Report and Financial Statements for the year ended 31 July 2021

RICHMOND UPON THAMES COLLEGE

Report and Financial Statements for the year ended 31 July 2021

Key Management Personnel, Board of Governors and Professional advisers

Key management personnel

Key management personnel are defined as members of the College Leadership Team and were represented by the following in 2020/21:

Diane Dimond - Interim Principal and CEO (until 31 August 2020)
Elaine McMahon – Interim Principal and CEO; Accounting Officer (from 1 September 2020 to 31 July 2021)
Jason Jones – Acting Principal and CEO; Accounting Officer (from 1 August 2021, previously Deputy Principal)
Ian Rule – Consultant Vice Principal Finance
Alison de Lord – Assistant Principal - HR & OD
Sheila Fraser-Whyte – Executive Director, Business Development and Innovation

Principal and Registered Office Langhorn Drive, Twickenham, Middlesex, TW2 7SJ

Board of Governors
A full list of Governors is given on page 15 of these financial statements.

Natalie Breeze acted as Clerk to the Corporation until 5 April 2021
Sarah Connerty acted as interim Governance Advisor from 6 April 2021

Professional Advisers

Financial statement auditors and reporting accountants:
Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Internal auditors:
Mazars
Tower Bridge House
St Katharine's way
London
E1W 1DD

Bankers:
Bank of Scotland
PO Box 17325
Edinburgh
EH11 1YH

Solicitors:
Eversheds Sutherland LLP
Senator House
85 Queen Street
London
EC4V 4JL

RICHMOND UPON THAMES COLLEGE

Report and Financial Statements
for the year ended 31 July 2021

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Richmond upon Thames College

Strategic Report

OBJECTIVES AND STRATEGIES

The members present their report and the audited financial statements for the year ended 31 July 2021.

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 Part 3 of the Charities Act 2011.

Mission
The strategic vision was updated in 2021 to the following:

- Vision: Transforming lives through a passion for learning
- Mission Statement: Expanding opportunity by delivering inclusive, inspirational and high-quality learning to all. We encourage curiosity, develop confidence and resilience, and prepare our students for a successful future.
- Values: Trust; Integrity; Excellence

Public Benefit
Richmond upon Thames College (RuTC) 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 pages 15 and 16.

In setting and reviewing the College's strategic objectives, the Governing Body has had due regard to the Charity Commission's guidance on public benefit and particularly its supplementary guidance on the advancement of education. The guidance sets out the requirement that all organisations wishing to be recognised as charities must demonstrate explicitly, that their aims are for the public benefit.

In delivering its mission, the College provides identifiable public benefit through the advancement of education to 2,030 students, including 76 students with high needs. It provides courses without charge to young people, to those who are unemployed and adults taking English and maths courses, and adjusts its courses to meet the needs of local employers, providing training to 116 apprentices. The College is committed to providing information, advice and guidance to the students it enrols and to finding suitable courses for as many students as possible regardless of their educational background. In doing all this, the College's mission is characterised by:

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

Implementation of Strategic Plan
Following the important recovery work undertaken in 2019/20, the College adopted a one-year strategic plan, led by a Strategic Working Group comprised of governors, managers and other staff in the College. This plan was originally intended to be developed into a longer-term Strategic Plan of 5 years, based on the GLA targets underpinning the redevelopment grant funding and incorporating other wider measures. This will now be taken forward as part of the proposed merger with HCUC, covered in greater detail under 'future prospects' on page 9.

As it stands, following the decision to pause the merger which had been intended for 31 July 2021, the strategy for 2021/22 is a continuation of the plan from 2020/21 and includes the following:

- Reshape the College – refresh strategic direction, staff profile and cultural change
- Strategically position for growth and sustainability; distinctiveness; collaboration and/or merger
- Set and achieve ambitious but realistic KPIs and deliver an excellent student experience
- Ensure rigorous quality standards – finance; systems; processes; policies
- Maximise the potential of the new buildings and a new era

The College Leadership Team (CLT) developed the strategic priorities in consultation with the wider College Management Team. The strategic priorities are linked with the refreshed mission and vision statement, highlighting the importance, relevance and value of priorities and reinforcing commitment to achieving them. The targets have been set based on the principles of:

- Delivering the academic and corporate strategies and plans to deliver high quality education and training
- Delivering strategic, measurable and achievable targets set at FE sector average or above

The strategy has been formulated by an assessment of:

- What the College intends to accomplish and where it aims to be in the future
- How the organisation can position itself in the right place at the right time with the right qualifications and services aligned to the strategic priorities of the Mayor of London as set out in the Skills for Londoners Strategy and Framework
- How the organisation can be successful and sustainable in the long term

This includes the importance of its students, employees, public image, and environment. Much depends on the College's values, as these express what is important to the organisation, and they govern the priorities, plans and strategies.

A programme of measures designed to restore good financial health was implemented during 2019/20, so that the College was able to start 2020/21 with a new campus and an efficient delivery model. This has been achieved with the full involvement of the Education and Skills Funding Agency and the Further Education Commissioner's Office, further supported by the Greater London Assembly.

Principal amongst these measures, has been the reduction in the core staffing budget of £1.4m in annual terms. This, combined with remodelling and refinancing the redevelopment project, and growth in student numbers, has allowed the College to look forward with renewed confidence.

Despite the impact of coronavirus on the College's operations in 2020/21, the College has delivered an improved EBITDA, both in terms of the previous year and the annual budget.

The College has refreshed its Governance and Executive with new appointments to reflect the realignment of College services to seize the curriculum, commercial and industry facing opportunities outlined within the strategy alongside added strength in risk and audit scrutiny associated with the strategic challenges.

Priorities for 2021/22

The priorities and targets are agreed by the Board who actively monitor the implementation of the Strategic Plan, using the agreed measures to evaluate impact. The priorities, carried over from 2020/21, have been summarized into four key headings: Learner Success; Culture; Finance and Sustainability and Brand and Reputation. Each of the priorities is owned by a member of CLT and actions and key measures of progress agreed. These four priorities, form part of a set of key performance metrics which, together with the key performance targets, are monitored regularly by the Board. CLT measure progress towards key milestones to discern the impact of actions taken to deliver priorities and vision which are aligned with the 'Skills for Londoners Strategy and Framework'. The unique REEC collaboration is a central part of the Strategic Plan ensuring delivery of skills for Londoners.

With 'Learners at the heart of all we do' we will work together to position RuTC as a successful and ambitious college with a reputation for excellence.

VISION: Transforming lives through a passion for learning

Priority One	Priority Two	Priority Three	Priority Four
LEARNER SUCCESS	**CULTURE**	**FINANCE & SUSTAINABILITY**	**BRAND & REPUTATION**
Curriculum	**Vision, Mission and Focus**	**Deliver the Financial Recovery Plan**	**Work with Partners to add value**
Creativity	**Agile, creative, and empowering culture**	**Develop Finance and MIS systems and processes**	**Develop Stakeholder engagement**
Continuous Improvement	**Attract, retain and develop talented people**	**Deliver Phase 2 Capital Build**	**Present the Stand-Alone College model and complete the SPA process**
		Recognise our responsibility for the environment	**Increase income streams and market share**

Performance indicators

In October 2019, the College was placed under financial intervention by the ESFA due to a continued inadequate financial health rating. The College has responded strongly, appointing experienced interim Principals and Vice Principal for Finance, as well as other recent changes in senior appointments. Further responses are covered throughout this report.

Measure	2020/21 Target	2020/21 Performance	2021/22 Target
Total Income	£15.2m	£16.0m	£16.1m
EBITDA – Education Specific	£1,162k	£1,157k	£1,941k
Staffing costs as a % of direct income	68.1%	66.7%	65.6%
Cash days in hand (excl. advance & exceptional costs)	19.2 days	17 days	123 days
Current ratio (exc. development funds)	1.05	0.29	1.17

The College is committed to observing the importance of sector measures and indicators and uses the FE Choices data available on the GOV.UK website, which looks at measures such as success rates. The College is required to complete the annual Integrated Financial Model for Colleges for the Education and Skills Funding Agency (ESFA).

FINANCIAL POSITION

Financial Results

The Group generated a deficit before other gains and losses in the year of £2,064k (2019/20: £5,121k), with total comprehensive expenditure of £4,631k, (2019/20: deficit £11,215k).

The Group has accumulated reserves of £19,940k and cash and short-term investment balances of £1,414k.

Tangible fixed asset additions during the year amounted to £4,838k. This mainly relates to the building costs for the new College building.

