



**Annual Report and Financial Statements
for the year ended 31 July 2021**

Company Limited by Guarantee
Registration Number 00066196
(England and Wales)

Charity Registration Number
309701

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30/10/2021
COMPANIES HOUSE

Key Management Personnel are defined as members of the College Senior Management Team and were represented in 2020-21 by:

Paul Di-Felice (Principal & CEO)
Mark Griggs (Finance Manager)
Abid Hussain (Student Services Manager – August 2020-February 2021)
Lesley Dale (Student Services Manager – February 2021 - June 2021)
Jane Franklin (Consultant, Assistant Principal – August 2020 to November 2020)
Shereen Sameresinghe (Consultant, Assistant Principal – November 2020 – May 2021)
Nicola O'Shea (Business Development and Marketing Manager)
Ashok Patel (Consultant)

Advisors

Financial statement auditors and reporting accountants

Alliotts LLP
Friary Court
13-21 High Street
Guildford GU1 3DL
No appointment for 2019-20

Internal auditors

Bankers

The Co-operative Bank
Legacy Portfolio Management
5th Floor, 1 Balloon Street
Manchester M60 4EP
co-operativebank.co.uk

Solicitors

Penningtons Manches LLP
9400 Garsington Road
Oxford Business Park
Oxford OX4 2HN

Eversheds Sutherland LLP
One Wood Street
London EC2V 7WS

Irwin Mitchell LLP
Imperial House
31 Temple Street
Birmingham B2 5BD

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Nature, Objectives and Strategies

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

Legal status

Ruskin College is a company limited by guarantee and a registered charity for the purposes of the Charities Act 1993 as amended by the Charities Act 2011. It is designated for funding by the Education and Skills Funding Agency (ESFA) and receives funding from the Office for Students (OfS).

Mission

The College's mission, as approved by its Governing Executive is:

To provide educational opportunities to adults who are excluded and disadvantaged, and to transform the individuals concerned along with the communities, groups and societies from which they come.

Public benefit statement

Ruskin College is a registered charity and is regulated by the Secretary of State for Education as Principal Regulator for all FE Corporations in England. The members of the Governing Executive, who are trustees of the charity, are disclosed on page 15.

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

In delivering its mission, the College provides the following identifiable public benefits through the advancement of education:

- Improves the qualifications, skills and employability of the groups and individuals it engages in learning;
- Benefits in other areas of public policy, for example in enhancing health and wellbeing, reducing dependency on public services, supporting families and up-skilling volunteers.
- Transforms the lives of individuals which in turn contribute to the development of cohesive and resilient communities.
- Supports the national need to up-skill its adult population and address issues of social deprivation, poverty and economic inactivity.
- Adds value to the activities of communities and trade unions.

The delivery of public benefit is covered throughout the Directors' Report.

Ruskin College Strategic Objectives

A previous strategic plan was agreed by the Governing Executive in November 2016. Having due regard for the current circumstances, where the College's financial and solvency position deteriorated significantly, the College strategy was to seek a merger partner to strengthen its financial health. This has been achieved through the merger with the University of West London on 30 July 2021. A revised strategic plan based on continuing the operations of the College as a going concern will be developed during 2021-22.

Directors' report and strategic report – year to 31 July 2021

Financial objectives

The College's financial objectives were:

- To remain financially sound to protect itself from unforeseen adverse changes in enrolments and to generate sufficient income to enable it to maintain and improve its accommodation and equipment.
- To maintain the confidence of students, funders, suppliers, bankers and auditors.
- To achieve a significant level of awareness among the College staff of the financial environment within which it operates.

The College recognises that these stated objectives are not easily deliverable without significant financial and solvency support.

Financial performance indicators

These financial performance indicators were agreed during the year.

	Target 20-21	Actual 20-21
Deficit generated (after exceptional items)	£(1,593k)	£(994)k
Covenant ratio	(7.6)	(4.5)
Current ratio	0.02	0.05
Debt/Income ratio	106%	0%
Cash days in hand	31	110
Staff costs (excluding exceptional items) as % of turnover	97%	116%
Financial Health	Inadequate	Inadequate

The College recognises the importance of sector measures and indicators and these are monitored by the College's Finance Committee on a regular basis and through the ESFA. The College uses the FE Hub data available on the GOV.UK website which looks at measures such as achievement rates. The College is required to complete the annual Finance Record for the ESFA. The College had an "Inadequate" financial health grade in 2016-17, and the restated position for 2017-18, the positions for 2018-19 & 2019-20 and the current year also give an "Inadequate" financial health grade.

Financial position

The College achieved an operating deficit of £994k (2020: £1,588k deficit). This is after allowing for restructuring costs of £159k (2020: nil) and profit on disposal of £1,731k (2020: nil). The College has not been able to recover from some significant solvency and financial problems during 2018-19 and 2019-20 and the overall position has worsened during the current financial year. The key issues being; a lack of available liquidity, the impact of COVID on student recruitment and retention, disproportionately affecting Ruskin's demographic in comparison with the national average, staff turnover, ongoing clawbacks from the ESFA and an increase in the pension liability. These critical issues have significantly and adversely impacted on the overall financial and solvency position of the College. The operating deficit achieved was after adjusting for the provision of pension liabilities associated to both USS and OSPS pensions, a full provision for the ESFA funding clawback and a surplus on disposal of assets.

Directors' report and strategic report – year to 31 July 2021

The College experienced significant funding clawback for the three years to 2018-19 and as a result new funding claims were initiated in 2019-20 and 2020-21. The impact of COVID-19 was particularly acute among adult learners with family and financial obligations, comprising the majority of the Ruskin cohort. Enrolments were up 57% on the previous year, with Trade Union Education courses delivered 100% online. The College delivered its first bespoke online Community Learning curriculum in partnership with local organisations and independently. ESOL also saw a sharp rise in student numbers on the previous year and in this context it is expected that the College will have delivered a significantly higher percentage of its ESFA funding contract than during the previous year.

The College had substantial reliance on the education sector funding bodies for its principal funding source, largely through recurrent grants. In 2020-21 the ESFA provided 46% of the College's total income.

Following a Strategic Prospects Appraisal (SPA) led by the Further Education Council (FEC), it recommended a merger which could better secure the future of the College. The College has now successfully completed a merger with the University of West London (UWL) on 30 July 2021. UWL has reviewed the past and projected performance of Ruskin College in detail and have incorporated this into a Recovery Plan. UWL, which is demonstrably financially resilient, is confident that it can effectively inherit Ruskin College throughout its transition from operating at a deficit to an operating surplus position and beyond.

Covid-19

It is important to acknowledge the significant impact Covid-19 has had on the College. Despite a high level of interest in the College, and an overall increase in enrolments on the previous year, lockdown restrictions severely affected the College's ability to convert applications and retain students, especially at the beginning of the year.

The College also faced challenges in ensuring that student and staff safety was paramount during this period. The costs associated to maintaining high standards in this regard escalated, especially in terms of facilities management, online teaching and providing cover teaching during absences etc. Whilst the College was not able to secure additional income from its traditional short courses and summer school activity, the College was however able to build on its work with the NHS from the previous year to provide accommodation and catering for 'key' workers and overseas cohorts for the academic year to May.

Taxation

None of the College's activities are liable for corporation tax.

Treasury policies and objectives

Treasury management is the management of the College's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks. The College has separate treasury management procedures in place in its Financial Regulations. Short-term borrowing for temporary revenue purposes was authorised by the Principal after consultation with the Finance Manager. Such arrangements are restricted by limits in the Financial Memorandum with the ESFA. All other borrowing requires the authorisation of the Governing Executive and will comply with the requirements of the Financial Memorandum of the ESFA.

Liquidity

The College was able to settle in March 2021, the outstanding loans with the Co-operative Bank by using the disposal of sale proceeds of Stoke House. As the College continues to implement the outstanding actions from the recovery plan and the FEC recommendations, it will need to maintain good relationships with all stakeholders, which includes the ESFA.

The current ratio gives an indication of a College's ability to meet its short-term debt (within one year) using cash and money owed to the College. The current ratio after reclassifying the bank loan and clawback payments due to the ESFA was 0.05 (before reclassification of fixed assets) which meant that the College did not have the liquidity to meet its short-term obligations, without the support of its main funder, the ESFA. However, due to the merger completed on 30 July 2021 with UWL, Ruskin College will have adequate funding to continue in operational existence as a going concern.

