Richmond upon Thames College

Report and Financial Statements for the period ended 3 January 2023

RICHMOND UPON THAMES COLLEGE

Report and Financial Statements
for the period ended 3 January 2023

Key Management Personnel, Board of Governors and Professional advisers

Key management personnel

Key management personnel were defined as members of the College Leadership Team and were represented by the following in the period 1 August 2022 to 3 January 2023.

Jason Jones – Acting Principal and CEO; Accounting Officer
Ian Rule – Consultant Vice Principal Finance (until 30 June 2022)
Shane Woodhatch – Interim Group Director Finance & Resource Planning RuTC and HCUC (from 1 July 2022)
Alison de Lord – Assistant Principal - HR & OD
Sheila Fraser-Whyte – Executive Director, Business Development and Innovation
Kath Rangely – Interim Director of Funding and Information Services

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

Board of Governors
A full list of Governors up to dissolution is given on pages 15 of these financial statements.
A list of members of HRUC Corporation at the date of approval of these financial statements is on page 14.

Sarah Connerty acted as interim Governance Advisor.

Professional Advisers

Financial statement auditors and reporting accountants:
Cooper Parry
Cubo Birmingham
Two Chamberlain Square
Birmingham
B3 3AX

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
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RICHMOND UPON THAMES COLLEGE

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Contents

Strategic Report

Richmond upon Thames College

Following a competitive process and thorough consideration of various factors in respect of benefits to students and staff, as well as Government guidelines relating to support for Further Education in West London and nationally, HCUC merged with Richmond Upon Thames College (RuTC) on 4 January 2023. As part of the merger, the assets, liabilities and activities of RuTC were transferred to HCUC which changed its name to HRUC with the Corporation of RuTC subsequently being dissolved.

These financial statements are presented by the board of HRUC in the absence of the Governing Body that was in place during the period.

The members of HRUC present the report and the audited financial statements of RuTC for the period ended 3 January 2023.

OBJECTIVES AND STRATEGIES

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 was an exempt charity for the purposes of Part 3 of the Charities Act 2011. On 4 January 2023 it merged with HCUC and its activities, assets and liabilities were transferred to HCUC and its name changed to HRUC (Harrow, Richmond and Uxbridge Colleges).

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) was an exempt charity under Part 3 of the Charities Act 2011 and was regulated by the Secretary of State for Education. The members of the Governing Body, who were trustees of the charity, are disclosed on pages 16 and 17.

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 were for the public benefit.

In delivering its mission, the College provided identifiable public benefit through the advancement of education to 1,857 16-18 learners. It provided courses without charge to young people, to those who were unemployed and adults taking English and maths courses and adjusted its courses to meet the needs of local employers, providing training to apprentices.

The College was committed to providing information, advice and guidance to the students it enrolled and finding suitable courses for as many students as possible regardless of their educational background. In doing all this, the College's mission was 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 in 2020/21, 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 by the merged college HRUC , as part of the merger with HCUC, covered in greater detail under 'future prospects' on page 9.

Following the decision to pause the merger which had been intended for 31 July 2021, the strategy for the period ended 3 January 2023 was a continuation of the plan from 2020/21 and included 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 Senior Leadership Team (SLT) developed the strategic priorities in consultation with the wider College Management Team (CLT). The strategic priorities were linked with the refreshed mission and vision statement, highlighting the importance, relevance and value of priorities and reinforcing commitment to achieving them. The targets had 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 had been formulated by an assessment of:

- What the College intended to accomplish and where it aimed 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 could be successful and sustainable in the long term

This included the importance of its students, employees, public image, and environment. Much depended on the College's values, as these expressed what was important to the organisation, and they governed the priorities, plans and strategies.

Priorities for 2022/23

The priorities and targets were agreed by the Board who actively monitored the implementation of the Strategic Plan, using the agreed measures to evaluate impact. The priorities, carried over from 2021/22, had been summarized into four key headings: Learner Success; Culture; Finance and Sustainability and Brand and Reputation.

Each of the priorities were owned by a member of CLT and actions and key measures of progress agreed. These four priorities, formed part of a set of key performance metrics which, together with the key performance targets, were monitored regularly by the Board.

CLT measured progress towards key milestones to discern the impact of actions taken to deliver priorities and vision which were aligned with the 'Skills for Londoners Strategy and Framework'. The unique Richmond Education and Enterprise Campus (REEC) collaboration was a central part of the Strategic Plan ensuring delivery of skills for Londoners.

With 'Learners at the heart of all we do', management would 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 required improvement in financial health rating. The College responded strongly, appointing experienced interim Principals and a Vice Principal for Finance, as well as other changes in senior appointments. Further responses are covered throughout this report.

The College was committed to observing the importance of sector measures and indicators and used the FE Choices data available on the GOV.UK website, which looked at measures such as success rates.

The College was required to complete the annual College Financial Forecasting Return (CFFR) for the Education and Skills Funding Agency (ESFA).

FINANCIAL POSITION

Financial Results

The Group generated a deficit before other gains and losses in the period of £336k (2021/22 deficit: £2,416), with a total comprehensive loss of £4,876k, (2021/22 gain: £10,434k) after pre-merger adjustments totalling £4,623k.

The Group had accumulated reserves of £25,499k (2022: £30,374k) and a cash balance of £1,217k (2022: overdraft of £686k) at the period end.

Tangible fixed asset additions during the period amounted to £280k. This mainly related to the building costs for the new College STEM building and Sports Centre.

The Group had significant reliance on the education sector funding bodies for its principal funding source, largely from recurrent grants. In 2022/23 the FE funding bodies provided 85% of the Group's total income.

The College had a subsidiary company, RuTC Trading Services Limited. The principal activity of RuTC Trading Services Limited was carrying out commercial activities ancillary to the operations of Richmond upon Thames College, the parent organisation. The activities resulted from the provision of education and by making available the facilities of Richmond upon Thames College. Any surplus generated by the subsidiary was transferred to the College under gift aid. The net deficit for the period ended 3 January 2023 was £23k (2021/22 – £32k).

Treasury Policies and Objectives

The College had 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 was authorised by the Finance and Resources Committee. All other borrowing required the authorisation of the Corporation.

The College's borrowings related to finance leases with three- to five-year terms. It was able to utilise surplus capital receipts to support working capital requirements. However, an overdraft facility of £1m was agreed with Barclays Bank to support working capital requirements and fund Phase 2 preliminary works until the merger with HCUC. The overdraft facility was repaid in full in December 2022.

Cash Flows & Liquidity

The College had cash balances of £1,217k at 3 January 2023.

Reserves Policy

The College had no formal Reserves Policy but recognised the importance of reserves in the financial stability of an organisation, whilst ensuring that adequate resources were provided for the College's core business. As at the balance sheet date, unrestricted reserves stood at £25,499k (2021/22: £30,374k), although this was mainly represented by tangible fixed assets.

CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE

Financial Health

The Education and Skills Funding Agency had assessed the health of the college as "Requires Improvement" based on the forecast outturn for 2021/22; the financial statements for 2021/22 confirmed the assessment, ahead of the merger with HCUC.

Whilst the College had low levels of borrowing, and therefore scored highly in this regard, it had 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.