The Group has significant reliance on the education sector funding bodies for its principal funding source, largely from recurrent grants. In 2020/21 the FE funding bodies provided 84% of the Group's total income.

The College has a subsidiary company, RUTC Trading Services Limited. The principal activity of RUTC Trading Services Limited is carrying out commercial activities ancillary to the operations of Richmond upon Thames College, the parent organisation. The activities result from the provision of education and by making available the facilities of Richmond upon Thames College. Any surplus generated by the subsidiary is transferred to the College under gift aid. The net deficit for the year in 2020/21 was £21k (2019/20 – deficit of £15k).

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. Short-term borrowing for temporary revenue purposes is authorised by the Finance and Resources Committee. All other borrowing requires the authorisation of the Corporation.

The College's current borrowings relate to finance leases with three- to five-year terms. It is able to utilise surplus capital receipts to support working capital requirements for the time being, however an overdraft facility of £1m has been agreed with Barclays Bank to support working capital requirements between December 2021 and April 2022 and the College is in the process of moving its banking to Barclays.

Cash Flows & Liquidity

The cash balance as at end of the year was £1,414k.

Reserves Policy

The College has no formal Reserves Policy, but recognises the importance of reserves in the financial stability of an organisation, whilst ensuring that adequate resources are provided for the College's core business. As at the balance sheet date, unrestricted reserves stand at £19,940k (2019/20: £15,309k), although this is mainly represented by tangible fixed assets. Cash balances were £1,414k (2019/20: £4,510k). It is the Corporation's intention to increase reserves over the life of the Strategic Plan, by the generation of annual operating surpluses.

CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE

Financial Health

The Education and Skills Funding Agency have assessed the health of the college as 'Requires Improvement' based on the latest forecast outturn for 2020/21, improving to 'Good' in the budget for 2021/22. These financial statements confirm the assessment for 2020/21. The financial plan has taken into account the likely ongoing impact of the coronavirus on commercial income generation and some campus-related costs. Nonetheless, the College would expect to retain 'Good' financial health in 2022/23, under standalone conditions.

Whilst the College has low levels of borrowing, and therefore scores highly in this regard, it has reported successive deficits caused mainly by historic reductions in funding not being matched by reductions in staffing costs. This deficit position, and the lack of cash as a result, both caused low financial health scores in past years. The College recognised the core issue and implemented a programme of cost reduction during 2019/20 in order that stronger financial health could be achieved from 2020/21 onwards. Savings of almost £1.4m were achieved, which when allied with increased income from improved student recruitment, led to the projected health assessment of 'good' in 2021/22, despite the impact of Covid-19 as mentioned above.

Student numbers
In the year 2020/21 the College enrolled and retained 2,030 (excl. Apprenticeships, Sub-Contracted and HE) 16-18-year-old students, representing an increase over 2019/20 of 16%. The number of vocational programmes was similar to last year, with these qualifications representing 88% of the College offer. Academic (A level) represented 12% across the 16-18 age group. The funding generated by these 16-18 students was £10,671k inclusive of High Needs element 2.

The Adult Education Budget is not expressed in terms of learner numbers but focuses primarily on the funding value. Total income for 2020/21 was £1,168k.

Curriculum developments
The current year has again seen significant disruption due to Covid-19 but the College has again responded quickly and effectively to the changing circumstances and guidance, adopting a split delivery model from September 2020 with approximately 50% of curriculum delivery being online, in order to optimise physical class sizes for social distancing purposes, and then reverting to more onsite delivery as guidance allowed after March 2021.

To enable all learners to progress to their highest level of study is at the heart of the College's strategic plan, and responds to GLA economic forecasts for rapidly increasing demand for higher vocational skills. The college curriculum review continues to both rationalise and re-align its offer to 16-18 year olds and adults to provide:

- priority vocational and academic specialisms to ensure learners have the skills and employment opportunities to meet demand and gain sustainable jobs;
- opportunities to gain a valuable insight into real-world work contexts through an increased focus on providing meaningful work experience and/or industry placements for all Study Programme students;
- new specialist facilities which will both meet industry standards and embed a new college ethos for higher technical skills;
- a broader curriculum offer across levels in order to provide clear and viable progression pathways from level 1 to level 5;
- a more inclusive curriculum with a planned alternative offer for non-traditional routes;
- a curriculum model that will embrace the opportunities presented through the Post-16 Skills Plan and reform of technical education;
- an enrichment and employability offer which will support both personal development and the enhancement of students' employability profiles;
- increased 'in-bound' progression partnerships with 11-16 schools (and, where viable, with 11-18 schools whose post-16 offer differs from that of RuTC);
- increased partnerships with HEI's as 'validating partners' to allow the College to offer new industry-led higher qualifications at Level 4 and 5 (consistent with the Government review of higher education and the recommendation for greater HE in FE);
- a culture of parity of esteem, which will be demonstrated by the high-specification facilities and employer-led teaching methodologies to stimulate the necessary growth for technical level and

higher-level apprenticeship standards with well-planned progression pathways into employment with onward skills developments and opportunities;

- an increased offer for apprenticeships at both 16-18 and 19+; capacity for local employer engagement will grow through access to the new facilities, delivery of business sector seminars and SME services;
- further growth in apprenticeship provision which includes exploration of collaborative apprenticeship models with other providers, in particular the local adult community college and its Business School;
- an opportunity to flip students (16-18) from Year 1 main study programmes to Apprenticeship pathways where appropriate including January starts and transition points for non-College students within the local area;
- a restructured Business Development team to maximise employer engagement and opportunities with Apprenticeship Levy-paying employers and to develop a careers and employment hub to support students' employability development.

Payment performance

The UK Government has required big businesses and government suppliers to adopt a payment code (http://www.promptpaymentcode.org.uk/) with an expectation that suppliers will be paid within 60 days as a minimum, and 30 days as a target.

During the accounting period to 31 July 2021, the College average performance against the 60-day minimum was 77% (2019/20: 49%) by number and 76% (2019/20: 83%) by value. The College is committed to improving this position and fully complying with the above code.

Future prospects

With planning permission and capital funding secured, construction commenced in Spring 2018 to deliver a rationalised College estate with more effective use of specialist industry led facilities, of which the first phase opened in 2020. A new 11-16 free school opened in September 2017, and an SEN school opened in 2018. Following delays as a result of coronavirus, and changes to the project in consultation with local planners, the remainder of the project now comprises a refurbishment and extension of the sports centre in 2021/22 and the completion of a new STEM Hub in 2022/23.

Through joint curriculum planning and delivery with the schools, the expectation is that students will feed into the College from 2023 at Year 12. The campus redevelopment has thus far secured significant employer endorsement including co-location of the Chamber of Commerce and initial discussions around further opportunities for co-location of additional employer resources, as well as employers' engagement in terms of curriculum investment and design, occupational expertise, sponsorship and emerging commercial educational operating models for maximising future revenue.

A number of changes have been made to strengthen governance arrangements to ensure that the Board is the focal point for running the College and is more connected and vigorous in its challenge of key issues. This includes a review of its membership and the Committee structure, together with regular joint meetings with the HCUC Governing Body as a precursor to merger.

The College continues to commit to gains in business efficiencies, delivering lean services and a responsive curriculum to secure a sustainable and strong foundation for future financial health.

The past inadequate financial health of the College led the ESFA and FE Commissioner to impose a financial notice to improve in 2019, and a Structure and Prospects Appraisal (SPA) process commenced in 2020 as a result, completing in November 2020 with the Board resolving to accept the FE Commissioner's recommendation to merge with HCUC Group (Harrow and Uxbridge Colleges) whereby it is likely that its net assets and activities will transfer to HCUC and the Corporation will be dissolved. The merger was originally expected to complete on 1 August 2021 but was delayed due to ongoing risks around the campus redevelopment and is now anticipated to be later in 2021/22. Both colleges continue to work towards this goal through the Joint Steering Group and well-established merger workstreams.

In the meantime, action has been taken to rectify the financial health of the College as outlined above and this is now expected to be ‘good’ by 2021/22.

RESOURCES
The College has various resources that it can deploy in pursuit of its strategic objectives. Tangible resources include the College’s site at Twickenham and the estate contained therein.

Financial
The Group has £19.9 million of net assets (after £11.9 million pension liability).

People
At the end of 2020/21 the College employed 271 people of whom 140 were teaching staff.

Reputation
The College has a good reputation locally and nationally. Maintaining a quality brand is essential for the College’s success at attracting students from neighbouring and other London Boroughs and enhancing external relationships.