Payment performance

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. The target set by the Treasury for payment to suppliers within 30 days is 95 per cent. During the accounting period 1 August 2020 to 31 July 2021, the College was unable to meet this target, because of on-going solvency issues, but all suppliers and contractors were kept informed and the College is not aware of any major adverse issues faced by suppliers during this period as all were eventually discharged.

College Curriculum, Quality and Performance

Performance and outcomes

Despite limited staff and financial resources, the College adapted to the reality of COVID by successfully moving all Trade Union provision online, almost doubling the delivery of the previous year. The College also delivered its first bespoke Community Learning curriculum online, with a range of successful courses delivered in line with its stated mission and purpose.

Enrolment for 2020-21 across FE courses for non-residential courses during the academic year increased by 133%, with ESOL cohorts showing the greatest increase of 75%. Recruitment to the flagship Access courses was lower than in the previous year, as a result of the challenges of lockdown both on recruitment and administration at the start of the academic year and the preceding months.

In accordance with its stated purpose and rating as 'exemplary for widening participation' by Ofsted, Ruskin College students are recruited from the hardest to reach sections of society and these are the groups who were most impacted by Covid-19. Despite a positive start to the academic year, the successive lockdowns through the autumn and winter of 2020-21 created additional challenges to students who were already facing financial, family and technological challenges.

The College continued to support all students throughout the crisis and supplied IT hardware and support remotely. All courses ran on a blended principle with a mixture of online and face-to-face learning. On Access, retention levels were 75% and 96% of students achieved.

Directors' report and strategic report – year to 31 July 2021

Quality and curriculum

The College continues to build upon its Ofsted Short Inspection grade of 'Good' and the College remains 'exemplary for widening participation'. In line with the LEP skills Agenda for Oxfordshire a new curriculum incorporating use of outside space and residential provision, together with a new emphasis on skills, was proposed but was adversely affected by the continued lockdown and restrictions. The focus remained to support students to complete their courses across skills, health and wellbeing and Community Learning courses.

The Community Learning offering, developed for 2020-21 and delivered online, in class and off-site, was particularly successful with retention and completion levels above 90%. Delivery was in partnership with key agencies in Oxford including a pioneering employability and self-confidence ESOL class with refugees at the Pitt Rivers Museum.

There were 24 Access students who completed courses in Nursing and Social Science and achievement was 96% for this year. Retention was at 75% due to a reduction in ALL provision, lockdown challenges and administrative issues.

Student numbers

The College enrolled 2522 ESFA-funded students during the year, of which 148 were Community Learning and 1904 on Trade Union programmes. There were 18 students funded by HE tuition fees and other sources.

Student achievements

Student achievement is measured by the percentages of those achieving the qualification of those who enrolled on it. As noted, the overall achievement rate for the ESFA funded programmes stands at 99% and that figure remains constant.

Given the financial and operational challenges in 2020-21, a reduced number of prizes were awarded this year to a total value of £160. As the College is now under new ownership following the merger with UWL on 30 July 2021, where possible prizes will be reinstated in future years.

Business development

Outreach under business development continued throughout the academic year and the College continued to engage with its local and national partners throughout the academic year. There were over 40 social and local enterprises and organisations and bespoke Community Learning courses were delivered for Asylum Welcome, Oxford Homelessness Project, Multaka (a charity supporting asylum seekers into work through the Natural History Museum) and others. The work with the OUH Trust to provide accommodation for key workers continued and expanded to include catering and support for overseas cohorts.

Resources

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

Financial – the College has net assets of £6.5m. This includes tangible fixed assets of £15.8m, provision for bad debts of £51k and pension liabilities of £425k.

People – the College employs 47 people of whom 16 are teaching staff.

Directors' report and strategic report – year to 31 July 2021

Reputation – the College has suffered reputational damage as a result of its deteriorating financial health. However, due to the merger with UWL in July 2021, the College is confident that it can continue its operational existence for the foreseeable future and rebuild its reputation.

Principal Strategic Risks Addressed by the College

The key risks were identified from the strategic plan and the financial plan and were contained in the risk management register for 2020-21 including the below:

- Reputational damage due to ongoing financial health of the College
- Decline in student recruitment rates in higher education
- Risk of solvency problems associated to poor financial outturns

The management of these risks is outlined in the risk management annual report.

Risk management process

A revised risk management plan against the new strategic plan was originally approved by the Governing Executive in November 2016. The key risks have been reviewed by the Audit Committee and the Governing Executive on a regular basis since inception and new risks have been identified and considered.

Key risk in relation to Government funding

The College continues to receive student funding through the ESFA. In 2020-21 the College received £0.6m from the ESFA. It is likely that the level of public funding for adult education will continue to be challenging. The College continues to review income positions and explore new opportunities. The risk is mitigated in a number of ways:

Diverse Income Streams: the College is committed to developing a range of diverse income streams. These include developing an international offer, apprenticeships and the continued commitment to a Higher Education offer.

National Campaign: the College, through the Institutes of Adult Learning, was actively lobbying the ESFA and the Department for Education to maintain nationally funded status, which was agreed.

Meeting Local Priorities: the College works with local providers, communities and commissioners to address local needs.

Funding Priorities: the College continues to focus upon the funding priorities of the Department of Education to demonstrate the College alignment with educational policy.

Partnership Working: the development of local partnerships to facilitate progression routes from local providers. The scoping of partnerships with national stakeholders and higher education institutions to support the growth in fee income and direct student recruitment.

Campus and Residency: continually improve the campus to ensure the estate provides an income to the College whilst meeting the future needs of our student body.

Stakeholder Relationships

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

- Students
- Staff
- ESFA & OfS
- TUC, CWU, GFTU and affiliate trade unions

Directors' report and strategic report – year to 31 July 2021

- Other educational institutions
- Employers
- Public sector
- Voluntary and public-sector partners
- Suppliers

The College recognises the importance of these relationships and engages in regular communication with them through the College website, regular communications and networking meetings.

Trade Union Facility Time

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

Number of employees who were relevant	FTE employee number
2 staff	n/a

Percentage of time	Number of employees
0%	0
1-50%	2 employees
51-99%	0
100%	0
Total cost of facility time	£3,200
Total pay bill	£6,400
Percentage of total bill spent on facility time	50%
Time spent on paid trade union activities as a percentage of total paid facility time	100%

The College has no formal agreement with staff or recognised unions in terms of time and cost on activities associated with supporting union activities.

Equality and Diversity

Ruskin College has a tradition of offering high quality education to mature students, many of whom have experienced social or economic disadvantages. The College is committed to the maintenance and extension of equality of opportunity and to treating all staff and students with respect and dignity. In terms of ethnicity and disability, there is a high level of inclusion with 24% of students from an ethnic minority background (38% on Access and 58% HE) and 11% of students declaring a disability or learning difficulty (38% on Access and 33% HE). The achievement rates for the College are above sector benchmarks.

Student Cohort Overview 2020-21 by Age, Gender, Ethnicity and Disability

	Enrolled	Average Age	Female %	Male %	BAME %	Disabled %
Access to HE	34	29	68%	32%	38%	38%
English / ESOL	212	36	73%	27%	67%	10%
Maths	47	36	85%	15%	49%	32%
Preparing for Further Study	125	40	74%	26%	23%	17%
Short Courses	180	41	79%	21%	21%	13%
Union Short Courses	1924	44	32%	68%	19%	10%
ESFA Funded Total	2522	43	43%	57%	25%	11%
HE Students	16	38	21%	79%	58%	33%
Apprenticeships	8	47	38%	63%	0%	0%
Grand Total	2546	44	42%	58%	25%	11%

The College has a Single Equality Scheme which ensures that attention is paid to equality and diversity in every aspect of college life, not only in opening our doors to all, regardless of background or prior educational achievement, but in specific measures such as incorporating disabled access in the redevelopment of the College estate, screening for learning support needs and continuing to offer access routes into education at the appropriate level.

Ruskin's equality objectives, with a clear steer from governors and management, are to:

- Retain open access to offer educational opportunities to adults who have been excluded and disadvantaged.
- Promote social mobility by fostering progression through study, encompassing flexible opportunities from Level 1 to Level 7 underpinned by high levels of learning support and a unique model of academic tutorials at the higher education levels.
- Increase the representativeness of the student body on all courses, particularly on trade union short courses.
- Monitor and tackle any retention and achievement gaps between different groups of students for example in respect of categories of disadvantage.
- Promote and embed equality and diversity in learning and teaching and assessment by identifying and sharing good practices identified in lesson observations.
- Increase the contribution of the student voice by including equality and diversity issues in surveys, course reviews and meetings with students.