Student numbers

In the period ended 3 January 2023 the College enrolled and retained 1,857 (excl. Apprenticeships, Sub-Contracted and HE) 16-18-year-old students, representing a decrease over 2020/21 of 11%. The funding generated by these 16-18 students for the period ended 3 January 2023 was £5,018k, exclusive 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 the period ended 3 January 2023 was £221k, which excluded National Skills Funding.

Curriculum developments

To enable all learners to progress to their highest level of study was at the heart of the College's strategic plan, and responding to GLA economic forecasts for rapidly increasing demand for higher vocational skills. The College curriculum review continued 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 had 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 would 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 would embrace the opportunities presented through the Post-16 Skills Plan and reform of technical education;
- an enrichment and employability offer which would 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 would 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 would grow through access to the new facilities, delivery of business sector seminars and SME services;
- further growth in apprenticeship provision which included 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 focus on maximising employer engagement and opportunities with Apprenticeship Levy-paying employers and developing a careers and employment hub to support students' employability development.

Future prospects

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 its net assets and activities would transfer to HCUC and the Corporation would 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 the merger completed on 4 January 2023.

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 comprises a refurbishment and extension of the sports centre and the completion of a new STEM Hub in 2023/24.

Through joint curriculum planning and delivery with the schools, the expectation was that students would feed into the College from 2023 at Year 12. The campus redevelopment had 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 were made to strengthen governance arrangements to ensure that the Board was the focal point for running the College and was more connected and vigorous in its challenge of key issues. This included 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 continued to commit to gains in business efficiencies, delivered lean services and a responsive curriculum to secure a sustainable and strong foundation for future financial health.

RESOURCES

The College had various resources that it could deploy in pursuit of its strategic objectives. Tangible resources included the College's site at Twickenham and the estate contained therein.

Financial

The Group had £25.5 million of net assets at 3 January 2023.

People

As at 3 January 2023 the College employed 239 people of whom 123 were teaching staff.

Reputation

The College had a good reputation locally and nationally. Maintaining a quality brand was 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 continued 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 undertook a comprehensive review of the risks to which the College was exposed. Members identified systems and procedures, including specific actions to mitigate risks to the College and internal controls were then implemented. Subsequent appraisals reviewed the effectiveness and progress of risk mitigation actions.

The College risk register was updated termly by the College Leadership Team and reviewed at each Audit Committee meeting. Risks that fell within the remit of each Committee were 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 were identified by the College. Not all factors were 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 was "inadequate".

Moving forward, this risk will be mitigated by:

- RuTC merging with HCUC
- Rigorous budget setting procedures including review of class sizes, curriculum contributions
- Regular in-year budget monitoring and robust financial controls in particular staff costs
- Exploring on-going procurement efficiencies
- Further engagement with local feeder schools
- Review and improve the enrolment process

2. Reduction in income resulting from fewer student numbers (16-18, AEB, Apprentices)

The 16-18 student enrolment numbers for 2022/2023 were below target, which will impact future funding allocation, due to inflated school grades and learners gaining employment over education due to inflation impacting household budgets. Application for in year growth will be made if enrolment numbers exceed allocation in the following academic year. The Executive Director for Business Development had 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

The overall achievement for the College in 2022/23 was 75.3% (2021/22 75.5%), which remains below the National average. The 2022/23 national averages will be released in March 2024.

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

Phase 1 was completed in 2020 and the new building is contributing to an enhanced student experience. Phase 2 STEM Centre and Sports Facility redevelopment is still underway, with Sport and STEM due for completion by August 2024, having been further delayed by the pandemic. Funding has been secured for all planned future development works.

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

Recruitment and retention of key staff has always been key to delivering the College Strategy. Three Interim Senior Post Holders were engaged in the lead up to the merger to ensure a smooth transition. Through positive communications and strong and consistent leadership, the stability of staff and morale was managed effectively through the merger process.

OTHER INFORMATION

Stakeholder Relationships

The College strategy included 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 had many stakeholders. These included:

- 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 recognised the importance of these relationships and engaged in regular communication through stakeholder forums including community and employer based.

Equal Opportunities and Employment

The College was committed to ensuring equality for all who learned and work there. We respected and positively valued differences in race, gender, sexual orientation, disability, religion or belief and age. The College's Equal Opportunities Policy was published on the College website. The policy was resourced, implemented and monitored on a planned basis.

The College published an Annual Workforce Composition Report, which monitored and ensured compliance with all relevant equality legislation including the Equality Act 2010.

All applications for employment from disabled persons were welcomed, bearing in mind the aptitudes of the individuals concerned. Where an existing employee became disabled, every effort was made to ensure that employment with the College continued. The College's policy was to provide training, career development and opportunities for promotion which, as far as possible, provided identical opportunities to those of a non-disabled employee.

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

Disability Statement

The College sought 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 had ensured compliance with the Equality Act in respect of full access.
- The College's Additional Learning Support service provided information, advice and arranged support where necessary for students with disabilities.
- There was a list of specialist equipment, such as radio aids, which the College could make available for use by students and a range of assistive technology is available in the learning centre.
- The admissions policy for all students was described in the College charter. Appeals against a decision not to offer a place were dealt with under the complaints policy.
- The College made a significant investment in the appointment of specialist lecturers to support students with learning difficulties and/or disabilities. There were a number of student support assistants who could provide a variety of support for learning. There was 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 were described in the College Student Guide, which was issued to students together with the Complaints and Disciplinary Procedure leaflets at induction.

Going Concern

On 4 January 2023 the Corporation of Richmond upon Thames College (RUTC) was dissolved, with all assets, liabilities and activities of RuTC being transferred to HCUC which changed its name to HRUC. As a result, these financial statements have been prepared on a basis other than the going concern basis. This does not result in any adjustments to the reported figures.

Events after the Reporting Period

On 4 January 2023, RuTC was dissolved and the net assets and activities were transferred to HCUC which then changed its name to HRUC.

Disclosure of information to auditors

The members of HRUC who held office at the date of approval of this report confirm that, so far as they are each aware; there was no relevant audit information of which the College's auditors are unaware; and each member had 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 were aware of that information.

Approved by order of the members of the Corporation of HRUC on 21st February 2024 and signed on its behalf by:

N Davies 21st February 2024
Chair of HRUC

Richmond upon Thames College

Statement of Corporate Governance and Internal Control

Following the dissolution of RuTC and the Corporation on 4 January 2023, the Corporation of HRUC has authority to sign these financial statements.

Members of the HRUC Corporation at the date of approval of these financial statements are:

Name	Date Appointed/ Re-appointed	Term Expires	Membership Status	Committees served
Sofia Barbosa-Bouças	Aug 2022	Aug 2026	External	CQA
Ian Valvona	Jan 2023	Jan 2027	External	SGR, CO
Simon Boulcott	Nov 2020	Nov 2024	External	F&R, A&R
Steven Cochran	Mar 2021	Mar 2025	External	CO, A&R
Nicholas Davies	Aug 2021	Aug 2025	External	SGR
Nasim Khan	Dec 2022	Dec 2024	External	A&R
Alasdair MacLeod	Mar 2020	Mar 2024	External	F&R, SGR, CO
Mario Michaelides	Aug 2022	Aug 2026	External	CQA
Amanda Priem	Apr 2020	Apr 2024	External	CQA, CO
Ketan Sheth	Aug 2021	Aug 2025	External	A&R
Mike Sutcliffe	Jan 2023	Jan 2025	External	CQA
Vincent Beate	Jan 2023	Dec 2026	External	A&R, CO
Susan Kingman (Cole)	Jan 2023	Dec 2025	External	SGR, CQA, F&R
Mel Nebhrajani	Jun 2023	Jun 2027	External	SGR
Jenny McLaughlin	Dec 2023	Dec 2024	External	CQA
Sunitha C	Dec 2023	Dec 2024	External	CO
Tracey Critchley	Oct 2022	Oct 2026	Staff (Harrow)	A&R
Sharon Croxon	Feb 2022	Feb 2026	Staff (Uxbridge)	CQA
Hannah Talabany	Jan 2023	Nov 2026	Staff (Richmond)	CQA

The following statement is provided to enable readers of the annual report and financial statements of the College to obtain a better understanding of its governance and legal structure. This statement covers the period from 1 August 2022 to 3 January 2023 and up to the date of the merger with HCUC on 4 January 2023.