PRINCIPAL RISKS AND UNCERTAINTIES
The College continues to embed systems of internal control, including financial, operational and risk management designed to protect the College’s assets and reputation.

Based on the Strategic Plan, the College Management Team regularly undertakes a comprehensive review of the risks to which the College is exposed. Members identify systems and procedures, including specific actions to mitigate risks to the College and internal controls are then implemented. Subsequent appraisals review the effectiveness and progress of risk mitigation actions.

The College risk register is updated termly by the College Leadership Team and reviewed at each Audit Committee meeting. Risks that fall within the remit of each Committee are discussed at meetings of the Finance and Resources and the Curriculum, Quality and Standards Committees.

Outlined below is a description of the principal risk factors that may affect the College. Not all factors are within the College’s control. Other factors besides those listed may also adversely affect the College.

1. Inability to manage college operations leading to inadequate financial health score and/or insolvency
The College’s financial health grade from 2019/20 was classified as “inadequate”. Latest forecasts confirm a return to good financial health by 2022, but risks remain.

Moving forward, this risk has been mitigated by:

- Significant restructuring for efficiency achieved during 2019/20, combined with significant increased student recruitment in both 2019 and 2020
- New campus offering reduced operating cost from 2020/21
- Rigorous budget setting procedures
- Regular in-year budget monitoring and robust financial controls
- Exploring on-going procurement efficiencies

2. Reduction in income resulting from fewer student numbers (16-18, AEB, Apprentices)
The 16-18 student enrolment numbers are very positive, however we are aware that AEB and Apprenticeship income carry risks due to Covid-19. The Executive Director for Business Development has objectives to support and extend commercial and apprenticeship opportunities with short adult courses with Job Centre Plus already underway.

3. Need for Improvement in College Achievement

Unlike in previous years there will be no Qualification Achievement Rates (QAR) produced for 2020/21 and no National Achievement (NA) Rates Tables, as a result of the pandemic. The most recently available NA rates are 2018-19, at 84% overall. The overall achievement for the College in 2020-21 was 11.2% points below the NA at 72.8%. Since September additional managerial support has been brought on board to assist Heads of School and support areas. A Director of Quality and a new Assistant Principal Curriculum & Quality (who is also an Ofsted AI) has been recruited. Work is ongoing to address learner punctuality and attendance issues and to maximise learner achievement in the year ahead.

4. A poor student experience, leading to poor retention/ attendance, affecting student achievement

Environmental scanning and LMI analysis has been carried out to inform the curriculum offer for 2020/21. There is a broader range of qualifications from L1 to L5; clear articulation of planned progression pathways and sightlines to careers. There is a broader non-study programme offer in development, with more even distribution of provision across levels and planning to bring more AEB delivery in-house and increase apprenticeships offer. There is now a relentless focus on 'INTENT' to ensure curriculum meets progression and career-focused needs. Improvements in the following to improve student experience: setting and monitoring of student targets; use of blended learning. Improvement plans in place for: timetabling; tutorial and enrichment; Schemes of Work (including move away from 'teaching to assignment'); and behaviour management. Student Reps have been appointed and there is a consistent approach to gathering feedback and communication through student forums and student union where students are able share their views and concerns.

5. Failure to deliver both phases of the campus redevelopment and Cost overruns or funding shortfalls associated with the redevelopment project.

Phase 1 is complete and the new building is contributing to an enhanced student experience and its modern aspect is supporting the hygiene regime required during the pandemic. Phase 2 STEM Centre and Sports Facility redevelopment planning is well advanced, with Sport due for completion during 2021/22 and STEM by May 2023, having been further delayed by the pandemic. There were various risks arising due to Covid-19 and the implications for progressing to phase 2 from phase 1, the most significant being costs of delayed delivery of phase 2. However, the Phase 2 option of the sport hall refurbishment has generated project/cash savings and there is strong risk management in place across the project.

6. Recruitment, retention and development of high calibre staff/ succession planning

Inability to recruit key staff, not having the right people in the right jobs, and not delivering the College Strategy would impact on our growth. We have three Interim Senior Post Holders, however a value for money review has shown that they have provided economy, efficiency and effectiveness. Through positive communications the stability of staff and morale has been managed effectively through the merger process, and proceeding fully to merger will provide for stability and permanence in the management team.

7. Pandemic illness leading to potential College partial or full closure

The pandemic contingency plan was effective in ensuring all staff and some of the more vulnerable students had access to IT devices to facilitate delivery of remote learning. Staff have been upskilled to deliver remotely, with support documents available to all staff via 'Technology for Learning' team on Microsoft Teams. The Curriculum Contingency Team continued to meet regularly with teams and individuals to ensure full engagement with requirements of remote learning, assessment and support. Safeguarding concerns have been mitigated and staff well-being supported. There has been regular staff communication and liaison with unions, the Risk Assessments and protocols shared and are under constant review in terms of Government, PHE and AOC guidance as plans are flexed to ensure compliance. It is now hoped that extensive vaccination enables operations to continue with less disruption than was experienced in both 2019/20 and 2020/21.

OTHER INFORMATION

Stakeholder Relationships

The College strategy includes a focus on Stakeholders as a theme with clear objectives and performance indicators articulated over its lifetime.

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

- Students;
- Education sector funding bodies;
- Staff;
- Local employers (with specific links);
- Local Authorities;
- Government Offices/Regional Development Agencies/LEPs;
- The local community;
- Other FE institutions;
- Trade unions;
- Professional bodies;
- HE institutions

The College recognises the importance of these relationships and engages in regular communication through stakeholder forums including community and employer based.

Equal Opportunities and Employment

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, disability, religion or belief and age. The College's Equal Opportunities Policy is published on the College website. The policy will be resourced, implemented and monitored on a planned basis.

The College publishes an Annual Workforce Composition Report, to monitor and ensure compliance with all relevant equality legislation including the Equality Act 2010.

All applications for employment from disabled persons are welcomed, 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 which, as far as possible, provide identical opportunities to those of a non-disabled employee.

The College actively promotes the importance of Equality and Diversity within its's workforce, providing and implementing mandatory training to all employees.

Disability Statement

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

- The College's older buildings have had adaptations to ensure full access. As part of its accommodation strategy, the specification for new buildings has ensured compliance with the Equality Act in respect of full access.
- The College's Additional Learning Support service provides information, advice and arranges support where necessary for students with disabilities.
- There is a list of specialist equipment, such as radio aids, which the College can make available for use by students and a range of assistive technology is available in the learning centre.
- The admissions policy for all students is described in the College charter. Appeals against a decision not to offer a place are dealt with under the complaints policy.
- The College has made a significant investment in the appointment of specialist lecturers to support students with learning difficulties and/or disabilities. There are a number of student

support assistants who can provide a variety of support for learning. There is a continuing programme of staff development to ensure the provision of a high level of appropriate support for students who have learning difficulties and/or disabilities.

- Counselling and welfare services are described in the College Student Guide, which is issued to students together with the Complaints and Disciplinary Procedure leaflets at induction.

Trade union facility time

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

Numbers of employees who were relevant in the period	3
FTE employee number	2.63

Percentage of time	Number of employees
0%	n/a
1-50% (9 hours per week)	3
51-99%	n/a
100%	n/a

Total cost of facility time	£18,968
Total pay bill of these employees	£130,584
Percentage of total bill spent on facility time	14.5%

Time spent on paid trade union activities as a percentage of total paid facility time	100%

Greenhouse gas emissions and energy use data for the period 1 August 2020 to 31 July 2021

Gas	678,655
Electricity	1,527,977
Transport fuel	9,552
Total energy consumption used to calculate emissions (kWh)	**3,416,146**
Scope 1 emissions in metric tonnes CO2e	
Gas consumption	124.78
Owned transport	1.05
Total scope 1	**543.90**
Scope 2 emissions in metric tonnes CO2e	
Purchased electricity	**356.23**
Scope 3 emissions in metric tonnes CO2e	
Business travel in employee owned vehicles	**1.15**
Total gross emissions in metric tonnes CO2e	**651.51**
Intensity ratio	
Tonnes CO2e per member of staff	**2.37**

Going Concern

As described above, the decision has been taken to merge with HCUC, with the likely consequence being the transfer of the College's assets and activities to HCUC and dissolving the Corporation. Therefore the Governing Body has prepared the financial statements on a basis other than a going concern basis. No adjustments have been made to book values as a result of this. Having reviewed the financial position of the College at the date of approval of these financial statements and taken account of the planned merger and the impact of the Covid-19 pandemic, the Governing Body is satisfied that the Corporation will remain able to pay its debts as they fall due up to the date it is dissolved.