Safeguarding and Prevent Duty

The successful Ofsted short inspection on safeguarding in 2017-18 demonstrated compliance with the FE sector standard for safeguarding and prevent policy and procedure. The College is vigilant in terms of ensuring students and staff understand and engage in the safeguarding and prevent duty. The College's Safeguarding Policy is available on the College website and is displayed in staff offices so that both staff and students are reminded what forms of abuse to keep a watch for and what to do if any learner is believed to be at risk. The College has complied with changing national decisions on priority groups of staff who should undergo an enhanced Disclosure and Barring Service (DBS) Disclosure Check. All policies, including bullying and harassment, have been kept under review and learners have been helped to bring concerns to the surface to ensure a safe learning environment. Policies to ensure the safe use of IT are well developed. The College has good links with local community police officers. The College is compliant with the Prevent Duty in terms of staff training, the assessment of risk and the monitoring of the Prevent Action Plan.

Health and Safety

There is a Health and Safety Committee, which met in December 2020. Any issues arising were covered by the Audit Committee and Finance Committee. The health and safety of students is monitored throughout their time at Ruskin. All long course students are required to obtain medical clearance to study and the College works with its designated Medical Officer to ensure that appropriate decisions are taken, and appropriate support put in place from the interview stage onwards. Where necessary, medical factors are incorporated into the conditions of the offer letter and into the probationary term at Ruskin. During induction, students meet the Health and Safety Manager and they learn about the College provision for on-site counselling and other support services. Throughout their time at Ruskin, students are assisted by information and guidance, disability support, learning development and close tutorial contact as well as on-site advice services for those who are resident. This web of support, together with the collegial atmosphere, helps students to focus on their studies and hence change their lives for the better.

Disability Statement

The College seeks to achieve the objectives set down in the Equality Act 2010. As part of its Capital Project the College implemented a range of improvements aimed at students with mobility disabilities. The College has a Welfare Officer who provides information, advice and arranges support where necessary for students with disabilities.

There is a range of specialist equipment which the College can make available for use by students and a range of assistive technology is also available. Ruskin focuses on ability and as far as reasonably possible will consider flexible arrangements within its policies and procedures, to challenge stereotyping; provide information in flexible formats; anticipate and plan events, presentation and training to allow inclusivity and accessibility and provide opportunities for advancement.

Reserves Policy

The College has been restricted in terms of its cash flow in 2020-21, meaning that it was unable to develop a sufficient reserves policy. However, following the merger with UWL on 30 July 2021, a reserves policy will be developed and reinstated for 2021-22.

Events After the Reporting Period

Following a recommendation by the Further Education Council (FEC), the College has now successfully completed a merger with the University of West London (UWL) on 30 July 2021. UWL will operate the College as a going concern and has bolstered the College's financial footing greatly.

The repayment of the ESFA liability on 2 August 2021 following the merger is also a significant event after the reporting period.

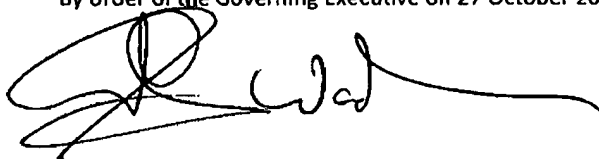
Future Developments

UWL has set out a Recovery Plan for the College whereby the existing courses at Ruskin College will continue in the future, as well as broadening the curriculum to develop a key focus in the delivery of nursing and healthcare.

Disclosure of Information to Auditors

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

By order of the Governing Executive on 27 October 2021 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'A Woodman', with a long horizontal flourish extending to the right.

Professor Anthony Woodman (Governor)

Statement of Corporate Governance and Internal Control

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

The College endeavours to conduct its business:

- i. in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership);
- ii. in full accordance with the guidance to colleges from the Association of Colleges in The Code of Good Governance for English Colleges ("the Code"); and
- iii. having due regard to the UK Corporate Governance Code 2018 insofar as it is applicable to the further education sector

The College is committed to exhibiting best practice in all aspects of corporate governance and the College/Board has adopted and complied with the Code. We do not comply with 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 to be relevant to the further education sector and best practice.

In the opinion of the Governing Executive, the College complies with all the provisions of the Code in so far as they apply to the Further Education Sector, and it has complied throughout the year ended 31 July 2021.

The Governing Executive recognises that, as a body entrusted with both public and private funds, it has a duty to observe the highest standards of corporate governance at all times. In carrying out its responsibilities, it takes full account of the code of good governance for English College's issued by the Association of Colleges in March 2015, which it formally adopted in March 2018.

The Governing Executive

The Governing Executive has a membership of up to 22 members – 15 ordinary members, 4 staff members, 2 student members and the Principal. It is the Governing Executive's responsibility to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct.

The Governing Executive has a strong and independent non-executive element and no individual or group dominates its decision-making process. The Board considers that each of its non-executive members is independent of management and is required to declare any business or other relationship, which could materially interfere with the exercise of their independent judgement. There is a clear division of responsibility in that the roles of the Chair and Principal are separate.

The Board is provided with regular and timely information on the overall financial performance of the College together with other information such as performance against funding targets, proposed capital expenditure, quality matters, personnel related matters such as health and safety and environmental issues. The Governing Executive meets at least three times a year. Formal agendas, papers and reports are supplied to Governors in a timely manner, prior to Board meetings. Briefings are also provided on an ad hoc basis.

The Governing Executive also conducts its business through a number of committees. Each committee has approved terms of reference. These committees are Finance, Search, Audit and Quality.

Statement of Corporate Governance and Internal Control

Minutes of all meetings, except those deemed to be confidential by the Governing Executive, are available from the Clerk to the Governors at:

Ruskin College
Dunstan Road
Old Headington
Oxford OX3 9BZ

The Clerk to the Governors maintains a register of financial and personal interests of the Governing Executive, Finance Committee, Audit Committee and the Management Team. The register is available for inspection at the above address.

All Governors can take independent professional advice in furtherance of their duties at the College's expense and have access to the Clerk to the Board, who is responsible to the Board for ensuring that all applicable procedures and regulations are complied with. The appointment, evaluation and removal of the Clerk are matters for the Governing Executive as a whole. Formal agendas, papers and reports are supplied to Governors in a timely manner, prior to Board meetings. Briefings are also provided on an ad hoc basis.

Appointments to the Governing Executive

Any new appointments to the Board are a matter for the consideration of the full Governing Executive and are made on the basis of recommendations by the Search Committee, which is responsible for the selection and nomination of any new ordinary member. The Governing Executive is responsible for ensuring that appropriate training is provided as required. Any new appointments to the Governing Executive are appointed for a term of office ordinarily lasting three years (1 year for staff and students). Lana Jackman was appointed on 21 November 2019 and acted as the Clerk to the Governing Executive until 30 July 2021.

The members who served on the Governing Executive during the period were as listed in the table below.

Name	Term of Office	Status of Appointment	Other Committees served	Attendance
Peter Pendle	Resigned 15.9.2020	Ordinary member	Audit	
Alison Stoecker	From 10.03.2019 resigned 30.07.2021	Ordinary member	Quality	
Paul Di Felice	From 21.03.2016 resigned 4.06.2021	Principal	Finance; Search & Remuneration	100% Search and Remuneration
Kevin Flanagan	From 23.03.2016 resigned 30.07.2021	Ordinary member	Audit, Search & Remuneration	100% Search and Remuneration
Ijeoma Omombala	From 5.7.2019 resigned 26.03.2021	Ordinary member		

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Doug Nicholls	From 28.12.2007 resigned 30.07.2021	Ordinary member	Chair from 29.6.18	100% Search and Remuneration
Oshor Williams	From 5.7.2019 resigned 30.07.2021	Ordinary member	Quality	
Lindsay Cane	From 5.7.2019 resigned 23.03.2021	Ordinary member		
Jim Mowatt	From 22.11.2019 resigned 30.07.2021	Ordinary member		
Dave Proctor	From 30.11.2020 resigned 30.07.2021	Staff member		
Vincent Brown	From 17.02.2021 resigned 25.03.2021	Student member		
Oscar Guardiola- Rivera	From 14.05.2021 resigned 30.07.2021	Ordinary member		
Graham Morley	From 4.06.2021 resigned 23.07. 2021	Interim Principal		
David Anderson	From 14.05.2021 resigned 30.07.2021	Ordinary member		
Philip John Coward	From 14.05.2021 resigned 30.07.2021	Ordinary member		
Geoffrey Shears	From 14.05.2021 resigned 30.07.2021	Ordinary member		
Yvette Williams	From 14.05.2021 resigned 30.07.2021	Ordinary member		

On acquisition by the UWL on 30th July 2021, all Governors of the College resigned. At the point of acquisition, the following Governors were appointed:

Name	Appointed	Role
Jennifer Bernard	30.07.2021	Director
James David Edmunds	30.07.2021	Director
Dr Suresh Gamlath	30.07.2021	Director

Statement of Corporate Governance and Internal Control

Professor Peter David John	30.07.2021	Director
Matthew Robson Snowden	30.07.2021	Director
Professor Anthony Woodman	30.07.2021	Director
Patrick Anthony Younge	30.07.2021	Director

Audit Committee

The Audit Committee comprises up to seven members (excluding the Principal) and is quorate at three. The Committee operates in accordance with written terms of reference approved by the Governing Executive.