The College endeavoured 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), and
- 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 was committed to exhibiting best practice in all aspects of corporate governance and in particular, the College had adopted and complied with the Code. We had not adopted and therefore did 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 complied with all the provisions of the Code, and it has complied throughout the period ended 3 January 2023. The Governing Body recognised that, as a body entrusted with both public and private funds, it had a particular duty to observe the highest standards of corporate governance at all times. In carrying out its responsibilities, it took 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 the period from 1 August 2022 to the date of merger on 4 January 2023:

MEMBERS	MEMBER NAME	Date of Appt	Current Term	*End of Term*	*Committees*	*Attendance at Board and Cttees*
Independent	Ian Valvona Chair	18/03/21	Second	Until dissolution	F&R, CRPG, SRP, CQS	100%
	Rosemary Scully	09/12/20	First	Until dissolution	ARC	100%
	Rosh Sellahewa	01/09/16	Second	Until dissolution	CRPG; F&R	94%
	Andy Chew	01/09/16	Second	Until dissolution	F&R; CRPG (chair); SRP	82%
	Prof Mike Sutcliffe	05/07/17	Second	Until dissolution	CQS (chair); SRP	100%
	Susan Kingman	06/12/17	Second	Until dissolution	SRP; CQS; ARC	98%
	Vincent Neate	12/12/18	First	12/12/22	ARC (Chair); CRPG; SRP	91%
	Alex Gallagher	12/02/21	First	Resigned 31/10/22	ARC	68%
	Helen Litvak	12/02/21	First	Until dissolution	CRPG (until 21 Jan 2021)	65%
	John Anderson	23/08/21	First	Until dissolution	F&R, CRPG	95%
Acting Principal	Jason Jones	05/06/21			F&R; CRPG; SRP; CQS	100%
Staff Governor	Neal Hook	29/03/17		Resigned September 2022	CRPG	100%
Business support staff	Cait Orton	29/03/17		Extended until dissolution	CQS	94%

Members' attendance was 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 on which they sat.

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

CO-OPTED	MEMBER NAME	Current term	Date of renewal	*Cttees*	***Attendance at Board and Committees***
	Paul Leonard	19/10/21	19/10/22	CRPG	**80%**

KEY - COMMITTEES
ARC Audit and Risk Committee
SRP Search, Remuneration and Performance
CQS Curriculum, Quality and Standards
F&R Finance and Resources
CRPG College Redevelopment Project Group

The Corporation

The composition of the Corporation in the period to 3 January 2023 is set out above. It was the Corporation's responsibility to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct.

The Corporation was 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 met each term.

The Corporation conducted its business through a number of committees. Each committee had terms of reference, which had been approved by the Corporation. These Committees were Audit and Risk; Search, Governance and Remuneration; Finance and Resources; Curriculum, Quality and Standards; College Redevelopment Project Group. Full minutes of all meetings, except those deemed confidential by the Corporation, were available on the College's website 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 maintained a register of financial and personal interests of the governors. The register was available for inspection at the above address.

All governors were able to take independent professional advice in furtherance of their duties at the College's expense and had access to the Clerk to the Corporation, who was responsible to the Board for ensuring compliance with all applicable procedures and regulations. The appointment, evaluation and removal of the Clerk were matters for the Corporation as a whole.

Formal agendas, papers and reports were supplied to governors in a timely manner, prior to Board meetings. Briefings were also provided on an ad-hoc basis.

The Corporation had a strong and independent non-executive element and no individual or group dominated its decision-making process. The Corporation considered that each of its non-executive members were independent of management and free from any business or other relationship, which could have materially interfered with the exercise of their independent judgement. There was a clear division of responsibility in that the roles of the Chair and Principal were separate.

Appointments to the Corporation

Any new appointments to the Corporation were a matter for the consideration of the Corporation as a whole. The Corporation had a Search Committee, which was responsible for the selection and nomination of any new member for the Corporation's consideration. The Corporation was responsible for ensuring that appropriate training was provided as required.

Members of the Corporation were 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 was on ensuring that the College was 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 had an experienced FE Chair who joined the College in March 2020. There was a mix of terms of office ensuring both institutional memory and recent skills to meet the College's business needs. The Board worked closely with the CLT to provide both support and challenge. A skills audit demonstrated a very capable and diverse Board in terms of skills and experience.

Succession planning was on hold due to the merger discussions except for appointing to skills gaps with the appointment of a Finance and Resources Committee Chair and CRPG member, an audit member and a curriculum governor.

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

The College had reviewed its governance processes to ensure they remained fit for purpose and compliant. It regularly reviewed statutory documents and byelaws and monitored its performance against the adopted AoC Code of Good Governance for English Colleges and Senior Post Holder Remuneration Code. There was an agreed cycle of business and schedule for the year ahead. Quality and the safeguarding of students had been a particular focus since the appointment of the Chair, alongside a continued focus on the College's finances and sustainability. Openness and transparency were 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 published a Governance Position statement which provided key information about its membership and function and biographies of governors.

The Board self-assessed its performance to ensure that it was working effectively and supported and appraised its governors annually and throughout the year.

Remuneration Committee

Throughout the period ended 3 January 2023, the College's Remuneration committee comprised of four members. The Committee's responsibilities were 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 period ended 3 January 2023 are set out in note 8 to the financial statements.

Audit and Risk Committee

The Audit and Risk Committee comprised of four members of the Corporation (excluding the Principal). The Committee operated in accordance with written terms of reference approved by the Corporation.

The Committee met on a termly basis and provided a forum for reporting by the College's internal auditors and reporting accountants and financial statements auditors, who had access to the Committee for independent discussion, without the presence of college management. The Committee also received and considered reports from the main FE funding bodies as they affected the College's business.

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

Management was responsible for the implementation of agreed recommendations and internal audit undertook periodic follow up reviews to ensure such recommendations were implemented.

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

The Corporation had delegated the day-to-day responsibility to the Principal, as Accounting Officer, for maintaining a sound system of internal control that supported the achievement of the College's policies, aims and objectives, whilst safeguarding the public funds and assets for which he was personally responsible, in accordance with the responsibilities assigned to him in the funding agreements between the College and the funding bodies. He was 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 was designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it could therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control was 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 had been in place in Richmond upon Thames College for the period from 1 August 2022 up to the date of merger and accounts.

Capacity to handle risk

The Corporation had reviewed the key risks to which the College was exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Corporation was of the view that there was a formal ongoing process for identifying, evaluating and managing the College's significant risks that had been in place for the period ended 3 January 2023 and up to the date of merger and accounts. This process was regularly reviewed by the Corporation.