Events after the Reporting Period

On 11 November 2020, the Governing Body resolved to merge with HCUC whereby it is likely that its net assets and activities will transfer to HCUC and the Corporation will be dissolved. The merger was originally expected to complete on 1 August 2021 but is now anticipated to be later in 2021/22.

Disclosure of information to auditors

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

Approved by order of the members of the Corporation on 14 December 2021 and signed on its behalf by:

I Valvona - Chair 22 December 2021

Richmond upon Thames College

Statement of Corporate Governance and Internal Control

The following statement is provided to enable readers of the annual report and accounts of the College to obtain a better understanding of its governance and legal structure. This statement covers the period from 1 August 2020 to 31 July 2021 and up to the date of approval of the annual report and financial statements.

The College endeavours to conduct its business:

- in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership);
- in full accordance with the guidance to colleges from the Association of Colleges in The Code of Good Governance for English Colleges ("the Code");

The College is committed to exhibiting best practice in all aspects of corporate governance and in particular, the College has adopted and complied with the Code. We have not adopted and therefore do not apply the UK Corporate Governance Code. However, we have reported on our Corporate Governance arrangements by drawing upon best practice available, including those aspects of the UK Corporate Governance Code we consider relevant to the further education sector and best practice.

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 2021. The Governing Body recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times. In carrying out its responsibilities, it takes full account of The Code of Good Governance for English Colleges issued by the Association of Colleges in March 2015, which it formally adopted on 26 September 2018.

The Corporation

Members who served on the Corporation Board and committees during 2020/21 and to the date of signing of the accounts:

MEMBERS	MEMBER NAME	Date of Appt	Current Term	*End 1st Term*	*End 2nd Term*	*Committees*	*Attendance at Board and Cttees*
Independent	Ian Valvona Chair	18/03/21	First	31/07/21	Extended until dissolution	F&R, CRPG, SRP, CQS	100%
	Rosemary Scully	09/12/20	First	Until dissolution		ARC	100%
	Rosh Sellahewa	01/09/16	Second	01/09/20	01/09/24	CRPG; F&R	94%
	Andy Chew	01/09/16	Second	01/09/20	01/09/24	F&R; CRPG (chair); SRP	82%
	Prof Mike Sutcliffe	05/07/17	First	04/07/21	Extended until dissolution	CQS (chair); SRP	100%
	Susan Kingman	06/12/17	Second	05/12/21	05/12/25	SRP; CQS; ARC	98%
	Vincent Neate	12/12/18	First	12/12/22		ARC (Chair); CRPG; SRP	91%
	Jim Marshall	12/02/21	First	Resigned 30/07/21		F&R (chair wef Feb 2021); CRPG; SRP	100%
	Alex	12/02/21	First	13/02/24		ARC	68%

	Gallagher						
	Helen Litvak	12/02/21	First	13/02/24		CRPG (until 21 Jan 2021)	65%
	John Anderson	23/08/21	First	23/08/25		F&R, CRPG	
Interim Principal	Diane Dimond	01/10/19	-	Resigned 01/09/20	-	F&R; SWG; CRPG	100%
Interim Principal	Elaine McMahon	01/09/20	-	Resigned 31/05/21		F&R; CRPG; SRP; CQS	100%
Acting Principal	Jason Jones	01/06/21				F&R; CRPG; SRP; CQS	100%
Staff Governor	Neal Hook	29/03/17		28/03/21	Extended until dissolution	CRPG	100%
Business support staff	Cait Orton	29/03/17		28/03/21	Extended until dissolution	CQS	94%
Student	Japneet Kaur	08/07/21	1 yr				50%
Student	Hamish Murray	08/08/21	1yr				69%

Members' attendance is calculated on the basis of the actual number of Board and Committee meetings attended out of the potential number of meetings for each member. The potential number of meetings differs for each member based on the number of Committees they sit on.

To enhance the effectiveness of its governance profile the RuTC Board appoints a number of co-opted governors to Committees with specific professional skills and knowledge.

CO-OPTED	MEMBER NAME	Date of Appt	Current Term	*Cttees*	*Attendance at Board and Committees*
	Paul Leonard	14/07/21	1 yr	CRPG	**80%**
	John Poole	14/07/21	1 yr	ARC	**New appointment**
	Will Whitmore	14/07/21	1 yr	CQS	**100%**

KEY - COMMITTEES
ARC Audit and Risk Committee
GSR Governance, Search and Remuneration (now SRP – Search, Remuneration and Performance)
CQS Curriculum, Quality and Standards
F&R Finance and Resources
SLC Student Liaison Committee (disbanded September 2020)
CRPG College Redevelopment Project Group
SWG Strategy Working Group (established end of 2018)

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 Audit and Risk; Search, Governance and Remuneration; Finance and Resources; Curriculum, Quality and Standards; College Redevelopment Project Group, Strategy Working Group and Student Liaison (which disbanded in September 2020). Full minutes of all meetings, except those deemed confidential by the Corporation, are available on the College's website at www.rutc.ac.uk or from the Governance office at:

Richmond upon Thames College
Langhorn Drive
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 Chair 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 Search Committee, 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, with provision to serve a further term of 4 years with the approval of the Board.

Corporate Performance

The RuTC Board's focus is on ensuring that the College is in a strong and sustainable position to provide an outstanding quality of education for the students at RuTC and a positive, safe and supportive environment for staff and students. The Board has an experienced FE Chair who joined the College in March 2020. There is a mix of terms of office ensuring both institutional memory and recent skills to meet the College's business needs. The Board works closely with the CLT to provide both support and challenge. A recent skills audit demonstrates a very capable and diverse Board in terms of skills and experience. A succession policy is in place for the recruitment of new governors and for the training and development of existing governors. Going forward the Board will use positive action to address any imbalance in equality issues such as gender, ethnicity and other protected characteristics.

The Board operates a traditional board structure with six Committees who provide oversight and support for key areas of college business. Governors are well matched to committees to utilise their skills for the benefit of the College.

The College has reviewed its governance processes to ensure they remain fit for purpose and compliant. It has regularly reviewed statutory documents and byelaws and monitors its performance against the adopted AoC Code of Good Governance for English Colleges and Senior Post Holder Remuneration Code. There is an agreed cycle of business and schedule for the year ahead. Quality and the safeguarding of students have been a particular focus since the appointment of the Chair, alongside a continued focus on the College's finances and sustainability. Openness and transparency are important with minutes published on the website, regular updates from the Chair to stakeholders and opportunities for the Chair and governors to meet with staff and students. The Board publishes a Governance Position statement which provides key information about its membership and function and biographies of governors.

The Board self-assesses its performance to ensure that it is working effectively and supports and appraises its governors annually and throughout the year.

Remuneration Committee

Throughout the year ended 31 July 2021, the College's Remuneration committee comprised of six members. The Committee's responsibilities are to make recommendations to the Corporation on the objectives, remuneration and benefits of the Principal and other senior post holders and the Clerk to the Corporation.

Details of key management personnel remuneration for the year ended 31 July 2021 are set out in note 7 to the financial statements.

Audit and Risk Committee

The Audit and Risk Committee comprises five members of the Corporation (excluding the Principal). The Committee operates in accordance with written terms of reference approved by the Corporation.

The Committee meets on a termly basis and provides a forum for reporting by the College's internal auditors and reporting accountants and financial statements auditors, who have access to the Committee for independent discussion, without the presence of college management. The Committee also receives and considers reports from the main FE funding bodies as they affect the College's business.

The College's internal auditors review the systems of internal control, risk management controls and governance processes in accordance with an agreed plan of input and report their findings to management and the Audit Committee.

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

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

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 she is personally responsible, in accordance with the responsibilities assigned to her in the funding agreements between the College and the funding bodies. She 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 2021 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 2021 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 has an internal audit service, which operates in accordance with the requirements of the ESFA Post 16 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 reporting accountants for regularity assurance in their management letters and other reports

The Accounting Officer has been advised on the implications of the result of her review of the effectiveness of the systems 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 College 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 College Leadership Team and the Audit and Risk Committee also receive regular reports from internal audit, and other sources of assurance, which include recommendations for improvement. The Audit and Risk Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Corporation's agenda includes a regular item for consideration of risk and control and receives reports thereon from the College Leadership Team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its November 2021 meeting, the Corporation carried out the annual assessment for the year ended 31 July 2021 by considering documentation from the senior management team and internal audit, and taking account of events since 31 July 2021.