The Audit Committee provides a forum for reporting by the College's internal and external auditors, who have access to the Committee for independent discussion, without the presence of college management. The Committee also receives and considers reports from the ESFA as they affect the College's business.

The Audit Committee also advises the Governing Executive on the appointment of the reporting accountants and financial statement auditors and their remuneration for both audit and non-audit work.

Given the ongoing merger discussions of the College and the resignation of one Committee member, the Audit Committee was no longer quorate. Therefore, there were no Audit Committee meetings in the year.

Finance Committee

The Finance Committee operates in accordance with written terms of reference approved by the Governing Executive.

The Finance Committee takes a strategic overview of the finance of the College, including the oversight of financial forecasts and budgets, the College's investment policy, cash management and borrowing policies, banking arrangements and insurance arrangements. Due to the ongoing circumstances of the College in 2020-21, there were no formal Finance Committee meetings. However, a designated group of the Board that consisted of the Chair, Vice-Chair and Principal along with the Finance Manager, met weekly to monitor cash flow and all financial matters, under FEC supervision.

Search and Remuneration Committee

The Search and Remuneration Committee comprises up to six members, including the Chair and Principal and is quorate at three. The Committee operates in accordance with written terms of reference. The Search Committee met three times in the year. The Committee advises the Council and Governing Executive on the appointment and reappointment of ordinary members of the Governing Executive, considers the results of skills audits and monitors the composition of the Governing Executive to ensure that it is fully representative of the College's students and constituencies.

Statement of Corporate Governance and Internal Control

Corporation performance

Over the 2020-21 academic year, the Governing Executive put in considerable time and effort on behalf of the College to secure its future success. However, the College's deteriorating financial and solvency positions could not be recovered sufficiently to remain independent, and a decision was taken in 2021 to seek a merger, which was achieved on 30 July 2021 with the merger with the University of West London.

Internal control

Scope of responsibility

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

In the year, the Governing Executive delegated the day-to-day responsibility to the Principal, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives, whilst safeguarding the public funds and assets for which he is personally responsible, in accordance with the responsibilities assigned to him in the Financial Memorandum between the College and the funding bodies. He was also responsible for reporting to the Governing Executive any material weaknesses or breakdowns in internal control.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of college policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Ruskin College for the year ended 31 July 2021 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Governing Executive has reviewed the key risks to which the College is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Executive is of the view that there is a formal on-going process for identifying, evaluating and managing the College's significant risks that has been in place for the period ending 31 July 2021 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Governing Executive.

The risk and control framework

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

Statement of Corporate Governance and Internal Control

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

The College had no internal audit service during the financial year 2020-21. The work, outcomes and recommendations have been shared with the Governing Executive and so too have actions plans and progress arising thereon. The analysis of risks, via the risk register has also been shared and endorsed by the Governing Executive on the recommendation of the Finance Manager and Principal. The executive management team has shared at regular intervals the very latest assessment of risk.

Review of effectiveness

In the year, as Accounting Officer, the Principal had responsibility for reviewing the effectiveness of the system of internal control. His review of the effectiveness of the system of internal control was informed by:

- the work of consultants and advisors, including Senior Interim Managers
- the work of the executive managers within the College who have responsibility for the development and maintenance of the internal control framework
- comments made by the College's financial statements auditors and the reporting accountant 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 system of internal control by other members of the Finance group, which oversaw the work of the auditors and other sources of assurance.

Due to the circumstances surrounding the College, Ruskin struggled to recruit Governors. As a result of the resignation of a Committee member, the Audit Committee was no longer quorate. Therefore, there were no Audit Committee meetings in the year. The Finance Committee was superseded by a designated group of the Board, that consisted of the Chair, Vice-Chair and Principal along with the Finance Manager, which monitored cash flow and all financial matters, under FEC supervision. This meant that senior stakeholders were closer to the operations of the internal control systems.

It is also worth noting that as the College had a Financial Notice to Improve imposed by the ESFA, an ESFA manager was present at all formal Committee meetings in a monitoring capacity. From October 2020, it was also required that any significant spend was ratified by the ESFA beforehand.

Due to the above circumstances the College is unable to determine the effectiveness of the system of internal controls for the year as it was more directly managed by the Board representatives and the ESFA.

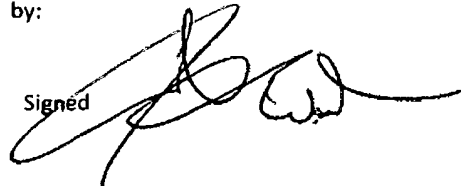
Statement of Corporate Governance and Internal Control

Going concern

The Directors have prepared the financial statements on a going concern basis as the College is now a wholly owned subsidiary of UWL following the merger on 30 July 2021. Following its acquisition of the College, UWL repaid all monies owed to the ESFA on 2 August 2021. UWL will continue to provide working capital to the college to ensure it will meet its financial objectives.

The College sold a property, Stoke House, in February 2021, and has used the disposal proceeds to repay its bank loan in full and provide additional cashflow towards operating activities.

Approved by the members of the Governing Executive on 27 October 2021 and signed on its behalf by:

Signed 

Date

Professor Anthony Woodman

(Governor)

Signed 

Date

Professor Peter John CBE

(Accounting Officer)

Governing Body's statement on the College's regularity, propriety and compliance with Funding body terms and conditions of funding

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

After due enquiry and the outcome of the ESFA funding audit and review, material irregular and improper use of funds by the College was identified, as well as some material non-compliance with the terms and conditions of funding under the College's grant funding agreements and contracts with the ESFA. Instances of material irregularity, impropriety or funding non-compliance were discovered as a result of the ESFA funding audit. Once made aware, the College fully co-operated with the Education and Skills Funding Agency. Outstanding monies owed to the ESFA were repaid in full by the University of West London on completion of the acquisition.

Approved by the members of the Governing Executive on 27 October 2021 and signed on its behalf by:

Signed 

Date

Professor Anthony Woodman

(Governor)

Signed 

Date

Professor Peter John CBE

(Accounting Officer)

Statement of responsibilities of the members of the Corporation for the year ended 31 July 2021

The members of the Governing Executive who act as trustees for the charitable activities of the College and are also the directors of the college for the purposes of company law are required to present audited financial statements for each financial year.

Company law and the law applicable to charities in England and the terms and conditions of the Financial Memorandum between the Education and Skills Funding Agency and the Corporation of the College, requires the Governing Executive of the college to prepare financial statements and the Directors' and Strategic Reports for each financial year in accordance with the Statement of Recommended Practice – Accounting for Further and Higher Education Institutions the annual Accounts Direction issued by the Education and Skills Funding Agency, and in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) and which give a true and fair view of the state of affairs of the College and of the College's surplus/deficit of income over expenditure for that period.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the College and of the College's surplus/deficit of income over expenditure for that period.

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

- select suitable accounting policies and apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare financial statements on the going concern basis, unless it is inappropriate to assume that the College will continue in operation.


The Governing Executive is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy, at any time, the financial position of the College, and enable them to ensure that the financial statements are prepared in accordance with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, Companies Act 2006 and other relevant accounting standards. They are responsible for taking steps to safeguard the assets of the College and to prevent and detect fraud and other irregularities.