The risk and control framework

The system of internal financial control was 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 included:

- comprehensive budgeting systems with an annual budget which was reviewed and agreed by the governing body
- regular reviews by the governing body of periodic and annual financial reports which indicated 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 had an internal audit service, which operated in accordance with the requirements of the ESFA Post 16 Audit Code of Practice. The work of the internal audit service was informed by an analysis of the risks to which the College was exposed, and annual internal audit plans were based on this analysis. The analysis of risks and the internal audit plans were endorsed by the Corporation on the recommendation of the Audit Committee. At least annually, the Head of Internal Audit (HIA) provided the Corporation with a report on internal audit activity in the College. The report included 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 had responsibility for reviewing the effectiveness of the system of internal control. The Principal's review of the effectiveness of the system of internal control was informed by:

- The work of the internal auditors
- The work of the executive managers within the College who had 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 had been advised on the implications of the result of his review of the effectiveness of the systems of internal control by the Audit Committee, which oversaw the work of the internal auditor and other sources of assurance, and a plan to address weaknesses and ensure continuous improvement of the system was in place.

The RuTC College Leadership Team received reports setting out key performance and risk indicators and considered possible control issues brought to their attention by early warning mechanisms, which were embedded within the departments and reinforced by risk awareness training. The College Leadership Team and the Audit and Risk Committee also received regular reports from internal audit, and other sources of assurance, which included recommendations for improvement. The Audit and Risk Committee's role in this area was confined to a high-level review of the arrangements for internal control.

The RuTC Corporation's agenda included a regular item for consideration of risk and control and received reports thereon from the College Leadership Team and the Audit Committee. The emphasis was on obtaining the relevant degree of assurance and not merely reporting by exception.

Based on the advice of the RuTC Audit and Risk Committee and the RuTC Accounting Officer, the HRUC Corporation accept the opinion of the RuTC Board that it had an adequate and effective framework for governance, risk management and control, and had 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".

The systems of internal control to manage risk to a reasonable level will be addressed within the new organisation HRUC.

Approved by the members of the HRUC Corporation on 21st February 2024 and signed on its behalf by:

N Davies
Chair of HRUC Corporation
21st February 2024

K Smith
Accounting Officer of HRUC
21st February 2024

Statement of Regularity, Propriety and Compliance

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

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

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

Keith Smith
Accounting officer
21st February 2024

Statement of the chair of governors

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

Nicholas Davies
Chair of governors
21st February 2024

Statement of the Responsibilities of the Members of the HRUC Corporation
The Members of the Corporation of HRUC, on behalf of the members of the dissolved RuTC Corporation, is 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* A*ccounts 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 HRUC Corporation is required to:

- select suitable accounting policies and then applied them consistently,
- make judgements and estimates that were reasonable and prudent,
- state whether applicable UK Accounting Standards had been followed, subject to any material departures disclosed and explained in the financial statements,
- assess whether the RuTC 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 HRUC Corporation is also required to prepare a Members' Report which describes what RuTC was trying to do and how it was going about it, including information about the legal and administrative status of the RuTC and HRUC Corporations.

The HRUC Corporation is responsible for keeping proper accounting records, which disclose, with reasonable accuracy at any time, the financial position of the RuTC 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 RuTC Corporation and to prevent and detect fraud and other irregularities.

The HRUC 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 RuTC Corporation were responsible for ensuring that expenditure and income were applied for purposes intended by Parliament and that financial transactions conform to the authorities that govern them. In addition, they were responsible for ensuring that funds from the ESFA, and any other public funds, were 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 RuTC Corporation ensured that there were appropriate financial and management controls in place sufficient to safeguard public and other funds and ensured that they were used properly. In addition, Members of the RuTC Corporation were responsible for securing the economical, efficient and effective management of the RuTC Corporation's resources and expenditure, so that the benefits to be derived from the application of public funds from the ESFA and other public bodies were not at risk.

Approved by order of the members of the HRUC Corporation on 21st February 2024 and signed on its behalf by

N Davies Chair HRUC
21st February 2024

Independent Auditor's report to the Members of the Corporation of HRUC on behalf of the dissolved Corporation of Richmond upon Thames College for the period ended 3 January 2023

Qualified Opinion

We have audited the financial statements of Richmond upon Thames College ("the College") and its subsidiary (together "the Group") for the period ended 3 January 2023 which comprise the Consolidated and College Statements of Comprehensive Income, the Consolidated and College Statements of Changes in Reserves, the consolidated and College Balance Sheets, the consolidated Statement of Cash Flows and the notes to the financial statements, including the principle 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, except for the effects of the matter described in the Basis for qualified opinion section, the financial statements:

- give a true and fair view of the state of the Group's and College's affairs as at 3 January 2023 and of the Group's and College's income and expenditure, gains and losses and changes in reserves and of the cash flows for the period then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Statement of Recommended Practice – Accounting for Further and Higher Education and relevant legislation.

Basis for qualified opinion

As explained in note 26, there is an exceptional material adjustment of £4,623,000 in the College's comprehensive income and expenditure in the period. This adjustment represents the net cumulative write off of unidentifiable assets and liabilities that have been calculated whilst preparing the final period balance sheet ahead of the merger with Harrow College and Uxbridge College ("HCUC") on 4 January 2023. The College has not been able to identify the assets and liabilities that have been written off and therefore there was insufficient audit evidence provided to support this adjustment and our audit report is qualified in this regard.

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 qualified opinion.

Emphasis of matter in respect of going concern

We draw attention to the statement regarding going concern in the principal accounting policies which indicates that the assets, liabilities and activities of the College were transferred to HCUC on 4 January 2023 and the College will be dissolved. The financial statements have therefore been prepared on a basis other than a going concern basis. Our opinion is not modified in respect of this matter.

Our responsibilities and the responsibilities of the Corporation with respect to going concern are described in the relevant sections of this report.

Independent Auditor's report to the Members of the Corporation of HRUC on behalf of the dissolved Corporation of Richmond upon Thames College for the period ended 3 January 2023 (continued)

Other information

The Members of the Corporation are responsible for the other information. Other information comprises the information included in the Members' report, other than the financial statements and our auditor's report thereon. 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinion on other matters prescribed by the Office for Students' Accounts Direction

In our opinion, in all material respects:

- funds from whatever source administered by the College for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the Office for Students have been applied in accordance with the relevant terms and conditions attached to them; and
- the requirements of Office for Student's accounts direction for the relevant year's financial statements have been met.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Post-16 Audit 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;
- the financial statements are not in agreement with the accounting records and returns; or
- all the information and explanations required for our audit were not received.

We have nothing to report in respect of the following matter, in relation to which the Office for Students' Audit Code of Practice 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, have been materially misstated.

Independent Auditor's report to the Members of the Corporation of HRUC on behalf of the dissolved Corporation of Richmond upon Thames College for the period ended 3 January 2023 (continued)

Responsibilities of the Members of the Corporation

As explained more fully in the Statement of Responsibilities of the 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 Auditors' 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 assessment focussed on key laws and regulations the College has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the College Accounts Direction 2022 to 2023, the Post 16 Audit Code of Practice 2022-23, taxation legislation, data protection, anti-bribery and employment legislation.

