancements to the College' estate and a number of classroom conversions. Additionally the programme of investment in IT continued.

The College has significant reliance on the LSC for its principal funding source, largely from recurrent grants. In 2008-09 the LSC provided 89% of the College's total income.

The College had one trading subsidiary company, RuTC Trading Services Ltd during the year. Any surplus generated by the subsidiary is transferred to the College as gift aid. In the year a surplus of £180,996 was generated by RUTC Trading Services Limited.

## **Treasury Policies and Objectives**

Treasury management is the management of the College's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

The College has a separate treasury management policy in place. Currently short term borrowing for temporary revenue purposes is authorised by the Head of Finance and the Vice Principal, Finance and Resources. Such arrangements are restricted by limits in the Financial Memorandum with the LSC. All other borrowing requires the authorisation of the Corporation and shall comply with the requirements of the Financial Memorandum of the LSC. No borrowing was actually necessary during 2008-09

As result of the uncertainties in the banking sector during 2008-09, the College placed a portion of its balances with a third institution in order to spread the risk.

## **Cash Flows**

The £600,000 positive cash flow was the result of the cash retention arising from the large depreciation charge partially offset by outflows from operating activities. The amounts and timing of the LSC grant payments also contributed to the net increase.

## **Liquidity**

There was no requirement for additional liquid funds during 2008-09.

## **Planned Maintenance Programme**

The cost of the College's planned maintenance programme is estimated to be approximately £2 million. The programme was developed following a survey of the College's estate, which was carried out in 2003-04. The highest priority items are planned each year from the annual planned maintenance budget which is approximately £270,000. The programme is reviewed each year. In view of the curtailment of the College's accommodation strategy a further review will be undertaken during 2009-10.

## **CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE**

### **Performance Indicators**

Although the LSC continues to measure FE performance in terms of contribution to national targets, individual colleges are now required to submit three-year development plans which are reviewed each year. These development plans focus on four headline targets:

- Learner number growth and achievement of LSC funding targets
- Learner success rates
- Teacher qualifications
- Employer engagement

In 2008/09 the College exceeded its 16-19 learner number target and all its 19+ Public Service Agreement (PSA) targets.

## Student Numbers

In 2008/09 the college delivered 4451 learners and 6508 Standard Learner Numbers (SLNs) against targets respectively of 4513 and 6496 for its 16-18 learners. However, the funding value generated by these learners was £21,333,197 which exceeded the allocation of £20,899,204.

Adult Learner Responsive (ALR) targets were all exceeded as shown by the following figures with original allocations in brackets:

Learners: 2358 (2194)

SLNs: 806 (726)

Funding Value: £2,396,449 (£2,273,777)

As a consequence, the college, received an additional £27,000 of Adult Learner Responsive grant income following the mid year reconciliation and subject to affordability should be in scope to receive an additional £84,000 following the end of year reconciliation.

Outturn levels of Employer Responsive Funding were subject in part to the funding moratorium imposed by the LSC in March.

HE franchised income from Kingston University was £974,796 against a possible original allocation of £1,397,028 because enrolment numbers were below target. Similarly, with St Mary's the allocation was £97,938 against an original provisional target of £103, 016.

Additional Learning Support (ALS) allocations were fully expended.

## Student Achievements

**Review of Development Plan 2007-10:  
Headline achievements to date compared to national performance of Further Education**

## Colleges – 2007/08 data used (unless stated)

**Review of Development Plan 2007-10:  
Headline achievements to date compared to national performance of Sixth Form Colleges – 2008/09 provisional data used (unless stated)**

- All A2 subjects are above LSC Minimum Level of Performance (MLP) threshold and above the Sixth Form College national averages (formerly known as benchmarks), 40% A and B grades achieved with 30 subjects achieving a 100% pass rate.
- The majority of Vocational courses are above the Minimum Levels of Performance (MLP) thresholds.
- International Baccalaureate pass rate was significantly above the world wide average with every subject except two above the world wide average ranked 12<sup>th</sup> in the IB league table for Britain and in the top 6 for high achievement.
- Apprenticeships – outstanding in the top 5% nationally.
- The Higher Education review by Quality Assurance Agency for Higher Education (QAA) was very positive with a confidence grade awarded.
- Community franchise provision –outstanding with a success rate of over 85%.
- Train to Gain success rates are outstanding Framework for Excellence grades – Learner Views – satisfactory, Learner Destinations – Outstanding, Employer Views – no grade calculated, Success rates – satisfactory, Inspection grade – Good, Financial Health – Good, Financial Management & Control - Good .
- The college's success rate was 77% in 2007/08 (2008/09 data not available until mid- November).

- Student satisfaction survey – 89% expressed satisfaction. The National learner satisfaction rate was 90%
- Average point score per student (level 3 qualifications) increased to 701 up 11 points – National Average 731, London Average 671
- The average point score per subject entry decreased to 201.2, down by 0.8. The National Average was 207, the London Average 205
- Higher Education accepted applicants in 2009 were 1150. This makes the college the largest single provider of HE students in Britain.
- Individual student success has been recognised at the inaugural College awards event and by a number of national and regional bodies including; Royal Academy of Arts, Work based Learning awards, London Educational Partnership Awards and the London Black Child awards.
- Following the successful growth of the International Baccalaureate (IB) a further two pathways have been opened in the Arts and Performing Arts. The IB cohort has reached 160 students and is now a highly regarded part of the College offer.
- The curriculum has been developed further to create more stretch and challenge with students able to personalise their studies and develop much needed independent study and research skills by using the following:
  - AS Extended Project Qualification designed to give the opportunity for students to personalise their learning through a single project of their choice this was taken up by over 150 students.
  - The Open University Young Applicants from Schools and Colleges (YASS) undergraduate modules are used to develop the independent study skills and use self directed study with on-line test which enhance higher education entrance particularly for highly competitive subjects like Medicine.
  - The College has transferred the Hair and Beauty provision from the off-site local authority Oldfield skills centre to the main campus during the summer and has taken on 48 school pupils who are at risk of exclusion into entry level qualifications. This transfer was supported by the local authority and part financed by an LSC capital grant.
  - The College is working with the London Borough of Richmond upon Thames 14-19 Partnership to develop and launch the new Diplomas. In September 2009 the first Diplomas were successfully launched in Hospitality.
  - As part of the review of the tutorial curriculum the College is to pilot the

## Curriculum Developments

In the academic year 2008-09 the College continued to offer the largest range of General Certificate of Education (GCE) AS/A2 subjects on one site anywhere in Britain with over 1,000 subject combinations available. The College had provision in all 15 LSC subject sector areas. The Ofsted Desk Monitoring Risk Assessment of the College confirmed the judgements in the Self-Assessment Report as good.

- Recruitment of 16-18 students was 100.29% against planned SLN contract with the LSC
- Recruitment of Adult students was 111% against planned SLN contract with the LSC.

Certificate of Personal Effectiveness (CoPE) a level 3 qualification which could be the vehicle to deliver tutorials and which attracts additional funding, Universities and Colleges Admissions Service (UCAS) and the Qualifications and Curriculum Authority (QCA) points.

## **Payment Performance**

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of the goods or services or the date on which the invoice was received. The target set by the Treasury for payment of suppliers within 30 days is 95%. To this end Finance Department service standards state that invoices will be paid immediately upon receipt in the Finance Department.

## **Post Balance Sheet Events**

There have been no Post Balance Sheet Events that require disclosure.

## **New Building Development**

The college submitted its Application in Principle (AiP) for a £143 million Capital Development Programme at the beginning of March 2009. However, the LSC subsequently declared that with the exception of 13 projects the Capital Programme had now exhausted all of the funding available for the foreseeable future, with no prospect of any new additional funding before 2013.