During the previous year, some weaknesses had been identified in the College's ability to effectively forecast and monitor financial performance. The College responded with changes at senior level including experienced interim appointments to reinstate strong controls in this area. Based on the advice of the Audit and Risk Committee and the Accounting Officer, the Corporation is of the opinion that the College once again has an adequate and effective framework for governance, risk management and control, and has fulfilled its statutory responsibility for "the effective and efficient use of resources, the solvency of the institution and the body and the safeguarding of their assets".

Successive years of operational deficits, caused mainly by historic reductions in funding not being matched by timely reductions in staffing costs, have required focused action to prevent the position from worsening, and to return the College to a position whereby there is positive cash generation from operating activities. A programme of cost reduction was implemented during 2019/20 in order to reset the cost base in time for 2020/21. Alongside this, lease financing has been utilised to equip the new campus in many respects, as part of a complete review of the redevelopment budget, which is now complete. Ultimately, should it be required, the College has scope to resort to commercial loan financing, but current expectations are this will not be required.

The College has secured planning permission and capital funding for a new build, phase 1 of which completed in the Spring of 2020. Together with the school construction already completed, this will deliver a rationalised College estate with more effective use of specialist industry led facilities and a major employer hub for the digital and creative sector. Through joint curriculum planning and delivery with the School the expectation is that students will feed into the College from 2023 at Year 12. The campus redevelopment has thus far secured significant employer endorsement including colocation of resources, curriculum investment and design, occupational expertise, sponsorship and emerging commercial educational operating models for maximising future revenue.

The College's stakeholder engagement is excellent with strong support for its ongoing improvements with a key emphasis on maintaining a regional student recruitment pattern serving London whilst being recognised for improving performance locally. This support is demonstrated by endorsement from the local authority, local Member of Parliament, local and national employers, local schools, local universities.

The College is committed to working alongside providers to secure delivery efficiencies, investment opportunities and a responsive curriculum during and beyond the review process whilst minimising risk to its strategic delivery ambitions.

Approved by order of the members of the Corporation on 14 December 2021 and signed on its behalf by:

I Valvona
Chair of the Corporation
22 December 2021

J Jones
Accounting Officer
22 December 2021

Statement of Regularity, Propriety and Compliance

The Corporation has considered its responsibility to notify the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of funding, under the Corporation's grant funding agreements and contracts with the ESFA. As part of our consideration, we have had due regard to the requirements of the grant funding agreements and contracts with the ESFA.

We confirm, on behalf of the Corporation, that after due enquiry, and to the best of our knowledge, we are able to identify any material irregular or improper use of the funds by the Corporation, or material non-compliance with the terms and the conditions of funding under the Corporation's grant funding agreements and contracts with the ESFA, or any other public funder.

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

I Valvona
Chair of the Corporation
22 December 2021

J Jones
Accounting Officer
22 December 2021

Statement of the 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 grant funding agreements and contracts with the ESFA, the Corporation - through its Accounting Officer - is required to prepare financial statements and an operating and financial review for each financial year in accordance with the *Statement of Recommended Practice – Accounting for Further and Higher Education,* ESFA's *College* Accounts *Direction* and the UK's Generally Accepted Accounting Practice, which give a true and fair view of the state of affairs of the College and its surplus/deficit of income over expenditure for that period.

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;
- 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 Members' Report which describes what it is trying to do and how it is going about it, including information about the legal and administrative status of the Corporation.

The Corporation is responsible for keeping proper accounting records, which disclose, with reasonable accuracy at any time, the financial position of the Corporation and which enable it to ensure that the financial statements are prepared in accordance with the relevant legislation including the Further and Higher Education Act 1992 and Charities Act 2011, and relevant accounting standards. It is responsible for taking such steps that are reasonably open to it to safeguard the assets of the Corporation 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 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 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 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 ESFA, and any other public funds, are used only in accordance with ESFA's grant funding agreements and contracts and any other conditions that may be prescribed from time to time by the ESFA or any other public funder. 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 Corporation's resources and expenditure, so that the benefits that should be derived from the application of public funds from the ESFA and other public bodies are not put at risk.

Approved by order of the members of the Corporation on 14 December 2021 and signed on its behalf by

I Valvona, Chair 22 December 2021

Independent Auditor's Report to the Members of the Corporation of Richmond upon Thames College

Opinion

We have audited the financial statements of Richmond upon Thames College ('the College) and the College and its subsidiary ('the Group') for the year ended 31 July 2021 which comprise the consolidated and College statements of comprehensive income, the consolidated statement of changes in reserves, the balance sheets, the consolidated statement of cash flows and the notes to the financial statements including the principal accounting policies. 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and College's affairs as at 31 July 2021 and of the Group's and College's deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 Office for Students, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions; and
- the requirements of the Office for Students' 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

We draw attention to the statement regarding going concern in the principal accounting policies which indicates that the members of the Corporation have prepared the financial statements on a basis other than a going concern basis. This is due to the members of the Corporation approving a merger with HCUC under which it is intended to transfer the College's assets, liabilities and activities to HCUC and to dissolve the Corporation. Our opinion is not modified in respect of this matter.

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 Report and Financial Statements 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 Report and Financial Statements. 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
We have nothing to report in respect of the following matters in relation to which the Post 16 Code of Practice issued by the Education and Skills Funding Agency requires us to report to you if, in our opinion:

- proper accounting records have not been kept; or
- 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 to you in respect of the following matter, in relation to which the Office for Students requires us to report to you, if in our opinion:

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

Responsibilities of the Members of the Corporation
As explained more fully in the statement of responsibilities of members of the Corporation, the members of the Corporation are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members of the Corporation determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members of the Corporation are responsible for assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members of the Corporation either intend to liquidate the College or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the College through discussions with management, and from our knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the

financial statements or the operations of the College, including the Further and Higher Education Act 1992, funding agreements with the ESFA and associated funding rules, ESFA regulations, data protection legislation, anti-bribery, safeguarding, employment, health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the 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 financial 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.

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

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

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

Use of our report

This report is made solely to the members of 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 members of 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 members of the Corporation as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 23 December 2021

Reporting accountant's assurance report on regularity to The Corporation of Richmond upon Thames College and Secretary of State for Education acting through the Education and Skills Funding Agency ("the ESFA")

In accordance with the terms of our engagement letter and further to the requirements and conditions of funding in the ESFA's grant funding agreements and contracts, or those of any other public funder, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest that in all material respects the expenditure disbursed and income received by Richmond upon Thames College during the period 1 August 2020 to 31 July 2021 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

The framework that has been applied is set out in the Post 16 Audit Code of Practice ("the Code") issued by the ESFA and in any relevant conditions of funding concerning adult education notified by a relevant funder. In line with this framework, our work has specifically not considered income received from the main funding grants generated through the Individualised Learner Record data returns, for which the ESFA has other assurance arrangements in place.

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

Respective responsibilities of Richmond upon Thames College and the reporting accountant

The Corporation of Richmond upon Thames College is responsible, under the requirements of the Further & Higher Education Act 1992, subsequent legislation and related regulations and guidance, for ensuring that expenditure disbursed and income received are applied for the purposes intended by Parliament and the financial transactions conform to the authorities 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 Code. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 August 2020 to 31 July 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Code issued by the ESFA. We performed a limited assurance engagement as defined in that framework.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Reporting accountant's assurance report on regularity to The Corporation of Richmond upon Thames College and Secretary of State for Education acting through the Education and Skills Funding Agency ("the ESFA") (continued)

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

The work undertaken to draw our conclusions 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 2020 to 31 July 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

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

Date: 23 December 2021

Consolidated and College Statements of Comprehensive Income

Year ended 31 July	Notes	2021 Group £'000	2021 College £'000	2020 Group £'000	2020 College £'000
Income					
Funding body grants	2	13,469	13,469	11,640	11,640
Tuition fees and education contracts	3	1,847	1,847	1,239	1,239
Other grants and contracts	4	485	485	159	159
Other income	5	172	76	364	207
Investment income	6	-	-	57	57
Total Income		**15,973**	**15,877**	**13,459**	**13,302**
Expenditure					
Staff costs	7	10,119	10,050	10,993	10,932
Other operating expenses	8	4,069	4,034	3,529	3,423
Depreciation	11	3,476	3,471	3,787	3,782
Interest and other finance costs	9	373	373	271	271
Total Expenditure		**18,037**	**17,928**	**18,580**	**18,408**
Deficit before taxation and deficit on disposal of fixed assets		**(2,064)**	**(2,051)**	**(5,121)**	**(5,106)**
Taxation	10	-	-	-	-
Deficit before deficit on disposal of fixed assets		**(2,064)**	**(2,051)**	**(5,121)**	**(5,106)**
Deficit on disposal of fixed assets	11	-	-	(496)	(496)
Deficit for the year		**(2,064)**	**(2,051)**	**(5,617)**	**(5,602)**
Actuarial gain/(loss) in respect of pension schemes		6,695	6,695	(5,598)	(5,598)
Total Comprehensive income (expenditure) for the year		**4,631**	**4,644**	**(11,215)**	**(11,200)**