We are not responsible for preventing irregularities, including fraud. Our approach to detecting irregularities, including fraud, included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the College and how the College is complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;
- obtaining an understanding of the College's control environment and how the College has applied relevant control procedures, through discussions with Members and other management and by reviewing the reports on the internal scrutiny work commissioned by the College in relation to the year and by performing walkthrough testing over key areas;
- obtaining an understanding of the College's risk assessment process, including the risk of fraud;
- reviewing meeting minutes of those charged with governance throughout the year; and
- performing audit testing to address the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Independent Auditor's report to the Members of the Corporation of HRUC on behalf of the dissolved Corporation of Richmond upon Thames College for the period ended 3 January 2023 (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection of fraud based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located 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 Further & Higher Education Act 1992. 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.

Cooper Parry Group Limited
Statutory Auditor

Cubo Birmingham
Two Chamberlain Square
Birmingham
B3 3AX

Date:

Independent 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 (ESFA)

In accordance with the terms of our engagement letter dated 29 September 2023 and further to the requirements and conditions of funding in ESFA's grant funding agreements and contracts, or those of any other public funder, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by Richmond upon Thames College during the period 1 August 2022 to 3 January 2023 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 or devolved authority has other assurance arrangements in place.

This report is made solely to the Corporation of Richmond upon Thames College and 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 2022 to 3 January 2023 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.

Independent Reporting Accountant's Assurance Report on Regularity (continued)

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

The work undertaken to draw to our conclusion includes:

- Reviewing the internal control policies and procedures implemented by the College and evaluating their design and effectiveness to understand how the College has complied with the framework of authorities;
- Reviewing the minutes of meetings of the Members, relevant sub-committees and other evidence made available to us, relevant to our consideration of regularity;
- Enquiries of the Accounting Officer, including reviewing the work undertaken by the Accounting Officer in relation to their Statement on Regularity, Propriety and Compliance; and
- Detailed testing of the income and expenditure of the College based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit of the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

Conclusion

In the course of our work, except for the matter listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 August 2022 to 3 January 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Matter 1 – Write off of unidentifiable assets and liabilities

As explained in note 26, there is an exceptional material adjustment of £4,623,000 in the College's comprehensive income and expenditure in the period. This adjustment represents the net cumulative write-off of unidentifiable assets and liabilities that have been calculated whilst preparing the final period balance sheet ahead of the merger with Harrow College and Uxbridge College ("HCUC") on 4 January 2023. The College has not been able to identify the assets and liabilities that have been written off and therefore there was insufficient audit evidence provided to confirm whether this financial transaction conforms to the authorities which govern them.

Cooper Parry Group Limited

Date:

Consolidated and College Statements of Comprehensive Income and Expenditure
For the period ended 3 January 2023

	Notes	Period ended 3 January 2023 Group £'000	Period ended 3 January 2023 College £'000	Year ended 31 July 2022 Group £'000	Year ended 31 July 2022 College £'000
INCOME					
Funding body grants	2	**6,194**	**6,194**	14,322	14,322
Tuition fees and education contracts	3	**134**	**134**	1,767	1,767
Other grants and contracts	4	**112**	**112**	561	561
Other income	5	**123**	**41**	273	69
Total income		**6,563**	**6,482**	**16,923**	**16,719**
EXPENDITURE					
Staff costs	7, 8	**4,607**	**4,567**	11,648	11,562
Exceptional restructuring costs	7	**43**	**43**	-	-
Other operating expenses	9	**1,269**	**1,206**	4,633	4,488
Depreciation	12	**969**	**969**	2,802	2,797
Interest and other finance costs	10	**11**	**11**	256	256
Total expenditure		**6,899**	**6,795**	**19,339**	**19,103**
Surplus/(Deficit) before other gains and losses		**(336)**	**(313)**	**(2,416)**	**(2,384)**
Gain/(loss) on disposal of assets		**-**	**-**	-	-
Actuarial gain in respect of pension scheme	6	**83**	**83**	12,850	12,850
Surplus / (Deficit) before tax		**(253)**	**(230)**	**10,434**	**10,466**
Taxation	11	**-**	**-**	-	-
Surplus / (Deficit) for the period		**(253)**	**(230)**	**10,434**	**10,466**
Pre-merger balance sheet adjustments		**(4,623)**	**(4,623)**	-	-
Total Comprehensive Income / (Loss) for the period		**(4,876)**	**(4,853)**	**10,434**	**10,466**

Consolidated and College Statements of Changes in Reserves

	Group			College		
	Income and Expenditure account £'000	**Revaluation reserve £'000**	**Total £'000**	**Income and Expenditure account £'000**	**Revaluation reserve £'000**	**Total £'000**
Balance at 1 August 2022	27,296	3,078	30,374	27,359	3,078	30,435
Deficit from the income and expenditure account	(253)	-	(253)	(230)	-	(230)
Other comprehensive income	(4,623)	-	(4,623)	(4,623)	-	(4,623)
Transfers between revaluation and income and expenditure reserves	3,078	(3,078)	-	3,078	(3,078)	-
Balance at 3 January 2023	25,499	-	25,499	25,582	-	25,582

	Income and Expenditure account £'000	**Revaluation reserve £'000**	**Total £'000**	**Income and Expenditure account £'000**	**Revaluation reserve £'000**	**Total £'000**
Balance at 1 August 2021	16,543	3,397	19,940	16,572	3,397	19,969
Surplus from the income and expenditure account	(2,416)	-	(2,416)	(2,384)	-	(2,384)
Other comprehensive income	12,850	-	12,850	12,850	-	12,850
Transfers between revaluation and income and expenditure reserves	319	(319)	-	319	(319)	-
Balance at 31 July 2022	**27,296**	**3,078**	**30,374**	**27,359**	**3,078**	**30,437**

Balance sheets as at 3 January 2023

	Notes	Group 3 Jan 2023 £'000	College 3 Jan 2023 £'000	Group 31 Jul 2022 £'000	College 31 Jul 2022 £'000
Fixed assets					
Tangible fixed assets	12	54,142	54,140	59,669	59,668
		54,142	**54,140**	**59,669**	**59,668**
Current assets					
Stock		-	-	-	-
Trade and other receivables	14	782	887	930	992
Cash and cash equivalents	21	1,217	1,191	-	-
Investments	13	-	-	-	-
		1,999	**2,077**	**930**	**992**
Less: Creditors – amounts falling due within one year	15	(4,614)	(4,607)	(4,824)	(4,822)
Net current assets / (liabilities)		**(2,615)**	**(2,530)**	**(3,894)**	**(3,830)**
Total assets less current liabilities		**51,527**	**51,611**	**55,775**	**55,838**
Less: Creditors – amounts falling due after more than one year	16	(25,746)	(25,746)	(25,106)	(25,106)
Provisions					
Defined benefit obligations	22	-	-	-	-
Other provisions	19	(283)	(283)	(295)	(295)
Total net assets		**25,499**	**25,582**	**30,374**	**30,437**
Unrestricted reserves					
Income and expenditure account		25,499	25,582	27,296	27,359
Revaluation reserve		-	-	3,078	3,078
Total unrestricted reserves		**25,499**	**25,582**	**30,374**	**30,437**
Total reserves		**25,499**	**25,582**	**30,374**	**30,437**

The financial statements on pages 29 to 55 were approved and authorised for issue by the Corporation on 21st February 2024 and were signed on its behalf on that date by:

N Davies
Chair HRUC

K Smith
Accounting Officer
HRUC

Consolidated Statement of Cash Flows

	Notes	2023 £'000	2022 £'000
Cash flows from operating activities			
Surplus / (Deficit) for the period		(336)	(2,416)
Adjustment for non-cash items			
Depreciation	12	969	2,802
Deferred grants release to income	2	(226)	(814)
(Increase)/decrease in debtors	14	(552)	(474)
Increase / (Decrease) in creditors due within one year	15	3,031	(854)
Increase / (Decrease in creditors due after one year	16	(506)	
Decrease in provisions	19	(12)	(27)
Pensions costs less contributions payable (FRS102 adjustment)		83	725
Interest expense	10	11	256
Transfer to / (from) reserves		-	-
Net cash flow from operating activities		**2,462**	**(802)**
Cash flows from investing activities			
Capital grants received		-	675
Payments made to acquire fixed assets	12	(280)	(1,046)
		(280)	(371)
Cash flows from financing activities			
Interest paid	10	(11)	(14)
Interest element of finance lease rental payments		-	(55)
Repayments of amounts borrowed		(628)	-
Capital element of finance lease rental payments		(327)	(858)
		(966)	(927)
Increase / (Decrease) in cash and cash equivalents in the period		**1,217**	**(2,100)**
Cash and cash equivalents at beginning of the year		-	1,414
Cash and cash equivalents at end of the period		1,217	(686)

Notes to the Financial Statements for the Period Ended 3 January 2023

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 Recomm*ended 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 3 January 2023.

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 had arranged an overdraft facility with Barclays Bank for up to £1 million which was repaid in full in December 2022.

As described in the Governing Body's report, the merger took place on 4 January 2023 and subsequently the assets and activities of the College have been transferred to HCUC and the Corporation was dissolved. Therefore, the Governing Body had prepared the financial statements on a basis other than a going concern basis. No adjustments had been made to book values as a result of this.

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 were measured in line with best estimates for the period of what was receivable and depend on the particular income stream involved. Any under or over achievement for the Adult Education Budget was adjusted for and reflected in the level of recurrent grant recognised in the income and expenditure account.

The final grant income was 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 was not normally subject to reconciliation and was therefore not subject to contract adjustments.

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

Where part of a government grant was deferred, the deferred element was 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 were recognised in income when the College was entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met was 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 was stated gross of any expenditure which is not a discount and is recognised in the period for which it was received.

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

Agency arrangements

The College acted 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 was 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 period 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 was 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 was charged in full to the College's income in the period that the member of staff retires. In subsequent years a charge was 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 12 to the financial statements.

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 3 January 2023. 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 was 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 was written off to the income and expenditure account in the period of acquisition. All other equipment was capitalised at cost and depreciated over its useful economic life as follows:

- General equipment 3 years
- Computer equipment 3 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 was included in the balance sheet as an obligation under finance leases. Assets held under finance leases were 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 was 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 were payable on demand if they were in practice available within 24 hours without penalty.

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

Financial liabilities and equity

Financial liabilities and equity were 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 were subsequently measured at amortised cost, however the College has calculated that the difference between the historical cost and amortised cost basis was not material and so these financial instruments were stated on the balance sheet at historical cost.

Taxation

The College was considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it met the definition of a charitable company for UK corporation tax purposes. Accordingly, the College was 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 were applied exclusively to charitable purposes.

The College was partially exempt in respect of Value Added Tax, so that it could only recover around 2% of the VAT charged on its inputs. Irrecoverable VAT on inputs was 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 was subject to corporation tax and VAT in the same way as any commercial organisation.

Provisions and contingent liabilities

Provisions were recognised when

- the College had a present legal or constructive obligation as a result of a past event
- it is probable that a transfer of economic benefit would be required to settle the obligation
- a reliable estimate could have been made of the amount of the obligation.

Where the effect of the time value of money was material, the amount expected to be required to settle the obligation was recognised at the present value using pre-tax discount rate. The unwinding of the discount was 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 gave the College a possible obligation whose existence would only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the College. Contingent liabilities also arose in circumstances where the provision would otherwise be made but either it was not probable that an outflow of resources would be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities were 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:

- Determined 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.
- Determined 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 was 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 asset or liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22 will impact the carrying amount of the pension asset or liability. The actuary has used a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 to value the pensions liability at 3 January 2023. 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.

Notes to the Accounts (continued)

2 Funding council grants

	Period ended 3 January		Year ended 31 July	
	2023	**2023**	**2022**	**2022**
	Group	**College**	**Group**	**College**
	£'000	**£'000**	**£'000**	**£'000**
Recurrent grants				
Education and Skills Funding Agency – adult	220	220	1,234	1,234
Education and Skills Funding Agency – 16 -18	5,281	5,281	11,178	11,178
Office for students	4	4	21	21
Specific Grants				
Teacher Pension Scheme contribution grant	168	168	292	292
Work-based learning *	162	162	358	358
Programmes for the Unemployed *	57	57	425	425
Other (LSF admin fee)	76	76	-	-
Releases of government capital grants				
Buildings (note 19)	226	226	814	814
Total	**6,194**	**6,194**	**14,322**	**14,322**

* The income shown above represents that earned by the College in its capacity both as a provider and as the contracting lead.
All payments to subcontractors for delivery of provision towards the main funding body targets have been excluded from the total funding council grant amounts disclosed above. Total income claimed in the year under this arrangement and related payments to partners were as follows:

	Period ended 3 January		Year ended 31 July	
	2023	**2023**	**2022**	**2022**
	Group	**College**	**Group**	**College**
	£'000	**£'000**	**£'000**	**£'000**
Work-based learning				
Work-based learning income	**162**	**162**	358	358
Payments to non-College partners	-	-	-	-
Net income	**162**	**162**	358	358

	Period ended 3 January		Year ended 31 July	
	2023	**2023**	**2022**	**2022**
	Group	**College**	**Group**	**College**
	£'000	**£'000**	**£'000**	**£'000**
AEB & Programmes for the Unemployed				
AEB & Programmes for the Unemployed income	**282**	**282**	1,147	1,147
Payments to non-College partners	**(225)**	**(225)**	(722	(722)
Net income	**57**	**57**	425	425

3 Tuition fees and education contracts

	Period ended 3 January 2023 Group £'000	2023 College £'000	Year ended 31 July 2022 Group £'000	2022 College £'000
Tuition fees	**134**	**134**	248	248
Education contracts	**-**	**-**	1,519	1,519
Total	**134**	**134**	1,767	1,767

4 Other grants and contracts

	Period ended 3 January 2023 Group £'000	2023 College £'000	Year ended 31 July 2022 Group £'000	2022 College £'000
High needs support	**112**	**112**	71	71
Other grants and contracts	**-**	**-**	490	490
Total	**112**	**112**	**561**	**561**

5 Other income

	Period ended 3 January 2023 Group £'000	2023 College £'000	Year ended 31 July 2022 Group £'000	2022 College £'000
Catering	82	-	208	4
Other income generating activities	-	-	-	-
Other income	41	41	65	65
Total	**123**	**41**	**273**	**69**

6 Actuarial Gain/(Loss)

	Period ended 3 January 2023 Group £'000	2023 College £'000	Year ended 31 July 2022 Group £'000	2022 College £'000
Actuarial Gain/(Loss) in respect of pension scheme (note 22)	64	64	12,850	12,850
Interest Receivable	-	-	-	-
Pension Finance Income	19	19	-	-
Total	**83**	**83**	**12,850**	**12,850**