In a meeting with regional and local officers the LSC confirmed that in their view the AiP proposals for a complete demolition and rebuild were the most appropriate for the college and that the college's case was strong

and coherent. It was also confirmed however that the college would not be compensated for any of the fee expenditure paid to consultants in the preparation of the AiP. The college must now therefore look to consolidate its own resources in order to fund any future development or enhancement of its accommodation. That development will be pursued throughout 2009/10 but will be shaped by a number of circumstances. Because the AiP proposals were complete and sufficient in themselves it is not possible to use them as an objective towards which the college could now work on an incremental basis.

A condition and suitability survey including a curriculum audit will now need to be commissioned to identify those aspects of the college's accommodation which need to be prioritised in terms of future investment.

In parallel the college will need to significantly reduce its cost base and maximise all aspects of its income in order to increase its reserves and the resources available to support such necessary development.

Increased financial surpluses and reserves will not only help to fund improvements directly but also support the raising of any loan, should it be required.

A 10 year costed property and resources strategy will be compiled from the various surveys and this will then provide a framework within which to absorb the college's present maintenance programme and annual capital and revenue allocations.

## **RESOURCES**

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

Tangible resources include the College's 14 acre site and the estate contained therein.

#### *Financial*

The College has £15 million of net assets (including £7 million pension liability). The College currently has no debt.

#### *People*

The College employs 591 people (expressed as full time equivalents) of whom 345 are teaching staff.

#### *Reputation*

The College is currently the provider of first choice for a majority of the 16-19 year olds in the Borough. It also attracts significant numbers from neighbouring and other London Boroughs.

## **PRINCIPAL RISKS AND UNCERTAINTIES**

In reviewing the college's performance and operations in 2008-09 a number of risks and uncertainties can be discerned for the institution moving forward and these risks will need to be addressed or mitigated throughout 2009-10 and beyond. All of these risks are more fully considered in the college's risk register and plan.

- Funding and resolution of the banking crisis and the subsequent recession throughout 2008-09 will leave a legacy which will significantly constrain future levels of investment (capital and revenue) in the public sector, including particularly post 16 education.

The nature of such constraints and specifically their quantification are rendered more uncertain by the general

election to be held in May or June 2010.

The prospective machinery of government changes are very uncertain in terms of their outcomes but may be particularly challenging for the college which recruits from 28 London boroughs.

The college is particularly dependent on grant income, especially LSC income.

The moratoria imposed in 2008-09 on Capital Building and Employer Responsive funding signify the risk and contingencies attached to such dependency.

The 2009-10 allocations for Employer Responsive and Adult Responsive Funding are down on 2008-09 and the college is struggling to meet the enrolment targets for 16-18 provision.

Overall grant income (LSC, Higher Education (HE) and Local Authority) is therefore unlikely to increase in real terms in the foreseeable future and may possibly decline.

Volumes of non grant income have also been depressed compared to 2007-08 and the prospects for fee income, investment returns and trading income are not buoyant.

While grant and non grant income potentially reduce, costs continue to rise (particularly salary expenditure). In 2007-08, the college's proportion of expenditure devoted to salaries was the fifth highest in the country and is 77% for 2009-10. This position is unsustainable.

With the cancellation by the LSC of the college's putative building programme and a

decision not to reimburse the college for any of the £1.6million expended on professional fees, the college must look to its own resources to address the deficiencies in its buildings which are in a worsening state of repair and must find additional sources of income to fund further developments and enhancements.

The college also remains committed to its pursuit of becoming 'Outstanding' and raising success rates to a universal level of excellence, not least within its AS provision.

Reducing costs and improving the quality of performance therefore represent conjoint priorities for 2009-10 and beyond.

## **STAKEHOLDER RELATIONSHIPS**

In line with other colleges and with universities, Richmond upon Thames College has many stakeholders. These include:

- Students
- Funding Councils
- Staff
- Local employers (with specific links)
- Local Authorities
- Government Offices/Regional Development Agencies
- The local community
- Other FE institutions
- Trade unions
- Professional bodies
- HE institutions principally Kingston University and St Mary's

The College recognises the importance of these relationships and engages in regular communication with them through the College internet site and by meetings.

## **Equal Opportunities and Employment of Disabled Persons**

The College is committed to ensuring equality

for all who learn and work here. We respect and positively value differences in race, gender, sexual orientation, able-bodiedness, class and age. We strive vigorously to remove conditions which place people at a disadvantage and we will actively combat bigotry. This policy will be resourced, implemented and monitored on a planned basis. The College's Equal Opportunities Policy is published on the College's Internet Site and the Single Equality Scheme is available on the College website.

The College considers all applications for employment from disabled persons, bearing in mind the aptitudes of the individuals concerned. Where an existing employee becomes disabled every effort is made to ensure that employment with the college continues. The College's policy is to provide training, career development and opportunities for promotion that are, as far as possible, identical to those for other employees.

## **Disability Statement**

The Corporation first approved a revised Disability Statement at its meeting in March 2006. This was reviewed in January 2007 and last updated in February 2009. The Statement seeks to achieve the objectives set down in the Disability Discrimination Act 1995 as amended by the Special Education Needs and Disability Acts 2001 and 2005 and in particular makes the following commitments:

- a) To update its disability statement annually.
- b) To conduct a preliminary information interview for students with learning support needs, at which their needs are assessed. It is also possible prior to this to seek advice at an early stage in the enrolment procedure to discuss suitable courses.
- c) To provide a range of education facilities and support. The College for instance has a contract with the Surrey Physical and Sensory Support Service in order to

support students with physical, visual and hearing impairments. There are discrete courses for students with learning difficulties. In addition, support assistants can provide limited support for personal care, or taking notes or reading in class. Students assessed as requiring a laptop computer are loaned one to use whilst at college.

- d) A large team, including three dyslexia specialists, is available to provide support to students with a wide range of additional support needs. Help may be in the classroom, workshops or in 1:1 sessions.
- e) To make special exam arrangements. Once the need is known then arrangements can be made for an educational psychologist or medical practitioner to provide the necessary supporting documentation for the exam board.
- f) To provide other support. For example, there is normally a nurse in college from 9am – 5pm who can provide medical support. Student Services can offer the support of counsellors and advice on benefits and financial help. The College also has links with a range of local organisations and voluntary bodies which can provide support.
- g) Provision of car parking facilities for students with disabilities at the front of the College by the Reception entrance and disabled toilet facilities.
- h) The College has undertaken substantial works in order to ensure compliance with the requirements of the DDA (as amended by the Specialist Educational Needs and Disability Acts 2001 and 2005) on its accommodation. The College conducted an access survey in 2003 to identify and prioritise improvement works and the highest priority works were scheduled between 2004-05 and 2005-06. These were undertaken in two phases with phase 1 in 2004-05, and phase 2 in 2005-06 and 2006-07, all of which has been successfully completed.

Signed on behalf of the Corporation

M. Lumley, Chairman

Date

## **Disclosure of Information to Auditors**

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

## **Professional Advisers**

### **Financial Statements and Regularity auditors:**

Baker Tilly UK Audit LLP  
46 Clarendon Road,  
Watford,  
WD17 1JJ

### **Bankers:**

National Westminster Bank plc  
25 King Street  
Twickenham  
Middlesex, TW1 3SU

### **Internal auditors:**

MacIntyre Hudson LLP  
Greenwood House  
4-7 Salisbury Court  
London  
EC4Y 8BT

### **Solicitors:**

Eversheds  
Senator House  
85 Queen Street  
London  
EC4V 4JL

## Members

The members who served the corporation during the year were as follows:

Governor	Date of appointment	Date of Resignation	Status of Appointment	Committees Served
P. Abbott	December 2005 (re- appointment)		Business Staff Support	CQS, E, CDWG
Edward Adeshina	March 2009		Student	St, CQS
G. Allen	July 2007 (re-appointment)		Independent	CQS (Chair), St, CDWG
Y. N. Anderson	May 2005	December 2008	Independent	A
D. Ansell	January 2009		Principal	-
A. Ayub	December 2007		Staff	A, G and S
Elysa D'Abbro	March 2009		Student	CQS,St
P. Crisp	March 2008 (reappointment)		Independent	F and GP, St (Chair)
S. Demont	October 2006		Independent	CQS,St
M. Gill	July 2006		Academic Staff	CQS, F and GP
C. Haskel	March 2007 (Re-appointment)		Independent	St G and S, R
R. Hillier	November 2004 (Re-appointment)	November 2008	Independent	A, R
P. Linthwaite	July 2006		Independent	F and GP (Chair), CDWG
M. Lumley	July 2008 (reappointment)		Independent	F and GP, R, CQS, CDWG (Chair), G & S (Chair)
P. Mudge	October 2006 (Re-appointment)		Independent	G and S, E, R, CDWG, F and GP
A. Murch	July 2006		Independent	G and S, A
E. Rowley	December 2005 (re-appointment)		Independent	E(Chair), CQS, St, CDWG
C. Thomas	December 2008		Independent	R, E
F. Tolmie	December 2005		Independent	R(Chair), CQS
D. Trigg	October 2006		Independent	G and S, CDWG
K. Watson	April 2005	January 2009	Principal	E, F and GP, G and S, CQS, St, CDWG
A. Weston	March 2008	March 2009	Student	St, CQS
C Wilson	March 2008		Independent	A (Chair), G and S

### Key

**A** = Audit, **CQS** = Curriculum, Quality and Standards,

**E** = Employment, **F and GP** = Finance and General Purposes **G and S** = Governance & Search,

**R** = Remuneration, **St** = Students Liaison, **CDWG** = College Development Working Group

# Richmond upon Thames College

## Statement of Corporate Governance and Internal Control

The College is committed to exhibiting best practice in all aspects of corporate governance. This summary describes the manner in which the College has applied the principles set out in the Revised Combined Code, Section 1, on Corporate Governance issued by the London Stock Exchange in July 2006. Its purpose is to help the reader of the accounts understand how the principles have been applied.

In the opinion of the governors, the College complies with all the provisions of the Combined Code in so far as they apply to the Further Education Sector, and it has complied throughout the year ended 31 July 2009.

### **The Corporation**

The members who served the Corporation during the year were as set out on page 13. 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 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 Finance and General Purposes, Remuneration, Audit, Governance and Search, Curriculum, Quality and Standards, Employment, Students Liaison and the College Development Working Group. Full minutes

of all meetings, except those deemed to be confidential by the Corporation, are available from the Clerk to the Corporation at:

Richmond upon Thames College  
Egerton Road  
Twickenham  
Middlesex  
TW2 7SJ

The Clerk to the Corporation maintains a register of financial and personal interests of the governors. The register is available for inspection at the above address.

All governors are able to take independent professional advice in furtherance of their duties at the College's expense and have access to the Clerk to the Corporation, who is responsible to the Board for ensuring compliance with all applicable procedures and regulations. The appointment, evaluation and removal of the Clerk 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 Chairman and Principal are separate.

### **Appointments to the Corporation**

Any new appointments to the Corporation are a matter for the consideration of the Corporation as a whole. The Corporation has a Governance and Search committee which comprises five Governors and 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 4 years.

### **Remuneration Committee**

Throughout the year ended 31 July 2009, the College's Remuneration committee comprised five Governors. The committee's responsibilities are to make recommendations to the Chairman of the Corporation on the remuneration and benefits of the Principal and other senior postholders and the Clerk to the Corporation.

Details of senior postholders remuneration for the year ended 31 July 2009 are set out in note 7 to the financial statements.

### **Audit Committee**

The Audit Committee comprises four members of the Corporation (excluding the Principal). The committee operates in accordance with written terms of reference approved by the Corporation. Its purpose is to advise the Corporation on the adequacy and effectiveness of the College's systems of internal control and its arrangements for risk management, control and governance processes.

The Audit Committee meets on a termly basis and provides a forum for reporting by the College's internal and external 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 LSC as they affect the College's business.

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

The Audit Committee also advises the Corporation on the appointment of internal and external auditors and their remuneration for both audit and

non-audit work.

## **Internal Control**

### **Scope of responsibility**

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

The Corporation has delegated the day to day responsibility to the Principal, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives, whilst safeguarding the public funds and assets for which he is personally responsible, in accordance with the responsibilities assigned to him in the Financial Memorandum between the college and the Learning and Skills Council. He is also responsible for reporting to the Corporation any material weaknesses or breakdowns in internal financial control.

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

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of college policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, and economically. The system of internal control has been in place in Richmond upon Thames College for the year ended 31 July 2009 and up to the date of approval of the annual report and accounts.

## Capacity to handle risk

The Corporation has reviewed the key risks to which the college is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Corporation is of the view that there is a formal ongoing process for identifying, evaluating and managing the college's significant risks that has been in place for the year ended 31 July 2009 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 financial control is based on a framework of regular management information, administrative procedures including the segregation of duties, and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting systems with an annual budget which is reviewed and agreed by the governing body
- regular reviews by the governing body of periodic and annual financial reports which indicate financial performance against forecasts
- setting targets to measure financial and other performance
- clearly defined capital investment control guidelines
- the adoption of formal project management disciplines where appropriate

Richmond upon Thames College receives an internal audit service, which operates in accordance with the requirements of the Learning and Skills Council's Audit Code of Practice. The work of the internal audit service is informed by an analysis of the risks to which the college is exposed, and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the Corporation on the recommendation of the Audit Committee. At least annually, the Head of Internal Audit (HIA) provides the Corporation with a report on internal audit activity in the college. The report includes the HIA's independent opinion on the

adequacy and effectiveness of the college's system of risk management, controls and governance processes.

### Review of effectiveness

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

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

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

The Senior Leadership Team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The Senior Leadership 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 Senior Leadership Team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception.

## Going Concern

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

M. Lumley  
Chairman of the Corporation

Date:

D. Ansell  
Principal and Chief Executive

Date:

# Richmond upon Thames College

## Statement of the Responsibilities of the Members of the Corporation

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

Within the terms and conditions of the Financial Memorandum agreed between the Learning and Skills Council and the Corporation of the college, the Corporation, through its Principal, is required to prepare financial statements for each financial year in accordance with the 2007 Statement of Recommended Practice – Accounting for Further and Higher Education and which give a true and fair view of the state of affairs of the College and the result for that year.

In preparing the financial statements the Corporation is required to:

- select suitable accounting policies and then 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
- prepare financial statements on the going concern basis unless it is inappropriate to assume that the college will continue in operation.

The Corporation is responsible for keeping proper accounting records, which disclose with reasonable accuracy, at any time, the financial position of the college and to enable it to ensure that the financial statements are prepared in accordance with the relevant legislation of incorporation and other relevant accounting standards. It is responsible for taking such steps

that are reasonably open to it to safeguard the assets of the college and to prevent and detect fraud and other irregularities.

The maintenance and integrity of the College website is the responsibility of the Corporation of the College; the work carried out by the 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 prepared 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 purposes intended by Parliament and that financial transactions conform to the authorities that govern them. In addition they are responsible for ensuring that funds from the LSC are used only in accordance with the Financial Memorandum with the LSC and any other conditions which the LSC may prescribe from time to time. Members of the Corporation must ensure that there are appropriate financial and management controls in place sufficient to safeguard public and other funds and ensure that they are used properly. In addition, Members of the Corporation are responsible for securing the economical, efficient and effective management of the College's resources and expenditure, so that the benefits that should be derived from the application of public funds by the LSC are not put at risk.

Signed on behalf of the Corporation

M. Lumley  
Chairman

Date:

**Richmond upon Thames College  
Independent Auditors' Report to the  
Corporation of Richmond upon Thames  
College**

We have audited the financial statements on pages 20 to 44

This report is made solely to the Corporation, in accordance with statutory requirements. Our audit work has been undertaken so that we might state to the Corporation, as a body, those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume any responsibility to anyone other than the Corporation, as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective Responsibilities of the Members of the Corporation of Richmond Upon Thames College and Auditors**

The College's Corporation's responsibilities for preparing the Operating and Financial Review and the Statement of Governance and Internal Control and financial statements in accordance with the Statement of Recommended Practice – Accounting for Further and Higher Education 2007, applicable law, and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Statement of Recommended Practice – Accounting for Further and Higher Education 2007. We also report to you if, in our opinion, the Operating and Financial Review and the Statement of Governance and Internal Control is not consistent with the financial statements, if the College has not kept proper accounting records, or if we have not received all the information and

explanations we require for our audit. We read the Operating and Financial Review and Statement of Governance and Internal Control and consider the implications for our report if we become aware of any apparent misstatement within it.