The maintenance and integrity of the College website is the responsibility of the Governing Executive of the College; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially 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 Governing Executive are responsible for ensuring that expenditure and income are applied for the purposes intended by Parliament and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from the Education and Skills Funding Agency are used only in accordance with the Financial Memorandum with the Education and Skills Funding Agency and any other conditions that may be prescribed from time to time. Members of the Governing Executive must ensure that there are appropriate financial and management controls in place in order to safeguard public and other funds and to ensure they are used properly. In addition, members of the Governing Executive are responsible for securing economical, efficient and effective management of the College's resources and expenditure, so that the benefits that should be derived from the application of public funds from the Education and Skills Funding Agency are not put at risk.

Statement of responsibilities of the members of the Corporation for the year ended 31 July 2021

Approved by order of the members of the Corporation on 27 October 2021 and signed on its behalf by:

Signed 

Date

Professor Anthony Woodman

(Governor)

Signed 

Date

Professor Peter John CBE

(Accounting Officer)

Independent Auditor's Report to the Members of Ruskin College

Opinion

We have audited the financial statements of Ruskin College (the 'College') for the year ended 31 July 2021 which comprise the college statement of comprehensive income, the college balance sheet, the college statement of changes in reserves, the college statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the College's affairs as at 31 July 2021 and of the College's deficit of income over expenditure for the year 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 Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the college in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the governor's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the College's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the Annual Report and Financial Statements other than the financial statements and our auditor's report thereon. The governors are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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

Independent Auditor's Report to the Members of Ruskin College

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 Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report and Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

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, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and Department for Education have been applied in accordance with the relevant terms and conditions; and
- the requirements of the Office for Students' accounts direction for the relevant year's financial statements have been met.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Post-16 Audit Code of Practice 2020 to 2021 issued by the Education and Skills Funding Agency requires us to report to you if, in our opinion:

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

We have nothing to report in respect of the following matters where the Office for Students' accounts direction requires us to report to you if:

- the College's grant and fee income, as disclosed in the note to the accounts, has been materially misstated.
- the College's expenditure on access and participation activities for the financial year has been materially misstated.

Independent Auditor's Report to the Members of Ruskin College

Responsibilities of the Governing Body of Ruskin College

As explained more fully in the Statement of responsibilities of the members of Corporation set out on pages 22 to 23 the governors (who act as Trustees for the charitable activities of the College, and are as Directors of the College for the purposes of company law) are responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the governors 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 governors 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 governors either intend to liquidate the College or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

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

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

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

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

Independent Auditor's Report to the Members of Ruskin College

Audit response to risks identified

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- reviewed all transactions listed;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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

- agreeing financial statement disclosures to underlying supporting documentation; and
- enquiring of management as to actual and potential litigation and claims

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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 company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the College's members 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 College's members as a body, for our audit work, for this report, or for the opinions we have formed.

Christopher Mantel

Christopher Mantel (Oct 28, 2021 10:39 GMT+1)

Christopher Mantel (Senior Statutory Auditor)

For and on behalf of Alliotts LLP

Chartered Accountants

Friary Court

13-21 High Street

Guildford

GU1 3DL

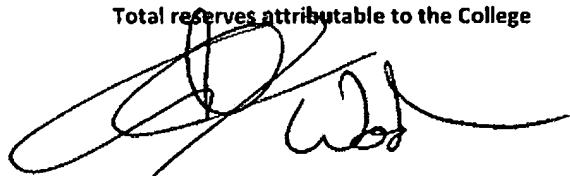
27 October 2021

Statement of Comprehensive Income For the year ended 31 July 2021

		2021	2020
	Notes	£	£
Income			
Funding body grants	3	667,834	1,931,805
Tuition fees and education contracts	4	325,587	896,582
Other income	5	425,940	310,627
Investment income	6	2,759	(512)
Total income		1,422,120	3,138,502
Expenditure			
Staff costs	7	1,651,179	2,127,516
Restructuring costs	7	158,742	-
Other operating expenses	9	1,856,864	2,077,340
Depreciation	12	421,698	424,620
Interest and other finance costs	10	59,338	96,982
Total expenditure		4,147,821	4,726,458
Deficit before other gains and losses		(2,725,701)	(1,587,956)
Gain on disposal of fixed assets	11	1,731,377	-
Gain on investments		-	-
Deficit before taxation		(994,324)	(1,587,956)
Taxation		-	-
Total comprehensive income for the year attributable to the college		(994,324)	(1,587,956)
Represented By:			
Restricted comprehensive Income		-	-
Unrestricted comprehensive income		(994,324)	(1,587,956)
		(994,324)	(1,587,956)

Balance Sheet as at 31 July 2021

		2021	2021	2020	2020
	Notes	£	£	£	£
Fixed assets					
Tangible assets	11		15,823,507		12,524,936
Investments	12		14,360		11,601
			<u>15,837,867</u>		<u>12,536,537</u>
Current assets					
Debtors	13	40,226		50,669	
Cash at bank and in hand		<u>410,924</u>		<u>211,557</u>	
		451,150		262,226	
Creditors: amounts falling due within one year	14	<u>(9,302,057)</u>		<u>(9,062,812)</u>	
Net current liabilities			(8,850,907)		(8,800,586)
Total assets less current liabilities			6,986,960		3,735,951
Creditors: amounts falling due after one year	15		(53,886)		(84,401)
Provisions					
Defined benefit pension scheme	17		(425,490)		(488,534)
Total net assets			<u>6,507,584</u>		<u>3,163,016</u>
Reserves					
Restricted Reserves					
Income and expenditure reserve - endowment reserve			272,936		288,997
Income and expenditure reserve - restricted reserve			156,788		156,007
Unrestricted Reserves					
Income and expenditure reserve			144,518		1,123,562
Revaluation reserve			5,933,342		1,594,450
Total reserves attributable to the College			<u>6,507,584</u>		<u>3,163,016</u>


 Professor Anthony Woodman
 (Governor)

27 October 2021

Statement of changes in reserves

	Income and Expenditure reserve			Revaluation Reserve	Total
	Expendable Endowment	Restricted	Unrestricted	Land & Buildings	
	£	£	£		£
Balance at 1 August 2019 - As restated	288,997	157,537	2,718,130	1,586,308	4,750,972
Income			3,138,502		3,138,502
Expenditure			(4,726,458)		(4,726,458)
Deficit for the year			(1,587,956)		(1,587,956)
Transfers between funds					
Depreciation on revalued assets			2,810	(2,810)	-
Reserve correction			(10,952)	10,952	-
Release of restricted funds spent in year		(1,530)	1,530		-
Total comprehensive income for the year		(1,530)	(1,594,568)	8,142	(1,587,956)
Balance at 31 July 2020	288,997	156,007	1,123,562	1,594,450	3,163,016
Income			1,422,120		1,422,120
Expenditure			(4,147,821)		(4,147,821)
Deficit for the year	-	-	(2,725,701)	-	(2,725,701)
Transfer between funds	749	(749)			
Gain on disposal	-	-	1,731,377		1,731,377
Transfer of permanent endowments	-	-			
Revaluation of assets				4,338,892	4,338,892
Release of restricted funds spent in year	(16,810)	1,530	15,280	-	-
Total comprehensive income for the year	(16,061)	781	(979,044)	4,338,892	3,344,568
Balance at 31 July 2021	272,936	156,788	144,518	5,933,342	6,507,584

Statement of Cash Flows for the year ended 31 July 2021

	Notes	2021 £	2020 £
Net cash from operating activities	19	145,476	(70,966)
Investing activities	20	2,350,000	(9,788)
Financing activities	21	(2,296,109)	(146,886)
Increase/(Decrease) in cash and cash equivalents for the year		199,367	(227,640)
Cash and cash equivalents at the beginning of the year		211,557	439,197
Cash and cash equivalents at the end of the year		410,924	211,557

Notes to the financial statements for the year ended 31 July 2021

1 Accounting policies

General information

Ruskin College ("the College") is a private company limited by guarantee domiciled and incorporated in England & Wales. The College is also a registered charity (number 309701) in England & Wales. The liability of members in the event of a winding up is limited by guarantee to an amount not exceeding £1 per member.

The address of the College's registered office and principal place of operation is Ruskin College, Dunstan Road, Headington, Oxford, OX3 9BZ.

The College's principal activity is that of operating an education establishment and the nature of the College's operations are discussed in the Directors' Report.

Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 ("the 2019 FE HE SORP"), the College Accounts Direction for 2020 to 2021, Regulatory Advice 9: Accounts Direction issued by the Office for Students and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ("FRS 102"). The College is a public benefit entity and therefore has applied the relevant public benefit requirements of FRS 102. The financial statements are prepared in accordance with the historical cost convention, modified to include the revaluation of freehold properties and to include certain financial instruments at fair value.

Monetary amounts in these financial statements are presented in Pounds Sterling, which is also the College's functional currency, rounded to the nearest whole £1.

Going concern

The Directors have prepared the financial statements on a going concern basis as the College has adequate resources to continue in operational existence for the foreseeable future, following the successful merger with the University of West London on 30 July 2021. UWL has confirmed that it would provide continued cash flow facilities to ensure the College is able to meet its liabilities as they fall due for a period of not less than 12 months from the date the financial statements are approved.

The College sold a property, Stoke House, in February 2021, and has used the disposal proceeds to repay its bank loan in full and provide additional cashflow towards operating activities.

1 Accounting policies (continued)

Income recognition

Income from the sale of goods or services is credited to the Statement of Comprehensive Income when the goods or services are supplied to the external customers or the terms of the contract have been satisfied.

Fee income is stated gross of any expenditure which is not a discount and credited to the Statement of Comprehensive Income over the period in which students are studying. Where the amount of the tuition fee is reduced, by a discount for prompt payment, income receivable is shown net of the discount. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income. Investment income is credited to the Statement of Comprehensive Income on a receivable basis.

Funds the College receives and disburses as paying agent on behalf of a funding body are excluded from the Statement of Comprehensive Income where the College is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

Grant funding

Government revenue grants including funding body recurrent grants and other grants are accounted for under the accrual model as permitted by FRS 102. Funding body recurrent grants are measured in line with best estimates for the period of what is receivable and depends on the particular income stream involved. Where part of a government grant is deferred it is recognised as deferred income within creditors and allocated between creditors due within one year and due after more than one year as appropriate.

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

Donations and endowments

Non exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor imposed restrictions are recognised in income when the College is entitled to the funds. Income is retained within the restricted reserve until such time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer.

Donations with no restrictions are recognised in income when the College is entitled to the funds.

Investment income and appreciation of endowments is recorded in income in the year in which it arises and as either restricted or unrestricted income according to the terms other restriction applied to the individual endowment fund.

There are three main types of donations and endowments identified within reserves:

Restricted donations

Notes to the financial statements for the year ended 31 July 2021

The donor has specified that the donation must be used for a particular objective.

Restricted expendable endowments

The donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and the College has the power to use the capital.

Restricted permanent endowment

The donor has provided a permanent capital sum, which would be invested and any income arisen would be used to support the specified spending criteria.

Capital grants

The accounting policy was amended during the year, so that Government capital grants are recognised in income in the year grants are received.

Accounting for retirement benefits

The two principal pension schemes for the College's staff are the Universities Superannuation Scheme (USS) and the University of Oxford Staff Pension Scheme (OSPS). The schemes are defined benefit schemes, which are externally funded and contracted out of the State Second Pension (S2P). Each fund is valued every three years by professionally qualified independent actuaries.

Both schemes are multi-employer schemes and the College is unable to identify its share of the underlying assets and liabilities of each scheme on a consistent and reasonable basis. Therefore, the College accounts for the schemes as if they were defined contribution schemes (see below).

A liability is recorded within provisions for any contractual commitment to fund past deficits within the both schemes.

Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which the College pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

Employment benefits

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

Finance leases

Leases in which the College assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of finance lease and the corresponding lease liabilities are initially recognised at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Notes to the financial statements for the year ended 31 July 2021

Operating leases

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Any lease premiums or incentives are spread over the minimum lease term.

Fixed assets

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 and following a professional valuation of the estates as at 31 July 2021, are measured on the basis of open market value, being the revalued amount at the date of that revaluation. The revaluation was done by professional property services firm Vail Williams on 5 August 2021. The valuers were instructed to prepare a report and valuation of the freehold interest in Ruskin College, Dunstan Road, Headington, Oxford, OX3 9BZ. The valuation was made on the assumption that there are no onerous conditions or restrictions affecting the market value reported. Market value is an appropriate basis for the valuation, as it has been derived through comparators to similar specialist educational institutions specialist buildings.

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

Land and buildings

Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated on a straight line basis over their expected useful lives of 50 years. A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of any fixed asset may not be recoverable.

No depreciation is charged on assets in the course of construction.

Equipment

Equipment, including computers, costing less than £1,000 per individual item is recognised as expenditure. All other equipment is capitalised at cost.

Capitalised equipment is stated at cost and depreciated over its expected useful life as follows:

Fixtures and fittings	12.5% per annum on a straight line basis
Computer equipment	25% per annum on a straight line basis

Borrowing costs

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

Investments

Non current asset investments are held at fair value with movements recognised in the Statement of Comprehensive Income.

Financial assets and liabilities

The College has chosen to adopt section 11 and 12 of FRS 102 in full in respect of instruments. Financial assets and liabilities are recognised when the College becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Notes to the financial statements for the year ended 31 July 2021

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

Cash and cash equivalents

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

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

Provisions and contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:

- (a) the College has a present obligation (legal or constructive) as a result of a past event;
- (b) it is probable that an outflow of economic benefits will be required to settle the obligation; and
- (c) a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

Taxation

The College is an exempt charity within the meaning of Part 3 of the Charities Act 2011. It is therefore a charity within the meaning of Para 1 of schedule 6 to the Finance Act 2010 and accordingly, the College is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act 2010 (CTA 2010) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

The College is registered for Value Added Tax, but is unable to recover any significant element of its input tax.

Reserves

Reserves are classified as restricted or unrestricted. Restricted endowment reserves include balances which, through endowment to the College, are held as a restricted fund.

Other restricted reserves include balances where the donor has designated a specific purpose and therefore the College is restricted in the use of these funds.

Agency arrangements

The College acts as an agent in distributing bursary support funds from the funding bodies. Payments received from the funding bodies and subsequent disbursements to students are excluded from the income and expenditure of the College where the College does not have control of the economic benefit related to the transaction.

2 Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical areas of judgement

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

Lease agreements

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

Critical accounting estimates and assumptions

Tangible fixed assets

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

Pension Scheme provisions

The value of the Pension Scheme provisions depends on a number of factors that are determined 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 19, will impact the carrying amounts of the provisions.

Impairment of fixed assets

The College considers whether tangible fixed assets are impaired. Where an indication of impairment is identified the estimation of the recoverable amount of the asset or the recoverable amount of the cash-generating unit is required. These will require an estimation of the future cash flow and selection of an appropriate discount rates in order to calculate the net present value of those cash flows.

Notes to the financial statements for the year ended 31 July 2021

3a	Funding body grants	2021	2020
		£	£
	Recurrent grant - ESFA Adult	582,143	1,741,729
	Student Support Funds - ESFA	6,024	47,399
	OfS Provision	25,781	65,420
	Release of deferred capital grants	53,886	77,257
		<u>667,834</u>	<u>1,931,805</u>
3b	Total grant and fee income	2021	2020
		£	£
	Grant income from the OfS	25,781	65,420
	Grant income from other bodies	642,053	1,866,385
	Total grants	<u>667,834</u>	<u>1,931,805</u>
	Fee income for taught awards	135,000	552,335
	Fee income for research awards	-	-
	Fee income from non-qualifying courses	190,587	344,247
	Total tuition fees and education contracts	<u>325,587</u>	<u>896,582</u>
	Total grant and fee income	<u>993,421</u>	<u>2,828,387</u>
4	Tuition fees and education contracts	2021	2020
		£	£
	Full-time home and EU students	172,790	618,215
	Other contracts	152,797	278,367
		<u>325,587</u>	<u>896,582</u>
5	Other income	2021	2020
		£	£
	Residences, catering and conferences	416,836	301,964
	Other income	9,104	8,663
		<u>425,940</u>	<u>310,627</u>
6	Investment income	2021	2020
		£	£
	Investment income	2,759	(512)
	Bank interest receivable	-	-
		<u>2,759</u>	<u>(512)</u>

Notes to the financial statements for the year ended 31 July 2021

7 Staff costs

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

	2021 Number of employees	2020 Number of employees
Teaching staff	16	14
Non-teaching staff	26	22
	42	36
VT Full time equivalent	5	8
Total	47	44

	2021 £	2020 £
Staff costs for the above persons:		
Wages and salaries	1,204,082	1,242,939
Social security costs	132,287	155,656
Other pension costs	166,170	338,607
Restructuring costs - non contractual	158,742	-
Payroll sub total	1,661,281	1,737,202
Contracted out staffing services	148,640	390,314
Total Staff Costs	1,809,921	2,127,516

The College does not remunerate any of its staff using salary sacrifice arrangements. All restructuring costs are approved by the College Remuneration Committee.