Consolidated Statement of Changes in Reserves

	Income and Expenditure account	Revaluation reserve	Total
	£'000	£'000	£'000
Balance at 31 July 2019	21,049	5,475	26,524
Deficit from the income and expenditure account	(5,617)	-	(5,617)
Other comprehensive expenditure	(5,598)	-	(5,598)
Transfers between revaluation and income and expenditure reserves	1,759	(1,759)	-
Total comprehensive expenditure for the year	(9,456)	(1,759)	(11,215)
Balance at 31 July 2020	**11,593**	**3,716**	**15,309**
Deficit from the income and expenditure account	(2,064)	-	(2,064)
Other comprehensive income	6,695	-	6,695
Transfers between revaluation and income and expenditure reserves	319	(319)	-
Total comprehensive income (expenditure) for the year	4,950	(319)	4,631
Balance at 31 July 2021	**16,543**	**3,397**	**19,940**

Balance sheets as at 31 July

	Notes	Group 2021 £'000	College 2021 £'000	Group 2020 £'000	College 2020 £'000
Fixed assets					
Tangible fixed assets	11	61,425	61,419	60,063	60,052
		61,425	**61,419**	**60,063**	**60,052**
Current assets					
Trade and other receivables	13	456	502	2,639	2,673
Cash and cash equivalents		1,414	1,400	4,510	4,509
		1,870	**1,902**	**7,149**	**7,182**
Less: Creditors – amounts falling due within one year	14	(4,636)	(4,633)	(6,317)	(6,324)
Net current (liabilities) assets		**(2,766)**	**(2,731)**	**832**	**858**
Total assets less current liabilities		**58,659**	**58,688**	**60,895**	**60,910**
Less: Creditors – amounts falling due after more than one year	15	(26,459)	(26,459)	(27,310)	(27,310)
Provisions					
Defined benefit obligations	16, 21	(11,938)	(11,938)	(17,934)	(17,934)
Other provisions	16	(322)	(322)	(342)	(342)
Total net assets		**19,940**	**19,969**	**15,309**	**15,324**
Unrestricted reserves					
Income and expenditure account		16,543	16,572	11,593	11,608
Revaluation reserve		3,397	3,397	3,716	3,716
Total unrestricted reserves		**19,940**	**19,969**	**15,309**	**15,324**
Total reserves		**19,940**	**19,969**	**15,309**	**15,324**

The financial statements on pages 29 to 53 were approved and authorised for issue by the Corporation on 14 December 2021 and were signed on its behalf by:

I Valvona, Chair
Date: 22 December 2021

J Jones, Accounting Officer
Date: 22 December 2021

Consolidated Statement of Cash Flows as at 31 July

	2021 £'000	2020 £'000
Cash inflow from operating activities		
Deficit for the year	(2,064)	(5,617)
Adjustment for non-cash items		
Depreciation	3,476	3,787
Deferred grants released to income	(1,091)	(706)
Decrease in stocks	-	114
Decrease in debtors	2,183	423
Decrease in creditors due within one year	(1,802)	(1,203)
Decrease in provisions	(80)	(36)
Pension scheme staff costs adjustment	463	387
Adjustment for investing or financing activities		
Investment income	-	(57)
Interest payable	373	271
Net cash flow from operating activities	**1,458**	**(2,637)**
Cash flows from investing activities		
Capital grants received	392	7,484
Investment income	-	57
Payments made to acquire fixed assets	(4,838)	(16,080)
	(4,446)	(8,539)
Cash flows from financing activities		
Interest element of finance lease rental payments	(77)	(25)
New finance leases	838	2,562
Capital element of finance lease rental payments	(869)	(214)
	(108)	2,077
Decrease in cash and cash equivalents in the year	**(3,096)**	**(8,853)**
Cash and cash equivalents at beginning of the year	4,510	13,363
Cash and cash equivalents at end of the year	1,414	4,510

Notes to the Financial Statements for the Year Ended 31 July 2021

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* (the FE HE SORP), the *College Accounts Direction for 2020 to 2021* 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, modified by the revaluation of certain fixed assets.

Basis of consolidation
The consolidated financial statements include the College and its wholly owned subsidiary, RUTC Trading Services Limited. Intra-group sales and profits are eliminated fully on consolidation. In accordance with FRS 102, 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 2021.

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 has arranged an overdraft facility with Barclays Bank for up to £1 million.

As described in the Governing Body's report, the decision has been taken to merge with HCUC, with the likely consequence being the transfer of the College's assets and activities to HCUC and dissolving the Corporation. Therefore, the Governing Body has prepared the financial statements on a basis other than a going concern basis. No adjustments have been made to book values as a result of this. Having reviewed the financial position of the College at the date of approval of these financial statements and taken account of the planned merger and the impact of the Covid-19 pandemic, the Governing Body is satisfied that the Corporation will remain able to pay its debts as they fall due up to the date it is dissolved.

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. Any under or over achievement for the Adult Education Budget is adjusted for and reflected in the level of recurrent grant recognised in the income and expenditure account.

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

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

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

Grants (including research grants) from non-government sources are recognised in income when the College is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

Capital grant funding
Government capital grants are capitalised, held as deferred income and recognised in income over the expected useful life of the asset, under the accrual method 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.

Fee income
Income from tuition fees is stated gross of any expenditure which is not a discount and is recognised in the period for which it is received.

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

Teacher's Pension Scheme (TPS)
The TPS is an unfunded scheme. Contributions to the TPS are calculated 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.

Local Government Pension Scheme (LGPS)
The LGPS is a funded scheme. The assets of the LGPS are measured using closing fair values. LGPS liabilities are measured using the projected unit credit method and discounted at the current rate of return on a

high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred.

Net interest on the net defined benefit liability 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.

Actuarial gains and losses are recognised immediately as comprehensive income and expenditure.

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 because 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 the College's income in the year that the member of staff retires. In subsequent years a charge is made to provisions in the balance sheet using the enhanced pension spreadsheet provided by the funding bodies.

Tangible fixed assets
Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to the date of transition to the 2015 FE HE SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

Land and Buildings
Freehold land is not depreciated. Freehold buildings held prior to 2021 are depreciated over their expected useful economic life to the College which was assessed as 50 years from 2013. This policy was reviewed in 2017 following the agreement to sell freehold land and buildings. Therefore, the buildings are being depreciated over the revised useful economic life up until the point of expected disposal. The effect of this change is shown in note 11 to the financial statements.

Depreciation on newly completed buildings is charged over the useful economic life of the component as advised by the consultant Quantity Surveyor, the main groupings being as follows:

Structure	60 years
Windows, doors, curtain walling	40 years
Roofing, internal building elements	30 years
Catering Installation	30 years
Electrical Services	30 years
Mechanical Services	20 years
Décor, Blinds, Signage, Landscaping	5-10 years

Where land and buildings are acquired with the aid of specific grants, they are capitalised and depreciated as above. The related grants are credited to a deferred capital grant account, and are released to the income and expenditure account over the expected useful life of the related asset on a basis consistent with the depreciation policy including the accelerated depreciation being applied.

Assets under construction

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

Subsequent expenditure on existing fixed assets

Where significant expenditure is incurred on tangible fixed assets it is charged to the 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

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 3 years
- Computer equipment 4 years
- Fixtures and fittings 5 years

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

Leased Assets

Costs in respect of operating leases are charged on a straight-line basis over the lease term to the Statement of Comprehensive Income. 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 an obligation under finance leases. 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.

Investments

Investment in the subsidiary company is accounted for at cost less impairment in the individual financial statements.

Cash and cash equivalents

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

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

Financial liabilities and equity

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

All short-term deposits held by the Group are classified as basic financial instruments in accordance with FRS102. These instruments are initially recorded at the transaction price less any transaction costs (historical cost). FRS102 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.