**Basis of our Opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board and the Audit Code of Practice issued by the Learning and Skills Council. An audit includes examination, on a test basis, of evidence relevant to amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the College's Corporation in the preparation of the financial statements, and of whether the accounting policies are appropriate to the College's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give us reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the College and the Group as at 31 July 2009 and of the Group's surplus of income over expenditure for the year then ended, and are properly prepared in accordance with the Statement of Recommended Practice – Accounting for Further and Higher Education 2007.

Baker Tilly, UK Audit LLP  
Registered Auditor & Chartered Accountants  
46 Clarendon Road, Watford, Herts WD 17 1JJ

Date

# Richmond upon Thames College Consolidated Income and Expenditure Account for the Year Ended 31 July 2009

	Note	Year ended 31 July 2009 £000	Year ended 31 July 2008 As restated £000
<b>Income</b>			
Funding body grants	2	25,917	24,148
Tuition fees and Education contracts	3	1,835	1,801
Research grants and other contracts	4	1,216	1,083
Investment income	5	53	267
		<hr/>	<hr/>
<b>Total Income</b>		<b>29,021</b>	<b>27,299</b>
<b>Expenditure</b>			
Staff costs	6	21,190	20,499
Other operating expenses	8	5,738	5,113
Depreciation	12	1,015	962
Interest	9	197	0
		<hr/>	<hr/>
<b>Total Expenditure</b>		<b>28,140</b>	<b>26,574</b>
Surplus on continuing operations after depreciation of tangible fixed assets at valuation and before tax and exceptional items		881	725
Assets under Construction: Costs written off pre AIP net of grant received	18	<hr/> (661)	<hr/> (870)
Surplus / (Deficit) on continuing operations after depreciation of tangible fixed assets at valuation and disposal of assets, but before tax		220	(145)
Taxation	10	0	0
		<hr/>	<hr/>
<b>Surplus / (Deficit) on continuing operations after depreciation of tangible fixed assets at valuation and tax, retained within general reserves</b>		<b>220</b>	<b>(145)</b>

All income and expenditure is in respect of continuing activities.

# Richmond upon Thames College Consolidated Statement of Total Recognised Gains and Losses for the Year Ended 31 July 2009

		Year ended 31 July 2009	Year ended 31 July 2008
	Note	£000	£000
Surplus / (Deficit) on continuing operations after depreciation of assets at valuation, disposals of assets and tax	11	220	(145)
Actuarial loss in respect of pension scheme	22	(3,388)	(2,431)
<b>Total recognised losses since last report</b>		<b>(3,168)</b>	<b>(2,576)</b>
<b>Reconciliation</b>			
Opening reserves		12,666	15,236
Total recognised losses for the year		(3,168)	(2,576)
Interest receivable on Restricted Reserve		6	6
<b>Closing reserves</b>		<b>9,504</b>	<b>12,666</b>

# Richmond upon Thames College Consolidated Statement of Historical Cost Surpluses and Deficits for the Year Ended 31 July 2009

		Year ended 31 July 2009	Year ended 31 July 2008
	Note	£000	£000
Surplus / (Deficit) on continuing operations before taxation		220	(145)
Difference between historical cost depreciation and the actual charge for the year calculated on the re-valued amount	19	133	133
<b>Historical cost surplus / (deficit) for the year before taxation</b>		<u><u>353</u></u>	<u><u>(12)</u></u>
<b>Historical cost surplus / (deficit) for the year after taxation</b>		<u><u>353</u></u>	<u><u>(12)</u></u>

# Richmond upon Thames College

## Balance Sheets as at 31 July 2009

		Group 2009	College 2009	Group 2008	College 2008
	Note	£000	£000	£000	£000
<b>Fixed assets</b>					
Tangible assets	12	18,281	18,281	18,521	18,521
Investments	13	3	3	3	3
		<u>18,284</u>	<u>18,284</u>	<u>18,524</u>	<u>18,524</u>
<b>Current assets</b>					
Stock		167	167	173	173
Debtors	14	409	485	482	592
Cash at bank and in hand		3,186	3,105	2,586	2,459
		<u>3,762</u>	<u>3,757</u>	<u>3,241</u>	<u>3,224</u>
<b>Creditors:</b> amounts falling due within one year	15	<u>(2,219)</u>	<u>(2,214)</u>	<u>(1,957)</u>	<u>(1,940)</u>
<b>Net current assets</b>		<u>1,543</u>	<u>1,543</u>	<u>1,284</u>	<u>1,284</u>
<b>Total assets less current liabilities</b>		<u>19,827</u>	<u>19,827</u>	<u>19,808</u>	<u>19,808</u>
Provisions for liabilities and charges	16	(754)	(754)	(685)	(685)
<b>Net assets excluding pension asset/(liability)</b>		<u>19,073</u>	<u>19,073</u>	<u>19,123</u>	<u>19,123</u>
Net pension (liability)		(7,222)	(7,222)	(4,021)	(4,021)
<b>Net assets (Including pension liability)</b>		<u>11,851</u>	<u>11,851</u>	<u>15,102</u>	<u>15,102</u>
<b>Deferred capital grants</b>	17	2,347	2,347	2,436	2,436
<b>Reserves</b>					
Revaluation reserve	19	13,247	13,247	13,380	13,380
Restricted reserves	20	118	118	113	113
General reserve excluding pension reserve	21	3,361	3,361	3,194	3,194
Pension Reserve	22	(7,222)	(7,222)	(4,021)	(4,021)
<b>Total funds</b>		<u>9,504</u>	<u>9,504</u>	<u>12,666</u>	<u>12,666</u>
<b>TOTAL</b>		<u>11,851</u>	<u>11,851</u>	<u>15,102</u>	<u>15,102</u>

The financial statements on pages 20 to 44 were approved and authorised for issue by the Corporation on and were signed on its behalf by:

M. Lumley Chairman  
Date:

D. Ansell Principal  
Date:

# Richmond upon Thames College

## Consolidated Cash Flow

### Statement for the Year Ended

#### 31 July 2009

	Note	Year ended 31 July 2009 £000	Year ended 31 July 2008 £000
<b>Cash flow from operating activities</b>	23	1,106	(416)
Returns on investments and servicing of finance	25	53	176
Capital expenditure and financial investment	25	(559)	(525)
		<hr/>	<hr/>
<b>Increase / (Decrease) in cash in the year</b>		<b>600</b>	<b>(765)</b>
		<hr/> <hr/>	<hr/> <hr/>
<b>Reconciliation of net cash flow to movement in net funds</b>			
		<b>£000</b>	<b>£000</b>
Increase / (Decrease) in cash in the year		600	(765)
Change in net debt resulting from cash flows		<hr/> 0	<hr/> 0
Movement in net funds in year		600	(765)
Net funds at 1 August 2008		2,586	3,351
		<hr/>	<hr/>
<b>Net funds at 31 July 2009</b>		<b>3,186</b>	<b>2,586</b>
		<hr/> <hr/>	<hr/> <hr/>

In this statement, figures in brackets refer to cash outflows and all other figures are cash inflows to the College.

# Richmond upon Thames College

## Notes to the Accounts for the Year Ended 31 July 2009

### 1 Statement of Accounting Policies

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

#### **Basis of preparation**

These financial statements have been prepared in accordance with the statement of recommended practice (SORP): Accounting for Further and Higher Education 2007 and in accordance with applicable UK Accounting Standards. They conform to guidance published by the Learning and Skills Council in the Accounts Direction Handbook.