8 Key management personnel compensation

The number of key management personnel and other staff who received emoluments, excluding pension contributions but including benefits in kind, in the following groups was:

	2021 Number	2020 Number
£5,001 to £10,000	2	-
£10,001 to £15,000	-	1
£15,001 to £20,000	-	1
£20,001 to £25,000	1	-
£25,001 to £30,000	-	1
£30,001 to £35,000	-	-
£35,001 to £40,000	1	-
£40,001 to £45,000	2	2
£50,001 to £55,000	-	-
£85,001 to £90,000	1	1

Notes to the financial statements for the year ended 31 July 2021

Total	7	6
8 Key management personnel compensation (continued)		
	2021	2020
	£	£
Salaries	238,927	231,586
National Insurance contributions	27,624	26,678
	266,551	258,264
Pension contributions	39,499	41,512
Total emoluments	306,050	299,776

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

Compensation payable from 1 August 2020 until 31 July 2021

	2021	2020
	£	£
Salary	87,893	87,893
National Insurance contributions	10,914	10,931
	98,807	98,824
Pension contributions	18,545	18,311
Total	117,352	117,135

The remuneration package of key management staff, including the Principal, is subject to annual review by the Remuneration committee. The Principal reports to the Chair who undertakes an annual review of his performance.

Relationship of Principal/Chief Executive pay and remuneration expressed as a multiple	2021	2020
Principal and CEO's basic remuneration as a multiple of the median of all staff	3.07	2.54
Principal and CEO's total remuneration as a multiple of the median of all staff	3.38	2.70

The median salary of staff was calculated based on the total pay costs plus on costs of permanent staff, divided by the average number of full time equivalent permanent members of staff.

Notes to the financial statements for the year ended 31 July 2021

Compensation for loss of office paid to former key management personnel

Compensation was agreed with the former post-holder following the College's successful merger with UWL.

	2021	2020
	£	£
Compensation paid to the former post-holder	69,505	-
Estimated value of other benefits, including provisions for pension benefits	4,636	-
Total	74,141	-

Governor Remuneration

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

During the year nil (2020: 2) governors with total expenses of nil (2020: £2,863) were paid to or on their behalf in respect of travel and other out of pocket expenses incurred in the course of their duties.

9 Analysis of total expenditure by activity

	2021	2020
	£	£
Teaching costs	518,794	772,222
Non teaching costs	987,907	804,218
Premises costs	350,163	500,900
	<u>1,856,864</u>	<u>2,077,340</u>
Deficit before taxation is stated after charging:		
Financial statements audit	37,773	46,703
Operating lease rentals	29,320	34,626
Depreciation	421,698	424,620
Amortisation	0	7,665

10 Interest and other finance costs

	2021	2020
	£	£
Loan interest	59,338	91,418
Net charge on pension schemes	0	5,564

Notes to the financial statements for the year ended 31 July 2021

	<u>59,338</u>	<u>96,982</u>
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11 Tangible fixed assets

	Freehold land and buildings £	Computer equipment £	Fixtures and fittings £	Total £
Cost				
At 1 August 2020	15,786,515	524,039	350,534	16,661,088
Additions	-	-	-	-
Revaluation	1,200,223			1,200,223
Disposals	(1,196,738)	-	-	(1,196,738)
At 31 July 2021	<u>15,790,000</u>	<u>524,039</u>	<u>350,534</u>	<u>16,664,573</u>
Depreciation				
At 1 August 2020	3,357,711	476,195	302,246	4,136,152
Charge for year	359,073	19,018	43,607	421,698
Disposal	(578,115)			(578,115)
Revaluation	(3,138,669)			(3,138,669)
At 31 July 2021	<u>-</u>	<u>495,213</u>	<u>345,853</u>	<u>841,066</u>
Net Book Value				
At 31 July 2021	<u>15,790,000</u>	<u>28,826</u>	<u>4,681</u>	<u>15,823,507</u>
At 31 July 2020	<u>12,428,804</u>	<u>47,844</u>	<u>48,288</u>	<u>12,524,936</u>

Land and buildings were revalued by professional property services firm Vail Williams on 5 August 2021. The valuers were instructed to prepare a report and valuation of the freehold interest in Ruskin College, Dunstan Road, Headington, Oxford, OX3 9BZ on a market value basis. This is an appropriate basis as it has been derived through comparitors to similar specialist educational institutions specialist buildings.

The College sold Stoke House in February 2021; the cost and NBV were £1,196,738 and £578,115 respectively.

If fixed assets had not been revalued they would have been included at the following historic cost amounts:

	£
Cost	7,600,327
Aggregate depreciation based on cost	(1,512,624)
Net book value based on cost	<u>6,087,703</u>

Inherited assets are excluded from above note since these were inherited on incorporation at £nil cost.

Notes to the financial statements for the year ended 31 July 2021

12 Non-current asset Investments

	2021	2020
	£	£
Balance at 1 August	11,601	45,329
Income/(Expenditure)	2,759	(512)
Reanalysis to bank and cash	-	(33,216)
Balance at 31 July	14,360	11,601
Represented by:		
Listed investments	-	-
Long term deposits	14,360	11,601
	14,360	11,601

13 Debtors

	2021	2020
	£	£
Due within one year		
Trade debtors	14,924	49,165
Other debtors	-	1,504
Prepayments and accrued income	25,302	-
	40,226	50,669

14 Creditors: amounts falling due within one year

	2021	2020
	£	£
Bank loan	-	2,236,771
Trade creditors	52,439	235,792
Other creditors	151,275	52,839
Social security and other taxation	163,270	35,323
Amounts owed to the Education Skills Funding Agency	7,746,694	6,169,185
UWL Intercompany Creditor	727,263	-
Deferred capital grants	53,886	77,257
Accruals and deferred income	407,230	255,645
	9,302,057	9,062,812

Notes to the financial statements for the year ended 31 July 2021

15 Creditors: amounts falling due after one year

	2021	2020
	£	£
Deferred capital grants	53,886	84,401
Total	53,886	84,401

16 Analysis of Borrowings of the College

(a) Bank loans

Bank loans are repayable as follows

	2021	2020 As restated
	£	£
In one year or less	-	2,236,771
	-	2,236,771

The Bank loans were at 3.5% above base rate. Repayment by instalments fall due between October 2013 and September 2040. The College repaid the bank loan in full from the proceeds of the disposal of Stoke House in February 2021.

17 Provisions

	Deficit Recovery Plan	Total
	£	£
At 1 August 2020	488,534	488,534
Credited to the statement of comprehensive income	(69,549)	(69,549)
Unwind of discount	6,505	6,505
At 31 July 2021	425,490	425,490

Notes to the financial statements for the year ended 31 July 2021

The defined benefit obligation provision includes balances relating to both the USS and OSPS schemes which are split below (see note 27 for more information):

	2021 £	2020 £
USS Pension	209,391	239,751
OSPS Pension	216,099	248,783
	<u>425,490</u>	<u>488,534</u>

The College has entered into a deficit recovery scheme in respect of both pension schemes. The provision above recognises the management's best estimate of the present value of the College's liabilities under these recovery schemes. The principal assumptions of these calculations are:

	USS		OSPS	
	2021 £	2020 £	2021 £	2020 £
Pensionable pay growth per annum	1.00%	1.00%	1.00%	1.00%
Discount rate	1.40%	1.40%	1.40%	1.40%

18a Funds of the College

	01-Aug-19 £	Income £	Expenditure £	Transfer between funds £	31 July 2020 £
<u>Restricted Reserves</u>					
Andy Robert Hopkins Education Trust	138,422	-	-	-	138,422
<u>Expandable Endowment</u>	299,762	-	-	-	299,762
<u>Restricted Unrestricted Reserves</u>	8,350	-	-	(1,530)	6,820
Income & Expenditure	2,718,130	3,138,502	(4,726,458)	(6,612)	1,123,562
Revaluation Reserve	1,586,308	-	-	8,142	1,594,450

Notes to the financial statements for the year ended 31 July 2021

4,750,972	3,138,502	(4,726,458)	-	3,163,016
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	01-Aug-20	Income	Expenditure	Transfer between funds	31 July 2021
	£	£	£	£	£
<u>Restricted Reserves</u>					
Permanent Endowment					
Andy Robert Hopkins Education Trust	138,422	-	-	-	138,422
Expandable Endowment	299,762	-	-	(16,061)	283,701
Restricted	6,820	-	-	781	7,601
<u>Unrestricted Reserves</u>					
Income & Expenditure Revaluation Reserve	1,123,562	3,153,497	(4,147,821)	15,820	144,518
	1,594,450	4,338,892	-	-	5,933,342
	3,163,016	7,492,389	(4,147,821)	-	6,507,584

Permanent Endowment

The donor has provided a permanent capital sum, which would be invested and any income arisen would be used to support the specified spending criteria.