Taxation

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

The College is partially exempt in respect of Value Added Tax, so that it can only recover around 2% 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.

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

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
- a reliable estimate can be made of the amount of the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at the present value using 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 the 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 as 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.

- Determine whether there are indicators of impairment of the group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty are:

- **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.

- **Local Government Pension Scheme**
  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 21 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 2019 to value the pensions liability at 31 July 2021. 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.

2 Funding council grants– Group and College

	2021	2020
	£'000	£'000
Recurrent grants		
Greater London Authority - adult	1,168	1,223
Education and Skills Funding Agency – 16 -18	10,441	8,833
Education and Skills Funding Agency - apprenticeships	434	550
Office for Students	19	12
Specific Grants		
Releases of government capital grants	1,091	706
Teachers' Pension Scheme contribution grant	316	316
Total	**13,469**	**11,640**

3 Tuition fees and education contracts– Group and College

	2021	2020
	£'000	£'000
Adult education fees	173	275
Apprenticeship fees and contracts	(3)	33
Fees for FE loan supported courses	117	131
Fees for HE loan supported courses	60	83
Total tuition fees	347	522
Education contracts	1,500	717
Total	**1,847**	**1,239**

4 Other grants and contracts– Group and College

	2021	2020
	£'000	£'000
Erasmus	(28)	25
Other grants and contracts	508	112
Coronavirus Job Retention Scheme grant	5	22
Total	**485**	**159**

The Corporation furloughed some staff under the government's Coronavirus Job Retention Scheme. The funding received relates to staff costs included within the staff costs note below.

5 Other income

	2021 Group £'000	2021 College £'000	2020 Group £'000	2020 College £'000
Catering and residences	103	7	165	8
Other income generating activities	25	25	38	38
Non government capital grants	-	-	77	77
Miscellaneous income	44	44	84	84
Total	**172**	**76**	**364**	**207**

6 Investment income – Group and College

	2021 £'000	2020 £'000
Other investment income	**-**	**57**

7 Staff costs - Group and College

The average number of persons (including key management personnel) employed by the College during the year, described as head count, was:

	2021 No.	2020 No.
Teaching staff	139	128
Non teaching staff	137	142
College Total	276	270
Subsidiary company	4	5
Group Total	**280**	**275**

Staff costs for the above persons:	2021 £'000	2020 £'000
Wages and salaries	6,738	7,123
Social security costs	597	670
Pension costs	1,811	2,079
Payroll Sub-total	**9,146**	**9,872**
Contracted out staffing services	885	911
Restructuring costs	19	149
College Total staff costs	10,050	10,932
Subsidiary company	69	61
Group Total Staff Costs	**10,119**	**10,993**

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College and are represented by the College Leadership Team.

	2021 No.	2020 No.
The number of key management personnel including the Accounting Officer was:	5	5

The number of key management personnel and other staff who received payments under service contracts or annual emoluments, excluding irrecoverable VAT, pension and employer's national insurance contributions but including benefits in kind, in the following ranges was:

	Key Management Personnel		Other staff	
	2021 No.	2020 No.	2021 No.	2020 No.
£5,001 to £10,000	1*	-	NA	NA
£60,001 to £65,000	-	-	-	-
£65,001 to £70,000	-	1	-	-
£70,001 to £75,000	1	1	-	1
£80,001 to £85,000	2	-	-	-
£85,001 to £90,000	-	1	-	-
£105,001 to £110,000	1*	-	-	-
£120,001 to £125,000	1	-	-	-
£125,001 to £130,000	-	1	-	-
£130,001 to £140,000	-	1	-	-
	6*	5	-	1

* During the year, there were two individuals in one post at different times

Key management personnel emoluments including employer's pension and national insurance contributions and benefits in kind are made up as follows:

	2021 £'000	2020 £'000
Salaries and service charges	478	487
Employer's national insurance	43	28
Irrecoverable VAT	26	52
Benefits in kind	-	4
	547	**571**
Pension contributions	54	49
Total emoluments	**601**	**620**

There were no amounts due to key management personnel that were waived in the year, nor any salary sacrifice arrangements in place.

There were two Accounting Officers during the year, both interim appointments. The first for the period 1 August 2020 to 31 August 2020 was appointed under a service contract with a third-party supplier for which the relevant costs were £9,000 including irrecoverable VAT, plus expenses of £281. The second, for the period 1 September 2020 to 31 July 2021, received a salary of £108,000 with nil pension contributions. The combined amounts payable in respect of the Accounting Officer (who is also the highest paid officer) were:

	2021	2020
	£'000	£'000
Salary and service charge	116	152
Irrecoverable VAT	2	26
Benefits in kind	-	4
	118	182
Pension contributions	-	4
	118	186

The pension contributions in respect of the Principal and CEO and key management personnel are in respect of employer's contributions to either the Teacher's 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 CEO 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.

The Corporation has adopted the AoC's Senior Staff Remuneration Code and assesses pay in line with its principles.

The remuneration package of Key management staff, including the Principal and CEO, is subject to annual review by the Search, Remuneration and Performance Committee of the governing body who use benchmarking information to provide objective guidance.

The Principal and CEO reports to the Chair of the Corporation, who undertakes an annual review of their performance against the College's overall objectives using both qualitative and quantitative measures of performance.

Relationship of Principal and CEO pay and remuneration expressed as a multiple:

	2021	2020
Principal's basic salary and service cost as a multiple of the median of all staff	5.6	6.0
Principal and CEO's total remuneration as a multiple of the median of all staff	5.7	6.3

8 Other operating expenses

	2021 Group £'000	2021 College £'000	2020 Group £'000	2020 College £'000
Teaching costs	489	489	434	434
Non-teaching costs	2,372	2,337	2,107	2,001
Premises costs	1,208	1,208	988	988
Total	**4,069**	**4,034**	**3,529**	**3,423**

Other operating expenses include:	**2021 £'000**	**2020 £'000**
Auditors' remuneration:		
Financial statements audit	33	31
Internal audit	32	17
Other services provided by the financial statements auditors	2	4
Other services provided by the internal auditors	-	3

9 Interest and other finance costs - Group and College

	2021 £'000	2020 £'000
On finance leases	77	25
LGPS finance costs	236	239
Enhanced pension finance costs	60	7
Total	**373**	**271**

10 Taxation

The members do not believe that the College was liable for any corporation tax arising out of its activities during either year.

11 Tangible fixed assets (Group)

	Freehold Land and buildings	Equipment	Assets in the Course of Construction	Total
	£'000	£'000	£'000	£'000
Cost or valuation				
At 1 August 2020	75,214	7,891	407	83,512
Additions	300	927	3,611	4,838
At 31 July 2021	**75,514**	**8,818**	**4,018**	**88,350**
Depreciation				
At 1 August 2020	18,147	5,302	-	23,449
Charge for the year	2,735	741	-	3,476
At 31 July 2021	**20,882**	**6,043**	**-**	**26,925**
Net book value at 31 July 2021	**54,632**	**2,775**	**4,018**	**61,425**
Net book value at 31 July 2020	57,067	2,589	407	60,063

11 Tangible fixed assets (College only)

	Freehold Land and buildings	Equipment	Assets in the Course of Construction	Total
	£'000	£'000	£'000	£'000
Cost or valuation				
At 1 August 2020	75,214	7,875	407	83,496
Additions	300	927	3,611	4,838
At 31 July 2021	**75,514**	**8,802**	**4,018**	**88,334**
Depreciation				
At 1 August 2020	18,147	5,297	-	23,444
Charge for the year	2,735	736	-	3,471
At 31 July 2021	**20,882**	**6,033**	**-**	**26,915**
Net book value at 31 July 2021	**54,632**	**2,769**	**4,018**	**61,419**
Net book value at 31 July 2020	57,067	2,578	407	60,052

College and Group:
The net book value of equipment includes assets of £3.437m (2020: £2.562m) in respect of the assets held under finance leases. The depreciation charge for the leased assets was £0.710m (2020: £0.161m)

The net book value of inherited assets as at 31 July 2021 was £3.4m (2020: £3.7m), which is equal to the revaluation reserve. The historical cost equivalent is nil.

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.

The depreciation charge includes accelerated depreciation of £2,565,000 (2020: £2,565,000) and follows the reassessment in 2017/18 and 2019/20 of the estimated useful lives of certain buildings following the agreement to sell certain land and buildings.

In 2019/20, the loss on disposal of fixed assets of £496,000 relates to additional costs £932,000 incurred in the year under a contract to dispose of land and buildings less related grant income receivable from the Greater London Authority of £436,000. A surplus on disposal was recognised in the financial statements for the year ended 31 July 2018 when the contract was signed.