#### **Basis of accounting**

The financial statements are prepared under the historical cost convention modified by the revaluation of certain fixed assets.

#### **Basis of consolidation**

The consolidated financial statements include the College and its subsidiary, RUTC Trading Services Ltd. The College has another subsidiary, Richmond Business School Ltd, which is currently dormant. Intra-group sales and profits are eliminated fully on consolidation. In accordance with Financial Reporting Standard 2, the activities of the student union have not been consolidated because the College does not control those activities. All financial statements are made up to 31 July 2009.

#### **Recognition of income**

Income from tuition fees is recognised in the period to which it relates and includes all fees chargeable to students or their sponsors.

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

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

The recurrent grants from the LSC and HEFCE represent funding allocations attributable to the current financial year and are credited direct to the income and expenditure account. Recurrent grants are recognised in line with planned activity. Any under achievement against this planned activity is adjusted in year and reflected in the level of recurrent grant recognised in the income and expenditure account. In addition, any under or over achievement of the LSC adult Learner responsive funding allocation outside of permitted tolerance levels and within adjustment caps is adjusted for and reflected in the level of recurrent grant recognised in the income & expenditure account. Non-recurrent grants from the LSC or other bodies received in respect of the acquisition of fixed assets are treated as deferred capital grants and amortised in line with depreciation over the life of the assets.

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

Income from grants, contracts and other services rendered is included to the extent that the conditions of the funding have been met or the extent of the completion of the contract or service concerned.

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

#### **Post retirement benefits**

Retirement benefits to employees of the College are provided by The Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). These are defined benefit schemes which are externally funded and contracted out of the State Earnings Related Pension Scheme (SERPS).

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 quinquennial valuations using a prospective benefit method. As stated in note 21, the TPS is a multi employer scheme and the College is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined benefit contribution scheme and the contributions recognised as they are paid each year.

The assets of the LGPS are measured using closing market values. LGPS liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The increase in the present value of the liabilities of the scheme expected to arise from employee service in the period is charged to the operating surplus. The expected return on the scheme's assets and the increase during the period in the present value of the scheme's liabilities, arising from the passage of time, are included in pension finance costs. Actuarial gains and losses are recognised in the statement of total recognised gains and losses.

### **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 the college's income and expenditure account in the year that the member of staff retires. In subsequent years a charge is made to provisions in the balance sheet using the enhanced pension spreadsheet provided by the LSC.

### **Tangible fixed assets**

#### **Land and buildings**

The College's buildings are specialised buildings and therefore it is not appropriate to value them on the basis of open market value. Land and buildings inherited from the Local Education Authority (LEA) are stated in the balance sheet at valuation on the basis of depreciated replacement cost. Land and buildings acquired since incorporation are included in the balance sheet at cost. Freehold land is not depreciated. Freehold buildings are depreciated over their expected useful economic life to the College. The useful life of these assets was reviewed in 1995/96 and buildings are depreciated over a variety of periods up to 100 years in length from that point. A review for impairment of a fixed asset is carried out if events or changes in circumstance indicate that the carrying value of any fixed asset may not be correct.

#### **Expenditure on existing fixed assets.**

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

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

The cost of replacement windows and other similar works have been depreciated over a period of either 10 or 20 years depending on the nature of the expenditure.

Where land and buildings are acquired with the aid of specific grants they are capitalised and depreciated as above. The related grants are credited to a deferred capital grant account and are released to the income and expenditure account

over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Finance costs which are directly attributable to the construction of land and buildings are capitalised as part of the cost of those assets.

On adoption of Financial Reporting Standard 15, the college followed the transitional provision to retain the book value of land and buildings but not to adopt a policy of revaluations of these properties in the future. These values are retained subject to the requirement to test assets annually for impairment in accordance with Financial Reporting Standard 11.

### **Equipment**

Equipment costing less than £1,500 including VAT is written off to the income and expenditure account in the period of acquisition. All other equipment is capitalised at cost and depreciated over its useful economic life as follows:

General equipment	33 <sup>1</sup> / <sub>3</sub> % per annum
Computer equipment	33 <sup>1</sup> / <sub>3</sub> % per annum
Fixtures and fittings	20% per annum

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

### **Leased assets**

Costs in respect of operating leases are charged on a straight line basis over the lease term.

Assets which are held under hire purchase contracts which have the characteristics of finance leases are depreciated over their useful lives.

### **Investments and Endowment assets**

Fixed asset investments inherited from the Local Education Authority are stated on the balance

sheet at their open market value at 1<sup>st</sup> April 1993. Other fixed asset and endowment investments are carried at historical cost less any provision for impairment in their value.

Current asset investments are included in the balance sheet at the lower of their original cost and net realisable value.

### **Stocks**

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

### **Maintenance of premises**

The College has an ongoing planned maintenance programme, which forms the basis of maintenance of the estate.

The cost of routine corrective maintenance is charged to the income and expenditure account in the period it is incurred.

### **Foreign currency translation**

Transactions denominated in foreign currencies are translated at the rates of exchange ruling at the date of the transactions.

### **Taxation**

The College is an exempt charity within the meaning of schedule 2 of the Charities Act 1993 as amended by the Charities Act 2006 and as such is a charity within the meaning of section 506(1) of the Income and Corporation Taxes Act 1988 (ICTA 1988).

Accordingly, the College is potentially exempt from taxation in respect of income or capital gain received within categories covered by section 505 of ICTA 1988 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

The College receives no similar exemption in respect of Value Added Tax. For this reason the College is generally unable to recover input VAT it suffers on goods and services purchased. Capital costs and non-pay expenditure is therefore shown inclusive of VAT with any partial recovery netted off against these figures.

The College's active subsidiary company is subject to corporation tax and VAT in the same way as any commercial organisation.

### **Liquid resources**

Liquid resources include sums on short-term deposits with recognised banks, building societies and government securities.

### **Provisions**

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

### **Agency arrangements**

The College acts as an agent in the collection and payment of discretionary support funds, educational maintenance allowances, and train to gain contracts. Discretionary support funds payments received from the LSC and subsequent disbursements to students are excluded from the Income and Expenditure account and are shown separately in Note 29, except for the 5 per cent of the grant received which is available to the College to cover administration costs relating to the grant. The College employs one member of staff dedicated to the administration of Discretionary support fund applications and payments.

## 2 Funding body grants

	<b>Total 2008-09 £000</b>	<b>Total 2007-08 £000</b>
Recurrent grant - LSC	25,001	23,188
Recurrent grant - HEFCE	89	85
Non recurrent grants - LSC	575	637
Releases of deferred capital grants	252	238
<b>Total</b>	<b>25,917</b>	<b>24,148</b>

## 3 Tuition Fees and Education Contracts

	<b>Year ended 31 July 2009 £000</b>	<b>Year ended 31 July 2008 £000 As restated</b>
Tuition Fees	608	600
Education contracts	1,227	1,201
<b>Total</b>	<b>1,835</b>	<b>1,801</b>

Restated to align 2007-08 with disclosure requirements for 2008-09.

## 4 Research Grants and other contracts

	<b>Year ended 31 July 2009 £000</b>	<b>Year ended 31 July 2008 £000 As restated</b>
Other income	1,163	1,036
Released from deferred capital grants (non-LSC)	53	47
	<b>1,216</b>	<b>1,083</b>

Restated to align 2007-08 with disclosure requirements for 2008-09.

## 5 Investment Income

	<b>Year ended 31 July 2009 £000</b>	<b>Year ended 31 July 2008 £000</b>
Pension Finance Income ( note 22)	-	91
Income from investments	53	176
	<b>53</b>	<b>267</b>

## 6 Staff Costs

The average monthly number of persons (including senior post-holders) employed by the College during the year, expressed as full-time equivalents, was:

	Year ended 31 July 2009 Number	Year ended 31 July 2008 Number
Teaching Staff	314	322
Non Teaching Staff	246	241
	<u>560</u>	<u>563</u>

### Staff costs for the above persons:

	Year ended 31 July 2009 £000	Year ended 31 July 2008 £000 As restated
Wages and Salaries	16,980	16,425
Social Security costs	1,267	1,208
Other pension costs (including FRS 17 adjustments of £382,000 – 2008 £116,000)	2,219	2,352
<b>Payroll Sub-total</b>	<u>20,466</u>	<u>19,985</u>
Contracted Out Staffing Services	724	514
	<u>21,190</u>	<u>20,499</u>

Restated to align 2007-08 with disclosure requirements for 2008-09.