Notes to the Accounts (continued)

7 Staff costs - Group and College

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

	2023 No.	2022 No.
Teaching staff	101	128
Non teaching staff	94	142
College Total	195	270
Subsidiary company	4	4
	199	**274**

Staff costs for the above persons	**2023 Group £'000**	**2023 College £'000**	**2022 Group £'000**	**2022 College £'000**
Wages and salaries	3,109	3,068	7,535	7,449
Social security costs	283	283	669	669
Pension costs including FRS 102 adjustments	805	805	2,117	2,117
Payroll sub total	**4,197**	**4,156**	**10,321**	**10,235**
Contracted out staffing services	410	410	1,214	1,214
Restructuring costs	43	43	113	113
Total staff costs	**4,650**	**4,610**	**11,648**	**11,562**

The below table shows the number of key management personnel who received payments under service contracts or annual emoluments, excluding irrecoverable VAT, pension contributions and employer's national insurance but including benefits in kind, in the following ranges. 2023 amounts are equivalent annual remuneration.

	Key Management 2023 No.	**2022 No.**	
£0 to £5,000	-	1	*
£10,001 to £15,000	-	1	
£60,001 to £65,000	1	-	
£75,001 to 80,000	1	1	
£80,001 to £85,000	1	1	
£110,001 to £115,000	1	1	
£115,001 to £120,000	-	1	*
	4	6	

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

8 Emoluments of key management personnel

Key management personnel are defined as members of the executive management team.

	2023 Number	2022 Number
The number of senior post-holders, including the Accounting Officer, was	**4**	5

Key management personnel emoluments are made up as follows:

	2023 £'000	2022 £'000
Salaries	142	399
Employers National Insurance	23	36
Benefits in kind	60	23
Pension contributions	32	62
Total emoluments	**257**	**520**

The above compensation includes amounts payable to the Accounting Officer (who is the highest paid senior post-holder):

	2023 £'000	2022 £'000
Salaries	49	116
Pension Contributions	11	27
	60	143

Accounting Officer's remuneration as a multiple of the median pay for all other employees (on a FTE basis)

	2023	2022
Principal's basic salary as a multiple of the median of all staff	3.2	8.3
Principal's total remuneration as a multiple of the median of all staff	3.3	7.2

Agency staff have been excluded from the total remuneration because the College does not record amounts paid to agencies for agency staff in a manner which allows the inclusion of individual agency staff in the calculation of pay ratios. In addition, casual staff have been excluded due to the difficulty in assigning a full-time equivalent value to these flexible employees.

9 Other operating expenses

	Period ended 3 January		Year ended 31 July	
	2023	**2023**	**2022**	**2022**
	Group	**College**	**Group**	**College**
	£'000	**£'000**	**£'000**	**£'000**
Teaching costs	**198**	**198**	981	981
Non teaching costs	**556**	**493**	2,145	2,000
Premises costs	**515**	**515**	1,507	1,507
	1,269	**1,206**	**4,633**	**4,488**

Other operating expenses include:	**2023**	**2023**	**2022**	**2022**
	Group	**College**	**Group**	**College**
	£'000	**£'000**	**£'000**	**£'000**
Auditors' remuneration:				
Financial statements audit*	**12**	**12**	54	54
Internal audit	**-**	**-**	26	26
Other services provided by the financial statements auditors	**-**	**-**	-	-
Depreciation	**969**	**969**	2,802	2,797

* Inclusive of £2k in relation to subsidiary

10 Interest Payable – Group and College

	2023 Group £'000	2023 College £'000	2022 Group £'000	2022 College £'000
On bank loans, overdrafts and other loans:	11	11	14	14
Repayable within five years, not by instalments	-	-	55	55
Pension finance costs	-	-	187	187
	11	11	256	256

11 Taxation

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

Notes to the Accounts (continued)

12 Tangible fixed assets College and Group

	Freehold Land and buildings £'000	Equipment £'000	Assets in the Course of Construction £'000	College Total £'000	Subsidiary £'000	Group Total £'000
Cost or valuation						
At 1 August 2022	75,514	8,905	4,961	89,380	16	89,396
Additions	-	-	280	280	-	280
Disposals	-	-	-	-	(14)	(14)
Transfers	(92)	343	(251)	-	-	-
Adjustments to opening balance	(25,109)	(4,487)	(699)	(30,296)	-	(30,296)
At 3 January 2023	**50,313**	**4,761**	**4,290**	**59,362**	**2**	**59,364**
Depreciation						
At 1 August 2022	22,736	6,976	-	29,712	-	29,712
Charge for the period	419	550	-	969	-	969
Adjustments to opening balance	(21,110)	(4,350)	-	(25,459)	-	(25,459)
At 3 January 2023	**2,045**	**3,176**	**-**	**5,222**	**2**	**5,222**
Net book value at 3 January 2023	**48,267**	**1,583**	**4,290**	**54,140**	**2**	**54,142**
Net book value at 31 July 2022	52,778	1,929	4,961	59,665	2	59,667

Notes to the Accounts (continued)

College and Group:
The net book value of equipment includes assets of £1.321m (2022: £2.529m) in respect of the assets held under finance leases. The depreciation charge for the leased assets was £0.282m (2022: £0.908m)

The net book value of inherited assets as at 3 January 2023 was reduced to nil (2022: £3.1m) as the assets are no longer in use.

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.

13 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.

14 Trade and other receivables

	Group 2023 £'000	College 2023 £'000	Group 2022 £'000	College 2022 £'000
Amounts falling due within one year:				
Trade receivables	**506**	**506**	474	474
Subsidiary undertakings	**-**	**104**	-	105
Sundry debtors	**181**	**181**	223	180
Prepayments and other debtors	**95**	**95**	233	233
Total	**782**	**887**	**930**	**992**

15 Creditors: amounts falling due within one year

	Group 2023 £'000	College 2023 £'000	Group 2022 £'000	College 2022 £'000
Bank loans and overdrafts	-	-	(686)	(686)
Obligations under finance leases	(519)	(519)	(839)	(839)
Trade payables	(693)	(689)	(754)	(754)
Other taxation and social security	(7)	(6)	(182)	(181)
Accruals and deferred income	(228)	(226)	(894)	(893)
Holiday pay accrual	(124)	(124)	(91)	(91)
Other creditors	(3)	(3)	(95)	(95)
Deferred income - capital grants	(543)	(543)	-	-
Deferred income – revenue grants	(11)	(11)	(1,241)	(1,241)
Amounts owed to the ESFA	(2,486)	(2,486)	(42)	(42)
Total	**(4,614)**	**(4,607)**	**(4,824)**	**(4,822)**

16 Creditors: amounts falling due after one year

	Group 2023 £'000	College 2023 £'000	Group 2022 £'000	College 2022 £'000
Obligations under finance leases	(471)	(471)	(620)	(620)
Deferred income - capital grants	(25,275)	(25,275)	(24,486)	(24,486)
Total	**(25,746)**	**(25,746)**	**(25,106)**	**(25,106)**

17 Analysis of borrowings

Bank loans and overdrafts

	2023 £'000	2022 £'000
Bank loans and overdrafts are repayable as follows		
Within one year	-	(686)
Total	**-**	**(686)**