12 Investments

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.

13 Trade and other receivables

	Group 2021 £'000	College 2021 £'000	Group 2020 £'000	College 2020 £'000
Amounts falling due within one year:				
Trade receivables	56	56	291	285
Amounts owed by subsidiary undertakings:	-	46	-	40
Prepayments and accrued income	400	400	2,348	2,348
Total	**456**	**502**	**2,639**	**2,673**

14 Creditors: amounts falling due within one year

	Group 2021 £'000	College 2021 £'000	Group 2020 £'000	College 2020 £'000
Obligations under finance leases (note 19)	911	911	512	512
Trade payables	361	361	890	895
Other taxation and social security	168	168	179	188
Accruals and deferred income	962	959	2,801	2,794
Capital projects creditor	682	682	682	682
Other creditors	44	44	-	-
Deferred income - government capital grants	813	813	1,091	1,091
Amounts owed to the ESFA	695	695	162	162
Total	**4,636**	**4,633**	**6,317**	**6,324**

15 Creditors: amounts falling due after one year - Group and College

	2021 £'000	2020 £'000
Obligations under finance leases (note 19)	1,406	1,836
Deferred income - government capital grants	25,053	25,474
Total	**26,459**	**27,310**

16 Provisions

	Group and College		
	Defined benefit obligations	Enhanced pensions	Total
	£'000	£'000	£'000
At 1 August 2020	17,934	342	18,276
Expenditure in the period	(809)	(32)	(841)
Additions in the period	1,508	4	1,512
Actuarial (gain) loss	(6,695)	8	(6,687)
At 31 July 2021	**11,938**	**322**	**12,260**

Defined benefit obligations relate to the liabilities under the College's membership of the Local Government Pension Scheme. Further details are given in note 21.

The enhanced pension provision relates to the cost of staff who have already left the college's employ and commitments for reorganisation costs from which the college cannot reasonably withdraw at the balance sheet date.

The principal assumptions for this calculation are:

	2021	2020
Price inflation	2.6%	2.2%
Discount rate	1.6%	1.3%

17 Reconciliation of net debt

	At 1 August 2020	Cash flows	Other changes	At 31 July 2021
	£'000	£'000	£'000	£'000
Cash and cash equivalents	4,510	(3,096)	-	1,414
Finance leases	(2,348)		31	(2,317)
Total	**2,162**	**(3,096)**	**31**	**(903)**

18 Capital commitments

	Group and College	
	2021	2020
	£'000	£'000
Commitments contracted for at 31 July	**167**	**682**

19 Finance Leases - Maturity of debt - Group and College

The net finance lease obligations to which the College is committed are:

	2021 £'000	2020 £'000
In one year or less	911	512
Between two and five years	1,406	1,836
Total	**2,317**	**2,348**

Finance lease obligations are secured on the assets to which they relate.

20 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. Exemption from FRS 102 has been taken from disclosing transactions with the subsidiary, RuTC Trading Services Ltd.

21 Defined benefit obligations

The College's employees belong to two principal post-employment benefit plans: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff**.** Both are multi-employer defined-benefit plans.
The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of the TPS was as at 31 March 2016 and of the LGPS 31 March 2019.

Total pension cost for the year		2021 £'000		2020 £'000
Teachers Pension Scheme: contributions paid		548		851
Local Government Pension Scheme:				
Contributions paid	809		850	
FRS 102 (28) charge	450		371	
Charge to the Statement of Comprehensive Income		1,259		1,221
Enhanced pension charge to Statement of Comprehensive Income		4		7
Total Pension Cost for Year		**1,811**		**2,079**

Teachers' Pension Scheme (TPS)

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

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

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

Accordingly, the College has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The College has set out below 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.

The latest actuarial review of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education (the Department in April 2020. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196 billion giving a notional past service deficit of £22 billion.

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2020 onwards (compared to 16.48% prior to September 2020). DfE has paid a teacher pension employer contribution grant to cover the additional costs during the 2020/21 academic year.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website.

The pension costs paid to TPS in the year amounted to £548,000 (2020: £851,000).

Local Government Pension Scheme

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by London Borough of Wandsworth Local Authority. The total contributions made for the year ended 31 July 2021 were £956,000 of which employer's contributions totalled £809,000 and employees' contributions totalled £147,000. The agreed contribution rates for future years are 17.3% for the College and range from 5.5% to 12.5% for employees, depending on salary according to a national scale.

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2019 updated to 31 July 2021 by a qualified independent actuary

	At 31 July 2021	At 31 July 2020
Rate of increase in salaries	1.00%	3.05%
Future pensions increases	2.80%	2.25%
Discount rate for scheme liabilities	1.60%	1.35%
Inflation assumption (CPI)	2.80%	2.25%
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 2021 years	At 31 July 2020 years
Retiring today		
Males	21.60	21.80
Females	24.30	24.40
Retiring in 20 years		
Males	22.90	23.20
Females	25.70	25.90

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

	Fair Value at 31 July 2021 £'000	Fair Value at 31 July 2020 £'000
Equities	26,208	21,507
Gilts	895	844
Bonds	5,757	5,133
Property	4,129	3,155
Cash	1,640	1,826
Multi-asset fund	4,001	3,329
Total market value of assets	**42,630**	**35,794**
Actual return on plan assets	**7,158**	**(411)**

Local Government Pension Scheme (Continued)

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

	2021 £'000	2020 £'000
Fair value of plan assets	42,630	35,794
Present value of plan liabilities	(54,469)	(53,617)
Present value of unfunded liabilities	(99)	(111)
Net pensions liability (Note 16)	**(11,938)**	**(17,934)**

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

	2021 £'000	2020 £'000
Amounts included in staff costs		
Current service cost	1,259	1,091
Past service cost	-	130
Total	**1,259**	**1,221**

	2021 £'000	2020 £'000
Amounts included in interest payable		
Net interest cost	(236)	(239)
	(236)	**(239)**

	2021 £'000	2020 £'000
Amounts included in other operating expenses		
Administrative expenses	(13)	(16)
	(13)	**(16)**
Amounts recognised in Other Comprehensive expenditure		
Return on pension plan assets	6,677	(1,166)
Changes in assumptions underlying the present value of plan liabilities	677	(6,153)
Experience (losses) gains arising on defined benefit obligations	(659)	1,485
Other actuarial gains on assets	-	277
Amount recognised in Other Comprehensive expenditure	**6,695**	**(5,557)**

Movement in net defined benefit liability during the year

	2021 £'000	2020 £'000
Deficit in scheme at 1 August		
Movement in year:	(17,934)	(11,751)
Current service cost	(1,259)	(1,091)
Administration costs	(13)	(16)
Employer contributions	809	850
Past service cost	-	(130)
Net interest on the defined liability	(236)	(239)
Actuarial gain (loss)	6,695	(5,557)
Net defined benefit liability at 31 July	**(11,938)**	**(17,934)**

Asset and Liability Reconciliation

	2021 £'000	2020 £'000
Changes in the present value of defined benefit obligations		
Defined benefit obligations at start of period	53,728	47,696
Current Service cost	1,259	1,091
Interest cost	717	994
Contributions by Scheme participants	147	176
Experience gains and losses on defined benefit obligations	(1,775)	(1,485)
Changes in financial assumptions	1,757	6,153
Estimated benefits paid	(1,255)	(1,017)
Past Service cost	-	130
Unfunded pension payments	(10)	(10)
Defined benefit obligations at end of period	**54,568**	**53,728**

Reconciliation of Assets

Fair value of plan assets at start of period	35,794	35,945
Interest on plan assets	481	755
Return on plan assets	6,677	(1,166)
Other actuarial gains	-	277
Administration expenses	(13)	(16)
Employer contributions	809	850
Contributions by Scheme participants	147	176
Estimated benefits paid	(1,265)	(1,027)
Fair value of plan assets at end of period	**42,630**	**35,794**

22 Amounts disbursed as agent

Learner support funds

	2021 £'000	2020 £'000
Opening Balance	108	
Funding body grants – hardship support	337	240
Disbursed to students	(398)	(127)
Administration costs	(5)	(5)
Balance unspent as at 31 July, included in creditors	**42**	**108**

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

23 Post Balance Sheet Events

On 11 November 2020, the Governing Body resolved to merge with HCUC, whereby its net assets and activities would probably transfer to HCUC and the Corporation be dissolved. The merger is now expected to complete by 31 July 2022.