Expandable Endowment

Donations and Scholarships from individuals and others e.g. unions, to support learners with fees and other hardship.

Restricted

Donations and Scholarships from individuals which provides for specific criteria on how funds are allocated.

Notes to the financial statements for the year ended 31 July 2021

**18b Analysis of net assets
between funds**

	Unrestricted Funds	Restricted Funds: Fixed assets	Total Funds
	£	£	£
Fund balances at 31st July 2021 are represented by:			
Tangible fixed assets	15,823,507	-	15,823,507
Investments	-	14,360	14,360
Current assets	21,426	429,724	451,150
 Creditors falling due within one year	 (9,302,057)	 -	 (9,302,057)
Creditors falling due after one year	(53,886)		(53,886)
Defined benefit pension liability	(425,490)	-	(425,490)
Total net assets	6,063,500	444,084	6,507,584

19 Reconciliation of operating deficit to cash generated from/(used in) operations.

	2021	2020
	£	£
(Deficit) for the year	(994,324)	(1,587,956)
Interest and other finance costs	59,338	91,418
Investment income	(2,759)	512
Gain on disposal of fixed assets	(1,731,377)	-
Depreciation	421,698	424,620
Amortisation	-	7,665
Movement on restricted reserve	(15,280)	-
Transfer to restricted reserve	15,280	-
Movement on pension provisions	(63,044)	91,184
	(2,310,468)	(972,557)
Movements in working capital		
(Increase) / Decrease in debtors	10,443	342,985
Increase / (Decrease) in creditors	2,445,501	525,390
Reanalysis of investments	-	33,216

Notes to the financial statements for the year ended 31 July 2021

Cash generated from/(used in) operations	145,476	(70,966)
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20 Cash flows from investing activities

	2021 £	2020 £
Purchase of tangible assets	-	(9,788)
Investment income	2,350,00	-
Sale of tangible assets	-	-
	<u>2,350,000</u>	<u>(9,788)</u>

21 Cash flows from financing activities

	2021 £	2020 £
Interest paid	(59,338)	(91,418)
Repayment of amounts borrowed	(2,236,771)	(50,299)
Capital element of finance lease payments	-	(5,169)
	<u>(2,296,109)</u>	<u>(146,886)</u>

22 Financial instruments

The carrying amount of the College's financial instruments at 31 July were:

	2021 £	2020 £
<i>Financial assets</i>		
<i>Debt instruments measured at amortised cost</i>		
Debtors per debtor note	40,226	50,669
Less prepayments (not a financial instrument)	-	-
Long term deposits	<u>14,360</u>	<u>11,601</u>
Debt instruments measured at amortised cost	54,586	62,270
Equity instruments measured at fair value through income and expenditure	-	-
Total	<u>54,586</u>	<u>62,270</u>
<i>Financial liabilities</i>		
Debt instruments measured at amortised cost	9,186,993	8,944,552

Notes to the financial statements for the year ended 31 July 2021

Total		<u>9,186,993</u>	<u>8,944,552</u>
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24 Post Balance Sheet Events

The ESFA creditor balance at the year-end was £7.7m which represented funding clawback and other support expenditure. All funds have subsequently been repaid on 2nd August 2021, following the merger with UWL on 30 July 2021.

25 Related party transactions

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

Transactions with funding bodies are detailed in notes 3 and 20.

The balances outstanding with the University of West London as at the year end are as follows:

	£
DfE loan amount	727,027
Interest	236
Total included within ESFA debt	727,263

26 Operating leases

At 31 July 2021 the College had minimum lease payments under non-cancellable operating leases as follows;

	2021 £	2020 £
In one year or less	12,973	15,818
Between two & five years	1,744	14,717
	<u>14,717</u>	<u>30,535</u>

27 Retirement benefits

	USS		OSPS	
	2021	2020	2021	2020
Date of valuation	31/03/ 2017	31/03/ 2017	31/03/2019	31/03/2016

Notes to the financial statements for the year ended 31 July 2021

Value of liabilities	£67,500m	£67,500m	£848m	£661m
Value of assets	£60,000m	£60,000m	£735m	£528m
Funding deficit	(£7,500m)	(£7,500m)	(£113m)	(£133m)
Principal assumptions:				
Rate of interest (pre retirement)	CPI + term dependent margin	CPI + term dependent margin	Pre retirement: Gilts+2.25% p.a. Post retirement: Gilts+0.5% p.a.	Gilts+1.2% p.a.
Retail Prices Index (RPI)	'Break-even'	'Break-even'	'Break-even' RPI-0.3% p.a.	'Break-even' RPI-0.15% p.a.
Consumer Prices Index (CPI)	RPI-1.0%	RPI-1.0%	RPI-1.0% p.a.	RPI-1.0% p.a.
Rate of increase in salaries	CPI + 2%	CPI + 2%	RPI	RPI+1% p.a.
Rate of increase in pensions	CPI	CPI		
Mortality assumptions				
Assumed life expectancy at age 65 (males)	24.5 years	24.5 years	22.5 years	22.5 years
Assumed life expectancy at age 65 (females)	26.0 years	26.0 years	25.1 years	24.8 years

28 Access and Participation

	2021 £	2020 £
Access investment	24,138	41,041
Financial support provided to students	-	430
	24,138	41,471

The Access and Participation expenses detailed above include estimated staff costs. These staff costs are included in Note 8 Staff Costs.

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON REGULARITY TO THE CORPORATION OF RUSKIN COLLEGE AND THE SECRETARY OF FOR EDUCATION ACTING THROUGH THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 22 June 2021 and further to the requirements and conditions of funding in the ESFA's grant funding agreements and contracts, or those of any other public funder, we have carried out an engagement to obtain limited assurance about whether anything has come to our attention that would suggest, in all material respects, the expenditure disbursed and income received by Ruskin College during the period 1 August 2020 to 31 July 2021 have not been applied to the purposes identified by Parliament and the financial transactions do not conform to the authorities which govern them.

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

This report is made solely to the corporation of Ruskin College and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the corporation of Ruskin 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 Ruskin College and the ESFA for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Ruskin College and the reporting accountant

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

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Code. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 August 2020 to 31 July 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

Accordingly, we do not express a positive opinion.

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 our conclusion included:

- Documenting the framework of authorities which govern the activities of the College;
- Undertaking a risk assessment based on our understanding of the general control environment and any weaknesses in internal controls identified by our audit of the financial statements;
- Reviewing the self-assessment questionnaire which supports the representations included in the Chair of Governors and Accounting Officer's statement on regularity, propriety and compliance with the framework authorities;
- Testing transactions with related parties;
- Confirming through enquiry and sample testing that the College has complied with its procurement policies and that these policies comply with delegated authorities; and
- Reviewing any evidence of impropriety resulting from our work and determining whether it was significant enough to be referred to in our regularity report.

This list is not exhaustive and we perform additional procedures designed to provide us with sufficient appropriate evidence to express a limited assurance conclusion on regularity consistent with the requirements of the Code.

Conclusion

In the course of our work, except for the matters 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 2020 to 31 July 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

- The College was unable to demonstrate that it had applied an appropriate framework of financial and budgetary controls, including delegation of authorities, to confirm that all expenses incurred were valid and value for money was achieved.

Alliotts LLP
Alliotts LLP (Oct 28, 2021 10:41 GMT+1)

Alliotts LLP

Date: 27 October 2021