18 Deferred capital grants

College	GLA £'000	Other grants £'000	Total £'000
At 1 August 2022:			
Land and buildings	(24,486)	-	(24,486)
Adjustment to opening balance	(1,558)	-	(1,558)
Release to income and expenditure account:			
Land and buildings current period	226	-	226
At 3 January 2023			
Land and buildings	**(25,818)**	**-**	**(25,818)**

19 Provisions

	Group and College Defined benefit Obligations £'000	Enhanced pensions £'000	Total £'000
At 1 August 2022	-	295	295
Expenditure in the period	(351)	(12)	(12)
Additions in the period	351	-	-
At 3 January 2023	**-**	**282**	**282**

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

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

Notes to the Accounts (continued)

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 Cash and Cash equivalents

	31 July 2022	Cashflows	Other changes	At 3 January 2023
	£'000	£'000	£'000	
Cash and cash equivalents	-	1,217	-	1,217
	-	**1,217**	**-**	**1,217**

22 Defined benefit obligations

Total pension cost for the period	**2023**	**2022**
	£'000	**£'000**
Teachers Pension Scheme: contributions paid	371	565
Local Government Pension Scheme:		
Contributions paid	351	827
FRS 102 (28) charge	83	725
Charge to the Statement of Comprehensive Income	430	1,552
Total Pension Cost for Period	**805**	**2,117**

Notes to the Accounts (continued)

22 Defined benefit obligations (continued)

Teacher's 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 above the information available on the plan and the implications for the college in terms of the anticipated contribution rates.

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

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

As a result of the valuation, new employer contribution rates were set at 28.68% of pensionable pay from April 2024 onwards (compared to 23.6% during 2022/23). The Department will provide additional funding to cover the increase in the employer contribution rate for directly funded scheme employers for the financial year 2024/25.

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 period amounted to £371,000 (2022: £565,000).

Notes to the Accounts (continued)

22 Defined benefit obligations (continued)

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 period ended 3 January 2023 were £418,000 of which employer's contributions totalled £347,000 and employees' contributions totalled £71,000. The agreed contribution rates for future years are 20.4% for the College until April 2023 and 23.7% thereafter 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 3 January 2023 by a qualified independent actuary

	At 3 January 2023	**At 31 July 2022**
Rate of increase in salaries	1.00%	1.00%
Future pensions increases	2.80%	2.80%
Discount rate for scheme liabilities	4.85%	3.40%
Inflation assumption (CPI)	2.80%	2.80%
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 3 January 2023	**At 31 July 2022**
	Years	**years**
Retiring today		
Males	20.70	21.00
Females	23.20	23.50
Retiring in 20 years		
Males	21.90	22.30
Females	24.60	24.90

Notes to the Accounts (continued)

22 Defined benefit obligations (continued)

Local Government Pension Scheme (Continued)

The College's share of the assets in the plan and the estimated asset allocation were:

	Estimated asset allocation for RUTC at 3 January 2023	**Fair Value at 3 January 2023**	**Estimated asset allocation for RUTC at 31 July 2022**	**Fair Value at 31 July 2022**
		£'000		**£'000**
Equities	56.00%	22,119	59.00%	23,840
Gilts	-	-	1.00%	497
Bonds	16.00%	6,430	15.00%	6,023
Property	13.00%	5,176	13.00%	5,304
Cash	2.00%	938	1.00%	503
Multi-asset fund	11.00%	4,500	11.00%	4,550
Total market value of assets		**39,163**		**40,717**
Actual return on plan assets		**(1,609)**		**(1,708)**

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

	2023	**2022**
	£'000	**£'000**
Fair value of plan assets	39,163	40,717
Present value of plan liabilities	(32,299)	(39,515)
Present value of unfunded liabilities	(86)	(80)
	6,778	1,122
Asset restriction (see below)	(6,778)	(1,122)
Net pensions liability	**-**	**-**

As the LGPS surplus is irrecoverable, recognition of the surplus on the balance sheet has been restricted to nil by adjusting the actuarial gain.

Notes to the Accounts (continued)

22 Defined benefit obligations (continued)

Local Government Pension Scheme (Continued)

Movement in net defined benefit liability during the period

	2023 £'000	2022 £'000
Deficit in scheme at 1 August	-	(11,938)
Movement in period:		
Current and past service cost	(424)	(1,525)
Administration costs	(10)	(27)
Employer contributions	351	827
Net interest on the defined liability	19	(187)
Actuarial gain	(64)	12,850
Net defined benefit liability at 3 January	**-**	**-**

Asset and Liability Reconciliation

	2023 £'000	2022 £'000
Changes in the present value of defined benefit obligations		
Defined benefit obligations at start of period	39,595	54,568
Current Service cost	350	1,465
Interest cost	562	868
Contributions by Scheme participants	71	161
Experience gains and losses on defined benefit obligations	2,344	1,433
Change in financial assumptions	(8,777)	(17,794)
Change in demographic assumptions	(1,183)	-
Estimated benefits paid	(647)	(1,155)
Past Service cost	74	60
Unfunded pension payments	(4)	(11)
Defined benefit obligations at end of period	**32,385**	**39,595**

Reconciliation of Assets

	2023 £'000	2022 £'000
Fair value of plan assets at start of period	40,717	42,630
Interest on plan assets	581	681
Return on plan assets	(2,190)	(2,389)
Other actuarial gains/(losses)	294	-
Administration expenses	(10)	(27)
Employer contributions	351	827
Contributions by Scheme participants	71	161
Estimated benefits paid	(651)	(1,166)
Fair value of plan assets at end of period	**39,163**	**40,717**

Notes to the Accounts (continued)

23 Amounts disbursed as agent

Learner support funds

	2023 £'000	2022 £'000
Opening Balance	-	42
Funding body grants – hardship support	224	297
		339
Disbursed to students	(74)	(300)
Administration costs	-	(5)
Balance unspent as at 31 July, included in creditors	**150**	**34**

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.

24 Capital commitments

	2023 £'000	2022 £'000
Authorised and contracted	-	487
Authorised not yet contracted	25,577	-
Total Commitments at 31 July	**25,577**	487

The capital commitments as at 3 January 2023 relate to the construction of the STEM Centre and Sports Centre at Richmond College.

25 Financial commitments

At 3 January 2023, the College had annual commitments under non-cancellable operating leases as follows:

Future minimum lease payments due	2023 £'000	2022 £'000
Other		
Not later than one year	**28**	28
Later than one year and not later than five years	**72**	84
Later than five years		**-**
Total lease payments due	**100**	112

26 Pre-merger Adjustments

A detailed review of the opening balance sheet at the date of merger identified a number of balances which could not be substantiated or which had not been correctly carried forward. The pre-merger adjustments required to correct these balances are summarised below.

Asset/Liability	Net adjustment £'000	Note
Land and buildings	3,999	Net adjustment to Book Value of Land and Buildings
Other Fixed Assets	138	Net adjustment to Book Value of Other Fixed Assets
Assets under construction	699	Net adjustment to Assets under construction
Capital Grants	1,558	Adjustment to align with grants received and asset profile
Accruals and deferred income	(2,318)	Write off unsubstantiated balances
Lease Liability	(143)	Reflect net present value of lease liability
Prepayments	532	Write off unsubstantiated balances
VAT adjustment	168	Write off unsubstantiated balances
Other liabilities	(10)	Other adjustments
Total adjustments	**4,623**	