The number of staff, including Senior Post-holders and the Principal, who received emoluments in the following ranges were:

	Year ended 31 July 2009		Year ended 31 July 2008	
	Senior post- holders	Other Staff	Senior post- Holders	Other Staff
£60,001 to £70,000	0	7	0	6
£70,001 to £80,000	0	4	1	3
£80,001 to £90,000	1	1	0	0
Above £90,000	3	0	3	0
	<u>4</u>	<u>12</u>	<u>4</u>	<u>9</u>

A general pay award of 3.2% was approved by the Corporation and paid with effect from 1 October 2008.

## 7 Senior Post-holders' Emoluments

Senior post-holders are defined as the Principal and holders of the other senior posts whom the Corporation have selected for the purposes of the articles of government of the college relating to the appointment and promotion of staff who are appointed by the Corporation

	Year ended 31 July 2009 Number	Year ended 31 July 2008 Number
The number of senior post-holders including the Principal was:	4	4

Senior post-holders' emoluments are made up as follows:

	£000	£000
Salaries	370	335
Pension contributions	53	50
<b>Total emoluments</b>	<b>423</b>	<b>385</b>

The above emoluments include amounts payable to the Principal (who is also the highest paid senior post holder) of:

	£000	£000
Salaries	147	135
Benefits in kind	0	0
<b>Total emoluments</b>	<b>147</b>	<b>135</b>

The pension contributions in respect of the Principal and senior post-holders are in respect of employer's contributions to either the Teachers Pension Scheme or the Local Government Pension Scheme and are paid at the same rate as for other employees.

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

## 8 Other Operating Expenses

	Year ended 31 July 2009 £000	Year ended 31 July 2008 £000
Teaching costs	839	1,186
Non teaching costs	3,877	2,755
Premises costs	1,022	1,172
<b>Total</b>	<b>5,738</b>	<b>5,113</b>

Other operating expenses include:

	£000	£000
Auditors' remuneration		
- external financial statements audit*		
- Baker Tilly UK Audit LLP	33	30
- internal audit **	22	22
- learner numbers audit		
- Baker Tilly UK Audit LLP	6	5
Hire of plant and machinery		
- operating leases	86	80

\* includes £29,428 in respect of the parent company 2008-09 & £26796 (2007-08)

\*\* includes £20,074 in respect of the parent company 2008-09 & £20,074 (2007-08)

## 9 Interest payable

	Year ended 31 July 2009 £000	Year ended 31 July 2008 £000
On bank loans, overdrafts and other loans:		
During the year	2	0
	2	0
Pension Finance Expenditure	195	0
	197	0

## 10 Taxation

Neither the College nor either of its subsidiaries had any corporation tax liabilities for the years ending 31<sup>st</sup> July 2008 and 31<sup>st</sup> July 2009.

## 11 Surplus on Continuing Operations for the Year

The surplus on continuing operations for the year is made up as follows:

	Year ended 31 July 2009	Year ended 31 July 2008
	£000	£000
College's surplus / (deficit) for the year	39	(288)
Surplus generated by the subsidiary undertaking and transferred to the college as gift aid.	181	143
	<u>220</u>	<u>(145)</u>

## 12 Tangible Fixed Assets (College and Group)

	Freehold £000	Equipment £000	Total £000
<b>Cost / Valuation</b>			
At 1 August 2008	21,705	1,691	23,396
Additions	404	371	775
Disposals	0	(629)	(629)
	<u>22,109</u>	<u>1,433</u>	<u>23,542</u>
<b>Depreciation</b>			
At 1 August 2008	4,096	779	4,875
Charge for year	515	500	1,015
Eliminated in respect of disposals	0	(629)	(629)
	<u>4,611</u>	<u>650</u>	<u>5,261</u>
<b>Net book value at 31 July 2009</b>	<u><u>17,498</u></u>	<u><u>783</u></u>	<u><u>18,281</u></u>
<b>Net book value at 1 August 2008</b>	<u><u>17,611</u></u>	<u><u>910</u></u>	<u><u>18,521</u></u>
Inherited	13,246	0	13,246
Financed by capital grant	2,123	224	2,347
Other	2,129	559	2,688
<b>Net book value as at 31 July 2009</b>	<u><u>17,498</u></u>	<u><u>783</u></u>	<u><u>18,281</u></u>

The transitional rules set out in Financial Reporting Standard 15 Tangible Fixed Assets were applied on implementing Financial Reporting Standard 15. Accordingly the book values at implementation have been retained.

Inherited Land and Buildings have been included in these financial statements at depreciated replacement cost. Subsequent additions have been included at cost.

These assets were valued at £39,175,000 by a professional valuation company in September 2002 for insurance purposes.

Other tangible fixed assets inherited from the local education authority at incorporation have been valued by the Corporation on a depreciated replacement cost basis. Subsequent additions have been included at cost.

Land and Buildings with a net book value of £1,934,900 have been financed by exchequer funds through for example, the receipt of capital grants. Should these assets be sold, the college may be liable, under the terms of the Financial Memorandum with the Learning and Skills Council, to surrender the proceeds.

### 13 Investments

	<b>Group 2009 £000</b>	<b>College 2009 £000</b>	<b>Group 2008 £000</b>	<b>College 2008 £000</b>
Inherited Investment *	3	3	3	3
	<hr/>	<hr/>	<hr/>	<hr/>
	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>

\* Investments inherited from the Local Education Authority at 1<sup>st</sup> April 1993 are valued for the purpose of the financial statements at their market value at that date.

The College owns 100% of the ordinary share capital in its subsidiary undertaking RuTC Trading Services Limited, a company incorporated in England and Wales. This shareholding has been included within the inherited investments at cost of £100. The principal business activity of RuTC Trading Services Limited is carrying out commercial activities ancillary to the operations of the College. A further subsidiary, The Richmond Business School Limited, is currently dormant.

### 14 Debtors

	<b>Group 2009 £000</b>	<b>College 2009 £000</b>	<b>Group 2008 £000</b>	<b>College 2008 £000</b>
<b>Amounts falling due within one year</b>				
Trade Debtors	252	255	111	114
Amounts owed by group undertakings				
Subsidiary undertakings	0	73	0	106
Prepayments and accrued income	93	93	121	121
Amounts owed by the LSC	64	64	250	250
	<hr/>	<hr/>	<hr/>	<hr/>
	<b>409</b>	<b>485</b>	<b>482</b>	<b>591</b>

## 15 Creditors: Amounts Falling Due within One Year

	<b>Group</b>	<b>College</b>	<b>Group</b>	<b>College</b>
	<b>2009</b>	<b>2009</b>	<b>2008</b>	<b>2008</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Payments received on account	168	168	292	283
Other taxation and social security	726	721	708	699
Accruals and other creditors	1,267	1,267	936	937
Other Creditors	58	58	21	21
	<u>2,219</u>	<u>2,214</u>	<u>1,957</u>	<u>1,940</u>

## 16 Provisions for Liabilities and Charges

	<b>Enhanced Pension £000</b>	<b>Group and College Other Provisions £000</b>	<b>Total £000</b>
<b>At 1 August 2008</b>	685		685
Expenditure in the year	(45)		(45)
Transferred from income and expenditure account			
- interest	28		28
- revaluation of pension provision	36		36
- provision for tribunal		50	50
<b>At 31 July 2009</b>	<u>704</u>	<u>50</u>	<u>754</u>

The pension provision was re-valued during the year in line with Learning and Skills Council guidance and reflects the requirements of Financial Reporting Standard 17.

The principal assumptions for this calculation are:

	<b>Year ended 31 July 2009</b>	<b>Year ended 31 July 2008</b>
	<b>£000</b>	<b>£000</b>
Price Inflation	3.02%	3.74%
Discount rate	2.00%	2.50%

## 17 Deferred Capital Grants

	FEFC/ LSC £000	Group and College Other Grants £000	Total £000
<b>At 1 August 2008</b>			
Land and buildings	2,104	39	2,143
Equipment	179	114	293
Cash received			
Land and buildings	70	131	201
Equipment	0	15	15
Released to income and expenditure account			
Land and buildings	(207)	(15)	(222)
Equipment	(45)	(38)	(83)
<b>Total</b>	<b><u>2,101</u></b>	<b><u>246</u></b>	<b><u>2,347</u></b>
<b>At 31 July 2009</b>			
Land and buildings	1,967	155	2,122
Equipment	134	91	225
<b>Total</b>	<b><u>2,101</u></b>	<b><u>246</u></b>	<b><u>2,347</u></b>

Analysis of capital grants received from the Learning and Skills Council during 2008-09:

	£000
14-19 Capacity building	70,000
<b>Total</b>	<b><u>70,000</u></b>

## 18 Development Costs

	Year ended 31 July 2009 £000	Year ended 31 July 2008 £000
Expenditure Incurred to 31 July	661	1,120
Grant received	0	(250)
<b>Total</b>	<b><u>661</u></b>	<b><u>870</u></b>

## 19 Revaluation Reserve

	<b>Group</b>	<b>College</b>	<b>Group</b>	<b>College</b>
	<b>2009</b>	<b>2009</b>	<b>2008</b>	<b>2008</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>At 1 August</b>	13,380	13,380	13,513	13,513
Transfer from revaluation reserve to general reserve in respect of:				
Depreciation on revalued assets	(133)	(133)	(133)	(133)
<b>At 31 July</b>	<b>13,247</b>	<b>13,247</b>	<b>13,380</b>	<b>13,380</b>

## 20 Restricted Reserves

	<b>Group</b>	<b>College</b>	<b>Group</b>	<b>College</b>
	<b>2009</b>	<b>2009</b>	<b>2008</b>	<b>2008</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>At 1 August</b>	113	113	107	107
Movement during the year - interest	5	5	6	6
<b>At 31 July</b>	<b>118</b>	<b>118</b>	<b>113</b>	<b>113</b>

The restricted reserves relate to trust funds held by the College and money raised for the College's 21<sup>st</sup> anniversary fund raising appeal (£63,000) and scholarship and prize funds that were transferred from the London Borough of Richmond upon Thames on incorporation (£55,000).

## 21 Movement on General Reserves

	<b>Group</b>	<b>College</b>	<b>Group</b>	<b>College</b>
	<b>2009</b>	<b>2009</b>	<b>2008</b>	<b>2008</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Income and expenditure account reserve</b>				
<b>At 1 August as previously stated</b>	3,194	3,194	3,413	3,413
(Deficit) / surplus on continuing operations after transfer to revaluation reserve	34	34	(352)	(352)
Transfer from revaluation reserve	133	133	133	133
<b>At 31 July</b>	<b>3,361</b>	<b>3,361</b>	<b>3,194</b>	<b>3,194</b>
<b>Pension Reserve</b>				
At 1 August	(4,021)	(4,021)	(1,797)	(1,797)
FRS 17 Movements	(3,201)	(3,201)	(2,224)	(2,224)
<b>At 31 July</b>	<b>(7,222)</b>	<b>(7,222)</b>	<b>(4,021)</b>	<b>(4,021)</b>

## 22 Pension and Similar Obligations

The college's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the London Borough of Richmond upon Thames. Both are defined benefit schemes. The total pension cost to the College was as follows:

	<b>2008/09</b>	<b>2007/08</b>
	<b>£000</b>	<b>£000</b>
Teachers Pension Scheme: contributions paid	1,501	1,428
Local Government Pension Scheme:		
Contributions paid		1,048
Adjustment	(382)	(116)
Charge to the Income and Expenditure Account (staff costs)	733	932
Finance (income)	<u>195</u>	<u>(91)</u>
Total charge under FRS17	<u>928</u>	<u>841</u>
Enhanced pension charge to Income and Expenditure Account (staff costs)	<u>36</u>	<u>59</u>
<b>Total Pension Cost</b>	<b><u>2,465</u></b>	<b><u>2,328</u></b>

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actual valuations of the schemes were as at 31 March 2004 (TPS) and 31 March 2007 (LGPS). Contributions amounting to £307,991 (2008 £295,757) were payable to the scheme and are included in creditors.

### Teacher's Pension Scheme (TPS)

The TPS is an unfunded defined benefit scheme. Contributions on a "pay-as-you-go" basis are credited to the Exchequer under arrangements governed by the Superannuation Act 1972. A notional asset value is ascribed to the scheme for the purpose of determining contribution rates.

The pensions cost is assessed every five years in accordance with the advice of the Government Actuary. The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows:

Latest actuarial valuation	31 March 2004
Actuarial method	Prospective Benefits
Investment returns per annum	6.5% per annum
Salary scale increases per annum	5.0% per annum
Market value of assets at date of last valuation	£162,650 million

Proportion of members' accrued benefits covered by the actuarial value of the assets 98.88%

Following the implementation of Teachers' Pensions (Employers' Supplementary Contributions) Regulations 2000 the Government Actuary carried out a further review on the level of employers' contributions. For the period from 1 August 2008 to 31 July 2009 the employer contribution was 14.1%. The employee rate was 6.4% for the same period. An appropriate provision in respect of unfunded pensioners' benefits is included in provisions.

### FRS 17

Under the definitions set out in Financial Reporting Standard 17 (Retirement Benefits), the TPS is a multi-employer pension scheme. The college is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the College has taken advantage of the exemption in FRS17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The estimated value of employer contributions to the Teachers Pension Scheme for the year ended 31<sup>st</sup> July is £1,500,000.

## 22 Pension and Similar Obligations (cont.)

### Local Government Pension Scheme (LGPS)

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. The total contribution made for the year ended 31 July 2009 was £1,112,000. The employer contribution rate was 23.9% for the whole of this year.

The amounts recognised in the balance sheet are as follows:

	<b>31 July 2009</b>	<b>31 July 2008</b>
	<b>£000</b>	<b>£000</b>
Present value of funded obligations	(19,850)	(15,935)
Fair value of scheme assets	12,769	12,045
Net (Underfunding) in Funded Plans	(7,081)	(3,890)
Present Value of Unfunded Obligations	(141)	(131)
<b>Deficit</b>	<b>(7,222)</b>	<b>(4,021)</b>

Changes in the present value of the defined benefit obligation are as follows:

	<b>31 July 2009</b>	<b>31 July 2008</b>
	<b>£000</b>	<b>£000</b>
Opening defined benefit obligation	16,066	14,115
Current service cost	733	744
Interest cost	1,098	842
Contributions by members	328	291
Actuarial losses	2,184	291
Past service costs	0	188
Estimated unfunded benefits paid	(9)	(9)
Estimated benefits paid	(409)	(396)
<b>Closing defined benefit obligation</b>	<b>19,991</b>	<b>16,066</b>

Changes in the fair value of scheme assets are as follows:

	<b>31 July 2009</b>	<b>31 July 2008</b>
	<b>£000</b>	<b>£000</b>
Opening scheme assets	12,045	12,318
Expected return	903	933
Contributions by members	328	291
Contributions by employer	1,106	1,039
Contributions in respect of unfunded benefits	9	9
Actuarial (losses)	(1,204)	(2,140)
Estimated unfunded benefits paid	(9)	(9)
Estimated benefits paid	(409)	(396)
<b>Closing scheme assets</b>	<b>12,769</b>	<b>12,045</b>

The Amounts recognised in income and expenditure are as follows:

	31 July 2009 £000	31 July 2008 £000
Current service cost	733	744
Interest on obligation	1,098	842
Expected return on scheme assets	903	(933)
Past service costs	0	188
<b>Total</b>	<b>2,734</b>	<b>841</b>

The actual return on scheme assets was £(294), (2008 £(1,297))

The amount recognised in the Statement of Recognised Gains and Losses are as follows:

	Current year		Cumulative	
	2009 £000	2008 £000	2009 £000	2008 £000
Actuarial (loss)	(3,388)	(2,431)	(5,147)	(1,759)

The major categories of scheme assets as a percentage of total scheme assets and the expected rate of returns are as follows:

	Long term rate of return expected at 31 July 09	Value at 31 July 09 £000	Long term rate of return expected at 31 July 08	Value at 31 July 08 £000	Long term rate of return expected at 31 July 07	Value at 31 July 07 £000
Equities	7.3%	9,577	7.8%	8,539	8.0%	8,897
Bonds	5.3%	2,171	5.7%	2,076	5.2%	1,758
Property	5.3%	766	5.7%	1,043	6.0%	1,264
Cash	4.3%	255	4.8%	387	5.1%	399
<b>Total Market Value of Assets</b>		<b>12,769</b>		<b>12,045</b>		<b>12,318</b>

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	As at 31 July 2009	As at 31 July 2008
Expected return on scheme assets at 31 July	6.8%	7.2%
Rate of Increase in salaries	5.2%	5.3%
Rate of Increase for pensions in payment / inflation	3.7%	3.8%
Discount rate for liabilities	6.0%	6.7%

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

**As at 31 July 2009**

Current Pensioners - Males	19.6
- Females	22.5
Future Pensioners - Males	20.7
- Females	23.6

Amounts for the current and previous four periods are as follows:

	<b>Year ended 31 July 2009 £000</b>	<b>Year ended 31 July 2008 £000</b>	<b>Year ended 31 July 2007 £000</b>	<b>Year ended 31 July 2006 £000</b>	<b>Year ended 31 July 2005 £000</b>
Difference between the expected and actual return on assets:	1,204	2,140	419	589	973
Scheme Assets: Amount £'000	12,769	12,045	12,318	10,353	8,541
% of scheme assets	9.4%	17.8%	3.4%	5.7%	11.4%
Experience (losses) / gains on scheme liabilities:	(3)	(803)	1	0	(500)
Scheme Liabilities: Amount £'000	19,991	16,066	14,115	13,860	12,193
% of scheme liabilities	0.0%	5.0%	0.0%	-	(4.1%)
Total (loss) / gain recognised in STRGL	(3,388)	(2,431)	1,580	72	(992)
Scheme Liabilities: Amount £'000	19,991	16,066	14,115	13,860	12,193
% of scheme liabilities	16.9%	15.1%	11.2%	0.5%	(8.1%)

The estimated value of employer contributions for the year ended 31<sup>st</sup> July 2010 is £1,110,000.

## 23 Reconciliation of Consolidated Operating Surplus / (Deficit) to Net Cash Inflow / (Outflow) from Operating Activities

		Year ended 31 July 2009	Year ended 31 July 2008
	Note	£000	£000
Surplus / (deficit) on continuing operations after depreciation of assets at valuation		220	(145)
Depreciation	12	1,015	962
Deferred capital grants released to income	19	(303)	(284)
Increase in stocks		5	0
Interest payable	9	0	0
Pension cost less contributions payable	6,9,23	(187)	(207)
Increase / (decrease) in debtors		73	(137)
Increase / (decrease) in creditors		262	(485)
Increase / (decrease) in provisions		69	52
Increase in restricted reserve (interest)		5	6
Interest receivable	5	(53)	(176)
Assets under construction written off		0	0
<b>Net cash inflow / (outflow) from operating activities</b>		<b><u>1,106</u></b>	<b><u>(416)</u></b>

## 24 Analysis of Changes in Net Funds

	At 1 August 2008 £000	Cashflows £000	At 1 July 2009 £000
Cash in hand, at bank	2,586	600	3,186
<b>TOTAL</b>	<b><u>2,586</u></b>	<b><u>600</u></b>	<b><u>3,186</u></b>

## 25 Analysis of Cash Flows for Headings Netted in the Cash Flow Statement

	Year ended 31 July 2009 £000	Year ended 31 July 2008 £000
<b>Returns on investments and servicing of finance</b>		
Interest received	53	176
<b>Net cash inflow from returns on investments and servicing of finance</b>	<u>53</u>	<u>176</u>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(775)	(815)
Deferred capital grants received	216	290
<b>Net cash (outflow) from capital expenditure</b>	<u>(559)</u>	<u>(525)</u>

## 26 Post-balance Sheet Events

There have been no material post balance sheet events that require disclosure.

## 27 Financial Commitments

At 31 July the college had annual commitments under non-cancellable operating leases as follows:

	Group and College	
	2009 £000	2008 £000
Equipment		
Expiring within one year	0	12
Expiring between two and five years inclusive	106	68
	<u>106</u>	<u>80</u>

## 28 Related Party Transactions

Due to the nature of the college's operations and the composition of the Corporation (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 Corporation may have an interest. All transactions involving organisations in which a member of the Corporation may have an interest are conducted at arm's length and in accordance with the college's financial regulations and normal procurement procedures.

## 29 Discretionary support funds

	Year ended 31 July 2009 £000	Year ended 31 July 2008 £000
<b>Discretionary support funds</b>		
Learning & Skills Council Grants	160	154
Interest earned	0	2
	<hr/> 160	<hr/> 156
Disbursed to Students	(135)	(148)
Administration	(8)	(8)
	<hr/>	<hr/>
<b>Balance at 31 July</b>	<b><u>17</u></b>	<b><u>0</u></b>
 <b>Other Learner Support Funds</b>		
Learning and Skills Council Grants – 20+ Childcare	3	6
Interest earned	0	0
	<hr/> 3	<hr/> 6
Disbursed to students	(3)	(2)
Administration		0
	<hr/>	<hr/>
<b>Balances at 31 July</b>	<b><u>17</u></b>	<b><u>4</u></b>

Learning and Skills Council grants are available solely for students. In the majority of instances the college acts only as a paying agent. In these circumstances the grants and related disbursements are therefore excluded from the Income and Expenditure Account.

# **Independent report to the Corporation of Richmond upon Thames College ('the Corporation') and the Learning and Skills Council ('the LSC')**

In accordance with the terms of our engagement letter dated 2nd April 2009 and further to the requirements of the LSC, we have carried out a review to obtain assurance about whether, in all material respects, the expenditure disbursed and the income received of Richmond Upon Thames College ('The College') during the year ended 31 July 2009 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to the Corporation and the LSC. Our review work has been undertaken so that we might state to the Corporation and the LSC those matters we are required to state to them 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 and the LSC, for our review work, for this report or for the opinion we have formed.

## **Respective responsibilities of the Members of the Corporation of Richmond upon Thames College and Auditors**

The College's Corporation is responsible, under the requirements of the Further and Higher Education Act 1992, subsequent legislation and related regulations, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transaction conform to the authorities which govern them.

Our responsibilities for this review are established in the United Kingdom by our profession's ethical guidance and the audit guidance set out in the

Audit Code of Practice and the Regularity Audit Framework 2008/09 issued by the LSC. We report to you whether, in our opinion, in all material respects, expenditure disbursed and income received during the year ended 31 July 2009 have been applied to purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

## **Basis of opinion**

We conducted our review in accordance with the Audit Code of Practice and the Regularity Audit Framework 2008/09 issued by the LSC. Our review includes examination, on a test basis, of evidence relevant to the regularity and propriety of the College's income and expenditure.

## **Opinion**

In all material respects the expenditure disbursed and income received during the year ended 31<sup>st</sup> July 2009 have been applied to purposes intended by Parliament and the financial transactions conform to the authorities, which govern them.

Baker Tilly UK Audit LLP  
Registered Auditor and Chartered Accountants  
46 Clarendon Road  
Watford  
Herts  
WD 17 1JJ

Date